

DIVI'S LABORATORIES LIMITED

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2015

PART-I

(Rs. in Lakhs)

| | Particulars | STANDALONE | | | | | CONSOLIDATED | | | | |
|----------|--|---------------|-------------|-------------|----------------|------------|----------------|-------------|-------------|----------------|------------|
| | | Quarter ended | | | Year Ended | | Quarter ended | | | Year Ended | |
| | | 31.03.2015 | 31.12.2014 | 31.03.2014 | 31.03.2015 | 31.03.2014 | 31.03.2015 | 31.12.2014 | 31.03.2014 | 31.03.2015 | 31.03.2014 |
| | | (Audited) | (Unaudited) | (Unaudited) | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) | (Audited) | (Audited) |
| 1 | Income from operations | 81469 | 78808 | 73801 | 307230 | 250718 | 81830 | 79373 | 74762 | 310323 | 252535 |
| | (a) Net Sales/Income from operations (Net of Excise Duty) | | | | | | | | | | |
| | (b) Other Operating Income | 240 | 304 | 259 | 1171 | 679 | 240 | 303 | 259 | 1171 | 679 |
| | Total Income from operations (net) | 81709 | 79112 | 74060 | 308401 | 251397 | 82070 | 79676 | 75021 | 311494 | 253214 |
| 2 | Expenses | | | | | | | | | | |
| | a. Cost of materials consumed | 39186 | 34672 | 22178 | 144627 | 103189 | 39227 | 34834 | 22341 | 145103 | 103639 |
| | b. Purchases of stock-in-trade | 0 | | 0 | 0 | 0 | 124 | (45) | 38 | 181 | 48 |
| | c. Changes in inventories of finished goods, work-in-progress and stock-in-trade | (9457) | (2808) | 8247 | (23083) | (11375) | (10048) | (2715) | 8304 | (23960) | (12272) |
| | d. Employee benefits expense | 7890 | 7459 | 5915 | 28315 | 22543 | 7622 | 8085 | 6080 | 29042 | 23246 |
| | e. Depreciation and amortization expense | 4454 | 2879 | 2539 | 13585 | 9206 | 4465 | 2881 | 2542 | 13600 | 9212 |
| | f. Other Expenses | 12578 | 11080 | 11538 | 42337 | 35154 | 13217 | 11587 | 11670 | 44603 | 37104 |
| | Total expenses | 54651 | 53282 | 50417 | 205781 | 158717 | 54607 | 54627 | 50975 | 208569 | 160977 |
| 3 | Profit from operations before other Income, finance costs & exceptional Items (1-2) | 27058 | 25830 | 23643 | 102620 | 92680 | 27463 | 25049 | 24046 | 102925 | 92237 |
| 4 | Other Income | 1254 | 1994 | 938 | 4284 | 8390 | 1149 | 2381 | 938 | 4469 | 7061 |
| 5 | Profit from ordinary activities before finance costs & exceptional Items (3+4) | 28312 | 27824 | 24581 | 106904 | 101070 | 28612 | 27430 | 24984 | 107394 | 99298 |
| 6 | Finance Costs | 59 | 48 | 91 | 186 | 206 | 59 | 48 | 91 | 186 | 206 |
| 7 | Profit from ordinary activities after finance costs but before exceptional Items (5-6) | 28253 | 27776 | 24490 | 106718 | 100864 | 28553 | 27382 | 24893 | 107208 | 99092 |

| | | | | | | | | | | | |
|-------|---|--------------|-------|-------|---------------|--------|--------------|-------|-------|---------------|--------|
| 8 | Exceptional items | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Profit from ordinary activities before Tax (7+8) | 28253 | 27776 | 24490 | 106718 | 100864 | 28553 | 27382 | 24893 | 107208 | 99092 |
| 10 | Tax Expense | 5362 | 5718 | 5184 | 22012 | 21692 | 5406 | 5717 | 5250 | 22056 | 21758 |
| 11 | Net Profit from ordinary activities after Tax (9-10) | 22891 | 22058 | 19306 | 84706 | 79172 | 23147 | 21665 | 19643 | 85152 | 77334 |
| 12 | Extra-ordinary items (net of tax expense) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | Net Profit (+)/Loss(-) for the period (11-12) | 22891 | 22058 | 19306 | 84706 | 79172 | 23147 | 21665 | 19643 | 85152 | 77334 |
| 14 | Share of profit / (loss) of associates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 | Minority Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 | Net Profit (+)/Loss(-) after taxes, minority interest and share of profit/ (loss) of associates (13+14+15) | 22891 | 22058 | 19306 | 84706 | 79172 | 23147 | 21665 | 19643 | 85152 | 77334 |
| 17 | Paid-up Equity Share Capital (Face Value: Rs.2 each) | 2655 | 2655 | 2655 | 2655 | 2655 | 2655 | 2655 | 2655 | 2655 | 2655 |
| 18 | Reserves excluding revaluation reserves | | | | 353541 | 300787 | | | | 346881 | 293680 |
| 19.i | Earnings per Share (before extraordinary items) (of Rs.2/- each) | | | | | | | | | | |
| | a) Basic | 17.25 | 16.62 | 14.54 | 63.82 | 59.65 | 17.40 | 16.32 | 14.80 | 64.15 | 58.26 |
| | b) Diluted | 17.25 | 16.62 | 14.54 | 63.82 | 59.65 | 17.40 | 16.32 | 14.80 | 64.15 | 58.26 |
| 19.ii | Earnings per Share (after extraordinary items) (of Rs.2/- each) | | | | | | | | | | |
| | a) Basic | 17.25 | 16.62 | 14.54 | 63.82 | 59.65 | 17.40 | 16.32 | 14.80 | 64.15 | 58.26 |
| | b) Diluted | 17.25 | 16.62 | 14.54 | 63.82 | 59.65 | 17.40 | 16.32 | 14.80 | 64.15 | 58.26 |

PART-II - SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2015

| A | PARTICULARS OF SHAREHOLDING | | | | | | | | | | | |
|----------|--|---|-------------------------|-------------------------|---|-------------------------|--|---|-------------------------|-------------------------|---|-------------------------|
| 1 | Public shareholding: - No. of shares - Percentage of shareholding | 63603674 47.92% | 63603674 47.92% | 63603674 47.92% | 63603674 47.92% | 63603674 47.92% | | 63603674 47.92% | 63603674 47.92% | 63603674 47.92% | 63603674 47.92% | 63603674 47.92% |
| 2 | Promoters and promoter group shareholding: a) pledged / encumbered b) non-encumbered: - No. of shares - Percentage of shares (as a % of the total shareholding of the promoter group) - Percentage of shares (as a % of the total share capital of the company) | Nil 69130616 100% 52.08% | Nil 69130616 100% | Nil 69130616 100% | Nil 69130616 100% 52.08% | Nil 69130616 100% | | Nil 69130616 100% 52.08% | Nil 69130616 100% | Nil 69130616 100% | Nil 69130616 100% 52.08% | Nil 69130616 100% |

| | Particulars | Quarter ended 31.03.2015 |
|----------|--|---------------------------------|
| B | INVESTOR COMPLAINTS | |
| | Pending at the beginning of the quarter | Nil |
| | Received during the quarter | 8 |
| | Disposed off during the quarter | 8 |
| | Remaining unresolved at the end of the quarter | Nil |

Statement of Assets and Liabilities:

(Rs. in lakhs)

| | Particulars | STANDALONE | | CONSOLIDATED | |
|----------|--|---------------|------------|---------------|------------|
| | | As At | | As At | |
| | | 31.03.2015 | 31.03.2014 | 31.03.2015 | 31.03.2014 |
| A | EQUITY AND LIABILITIES | | | | |
| 1 | Shareholders' Funds | | | | |
| | a) Share Capital | 2655 | 2655 | 2655 | 2655 |
| | b) Reserves and Surplus | 353541 | 300787 | 346881 | 293680 |
| | c) Money received against share warrants | 0 | 0 | 0 | 0 |
| | Sub-total – Shareholders' funds | 356196 | 303442 | 349536 | 296335 |
| 2 | Share application money pending allotment | 0 | 0 | 0 | 0 |
| 3 | Minority interest | 0 | 0 | 0 | 0 |
| 4 | Non-current liabilities | | | | |
| | a) Long-term borrowings | 105 | 155 | 105 | 155 |
| | b) Deferred tax liabilities (net) | 13245 | 12167 | 12622 | 11501 |
| | c) Other long-term liabilities | 0 | 0 | 0 | 0 |
| | d) Long-term provisions | 699 | 318 | 699 | 318 |
| | Sub-total – Non-current liabilities | 14049 | 12640 | 13426 | 11974 |
| 5 | Current Liabilities | | | | |
| | a) Short-term borrowings | 2507 | 1632 | 2507 | 1632 |
| | b) Trade payables | 22438 | 14869 | 22687 | 15171 |
| | c) Other current liabilities | 20273 | 14655 | 20345 | 14780 |
| | d) Short-term provisions | 32014 | 31158 | 32014 | 31157 |
| | Sub-total – Current liabilities | 77232 | 62314 | 77553 | 62740 |
| | TOTAL - EQUITY AND LIABILITIES | 447477 | 378396 | 440515 | 371049 |
| B | ASSETS | | | | |
| 1 | Non-current assets | | | | |
| | a) Fixed assets | 152690 | 136609 | 152708 | 136633 |
| | b) Goodwill on consolidation | 0 | 0 | 0 | 0 |
| | c) Non-current investments | 282 | 282 | 0 | 0 |
| | d) Deferred tax assets (net) | 0 | 0 | 0 | 0 |
| | e) Long-term loans and advances | 14907 | 13565 | 10567 | 8781 |
| | f) Other non-current assets | 0 | 0 | 0 | 0 |
| | Sub-total – Non-current assets | 167879 | 150456 | 163275 | 145414 |

| | | | | | |
|----------|-----------------------------------|---------------|--------|---------------|--------|
| 2 | Current assets | | | | |
| | a) Current investments | 73300 | 50188 | 73300 | 50188 |
| | b) Inventories | 111490 | 89327 | 116264 | 93242 |
| | c) Trade receivables | 82303 | 79163 | 74164 | 72370 |
| | d) Cash and cash equivalents | 5666 | 3577 | 6522 | 4050 |
| | e) Short-term loans and advances | 5916 | 5074 | 6067 | 5174 |
| | f) Other current assets | 923 | 611 | 923 | 611 |
| | Sub-total – Current assets | 279598 | 227940 | 277240 | 225635 |
| | TOTAL - ASSETS | 447477 | 378396 | 440515 | 371049 |

NOTES:

1. The above audited results for the quarter and year ended 31st March 2015, as reviewed by the Audit Committee, were considered and approved by the Board of Directors at its meeting held on 23rd May, 2015.
2. The Company is primarily engaged in the manufacture of Active Pharmaceutical Ingredients and intermediates. Accordingly there are no reportable segments as per Accounting Standard 17 notified under the Companies Act, 1956.
3. The consolidated results include the audited results of the subsidiaries Divis Laboratories (USA) Inc and Divi's Laboratories Europe AG.
4. Details of forex gain/loss are given below:

(Rs. in lakhs)

| Particulars | STANDALONE | | | | | CONSOLIDATED | | | | |
|-------------------|---------------|-------------|-------------|--------------|------------|---------------|-------------|-------------|------------|------------|
| | Quarter ended | | | Year Ended | | Quarter ended | | | Year Ended | |
| | 31.03.2015 | 31.12.2014 | 31.03.2014 | 31.03.2015 | 31.03.2014 | 31.03.2015 | 31.12.2014 | 31.03.2014 | 31.03.2015 | 31.03.2014 |
| | (Audited) | (Unaudited) | (Unaudited) | (Audited) | (Audited) | (Audited) | (Unaudited) | (Unaudited) | (Audited) | (Audited) |
| Forex gain/(loss) | (1787) | 1116 | (1800) | (105) | 5042 | (1862) | 1503 | (1432) | 186 | 3712 |

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

5. The company has revised depreciation rates on fixed assets according to the useful life as specified in Schedule II to the Companies Act, 2013. Had there been no change in the depreciation rates, the depreciation charge for the quarter and the year ended 31st March, 2015 would have been lower by Rs.799 lakhs and Rs.1564 lakhs respectively.
6. Due to prescription of useful life in the Schedule II as above, the depreciation of assets, whose useful life has already been exhausted before 1st April, 2014 was adjusted to opening balance of Surplus account for the quarter ended 30th June, 2014. In view of the subsequent amendment notification to the Schedule II, which gave the company an option to charge-off such depreciation to the Statement of Profit and Loss, the Board has now decided to charge such depreciation to the Profit and Loss Account for the year ended 31st March, 2015. Consequent to this change, Depreciation for the quarter and the year is higher by Rs.1584 lakhs and the Profit before Tax for the quarter and year ended 31st March, 2015 is lower by Rs.1584 lakhs.

7. Figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to March 31, 2015 and the unaudited published year-to-date figures up to December 31, 2014, being the date of the end of the third quarter of the financial year which were subjected to limited review.
8. Figures for the previous year/period have been reclassified/ regrouped wherever necessary to conform to current year's classification.
9. The Board of Directors of the company has recommended a dividend of Rs.20/- per equity share of Rs.2 each (i.e., 1000%), subject to approval of members.

for Divi's Laboratories Limited

Place: Hyderabad
Date: 23-05-2015

Dr. Murali K. Divi
Chairman & Managing Director