



# *Divi's Laboratories Limited*

Date.4<sup>th</sup> February 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: Un-audited financial results for the quarter and nine months ended 31<sup>st</sup> December 2016 and limited review report –reg**

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

Further to our letter dated 23<sup>rd</sup> January 2017, we would like to inform that the Board of Directors of the Company at its meeting held on Saturday, 4<sup>th</sup> February 2017 has approved Un-audited Financial Results for the quarter and nine months ended 31<sup>st</sup> December 2016.


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 nine months ended 31<sup>st</sup> December 2016.
2. Limited Review Report on the Standalone Financial Results
3. Press Release on the Financial Results of the Company

This is for your information and records.

Thanking You,

Yours faithfully,  
**For Divi's Laboratories Limited**

  
P V Lakshmi Rajani  
Company Secretary



**“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.

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

**DIVI'S LABORATORIES LIMITED**

UNAUDITED FINANCIAL RESULTS (STANDALONE)  
FOR THE QUARTER AND NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER, 2016  
PART I (₹. in Lakhs)

Sl No.	Particulars	STANDALONE (UNAUDITED)				
		Quarter ended			Nine Months ended	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
(1)	(2)	(3)	(4)	(5)	(6)	
<b>1</b>	<b>Income from operations</b>					
	(a) Sales/Income from operations	<b>97344</b>	100307	85865	<b>299159</b>	264106
	(b) Other Operating Income	<b>304</b>	236	110	<b>751</b>	540
	<b>Total Income from operations</b>	<b>97648</b>	100543	85975	<b>299910</b>	264646
<b>2</b>	<b>Expenses</b>					
	a. Cost of materials consumed	<b>34546</b>	41038	33258	<b>112699</b>	110931
	b. Purchases of stock-in-trade	<b>0</b>	0	0	<b>0</b>	0
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	<b>516</b>	(2564)	(1512)	<b>(644)</b>	(8596)
	d. Employee benefits expense	<b>9812</b>	16504	9057	<b>35921</b>	25426
	e. Depreciation and amortization expense	<b>3095</b>	3075	2988	<b>9182</b>	8887
	f. Other Expenses	<b>14694</b>	16444	12824	<b>44358</b>	36757
	Total Expenses	<b>62663</b>	74497	56615	<b>201516</b>	173405
3	Profit from Operations before Other Income, finance costs & Exceptional Items (1-2)	<b>34985</b>	26046	29360	<b>98394</b>	91241
4	Other Income	<b>1847</b>	2027	1423	<b>5505</b>	7859
5	Profit from ordinary activities before finance costs & exceptional Items (3+4)	<b>36832</b>	28073	30783	<b>103899</b>	99100
6	Finance Costs	<b>44</b>	39	23	<b>121</b>	79
7	Profit from ordinary activities after finance costs but before exceptional Items (5-6)	<b>36788</b>	28034	30760	<b>103778</b>	99021
8	Exceptional items	<b>0</b>	0	0	<b>0</b>	0
9	Profit from ordinary activities before Tax (7-8)	<b>36788</b>	28034	30760	<b>103778</b>	99021
10	Tax Expense	<b>9956</b>	5649	6084	<b>24380</b>	20137
11	Net Profit from ordinary activities after Tax (9-10)	<b>26832</b>	22385	24676	<b>79398</b>	78884

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12	Other Comprehensive Income:					
	a) Items that will not be reclassified to Profit or Loss	(30)	(65)	(60)	(160)	(319)
	b) Items that will be reclassified to Profit or Loss	0	0	0	0	0
	Total other comprehensive Income	(30)	(65)	(60)	(160)	(319)
13	Total comprehensive Income for the period (11-12)	26802	22320	24616	79238	78565
14	Paid-up Equity Share Capital (Face Value : ₹.2 per share)	5309	5309	5309	5309	5309
15	Earnings per Share (of ₹. 2/- each) (not annualized):					
	a) Basic	10.11	8.43	9.30	29.91	29.72
	b) Diluted	10.11	8.43	9.30	29.91	29.72

#### NOTES:

- The above results for the quarter ended 31<sup>st</sup> December 2016, as reviewed by the Audit Committee, were considered and approved by the Board of Directors at its meeting held on 4<sup>th</sup> February, 2017.
- Results for the quarter ended 31<sup>st</sup> December 2016 were subjected to 'limited review' by the Auditors and their report contains no qualification.
- Results for the 9-month period includes a one-time ex-gratia paid during the quarter ended 30-09-2016, 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.
- 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 1<sup>st</sup> April, 2016, the Company has, for the first time, adopted Ind AS with a transition date of 1<sup>st</sup> April, 2015.
- The format for un-audited quarterly results as prescribed in SEBI's Circular No.CIR/CFD/CMD/15/2015 dated 30<sup>th</sup> November, 2015 has been modified to comply with requirements of SEBI's Circular dated 5<sup>th</sup> July, 2016, Ind AS Schedule III (Division II) to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- These results do not include Ind AS compliant results for the previous year ended 31<sup>st</sup> March, 2016 as the same is not mandatory as per SEBI's circular dated 5<sup>th</sup> July, 2016.
- Reconciliation of net profit for the corresponding previous quarter and nine months ended 31.12.2015 in accordance with the Indian GAAP to total comprehensive Income in accordance with Ind AS is given below:

(₹. in lakhs)

Particulars	Quarter ended 31.12.2015	Nine Months ended 31.12.2015
Net Profit as per previous GAAP (Indian GAAP)	24656	78547
Ind AS adjustments:		
Effect of measuring non-current investments at fair value through Profit and Loss	(74)	(138)
Actuarial loss on employee defined benefit funds recognised in Other Comprehensive Income	60	319
Others	35	108
Deferred taxes on Ind AS adjustments	(1)	48
Net Profit as per Ind AS	24676	78884
Other Comprehensive Income	(60)	(319)
Total comprehensive Income for the period	24616	78565

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8. 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.
9. 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.
10. Pursuant to SEBI Notification No. NSE/CML/2016/12 dated 20.09.2016, sales reported in the previous periods have been recast to include excise duty.
11. Figures for the previous year/period have been regrouped or recasted, wherever necessary.
12. Details of forex gain/loss and excise duty are given below:

	Quarter ended			(₹. in lakhs) Nine Months ended	
	31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
<b>Forex gain/(loss)</b>	<b>65</b>	<b>(1144)</b>	<b>294</b>	<b>(1006)</b>	<b>3582</b>
<b>Excise duty</b>	<b>1343</b>	<b>1125</b>	<b>689</b>	<b>3379</b>	<b>2052</b>

Forex gain has been included in Other Income. Forex loss and Excise duty have been included in Other Expenses.

for Divi's Laboratories Limited



*Kiran S. Divi*

Kiran S. Divi  
Director & President - Operations

Place: Hyderabad  
Date: 4<sup>th</sup> February, 2017



## INDEPENDENT AUDITOR'S REVIEW REPORT

To  
**The Board of Directors**  
**Divi's Laboratories Limited**

We have reviewed the accompanying statement of unaudited standalone financial results of **Divi's Laboratories Limited** ("the Company") for the quarter ended 31<sup>st</sup> December, 2016 and year to-date results for the period from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> December, 2016 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015").

This 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 these financial statements based on our review.


We conducted our review in accordance with the Standard on Review Engagements (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 financial statements are free of material misstatement. 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulations, 2015 and SEBI Circular dated 5<sup>th</sup> July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to Note 4 to accompanying statement of unaudited standalone financial results which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2016, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.

**HYDERABAD**  
**04.02.2017**

For P.V.R.K. NAGESWARA RAO & Co.,  
Chartered Accountants  
Firm's Registration Number: 0022835

  
**N. ANKA RAO**  
Partner  
Membership Number: 23939



**DIVI'S LABORATORIES LIMITED**  
**Hyderabad**

**PRESS RELEASE dated 4<sup>th</sup> February, 2017**

**Divi's Labs earns a PAT of Rs.268 crores in Q3/FY17**

**Quarter ended 31<sup>st</sup> December, 2016**

Divi's Laboratories has earned a Profit after Tax (PAT) of Rs.268 crores on a total income of Rs.976 crores, on a stand-alone basis, for the quarter ended 31<sup>st</sup> December, 2016. For the corresponding quarter of the last year the company earned a PAT of Rs. 246 crores on a total income of Rs. 860 crores.

Forex gain for the current quarter amounted to Rs.0.65 crores while there was a forex gain of Rs. 3 crores during the corresponding quarter last year.

**9-months ended 31<sup>st</sup> December, 2016**

For the 9-month period ended 31<sup>st</sup> December, 2016, the company earned a total income of Rs.2999 crores as compared to Rs. 2646 crores during the corresponding 9-month period of last year. PBT for the current 9-month period came to Rs.1038 crores as against a PBT of Rs. 990 crores for the previous period. PAT for the current 9-months is Rs.792 crores as against Rs. 786 crores.

Results for the current 9-month period 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.

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

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## Capex:

During the 9-month period, the company has capitalized Assets of Rs.180 crores for creation of additional capacities at the existing manufacturing sites. As at the end of the period, an amount of Rs.400 crores is carried forward as capital expenditure in progress.

## Update on US-FDA inspection

The Company's Unit-II at Visakhapatnam, Andhra Pradesh has had an inspection by the US-FDA from 29th November 2016 to 06th December, 2016. The Company has received Form-483 with 5 observations at the closure of the inspection.

The Company has filed its comprehensive response to the observations of the US-FDA within the stipulated time. Response included commitment of management to eliminate the deficiencies observed and to establish an enhanced culture of compliance across the manufacturing facilities. The company has been engaging external consultants and experts for regulatory compliances.

In respect of the observations made by US-FDA, the company has outlined appropriate remediation measures and is monitoring the effectiveness of the corrective and preventive actions (CAPAs) towards cGMP compliance.

The Company awaits review of its response, by FDA. Divi's Labs has always adopted consistent practices to ensure that its products are safe and meet the applicable standards. The company's quality and regulatory teams continually strive to comply with the cGMP guidelines and are committed to ensure supply of quality products to its customers and partners across the globe.

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