Divi's Laboratories Limited

Date: 29 May, 2021

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: Outcome of Board Meeting- Audited financial results for the quarter and year ended 31 March, 2021
Ref: Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Further to our letter dated 21 May, 2021, we would like to inform that the Board of Directors of the Company at its meeting held on Saturday, 29 May, 2021 has approved the Audited Financial Results for the quarter and year ended 31 March, 2021.

Further, the Board has recommended a dividend of ₹ 20/- (i.e. 1000%) per equity share of face value ₹ 2/- each for the financial year 2020-21, subject to approval of the members at the ensuing 31st Annual General Meeting (AGM). The dividend shall be credited/ warrants thereof dispatched within 30 (thirty) days from the conclusion of the AGM. The AGM date and book closure date for the purpose of the payment of dividend will be announced 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. Statement of Audited Standalone Financial Results for the quarter and year ended 31 March, 2021 and Auditors' Report thereon;
2. Statement of Audited Consolidated Financial Results for the quarter and year ended 31 March, 2021 and Auditors' Report thereon;
3. Declaration regarding Audit Reports with unmodified opinion; and
4. Press Release on the said Financial Results of the Company.

The Board meeting commenced at 10:30 Hrs and concluded at 12: 55 Hrs

This is for your information and records.

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

M. Satish

M. Satish Choudhury
Company Secretary & Compliance Officer

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

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@divislabs.com, Website : www.divislabs.com

DIVI'S LABORATORIES LIMITED

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

(₹ in lakhs)

S. No.	Particulars	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Audited) *	(Unaudited)	(Audited) *	(Audited)	(Audited)
1	**Income:**					
	Revenue from operations	**171839**	165648	137624	**679861**	531057
	Other Income	**2285**	1968	7652	**6253**	18986
	Total Income	**174124**	167616	145276	**686114**	550043
2	**Expenses**					
	a) Cost of materials consumed	**69617**	67423	54224	**236550**	218266
	b) Purchases of stock-in-trade	**-**	-	-	**-**	-
	c) Changes in inventories of finished goods and work-in-progress	**(14647)**	(16137)	(3236)	**(10000)**	(9410)
	d) Employee benefits expense	**21043**	22919	16973	**80868**	60836
	e) Depreciation and amortization expense	**6984**	6795	4954	**25465**	18595
	f) Finance costs	**18**	22	40	**69**	606
	g) Other expenses	**25891**	23598	24799	**90375**	79821
	Total expenses	**108906**	104620	97754	**423327**	368714
3	**Profit before exceptional Items and tax (1-2)**	**65218**	62996	47522	**262787**	181329
4	Exceptional items	**-**	-	-	**-**	-
5	**Profit before Tax (3-4)**	**65218**	62996	47522	**262787**	181329
6	Tax Expense					
	a) Current Tax	**13540**	14276	5309	**60905**	38779
	b) Deferred Tax	**2885**	2596	3033	**6410**	5279
	Total Tax Expense	**16425**	16872	8342	**67315**	44058
7	**Profit for the Period (5-6)**	**48793**	46124	39180	**195472**	137271
8	**Other Comprehensive Income:**					
	a) Items that will not be reclassified to Profit or Loss:					
	(i) Gain / (Loss) on Remeasurement of post-employment benefit obligation	**139**	(38)	(780)	**25**	(680)
	(ii) Income Tax relating to the above	**(49)**	13	185	**(9)**	159
	Total Other comprehensive Income/(Loss) (i+ii)	**90**	(25)	(595)	**16**	(521)
9	**Total comprehensive Income for the period ((7+8)**	**48883**	46099	38585	**195488**	136750
10	Paid-up Equity Share Capital (Face Value: **Rs.2/-** per share)	**5309**	5309	5309	**5309**	5309
11	Other Equity excluding revaluation reserve				**921848**	726360
12	Earnings per Share (of Rs.2/- each) (not annualized)					
	a) Basic (Rs.)	**18.38**	17.37	14.76	**73.63**	51.71
	b) Diluted (Rs.)	**18.38**	17.37	14.76	**73.63**	51.71

DIVI'S LABORATORIES LIMITED

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(₹in lakhs)

	Particulars	As At	
		31.03.2021	31.03.2020
		Audited	Audited
A	**ASSETS**		
1	**Non-current assets**		
	Property, plant and equipment	**369406**	277266
	Capital work-in-progress	**71062**	91969
	Intangible assets	**495**	360
	Financial assets		
	a) Investments	**737**	737
	b) Loans	**5516**	3500
	c) Other financial assets	**145**	-
	Income Tax assets (net)	**6860**	-
	Other non-current assets	**5625**	11462
	Sub-total: Non-current assets	**459846**	385294
2	**Current assets**		
	Inventories	**204270**	174417
	Financial assets		
	a) Investments	**-**	97135
	b) Trade receivables	**174556**	153321
	c) Cash and cash equivalents	**201630**	2788
	d) Bank balances other than (c) above	**12571**	7948
	e) Loans	**-**	9
	f) Other financial assets	**947**	389
	Income Tax assets (net)	**3427**	7905
	Other current assets	**15130**	22205
	Sub-total: Current assets	**612531**	466117
	TOTAL ASSETS	**1072377**	851411
B	**EQUITY AND LIABILITIES**		
1	**Equity:**		
	Share Capital	**5309**	5309
	Other Equity	**921848**	726360
	Sub-total: Shareholders' funds	**927157**	731669
	Liabilities:		
2	**Non-current liabilities**		
	Provisions	**2525**	2052
	Deferred tax liabilities (net)	**33806**	27396
	Sub-total: Non-current liabilities	**36331**	29448
3	**Current Liabilities**		
	Financial liabilities		
	a) Borrowings	**35**	3363
	b) Trade payables:		
	Dues to micro and small enterprises	**3248**	1174
	Dues to Creditors other than micro and small enterprises	**71630**	56860
	c) Other financial liabilities	**7824**	10302
	Other current liabilities	**25901**	18349
	Provisions	**251**	246
	Sub-total: Current liabilities	**108889**	90294
	Total Liabilities	**145220**	119742
	TOTAL EQUITY AND LIABILITIES	**1072377**	851411

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

DIVI'S LABORATORIES LIMITED
STATEMENT OF STANDALONE AUDITED CASH FLOWS
FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in Lakhs)

Particulars	For the year ended	
	31.03.2021 (Audited)	31.03.2020 (Audited)
A. Cash flow from operating activities		
Profit before income tax	**262787**	181329
Adjustments for:		
Depreciation and amortisation expense	**25465**	18595
Unrealised foreign exchange loss/ (gain)	**(1376)**	(4864)
Interest income from financial assets at amortized cost	**(5724)**	(722)
Dividend income from investments mandatorily measured at fair value through profit or loss	**-**	(3737)
Net gain on financial assets mandatorily measured at fair value through profit or loss	**-**	(4499)
Net gain on redemption /disposal of investments	**(265)**	(1440)
Provision for doubtful debts / (written back) [including write-off]	**(92)**	996
Finance costs	**69**	606
Loss on disposal/ discard of assets	**596**	325
Government grants	**(7)**	(5)
	281453	186584
Change in operating assets and liabilities		
(Increase) /Decrease in trade receivables	**(21329)**	(20743)
(Increase) /Decrease in inventories	**(29853)**	(8099)
Increase /(Decrease) in trade payables	**17078**	9242
(Increase) /Decrease in non-current Loans	**(2016)**	(96)
(Increase) /Decrease in current Loans	**9**	2
(Increase) /Decrease in other non-current assets	**(232)**	(28)
(Increase) /Decrease in other non-current financial assets	**(145)**	-
(Increase) /Decrease in other current financial assets	**(558)**	(254)
(Increase) /Decrease in other current assets	**7075**	(2498)
Increase /(Decrease) in long term employee benefit obligation	**498**	870
Increase /(Decrease) in short term employee benefit obligation	**5**	(680)
Increase/ (Decrease) in other financial liabilities	**(2864)**	782
Increase /(Decrease) in other current liabilities	**8880**	362
Cash generated from operations	**258001**	165444
Income taxes paid including withholding tax and net of refunds	**(63296)**	(44597)
Net cash inflow from operating activities	**194705**	120847
B. Cash flows from investing activities		
Payments for property, plant and equipment	**(90998)**	(118286)
Proceeds from sale of property, plant and equipment	**15**	36
Payments for purchase of Investments	**(10000)**	(45000)
Proceeds out of sale of Investments	**107400**	148363
Dividend received	**-**	3737
Interest received	**5701**	746
Proceeds from withdrawal of deposits	**6810**	10594
Investment in deposits	**(11384)**	(8328)
Net cash inflow / (outflow) from investing activities	**7534**	(8138)

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

DIVI'S LABORATORIES LIMITED

STATEMENT OF STANDALONE AUDITED CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2021 (contd..)

(₹ In lakhs)

Particulars	31.03.2021 (Audited)	31.03.2020 (Audited)
C. Cash flows from financing activities		
Proceeds/ (Repayment) of working capital loans (net)	**(3328)**	(6107)
Finance costs	**(69)**	(606)
Dividends paid to company's shareholders (including Corporate Dividend tax)	**-**	(102412)
Net cash inflow / (outflow) from financing activities	**(3397)**	(109125)
Net increase / (Decrease) in cash and cash equivalents (A+B+C)	**198842**	3584
Cash and cash equivalents at the beginning of the financial year	**2788**	(796)
Cash and cash equivalents at end of the year	**201630**	2788

NOTES:

1. The above Statement of standalone audited financial results for the quarter and year ended 31st, March 2021, Statement of standalone assets and liabilities and Statement of standalone audited cash flows as at and for the year ended March 31, 2021 ('Standalone Statements') are 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 as amended. The same were, as reviewed by the Audit Committee, considered and approved by the Board of Directors at its meeting held on May 29, 2021. The same also were audited by the Auditors of the Company and their report contains no qualification.
2. The Company is engaged in the manufacture of Active Pharmaceutical Ingredients, intermediates and nutraceutical ingredients; and the same constitutes a single reportable business segment as per Ind AS 108.
3. The Company does not have any discontinued operations and the Profit for the period / year represents the Profits from continuing operations only.
4. The Company considered the uncertainty relating to the Covid-19 pandemic in assessing the recoverability of its inventories, receivables and investments. As the company is into essential manufacturing service, which is exempt from lockdown restrictions, the pandemic did not have any significant impact in its operations or its supply chain. In this regard, the Company has considered internal and external information while finalizing various estimates in relation to its financial statements upto the date of approval by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.
5. *Figures for the quarter ended 31.03.2021 and corresponding quarter ended 31.03.2020 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.
6. The Board of Directors of the company has recommended a dividend of Rs.20/- per share of face value Rs.2 each i.e., 1000% for the financial year 2020-21, subject to approval of members at the ensuing annual general meeting.
7. Details of forex gain/loss are given below: (₹ in lakhs)

	Quarter ended			Year Ended	
	31.03.2021	31.12.2020	31.03.2020	**31.03.2021**	31.03.2020
	(Audited)*	(Unaudited)	(Audited)*	(Audited)	(Audited)
Forex gain/ (loss)	**327**	289	5716	**(77)**	8204

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

For Divi's Laboratories Limited

Dr. Murali K. Divi
Managing Director

Place: Hyderabad
Date: 29th May, 2021

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

Price Waterhouse Chartered Accountants LLP

Independent auditor's report

To the Board of Directors
Divi's Laboratories Limited
Divi Towers, 1-72/23/(P)/Divis/303,
Cyber Hills, Gachibowli,
Hyderabad-500032

Report on the Audit of Standalone Financial Results

Opinion

1. We have audited the standalone annual financial results of Divi's Laboratories Limited (hereinafter referred to as the 'Company") for the year ended March 31, 2021 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:

   (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

   (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2021 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Results' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

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

Price Waterhouse Chartered Accountants LLP, Unit - 2B, 8th Floor, Octave Block, Block E1, Parcel - 4, Salarpuria Sattva Knowledge City, Raidurg, Hyderabad, Telangana - 500081
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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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)

Board of Directors' Responsibilities for the Standalone Financial Results

4. These Standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company and the standalone statement of assets and liabilities and the standalone statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone financial results by the Directors of the Company, as aforesaid.

5. In preparing the standalone financial results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

6. The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

7. Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 11 below)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

9. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Price Waterhouse Chartered Accountants LLP

Other Matters

10. The standalone financial results include the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.

11. The standalone annual financial results dealt with by this report has been prepared for the express purpose of filing with stock exchange on which the company's shares are listed. These results are based on and should be read with the audited standalone financial statements of the Company for the year ended March 31, 2021 on which we issued an unmodified audit opinion vide our report dated May 29, 2021.

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

Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 21055000AAEQ1387

Place: Kolkata
Date: May 29, 2021

DIVI'S LABORATORIES LIMITED

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

(₹ in lakhs)

S. No	Particulars	Quarter ended			Year ended	
		31.03.2021 (Audited)*	31.12.2020 (Unaudited)	31.03.2020 (Audited)*	31.03.2021 (Audited)	31.03.2020 (Audited)
1	**Income:**					
	Revenue from operations	**178819**	170144	138971	**696940**	539442
	Other Income	**2352**	1932	7673	**6256**	18963
	Total Income	**181171**	172076	146644	**703196**	558405
2	**Expenses**					
	a) Cost of materials consumed	**71361**	68032	54568	**239744**	219841
	b) Purchases of stock-in-trade	**(34)**	161	993	**531**	1611
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	**(13190)**	(15533)	(4020)	**(7867)**	(10598)
	d) Employee benefits expense	**21508**	23360	17314	**82576**	62105
	e) Depreciation and amortization expense	**7008**	6818	4978	**25559**	18624
	f) Finance Costs	**21**	27	44	**87**	610
	g) Other Expenses	**27548**	25003	25671	**95962**	84266
	Total expenses	**114222**	107868	99548	**436592**	376459
3	**Profit before exceptional Items and tax (1-2)**	**66949**	64208	47096	**266604**	181946
4	Exceptional items	-	-	-	-	-
5	**Profit before Tax (3-4)**	**66949**	64208	47096	**266604**	181946
6	Tax Expense					
	a) Current Tax	**13709**	14478	5388	**61646**	39279
	b) Deferred Tax	**3038**	2668	2885	**6529**	5013
	Total Tax Expense	**16747**	17146	8273	**68175**	44292
7	**Profit for the period (5-6)**	**50202**	47062	38823	[illegible]	[illegible]
8	Profit for the period attributable to:					
	Shareholders of the Company	**50202**	47062	38823	**198429**	137654
	Non-Controlling Interest	-	-	-	-	-
9	**Other Comprehensive Income:**					
	a) Items that will not be reclassified to Profit or Loss:					
	i) Gain/(Loss) on Remeasurement of post-employment benefit obligations	**139**	(38)	(780)	**25**	(680)
	ii) Income tax relating to the above	**(49)**	13	185	**(9)**	159
	b) Items that will be reclassified to Profit or Loss:					
	i) Gain/(Loss) on exchange differences in translating the financial statements of a foreign operation	**(279)**	63	280	**22**	618
	ii) Income tax relating to the above	**40**	(5)	(25)	**2**	(62)
	Other comprehensive Income/(Loss)	**(149)**	33	(340)	**40**	35
10	Total other comprehensive income for the period attributable to:					
	Shareholders of the Company	**(149)**	33	(340)	**40**	35
	Non-Controlling Interest	-	-	-	-	-
11	**Total comprehensive Income for the period (7+9)**	**50053**	47095	38483	**198469**	137689
12	Total comprehensive income for the period attributable to:					
	Shareholders of the Company	**50053**	47095	38483	**198469**	137689
	Non-Controlling Interest	-	-	-	-	-
13	Paid-up Equity Share Capital (Face Value: Rs.2/- per share)	**5309**	5309	5309	**5309**	5309

14	Other equity excluding revaluation reserve				**924152**	725683
15	Earnings per Share (of Rs. 2/- each) (not annualized)					
	a) Basic (Rs.)	**18.91**	17.73	14.62	**74.75**	51.85
	b) Diluted (Rs.)	**18.91**	17.73	14.62	**74.75**	51.85

DIVI'S LABORATORIES LIMITED

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

	Particulars	As At	
		31.03.2021	31.03.2020
		Audited	Audited
A	**ASSETS**		
1	**Non-current assets**		
	Property, plant and equipment	[illegible]	[illegible]
	Right to use assets	426	509
	Capital work-in-progress	71062	91969
	Intangible assets	495	360
	Financial assets		
	a) Investments	1	1
	b) Loans	5533	3532
	c) Other financial assets	145	-
	Income Tax Assets(net)	6860	-
	Deferred tax asset	323	438
	Other non-current assets	5625	11462
	Sub-total: Non-current assets	459936	385587
2	**Current assets**		
	Inventories	214523	186386
	Financial assets		
	a) Investments	-	97135
	b) Trade receivables	167652	141335
	c) Cash and cash equivalents	203032	4315
	d) Bank balances other than (c) above	12571	7948
	e) Loans	-	9
	f) Other financial assets	947	389
	Income-tax Asset (net)	3427	7905
	Other current assets	15319	22561
	Sub-total: Current assets	617471	467983
	TOTAL ASSETS	1077407	853570
B	***EQUITY AND LIABILITIES***		
1	***Equity:***		
	Share Capital	5309	5309
	Other Equity	924152	725683
	Sub-total: Shareholders' funds	929461	730992
	Liabilities:		
2	**Non-current liabilities**		
	Financial liabilities		
	a) Lease liabilities	369	447
	Provisions	2525	2052
	Deferred tax liabilities (net)	33806	27396
	Sub-total: Non-current liabilities	36700	29895
3	**Current Liabilities**		
	Financial liabilities		
	a) Borrowings	35	3363
	b) Lease liabilities	79	75
	c) Trade payables:		
	Dues to micro and small enterprises	3248	1174
	Dues to Creditors other than micro and small enterprises	73072	57898
	d) Other financial liabilities	8042	10557
	Current tax liabilities (net)	[illegible]	[illegible]
	Other current liabilities	[illegible]	[illegible]
	Provisions	251	246
	Sub-total: Current liabilities	111246	92683
	Total Liabilities	147946	122578
	TOTAL EQUITY AND LIABILITIES	1077407	853570

DIVI'S LABORATORIES LTD. HYDERABAD-52 GACHIBOWLI

DIVI'S LABORATORIES LIMITED

STATEMENT OF CONSOLIDATED AUDITED CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2021

(₹in lakhs)

Particulars	For the year ended	
	31.03.2021 (Audited)	31.03.2020 (Audited)
A. Cash flow from operating activities		
Profit before tax	**266604**	181946
Adjustments for:		
Depreciation and amortisation expense	**25550**	18624
Unrealised foreign exchange loss/ (gain)	**(1328)**	(4825)
Exchange Gain /(Loss) on translation of foreign operations	**22**	618
Interest income from financial assets at amortized cost	**(5724)**	(666)
Dividend income from investments mandatorily measured at fair value through profit or loss	**-**	(3737)
Net gain on redemption /disposal of investments	**(265)**	(1440)
Provision for doubtful debts / (written back) [including write off]	**(11)**	998
Finance costs	**87**	610
Net gain on financial assets mandatorily measured at fair value through profit or loss	**-**	(4499)
Loss on disposal / discard of assets	**596**	325
Government grants	**(7)**	(5)
	285533	187947
Change in operating assets and liabilities		
(Increase) /Decrease in trade receivables	**(26540)**	(20670)
(Increase) /Decrease in inventories	**(28137)**	(9152)
Increase /(Decrease) in trade payables	**17480**	9385
(Increase) /Decrease in non-current Loans	**(2001)**	(128)
(Increase) /Decrease in current Loans	**9**	2
(Increase) /Decrease in other non-current assets	**(232)**	(8)
(Increase) /Decrease in other non-current financial assets	**(145)**	-
(Increase) /Decrease in other current financial assets	**(558)**	(254)
(Increase) /Decrease in other current assets	**7242**	(2539)
Increase /(Decrease) in long term employee benefit obligation	**498**	870
Increase /(Decrease) in short term employee benefit obligation	**5**	(680)
Increase/ (Decrease) in other financial liabilities	**(2901)**	1037
Increase /(Decrease) in other current liabilities	**8872**	307
Cash generated from operations	**259125**	166117
Income taxes paid including withholding tax and net of refunds	**(64432)**	(44523)
Net cash inflow from operating activities	**194693**	121594
B. Cash flows from investing activities		
Payments for property, plant and equipment	**(91019)**	(118321)
Proceeds from sale of property, plant and equipment	**15**	36
Payments for purchase of Investments	**(10000)**	(45000)
Proceeds out of sale of Investments	**107400**	148363
Dividend received		3737
Interest received	**5701**	572
Proceeds from withdrawal of deposits	**6810**	10594
Investment in deposits	**(11394)**	(8328)
Net cash inflow / (outflow) from investing activities	**7513**	(8347)

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

DIVI'S LABORATORIES LIMITED

STATEMENT OF CONSOLIDATED AUDITED CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021 (contd..)

(₹ in lakhs)

Particulars	31.03.2021 (Audited)	31.03.2020 (Audited)
C. Cash flows from financing activities		
Proceeds/ (Repayment) of working capital loans (net)	**(3328)**	**(6107)**
Finance costs	**(87)**	**(610)**
Principal element of lease payments	**(74)**	**(13)**
Dividends paid to company's shareholders (including Corporate Dividend tax)	**-**	**(102412)**
Net cash inflow / (outflow) from financing activities	**(3489)**	**(109142)**
Net increase in cash and cash equivalents (A+B+C)	**198717**	**4105**
Cash and cash equivalents at the beginning of the financial year	**4315**	**210**
Cash and cash equivalents at end of the year	**203032**	**4315**

NOTES:

1. The above Statement of consolidated audited financial results for the quarter and year ended 31st, March 2021, Statement of consolidated assets and liabilities and Statement of consolidated audited cash flows for the year and as at then ended March 31, 2021 ('Consolidated Statements') are prepared in accordance with Indian Accounting Standards ('IndAS') 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 as amended. The same were, as reviewed by the Audit Committee, considered and approved by the Board of Directors at its meeting held on May 29, 2021. The same also were audited by the Auditors of the Company and their report contains no qualification.
2. The consolidated results include the audited financial results of the wholly owned subsidiaries Divis Laboratories (USA) Inc and Divi's Laboratories Europe AG.
3. The Group is engaged in the manufacture of Active Pharmaceutical Ingredients, intermediates and nutraceutical ingredients; and the same constitutes a single reportable business segment as per Ind AS 108.
4. The Group does not have any discontinued operations and the Profit for the period / year represents the Profits from continuing operations only.
5. The Group considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of its inventories, receivables and investments. As the Group is into essential manufacturing service, which is exempt from lockdown restrictions, the pandemic did not have any significant impact in its operations or its supply chain. In this regard, the Group has considered internal and external information while finalizing various estimates in relation to its financial statements upto the date of approval by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. As the outbreak continues to evolve, the Group will continue to closely monitor any material changes to future economic conditions.
6. *Figures for the quarter ended 31.03.2021 and corresponding quarter ended 31.03.2020 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.
7. The Board of Directors of the company has recommended a dividend of Rs.20 per share of face value Rs.2 each i.e.,1000% for the financial year 2020-21, subject to approval of members at the ensuing annual general meeting.
8. Details of forex gain/(loss) are as given below:

(₹ in lakhs)

	Quarter ended			Year Ended	
	31.03.2021	31.12.2020	31.03.2020	**31.03.2021**	31.03.2020
	(Audited)*	(Unaudited)	(Audited)*	(Audited)	(Audited)
Forex gain/ (loss)	**391**	253	5710	**(438)**	8211

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

For Divi's Laboratories Limited

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

Dr. Murali K. Divi
Managing Director

Place: Hyderabad
Date: 29th May, 2021

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors
M/s Divi's Laboratories Limited
Divi Towers, 1-72/23 (P)/303
Cyber Hills, Gachibowli
Hyderabad - 500032

Report on the Audit of Consolidated Financial Results

Opinion

1. We have audited the consolidated annual financial results of Divi's Laboratories Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (Refer note 2 to the consolidated annual financial results) for the year ended March 31, 2021 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, the aforesaid consolidated financial results:

   (i) include the annual financial results of the following entities: Divi's Laboratories Limited, Divis Laboratories (USA) Inc., and Divi's Laboratories Europe AG;

   (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

   (iii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2021 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

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Board of Directors' Responsibilities for the Consolidated Financial Results

4. These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit ,other comprehensive income and other financial information of the Group, the consolidated statement of assets and liabilities and the consolidated statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 of the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

5. In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

6. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

7. Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

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detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 14 below)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

9. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

10. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

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Price Waterhouse Chartered Accountants LLP

Other Matters

11. We did not audit the financial statements of two subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 27,648 lakhs and net assets of Rs. 4,846 lakhs as at March 31, 2021, total revenues of Rs. 45,631 lakhs and Rs.13,203 lakhs, total net profit after tax of Rs. 2,947 lakhs and Rs. 994 lakhs, and total comprehensive income of Rs. 2,886 lakhs and Rs. 921 lakhs for the year ended March 31, 2021 and for the period from January 01, 2021 to March 31, 2021 respectively, and net cash outflows of Rs. 1,[illegible] lakhs for the year ended March 31, 2021, as considered in the consolidated financial results 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 Holding 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 Holding Company's management and our opinion on the consolidated financial results, in so far as it relates to the [illegible] of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us and the procedures performed by us as stated in paragraph 10 above.

12. Our opinion on the consolidated Financial Results 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 Results certified by the Board of Directors.

13. The Financial Results include the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.

14. The consolidated annual financial results dealt with by this report have been prepared for the express purpose of filing with stock exchanges on which the Company's shares are listed. These results are based on and should be read with the audited consolidated financial statements of the group for the year ended March 31, 2021 on which we have issued an unmodified audit opinion vide our report dated May 29, 2021.

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

Sunit Kumar Basu
Partner
Membership Number 55000
UDIN: 21055000AAAAER7723

Place: Kolkata
Date: May 29, 2021

Divi's Laboratories Limited

Date: 29 May, 2021

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 31 March, 2021.

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

PRESS RELEASE dated 29th May, 2021

Divi's Labs earns a Revenue of ₹ 7032 crores for FY21 on consolidated basis.

Consolidated for the year

For the year, Divi's Laboratories has earned a consolidated total revenue of ₹ 7032 crores for the financial year 2020-21 as against ₹ 5584 crores during the previous year, reflecting a growth of 26%.

PBT for the current year grew by 47% to ₹ 2666 crores as against a PBT of ₹ 1819 crores for the previous year. PAT for the year amounted to ₹ 1984 crores as against a PAT of ₹ 1377 crores for the last year, reflecting a growth of 44%.

Standalone Results

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

₹ in crores

Particulars	For the Quarter			For the year		
	31-03-21	31-03-20	Growth %	**31-03-21**	31-03-20	Growth %
Total Revenue	**1741**	1453	20%	**6861**	5500	25%
PBT	**652**	475	37%	**2628**	1813	45%
Tax Expense	**164**	83		**673**	441	
PAT	**488**	392	25%	**1955**	1373	42%

Forex Gain/(loss) in standalone results

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

Particulars	For the Quarter ended		For the year ended	
	31-03-21	31-03-20	**31-03-21**	31-03-20
Forex Gain/(loss)	**3**	57	**(1)**	82

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI

Dividend

The Board of Directors of the company has proposed a dividend of ₹ 20/- per share of face value ₹ 2 each i.e., 1000% for the financial year 2020-21, subject to approval of members.

Capex projects:

During the financial year 2020-21, the Company has capitalised assets of ₹ 118351 lakhs, and an amount of ₹ 71062 lakhs is carried forward as Capital Work-in-Progress at the end of the year.

The new brownfield DC and DCV SEZ Units and the debottlenecking / backward integration programs taken up by the company during the last year, have become fully operational during the year. Modernization and upgradation of waste water treatment plants at the manufacturing sites has been implemented.

During the year, we have also taken up another capex program with an estimated investment of ₹ 400 crores for fast-tracking a customs synthesis project. A part of the project has been completed and became operational and the rest of the capex will be completed during early part of the next financial year.

CSR:

During the year, we have spent an amount of ₹ 34.4 crores on CSR programs for which an amount of ₹ 4 crores was spent on COVID-19 initiatives. The company has supported the initiatives of Government by sanitizing the village communities and spreading awareness of covid appropriate behaviour, providing covid essential healthcare supplies, safety equipment for frontline warriors.

DIVI'S LABORATORIES LTD. HYDERABAD-32 GACHIBOWLI