Divi's Laboratories Limited

Date. 27th October 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: Un-audited financial results for the quarter and half-year ended 30th September 2018 and limited review report –reg
Ref: Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Further to our letter dated 19th October, 2018, we would like to inform that the Board of Directors of the Company at its meeting held on Saturday, 27th October 2018 has approved Un-audited Financial Results for the quarter and half-year ended 30th September, 2018.

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

1. Un-audited Standalone Financial Results for the quarter and half-year ended 30th September 2018.
2. Limited Review Report on the Standalone Financial Results
3. Press Release on the Financial Results of the Company

The Board meeting commenced at 10:30 Hrs and concluded at 13:15 Hrs

This is for your information and records.

Thanking You,

Yours faithfully,
For Divi's Laboratories Limited

P V Lakshmi Rajani
Company Secretary

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

DIVI'S LABORATORIES LIMITED

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2018

(₹. in Lakhs)

	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2018	30.06.2018	30.09.2017	**30.09.2018**	30.09.2017	31.03.2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Revenue from operations**	**128500**	99531	89020	**228031**	171140	383723
2	Other Income	**8005**	4879	3359	**12884**	6327	11248
3	**Total Revenue from Operations (1+2)**	**136505**	104410	92379	**240915**	177467	394971
4	**Expenses**						
	a) Cost of materials consumed	**55563**	39767	31352	**95330**	63504	152428
	b) Purchases of stock-in-trade	-	-	-	-	-	-
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(8239)**	(1623)	4378	**(9862)**	5385	(1938)
	d) Employee benefits expense	**13466**	12133	10482	**25599**	20552	44627
	e) Depreciation and amortization expense	**4239**	4160	3393	**8399**	6624	14242
	f) Finance Costs	**24**	64	75	**88**	124	133
	g) Other Expenses	**16297**	14068	15088	**30365**	29497	63543
	Total expenses	**81350**	68569	64768	**149919**	125686	273035
5	**Profit before exceptional Items and tax (3-4)**	**55155**	35841	27611	**90996**	51781	121936
6	Exceptional items	-	-	-	-	-	-
7	**Profit before Tax (5-6)**	**55155**	35841	27611	**90996**	51781	121936
8	Tax Expense						
	a) Current Tax	**14761**	8566	5544	**23327**	10371	28713
	b) Deferred Tax	**629**	659	1389	**1288**	3078	6265
	Total Tax Expense	**15390**	9225	6933	**24615**	13449	34978
9	**Net Profit for the period (7-8)**	**39765**	26616	20678	**66381**	38332	86958
10	Other Comprehensive Income: Items that will not be reclassified to Profit or Loss: - Remeasurement of post-employment benefit obligation	**23**	24	(46)	47	(92)	94
	Current tax relating to OCI	**(6)**	(7)	8	**(13)**	18	(27)
	Total other comprehensive Income	**17**	17	(38)	**34**	(74)	67
11	**Total comprehensive Income for the period (9+10)**	**39782**	26633	20640	**66415**	38258	87025
12	Paid-up Equity Share Capital (Face Value: ₹..2 per share)	5309	5309	5309	5309	5309	5309
13	Other Equity						590656
14	**Earnings per Share (of ₹. 2/- each) (not annualized)**						
	a) Basic	**14.98**	10.03	7.79	**25.01**	14.44	32.76
	b) Diluted	**14.98**	10.03	7.79	**25.01**	14.44	32.76

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

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

Standalone Statement of Assets and Liabilities:

(₹. in Lakhs)

S.No.	Particulars	As At	
		30.09.2018	31.03.2018
		Unaudited	Audited
A	**ASSETS**		
1	**Non-current assets**		
	Property, plant and equipment	**199070**	198933
	Capital work-in-progress	**24359**	11976
	Intangible assets	**530**	655
	Financial assets		
	a) Investments	**737**	737
	b) Loans	**-**	-
	c) Other financial assets	**3931**	3885
	d) Other non-current assets	**8226**	9201
	Sub-total: Non-current assets	**236853**	225387
2	**Current assets**		
	Inventories	**150157**	128139
	Financial assets		
	a) Investments	**187405**	188929
	b) Trade receivables	**130412**	111211
	c) Cash and cash equivalents	**453**	417
	d) Bank balances other than c) above	**8739**	8731
	e) Loans	**9**	1486
	f) Other financial assets	**562**	1372
	g) Other current assets	**15860**	15106
	Sub-total: Current assets	**493597**	455391
	TOTAL ASSETS	**730450**	680778
B	***EQUITY AND LIABILITIES***		
1	***Equity:***		
	Share Capital	**5309**	5309
	Other Equity		
	a) Reserves and Surplus	**625067**	590656
	Sub-total: Shareholders' funds	**630376**	595965
	Liabilities:		
2	**Non-current liabilities**		
	Financial liabilities		
	a) Borrowings	**--**	--
	b) Provisions	**1640**	1495
	c) Deferred tax liabilities (net)	**20556**	19269
	Sub-total: Non-current liabilities	**22196**	20764
3	**Current Liabilities**		
	Financial liabilities		
	a) Borrowings	**1510**	6311
	b) Trade payables	**53623**	40565
	c) Other financial liabilities	**18868**	12908
	d) Other current liabilities	**3801**	4171
	e) Provisions	**76**	94
	Sub-total: Current liabilities	**77878**	64049
	Total Liabilities	**100074**	84813
	TOTAL EQUITY AND LIABILITIES	**730450**	680778

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

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

NOTES:

1. The above results, as reviewed by the Audit Committee, were considered and approved by the Board of Directors at its meeting held on 27th October, 2018.
2. Results for the quarter and period ended 30th September 2018 were subjected to 'limited review' 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 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. As per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has opted to publish quarterly unaudited standalone results and to publish consolidated results at the year end.
6. The Ministry of Corporate Affairs (MCA) on 28th March 2018 notified Ind AS 115 "Revenue from contracts with customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new Standard is effective for reporting periods beginning on or after 1st April 2018. The adoption of the standard did not have any material impact to the financial results of the company.
7. 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 a part of the period ended 30th September, 2017. Had the previously reported revenue been shown net of excise duty, comparative revenue of the company would have been as under:

(₹. in Lakhs)

	Quarter ended			Half Year ended		Year ended
	30.09.2018	30.06.2018	30.09.2017	**30.09.2018**	30.09.2017	31.03.2018
Revenue from operations (net of excise duty)	**128500**	99531	88752	**228031**	170015	381735

8. Details of forex gain/(loss), grouped under Other Income, are given below:

(₹. in Lakhs)

	Quarter ended			Half Year ended		Year ended
	30.09.2018	30.06.2018	30.09.2017	**30.09.2018**	30.09.2017	31.03.2018
Forex gain/(loss)	**5278**	2669	1059	**7947**	1760	2460

9. As approved by the Members of the company at the 28th Annual General Meeting held on 10th September, 2018, the company has disbursed on 19th September, 2018 a dividend of ₹. 10 per equity share of ₹. 2 each for the year ended 31st March, 2018, aggregating to ₹. 26547 lakhs.
10. Figures for the previous periods/year have been regrouped/reclassified wherever necessary.

for Divi's Laboratories Limited

Dr. Murali K. Divi
Chairman & Managing Director

Place: Hyderabad
Date: 27th October, 2018

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

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

Price Waterhouse Chartered Accountants LLP

The Board of Directors
Divi's Laboratories Limited
Divi Towers, 1-72/23(P)/DIVIS/303,
Cyber Hills, Gachibowli,
Hyderabad- 500 032

1. We have reviewed the unaudited financial results of Divi's Laboratories Limited (the "Company") for the quarter ended September 30, 2018 which are included in the accompanying Statement of Standalone Unaudited financial results for the quarter and half year ended September 30, 2018 and the statement of assets and liabilities as on that date (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.

3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Sunit Kumar Basu
Partner
Membership Number: 55000

Place: Hyderabad
Date: October 27, 2018

Price Waterhouse Chartered Accountants LLP, Plot No. 77/A, 8-2-624/A/1, 3rd Floor, Road No. 10, Banjara Hills Hyderabad - 500 034
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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

DIVI'S LABORATORIES LIMITED

CIN No.L24110TG1990PLC011854
1-72/23(P)/DIVIS/303, Cyber Hills, Gachibowli
Hyderabad – 500 032 Telangana, India
Phone: 91-40-23786300 email: cs@divislabs.com

Press Release dated 27th October, 2018

Divi's Labs earns a PAT of ₹. 398 crores for Q2 of FY19

Operations

Divi's Laboratories has earned a total revenue of ₹. 1365 crores for quarter ended 30th September, 2018 as against a total revenue of ₹. 924 crores in the corresponding quarter of the previous year. Profit after Tax (PAT), before other comprehensive income, for the current quarter came to ₹. 398 crores as against a PAT of ₹. 207 crores for the corresponding quarter of last year.

Forex gain for the quarter amounted to ₹. 53 crores as against a gain of ₹. 11 crores during the corresponding quarter of last year.

For the half-year ended 30th September, 2018, the company earned a total income of ₹. 2409 crores as against a total income of ₹. 1775 crores during the previous half-year. PAT for the current half-year came to ₹. 664 crores as against ₹. 383 crores for the previous half-year. Forex gain for the current half-year amounted to ₹. 79 crores as against a gain of ₹. 18 crores during the corresponding period last year.

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

Capex Plans

In order to cater to the increasing opportunities in generic and big pharma business, the company is taking up two brownfield projects with an aggregate investment of Rs.1200 crores:

- An SEZ Unit at our Unit-2 at Visakhapatnam, named as DCV SEZ Unit, with an investment of ₹. 600 crores. (revised from the estimate of ₹. 400 crores announced at the last General Meeting).
- Another SEZ Project with an investment of ₹. 600 crores in the available land at our Unit-1 in Bhuvangiri-Yadadri (erstwhile Nalgonda) District, Telangana State.

Work has already commenced and the Projects are expected to be completed by end of the year 2019 barring unforeseen circumstances.

The company is also taking up debottlenecking programs at Unit-1 as well as Unit-2 by investing an aggregate amount of Rs.300 crores –which would also create additional capacities for existing products.

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI