

**DIVI'S LABORATORIES LIMITED**  
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**PRESS RELEASE dated 22<sup>nd</sup> July, 2017**

### **Divi's Labs earns a total income of Rs. 851 crores for Q1 of FY18**

Divi's Laboratories has earned a total income of Rs.851 crores for the 1<sup>st</sup> quarter of the year 2017-18 on a stand-alone basis, as against an income of Rs. 1034 crores for the corresponding quarter of last year.

The company earned a Profit after Tax (PAT) of Rs.177 crores before Other Comprehensive Income, for the current quarter. PAT for the corresponding quarter of the last year was Rs. 302 crores.

Forex gain for the current quarter amounted to Rs.7 crores as against a gain of Rs. 1 crore during the corresponding quarter of the last year.

Revenue for the quarter has been impacted due to 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 US-FDA inspection**

Subsequent to the inspection of its Unit-II at Visakhapatnam during Nov-Dec 2016, the US-FDA has issued an Import Alert under clauses 99-32 and 66-40 in March of 2017 and a warning letter in May of 2017 for our Vishakhapatnam facility. The US-FDA has also exempted several products from the Import Alert.

Divi's Laboratories has filed detailed responses and given updates to the Form-483 and the warning letter within the stipulated time. The company, along with its external consultants, specialists and subject matter experts, has taken up appropriate remediation measures to address the concerns raised by US-FDA. During July, 2017, the US-FDA has lifted the Import Alert under Clause 99-32 imposed on the company's Unit-II at Visakhapatnam. The company awaits further action from US-FDA.

The company has committed to work closely with the US-FDA towards compliance to cGMP regulations.

