

DIVI'S LABORATORIES LIMITED

CIN No.L24110TG1990PLC011854

1-72/23(P)/DIVIS/303, Cyber Hills, Gachibowli

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Press Release dated 31st October, 2017

Divi's Labs earns a total revenue of ₹. 924 crores for Q2 of FY18

Divi's Laboratories has earned a total revenue of ₹. 924 crores for quarter ended 30th September, 2017 as against a total revenue of ₹. 1026 crores in the corresponding quarter of the previous year. Profit after Tax (PAT), before other comprehensive income, for the current quarter came to ₹. 207 crores as against a PAT of ₹. 224 crores for the corresponding quarter of last year.

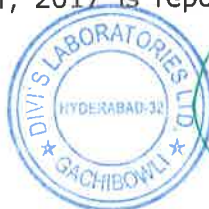
Forex gain for the quarter amounted to ₹. 11 crores as against a loss of ₹. 11 crore during the corresponding quarter of last year.

Staff cost for the corresponding previous quarter included the one-time ex-gratia of ₹. 79 crores to employees of the company on the occasion of completion of 25 years' formation of the company.

For the half-year ended 30th September, 2017, the company earned a total income of ₹. 1775 crores as against a total income of ₹. 2059 crores during the previous half-year. PAT for the current half-year came to ₹. 383 crores as against ₹. 526 crores for the previous half-year. Results for the previous half-year included the one-time ex-gratia paid to employees.

Forex gain for the current half-year amounted to ₹.18 crores as against a loss of ₹.11 crores during the corresponding period last year.

Revenue for the corresponding previous quarters ended 30th June, 2017 and 30th September, 2016, the half-year ended 30th September, 2016 and the year ended 31st March, 2017 were reported inclusive of Excise Duty. The Government of India has implemented Goods and Services Tax (GST) effective 1st July, 2017 replacing excise duty, service tax and other indirect taxes. Accordingly, as per Ind AS 18, Revenue for the quarter ended 30th September, 2017 is reported net of GST. Had the previously



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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	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Revenue from operations (net of excise duty)	88752	99418	170015	200226

Revenue during the current half-year has been impacted due to the Import Alert issued by US-FDA and the time required for setting up protocols and procedures for release of export shipments as stipulated in the Import Alert by the US-FDA. This has since been established and shipments for the exempted products are being done as per the protocols.

Update on Regulatory Inspections

The company's Unit-II at Visakhapatnam, Andhra Pradesh was inspected by HPRA (Ireland) and JAZMP (Slovenia) from 31st July, 2017 to 4th August, 2017 and the inspection concluded successfully with no critical observations.

The company's Unit-II has also been inspected by the US-FDA from 11th September 2017 to 19th 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. On completion of the current inspection, the Investigators of US-FDA have issued a Form-483 with 6 observations and the company filed its response to the same within the stipulated time.

