Divi's Laboratories Limited

Date.26th May, 2018

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

Stock Code: DIVISLAB

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

Stock Code: 532488

Dear Sir/ Madam,

Sub: Audited financial results for the year ended 31st March 2018

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

Further to our letter dated 16th May, 2018, we would like to inform that the Board of Directors of the Company at its meeting held on Saturday, 26th May 2018 has approved the Audited Financial Results for the quarter and year ended 31st March, 2018. Board has recommended dividend @ 500% i.e Rs. 10/- per equity share of face value Rs. 2/- each for the financial year 2017-18, subject to approval of the member in the ensuing Annual General Meeting (AGM). The dividend on Equity Shares, shall be credited/ dispatched 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 2018.
2. Audited Consolidated Financial Results for the year ended 31st March 2018.
3. Auditors' Report on the Standalone and Consolidated Financial Results for the year.
4. Declaration regarding Audit Reports with unmodified opinion.
5. Press Release on the Financial Results of the Company.

The Board meeting commenced at 11:15 Hrs and concluded at 14:30 Hrs

This is for your information and records.

Thanking You,
Yours faithfully,
For Divi's Laboratories Limited

Rajani PVL

P.V. Lakshmi Rajani
Company Secretary

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

DIVI'S LABORATORIES LIMITED

STATEMENT OF STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

(₹. in lakhs)

	Particulars	Quarter ended			Year ended	
		31.03.2018	31.12.2017	31.03.2017	**31.03.2018**	31.03.2017
		(Audited)*	(Unaudited)	(Audited)*	(Audited)	(Audited)
1	**Revenue from operations**	**108795**	103788	106668	**383723**	406578
2	Other Income	**4817**	1701	2089	**11248**	7594
3	**Total Revenue from Operations (inclusive of excise duty) (1+2)**	**113612**	105489	108757	**394971**	414172
4	**Expenses**					
	a) Cost of materials consumed	**48071**	40853	43620	**152428**	156319
	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	**(7308)**	(15)	(1517)	**(1938)**	(2161)
	d) Employee benefits expense	**12577**	11498	10610	**44627**	49033
	e) Depreciation and amortization expense	**3879**	3739	3144	**14242**	12326
	f) Finance Costs	**(17)**	26	104	**133**	225
	g) Other Expenses	**16805**	18838	17751	**63543**	59607
	Total expenses	**74007**	74939	73712	**273035**	275349
5	**Profit before exceptional Items and tax (3-4)**	**39605**	30550	35045	**121936**	138823
6	Exceptional items	**0**	0	0	**0**	0
7	**Profit before Tax (5-6)**	**39605**	30550	35045	**121936**	138823
8	Tax Expense					
	a) Current Tax	**12261**	6081	4752	**28713**	28523
	b) Deferred Tax	**1184**	2003	4364	**6265**	4973
	Total Tax Expense	**13445**	8084	9116	**34978**	33496
9	**Net Profit for the period (7-8)**	**26160**	22466	25929	**86958**	105327
10	Other Comprehensive Income: a) Items that will not be reclassified to Profit or Loss b) Items that will be reclassified to Profit or Loss	**233**	(47)	(25)	**94**	(185)
	Current tax relating to OCI	**(55)**	10	45	**(27)**	45
	Total other comprehensive Income	**178**	(37)	20	**67**	(140)
11	Total comprehensive Income for the period (9+10)	**26338**	22429	25949	**87025**	105187
12	Paid-up Equity Share Capital (Face Value: Rs.2 per share)	**5309**	5309	5309	**5309**	5309
13	Other Equity				**590656**	535582
14	**Earnings per Share (of Rs.2/- each) (not annualized)**					
	a) Basic (Rs.)	**9.85**	8.46	9.77	**32.76**	39.68
	b) Diluted (Rs.)	**9.85**	8.46	9.77	**32.76**	39.68

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

Statement of Assets and Liabilities

(₹. in lakhs)

	Particulars	STANDALONE As At 31.03.2018 Audited	STANDALONE As At 31.03.2017 Audited
A	**ASSETS**		
1	**Non-current assets**		
	Property, plant and equipment	**198933**	**155570**
	Capital work-in-progress	**11976**	**44357**
	Intangible assets	**655**	**325**
	Financial assets		
	a) Investments	**737**	**837**
	b) Loans	**-**	**1856**
	c) Other financial assets	**3885**	**3843**
2	Other non-current assets	**9201**	**10305**
	Sub-total: Non-current assets	**225387**	**217093**
	Current assets		
	Inventories	**128139**	**125576**
	Financial assets		
	a) Investments	**188929**	**163072**
	b) Trade receivables	**111211**	**100289**
	c) Cash and cash equivalents	**417**	**855**
	d) Bank balances other than c) above	**8731**	**5792**
	e) Loans	**1486**	**553**
	f) Other financial assets	**1372**	**1493**
	Other current assets	**15106**	**6285**
	Sub-total: Current assets	**455391**	**403915**
	TOTAL ASSETS	**680778**	**621008**
B	***EQUITY AND LIABILITIES***		
1	***Equity:***		
	Share Capital	**5309**	**5309**
	Other Equity	**590656**	**535582**
	a) Reserves and Surplus		
	Sub-total: Shareholders' funds	**595965**	**540891**
2	**Liabilities:**		
	Non-current liabilities		
	Financial liabilities		
	a) Borrowings	**--**	**--**
	Provisions	**1495**	**1530**
	Deferred tax liabilities (net)	**19269**	**13003**
	Sub-total: Non-current liabilities	**20764**	**14533**
	Current Liabilities		
	Financial liabilities		
3	a) Borrowings	**6311**	**3574**
	b) Trade payables	**40565**	**44230**
	c) Other financial liabilities	**12908**	**13722**
	Other current liabilities	**4171**	**3930**
	Provisions	**94**	**128**
	Current tax liabilities (net)	**--**	**--**
	Sub-total: Current liabilities	**64049**	**65584**
	Total Liabilities	**84813**	**80117**
	TOTAL EQUITY AND LIABILITIES	**680778**	**621008**

NOTES:

1. The above audited standalone results for the quarter and year ended 31st March 2018, as reviewed by the Audit Committee, were considered and approved by the Board of Directors at its meeting held on 26th May, 2018 and the same have been audited by the Statutory auditors in compliance with regulation 33 of SEBI (Listing of Obligation and Disclosure Requirement) Regulation 2015. The Statutory Auditors report contains no qualification.

DIVI'S LABORATORIES LTD. HYDERABAD-32 CHERUKUPALLI

2. 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.
3. These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. The company's Unit-II at Visakhapatnam was inspected by the US-FDA during September, 2017. This inspection was for full cGMP and verification of all corrective actions proposed against the previous Inspection observations. All previous observations have been confirmed as completed and resolved. Subsequently, the US-FDA has issued Establishment Inspection Report (EIR) for the Unit-II as a closure of the audit.
5. The company's Unit-I at Choutuppal, Telangana State has also been inspected by the US-FDA during May 2018. This was a general cGMP inspection by the FDA and the inspection was concluded without any observations.
6. Results for the previous 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)

	Quarter ended			Year Ended	
	31.03.2018	31.12.2017	31.03.2017	**31.03.2018**	31.03.2017
	(Audited)*	(Unaudited)	(Audited)*	(Audited)	(Audited)
Forex gain/(loss)	**2297**	(1597)	(2904)	**2460**	(3910)

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

8. *Figures for the quarter ended 31.03.2018 and corresponding quarter ended 31.03.2017 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.
9. 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.
10. Post implementation of Goods and Service Tax (GST) effective from 1st July, 2017, revenue is reported net of GST as per Ind AS 18. Revenue, however, is reported inclusive of excise duty for the current and previous periods. Had the previously reported revenue been shown net of excise duty, comparative revenue of the company would have been as under:

(₹. in lakhs)

Particulars	Quarter ended			Year Ended	
	31.03.2018	31.12.2017	31.03.2017	**31.03.2018**	31.03.2017
	(Audited)*	(Unaudited)	(Audited)*	(Audited)	(Audited)
Revenue from operations (net of excise duty)	**108795**	103788	105502	**381735**	**402385**

11. Figures for the previous year/period have been reclassified/ regrouped wherever necessary to conform to current year's classification.

for Divi's Laboratories Limited

Place: Hyderabad
Date: 26-05-2018

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

Dr. Murali K. Divi
Chairman & Managing Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DIVI'S LABORATORIES LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of **Divi's Laboratories Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates

made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 26, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

Price Waterhouse Chartered Accountants LLP
LLP IN AAC-5001
FRN 012754N/N500016
Hyderabad

Price Waterhouse Chartered Accountants LLP

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 40;

ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The company did not have any derivative contracts as at March 31, 2018.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number: 55000

Place: Hyderabad
Date: May 26, 2018

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Divi's Laboratories Limited on the standalone financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Divi's Laboratories Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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FRN 012754N/N500016
Hyderabad

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Divi's Laboratories Limited on the standalone financial statements for the year ended March 31, 2018

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number: 55000

Place: Hyderabad
Date: May 26, 2018

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report
Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Divi's Laboratories Limited on the standalone financial statements as of and for the year ended March 31, 2018

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax and value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, duty of customs and duty of excise as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

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Hyderabad

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report
Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Divi's Laboratories Limited on the standalone financial statements for the year ended March 31, 2018

Name of the Statue	Nature of Dues	Disputed Amount (Rs.)	Amount deposited (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Penalty	30,000	-	August, 2005	Customs, Excise and Service Tax Appellate Tribunal, South Zonal Bench, Bangalore.
Customs Act, 1962	Penalty	1,000,000	-	January, 2007	Customs, Excise and Service Tax Appellate Tribunal, South Zonal Bench, Chennai.
Customs Act, 1962	Penalty	15,148,315	-	June, 2006 to December, 2008	Customs, Excise and Service Tax Appellate Tribunal, South Zonal Bench, Bangalore.
Customs Act, 1962	Custom duty and Penalty	3,669,894	-	March, 2012	Customs, Excise and Service Tax Appellate Tribunal, South Zonal Bench, Bangalore.
Customs Act, 1962	Custom duty and Penalty	6,314,711	-	November, 2012	Customs, Excise and Service Tax Appellate Tribunal, South Zonal Bench, Bangalore.
Customs Act, 1962	Penalty	859,631	-	June,2009 to March, 2010	Customs, Excise and Service Tax Appellate Tribunal, South Zonal Bench, Bangalore.
Customs Act, 1962	Custom duty	5,460,816	5,460,816	May, 2014 to February, 2018	The commissioner fo customs (Appeals)
Central Excise Act, 1944	Penalty	24,408,690	-	September, 2006 to December, 2008	Customs, Excise and Service Tax Appellate Tribunal, South Zonal Bench, Bangalore.
Central Excise Act, 1944	Penalty	937,500	-	July,2009 to March, 2010	Customs, Excise and Service Tax Appellate Tribunal, South Zonal Bench, Bangalore.
Central Excise Act, 1944	Excise duty and Penalty	1,942,840	97,142	May,2011 to December, 2011	Excise, Customs and Service Tax (Appeals), Vishakapatnam.
Central Excise Act, 1944	Excise duty and Penalty	1,391,965	94,910	December, 2013 to September, 2014	Commissioner of Central Excise, Customs & Service Tax, Vishakapatnam.
Central Excise Act, 1944	Excise duty and Penalty	332,501	25,000	October, 2014 to September, 2015	Commissioner of Customs, (Appeals) Custom House, Port Area, Vishakapatnam.
Central Excise Act, 1944	Excise duty and Penalty	92,722	6,328	August, 2013	Commissioner of Customs, (Appeals) Custom House, Port Area, Vishakapatnam.
Central Excise Act, 1944	Excise duty and Penalty	59,469	4,055	September, 2013 to October, 2013	Commissioner of Customs, (Appeals) Custom House, Port Area, Vishakapatnam.
Central Excise Act, 1944	Service tax and Penalty	3,506,524	263,000	April, 2012 to March, 2013	Assistant Registrar, The Customs, Excise & Service Tax Appellate Tribunal, Khairatabad
Central Excise Act, 1944	Service tax and Penalty	4,518,106	376,522	April, 2010 to March, 2011	Commissioner (Appeal-III), Customs, Central Excise & Service Tax, Hyderabad.
Entry of Goods in to Local areas Act, 2001	Entry Tax	4,630,657	820,083	2004-05 to 2016-17	Sales Tax appellate tribunal, Hyderabad
Income Tax Act, 1961	Interest	40,512	-	2005-06	Additional Commissioner of Income Tax, Range-I, Hyderabad.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

Annexure B to Independent Auditors' Report
Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Divi's Laboratories Limited on the standalone financial statements for the year ended March 31, 2018

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014/ Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number: 55000

Place: Hyderabad
Date: May 26, 2018

DIVI'S LABORATORIES LIMITED

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

(₹. in lakhs)

	Particulars	Year ended	
		31.03.2018	31.03.2017
		(Audited)	(Audited)
1	**Revenue from operations (inclusive of excise duty)**	**391278**	410626
2	Other Income	**11344**	7489
3	**Total Revenue from Operations (1+2)**	**402622**	418115
4	**Expenses**		
	a) Cost of materials consumed	**152857**	157275
	b) Purchases of stock-in-trade	**216**	207
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	**333**	(4082)
	d) Employee benefits expense	**45606**	49990
	e) Depreciation and amortization expense	**14249**	12333
	f) Finance Costs	**133**	225
	g) Other Expenses	**66095**	62633
	Total expenses	**279489**	278581
5	**Profit before exceptional Items and tax (3-4)**	**123133**	139534
6	Exceptional items	0	0
7	**Profit before Tax (5-6)**	**123133**	139534
8	Tax Expense		
	c) Current Tax	**28983**	28523
	d) Deferred Tax	**6449**	4969
	Total Tax Expense	**35432**	33492
9	**Net Profit for the period (7-8)**	**87701**	106042
10	Other Comprehensive Income:		
	a) Items that will not be reclassified to Profit or Loss		
	- Remeasurement of post-employment benefit obligations	**94**	(185)
	b) Items that will be reclassified to Profit or Loss		
	Exchange differences in translating the financial statements of a foreign operation	**923**	507
	Current tax relating to OCI	**(27)**	45
	Other comprehensive Income after tax for the year	**990**	367
11	Total comprehensive Income for the period (9-10)	**88691**	106409
12	Paid-up Equity Share Capital (Face Value: Rs.2 per share)	**5309**	5309
13	Other Equity	**587171**	530430
14	**Earnings per Share (of Rs.2/- each) (not annualized)**		
	a) Basic (Rs.)	**33.04**	39.95
	b) Diluted (Rs.)	**33.04**	39.95

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

Statement of Assets and Liabilities

(₹. in lakhs)

	Particulars	CONSOLIDATED As At 31.03.2018 Audited	CONSOLIDATED As At 31.03.2017 Audited
A	**ASSETS**		
1	**Non-current assets**		
	Property, plant and equipment	**198964**	155593
	Capital work-in-progress	**11976**	44357
	Intangible assets	**655**	326
	Financial assets		
	a) Investments	**1**	1
	b) Other financial assets	**3903**	3862
	Deferred tax asset	**103**	356
	Other non-current assets	**9201**	10307
	Sub-total: Non-current assets	**224803**	214802
2	**Current assets**		
	Inventories	**135067**	131991
	Financial assets		
	a) Investments	**188928**	163072
	b) Trade receivables	**101436**	90092
	c) Cash and cash equivalents	**2515**	2079
	d) Bank balances other than c) above	**8731**	5791
	e) Loans	**17**	27
	f) Other financial assets	**1373**	1492
	Other current assets	**15445**	6507
	Sub-total: Current assets	**453512**	401051
	TOTAL ASSETS	**678315**	615853
B	***EQUITY AND LIABILITIES***		
1	***Equity:***		
	Share Capital	**5309**	5309
	Other Equity	**587171**	530430
	Sub-total: Shareholders' funds	**592480**	535739
2	**Liabilities:**		
	Non-current liabilities		
	Financial liabilities		
	a) Borrowings	**-**	-
	Provisions	**1495**	1530
	Deferred tax liabilities (net)	**19268**	12639
	Sub-total: Non-current liabilities	**20763**	14169
3	**Current Liabilities**		
	Financial liabilities		
	a) Borrowings	**6311**	3574
	b) Trade payables	**41121**	44580
	c) Other financial liabilities	**12908**	13722
	Other current liabilities	**4638**	3941
	Provisions	**94**	128
	Current tax liabilities (net)	**--**	--
	Sub-total: Current liabilities	**65072**	65945
	Total Liabilities	**85835**	80114
	TOTAL EQUITY AND LIABILITIES	**678315**	615853

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

NOTES:

1. The above audited Consolidated results for the quarter and year ended 31st March 2018, as reviewed by the Audit Committee, were considered and approved by the Board of Directors at its meeting held on 26th May, 2018 and the same have been audited by the Statutory auditors in compliance with regulation 33 of SEBI (Listing of Obligation and Disclosure Requirement) Regulation 2015. The Statutory Auditors report contains no qualification.
2. The consolidated results include the audited financial results of the subsidiaries Divis Laboratories (USA) Inc and Divi's Laboratories Europe AG.
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 financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. The company's Unit-II at Visakhapatnam was inspected by the US-FDA during September, 2017. This inspection was for full cGMP and verification of all corrective actions proposed against the previous Inspection observations. All previous observations have been confirmed as completed and resolved. Subsquently, the US-FDA has issued Establishment Inspection Report (EIR) for the Unit-II as a closure of the audit.
6. The company's Unit-I at Choutuppal, Telangana State has also been inspected by the US-FDA during May 2018. This was a general cGMP inspection by the FDA and the inspection was concluded without any observations.
7. Results for the previous 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.
8. Details of forex gain/loss are given below: (₹. in lakhs)

Particulars	Year Ended	
	31.03.2018	31.03.2017
	(Audited)	(Audited)
Forex gain/(loss)	**2795**	**(3966)**

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

9. Post implementation of Goods and Service Tax (GST) effective from 1st July, 2017, revenue is reported net of GST as per Ind AS 18. Revenue, however, is reported inclusive of excise duty for the current and previous periods. Had the previously reported revenue been shown net of excise duty, comparative revenue of the company would have been as under:

(₹. in lakhs)

	Year Ended	
	31.03.2018	31.03.2017
	(Audited)	(Audited)
Revenue from operations (net of excise duty)	**389291**	**406434**

10. Figures for the previous year/period have been reclassified/ regrouped wherever necessary to conform to current year's classification.

Place: Hyderabad
Date: 26-05-2018

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

Dr. Murali K. Divi
Chairman & Managing Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DIVI'S LABORATORIES LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Divi's Laboratories Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

Price Waterhouse Chartered Accountants LLP, LLPIN AAC-5001, FRN 012754N/N500016, Hyderabad

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. The financial statements of two subsidiaries located outside India, included in the consolidated Ind AS financial statements, which constitute total assets of Rs. 14,610 lakhs and net assets of Rs. 3,485 lakhs in negative as at March 31, 2018, total revenue of Rs. 7,555 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 1,666 lakhs and net cash inflow amounting to Rs. 875 for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

   Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Hyderabad

9. The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 26, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by Section143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

    (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, including relevant records relating to the preparation of the consolidated Ind AS financial statements.

    (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) As there are no subsidiaries incorporated in India, this report does not contain a separate report on the internal financial controls over financial reporting of the Group under Clause (i) of Sub-section 3 of Section 143 of the Act.

    (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group– Refer Note 39 to the consolidated Ind AS financial statements.

        ii. The Group had long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The group did not have any derivative contracts as at March 31, 2018.

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-8001
FRN 012754N/N500016
Hyderabad

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sunit Kumar Basu
Partner
Membership Number: 55000

Place: Hyderabad
Date: May 26, 2018

Divi's Laboratories Limited

Date: 26th May 2018

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

Stock Code: DIVISLAB

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

Stock Code: 532488

Dear Sir,

Sub: Declaration regarding Audit Reports with unmodified opinion

Ref: Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015

With reference to the above, we hereby declare that the Statutory Auditors of the Company, have issued Audit Reports with Unmodified Opinion on the Audited Standalone and Consolidated Financial results for the year ended 31st March 2018.

This is for your information and records.

Thanking You,

Yours faithfully,
For Divi's Laboratories Limited

L. Kishore Babu
Chief Financial Officer

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

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, 2018

Divi's Labs earns a Revenue of ₹. 4026 crores for FY18 on consolidated basis.

Consolidated for the year

For the year, Divi's Laboratories has earned a consolidated total revenue of ₹. 4026 crores for the financial year 2017-18 as against ₹. 4181 crores during the previous year.

PBT for the current year came to Rs. 1231 crores as against a PBT of ₹. 1395 crores for the previous year. PAT for the year is Rs. 877 crores as against a PAT of ₹. 1060 crores for the last year.

Revenue for the current year was impacted due to the Import Alert issued by US-FDA, which has since been resolved. Other Expenses include Legal & Professional Fee paid to attorneys, regulatory consultants and subject-matter specialists for remediation of the deficiencies observed and resolution of the Import Alert/warning letter issued by US-FDA.

Standalone Results

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

₹. in crores

Particulars	For the Quarter		For the year	
	31-03-18	31-03-17	**31-03-18**	31-03-17
Total Revenue	**1136**	1088	**3950**	4142
PBT	**396**	350	**1219**	1388
PAT	**262**	259	**870**	1053

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

Forex Gain/(loss)

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

₹. in crores

Particulars	For the Quarter ended		For the year ended	
	31-03-18	31-03-17	**31-03-18**	31-03-17
Forex gain/(loss)	**23**	(29)	**25**	(39)

Dividend

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

Capex:

During the year, the company has capitalized Fixed Assets amounted to ₹. 586 crores. An amount of ₹. 120 crores is carried forward as Capital WIP at the end of the year for the Capital Works under execution.

Update on Regulatory inspections

The company's Unit-II at Visakhapatnam was inspected by the US-FDA during September 2017. This inspection was for full cGMP and verification of all Corrective Actions proposed against the previous Inspection observations. All previous observations were confirmed as completed and resolved. US-FDA issued Establishment Inspection Report (EIR) as a closure of the audit. Unit-II was also inspected by HPRA (Ireland) and JAZMP (Slovenia) during July-August, 2017 and the inspection concluded successfully with no critical observations.

The company's Unit-I at Choutuppal, Telangana State has also been inspected by the US-FDA during May 2018. This was a general cGMP inspection by the FDA and the inspection was concluded without any observations.