



## **DIVI'S LABORATORIES LIMITED**

**Regd Off.: Divi Towers, 1-72/23(P)/DIVIS/303, Cyber Hills, Gachibowli, Hyderabad – 500 032, Telangana, India**

**CIN: L24110TG1990PLC011854; Tel: 91-40-23786300, Fax: 91-40-23786460,**

**E-mail: [mail@divislabs.com](mailto:mail@divislabs.com), Website: [www.divislabs.com](http://www.divislabs.com)**

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### **NOTICE OF POSTAL BALLOT**

Dear Member(s),

**NOTICE** is hereby given that pursuant to Section 110 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the Act and Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (“Rules”), as amended from time to time, read with the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No.22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021 issued by the Ministry of Corporate Affairs (“MCA”) (hereinafter collectively referred to as “MCA Circulars”), that the Resolutions appended below are proposed to be passed by the Members of Divi’s Laboratories Limited (“Company”) through Postal Ballot only by voting through electronic means (“remote e-voting”). Communication of assent or dissent of the Members would take place only through the remote e-voting system.

In compliance with the aforesaid MCA Circulars, this Notice of Postal Ballot is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. If your e-mail address is not registered with the Company/Depositories, please follow the process provided in the Notes to receive this Notice of Postal Ballot.

An explanatory statement pursuant to Sections 102, 110 and other applicable provisions, if any, of the Act, pertaining to the resolution setting out the material facts and reasons thereof, is appended to this Notice of Postal Ballot. Pursuant to Rule 22(5) of the Rules, the Board of Directors (“the Board”) of your Company at its meeting held on February 11, 2022, has appointed Mr. V. Bhaskara Rao (Membership No. FCS 5939) of V. Bhaskara Rao & Co., Practicing Company Secretaries, as the Scrutinizer to conduct the Postal Ballot through remote e-voting process in a fair and transparent manner.

The remote e-voting period commences from 9.00 a.m. (IST) on Friday, February 25, 2022 and ends at 5.00 p.m. (IST) on Saturday, March 26, 2022. The Scrutinizer will submit his report to the Chairman of the Company, or any person authorized by him upon completion of the scrutiny of the votes cast through remote e-voting. The results of the Postal Ballot will be announced on or before 5.00 p.m. (IST) on Monday, March 28, 2022.

The said results along with the Scrutinizer’s Report would be intimated to BSE Limited and National Stock Exchange of India Limited, where the Equity Shares of the Company are listed. Additionally, the results will also be uploaded on the Company’s website <https://www.divislabs.com/> and on the website of Kfin Technologies Private Limited (“Kfintech”) <https://evoting.kfintech.com>.

## **SPECIAL BUSINESS:**

### **Item No. 1 - Re-appointment of Dr. Ramesh B.V. Nimmagadda (DIN: 07854042) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to Section 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”), if any, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Dr. Ramesh B.V. Nimmagadda (DIN: 07854042), who was appointed as an Independent Director and who holds office as an Independent Director up to June 26, 2022 and who has submitted a declaration that he meets the criteria of independence as provided under the Act and the SEBI Listing Regulations, and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, that is, from June 27, 2022 up to June 26, 2027.

**RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the SEBI Listing Regulations, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of the Members be and is hereby accorded for continuance of the Directorship of Dr. Ramesh B.V. Nimmagadda (DIN: 07854042), who will attain 75 years of age on August 14, 2022, as an Independent Director of the Company till completion of his second term of appointment, that is, upto June 26, 2027.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### **Item No. 2 – Re-appointment of Dr. Ganapaty Seru (DIN: 07872766) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to Section 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”), if any, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Dr. Ganapaty Seru (DIN: 07872766), who was appointed as an Independent Director and who holds office as an Independent Director up to July 21, 2022 and who has submitted a declaration that he meets the criteria of independence as provided under the Act and the SEBI Listing Regulations, and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, that is, from July 22, 2022 up to July 21, 2027.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**Item No. 3 – Re-appointment of Ms. Nilima Prasad Divi (DIN: 06388001) as ‘Whole-time Director (Commercial)’ of the Company for a period of 5 years**

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT**, in accordance with the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 (“Act”) read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and such other consents and permission as may be necessary, and as recommended by the Compensation, Nomination and Remuneration Committee and as approved by the Board of Directors of the Company, approval of members of the Company be and is hereby accorded for the re-appointment of Ms. Nilima Prasad Divi (DIN: 06388001), as Whole-time Director (Commercial) of the Company for a further period of 5 (five) years with effect from June 27, 2022, on such terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Compensation, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Ms. Nilima Prasad Divi, subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Act or any statutory modification(s) or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By Order of the Board of Directors  
for Divi’s Laboratories Limited**

Place: Hyderabad

Date: February 11, 2022

**M. Satish Choudhury**  
**Company Secretary**  
Membership No. A30204

**Registered Office:**

Divi Towers, 1-72/23(P)/DIVIS/303, Cyber Hills,  
Gachibowli, Hyderabad - 500 032, Telangana, India.

CIN : L24110TG1990PLC011854

Tel: 91-40-23786300, Fax: 91-40-23786460

e-mail : mail@divislabs.com

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 and 110 of the Act read with applicable Rules setting out all material facts of the businesses specified above is annexed hereto. Brief profiles and other additional information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of the Directors seeking re-appointment, are also annexed to the Notice.
2. In compliance with MCA Circulars, this Notice of Postal Ballot is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Physical

copy of Notice of Postal Ballot, Postal Ballot Form and pre-paid business envelopes will not be sent to the Members for this Postal Ballot.

3. Members may note that this Notice of Postal Ballot will also be available on the Company's website, <https://www.divislabs.com>, websites of the Stock Exchanges where the equity shares of the Company are listed i.e. BSE Limited, [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited, [www.nseindia.com](http://www.nseindia.com) and on the website of Kfin Technologies Private Limited ("Kfintech") <https://evoting.kfintech.com>.
4. Manner of registering/ updating e-mail address: The Members whose e-mail addresses are not registered with the Company/ Depositories, are requested to get the same registered/ updated through the following procedure:
  - i. Members holding shares in demat form can get their e-mail addresses registered by contacting their respective Depository Participants (DPs).
  - ii. Members holding shares in physical form may register their e-mail addresses and mobile number for receiving the Notice along with e-voting instructions in electronic mode by submitting Form ISR-1 with Kfintech along with copy of PAN Card and a copy of the share certificate through any of the following modes:
    - a. In Person Verification: by producing the originals to the authorized person of the RTA, who will retain copy(ies) of the document(s), or
    - b. In hard copy: by furnishing self-attested photocopy(ies) of the relevant document, with date, or
    - c. Through e-mail address already registered with the RTA at the email address [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with e-sign of scanned copies of documents, or
    - d. Service portal of the RTA at <https://ris.kfintech.com/clientservices/isc/default.aspx> along with e-sign of scanned copies of documents.

The Company has also provided the facility to the Members for temporary registration of their e-mail addresses for receiving Notice in electronic mode by clicking the link <https://ris.kfintech.com/clientservices/postalballot/registration.aspx>. Post successful registration of the e-mail address, the Members will receive the Notice of Postal Ballot in electronic mode.

5. The Members are requested to quote their Registered Folio Number or Demat Account Number and Depository Participant (DP) ID number in all correspondence with the Company or its Registrar and Share Transfer Agent.
6. The voting rights in the Postal Ballot cannot be exercised by proxy.
7. This Notice of Postal Ballot is being sent to all the Members whose names appear in the Register of Members/List of Beneficial Owners as received from the RTA / Depositories as on February 18, 2022.
8. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member (in case of physical shareholding) / beneficial owner (in case of electronic shareholding) as on **Friday, February 18, 2022 (the cut-off date)** and only such Member(s) will be entitled to cast their votes by Postal Ballot or remote e-voting.

9. The relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be available for inspection by the members at the Registered Office and the copies thereof at the Registered Office of the Company during normal business hours (between 11.00 A.M. to 1.00 P.M.) on all working days upto and including the date of declaration of the results of Postal Ballot. The relevant documents will also be made available on the website of the Company during the abovementioned period. Members seeking to inspect such documents can also send an email to [cs@divislabs.com](mailto:cs@divislabs.com).
10. The resolutions passed by the Members through Postal Ballot will be deemed to have been passed as if they have been passed at a general meeting of the Members.
11. The Resolutions, if passed by requisite majority, will be deemed to have been passed on the last date of e-voting i.e. Saturday, March 26, 2022.

12. **Process for remote e-voting:**

**I. E-voting Facility:**

In compliance with Section 108, 110 and other applicable provisions of the Act and Rules made thereunder and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide remote e-voting facility to the members, to enable them to cast their vote electronically. The Company has engaged services of Kfin Technologies Private Limited for providing remote e-voting facility to all its members.

The manner of voting, including remote voting by (i) individual shareholders holding shares of the Company in demat mode, (ii) shareholders other than individuals holding shares of the Company in demat mode, (iii) shareholders holding shares of the Company in physical mode, and (iv) Members who have not registered their e-mail address is explained in the instructions given herein below.

The Members whose names appear on the Register of Members/List of Beneficial Owners as on **Friday, February 18, 2022** (the “**Cut-off Date**”) will be considered for the purpose of remote e-voting. A person who is not a Member as on the Cut-off Date should treat this Notice for information purpose only.

The remote e-voting facility will be available during the following voting period:

<b>Commencement of remote e-voting:</b>	<b>9:00 a.m. (IST) on Friday, February 25, 2022</b>
<b>End of remote e-voting:</b>	<b>5:00 p.m. (IST) on Saturday, March 26, 2022</b>

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by Kfintech upon expiry of the aforesaid period.

**II. Remote e-voting:**

**a. Information and instructions for ‘remote e-voting’ by Individual Shareholders holding shares of the Company in demat mode**

As per circular dated December 09, 2020 of SEBI on e-Voting Facility provided by Listed Entities, **all “individual shareholders holding shares of the Company in demat mode” can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories /**

**Depository Participants.** The procedure to login and access remote e-voting, as devised by the Depositories / Depository Participant(s), is given below:

<b>Procedure to login through websites of Depositories</b>	
<b>National Securities Depository Limited (“NSDL”)</b>	<b>Central Depository Services (India) Limited (“CDSL”)</b>
<p><b>1. User already registered for IDeAS facility of NSDL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. Type in the browser / Click on the following e-Services link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>ii. Click on the button “Beneficial Owner” available for login under ‘IDeAS’ section.</li> <li>iii. A new page will open. Enter your User ID and Password for accessing IDeAS.</li> <li>iv. On successful authentication, you will enter your IDeAS service login. Click on “Access to e-Voting” under Value Added Services on the panel available on the left hand side.</li> <li>v. Click on “Active E-voting Cycles” option under E-voting.</li> <li>vi. You will see Company Name: “Divi’s Laboratories Limited” on the next screen. Click on the e-Voting link available against Divi’s Laboratories Limited or select e-Voting service provider “Kfintech” and you will be re-directed to the e-Voting page of Kfintech to cast your vote without any further authentication.</li> </ol>	<p><b>1. Existing user who have opted for Easi / Easiest facility of CDSL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. Type in the browser / Click on any of the following links: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi / Login to My Easi option under Quick Login (best operational in Internet Explorer 10 or above and Mozilla Firefox)</li> <li>ii. Enter your User ID and Password for accessing Easi / Easiest.</li> <li>iii. You will see Company Name: “Divi’s Laboratories Limited” on the next screen. Click on the e-Voting link available against Divi’s Laboratories Limited or select e-Voting service provider “Kfintech” and you will be re-directed to the e-Voting page of Kfintech to cast your vote without any further authentication.</li> </ol>
<p><b>2. Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. To register, type in the browser / Click on the following e-Services link: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>ii. Select option “Register Online for IDeAS” available on the left hand side of the page</li> <li>iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number etc.</li> <li>iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</li> </ol>	<p><b>2. Users not registered for Easi/Easiest facility of CDSL may follow the following procedure:</b></p> <ol style="list-style-type: none"> <li>i. To register, type in the browser / Click on the following link: <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>ii. Proceed to complete registration using your DP ID-Client ID (BO ID), etc.</li> <li>iii. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</li> </ol>

<p><b>3. Users may directly access the e-Voting module of NSDL as per the following procedure:</b></p> <p>i. Type in the browser / Click on the following link: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a></p> <p>ii. Click on the button “Login” available under “Shareholder/Member” section.</p> <p>iii. On the login page, enter User ID (that is, 16-character demat account number held with NSDL, starting with IN), Login Type, that is, through typing Password (in case you are registered on NSDL’s e-voting platform)/ through generation of OTP (in case your mobile/e-mail address is registered in your demat account) and Verification Code as shown on the screen.</p> <p>iv. On successful authentication, you will enter the e-voting module of NSDL. Click on “Active E-voting Cycles / VC or OAVMs” option under E-voting. You will see Company Name: “Divi’s Laboratories Limited” on the next screen. Click on the e-Voting link available against Divi’s Laboratories Limited or select e-Voting service provider “Kfintech” and you will be re-directed to the e-Voting page of Kfintech to cast your vote without any further authentication.</p>	<p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <p>i. Type in the browser / Click on the following links: <a href="http://www.cdslindia.com">www.cdslindia.com</a> / <a href="https://www.evotingindia.com">https://www.evotingindia.com</a></p> <p>ii. Provide Demat Account Number and PAN</p> <p>iii. System will authenticate user by sending OTP on registered Mobile &amp; E-mail as recorded in the Demat Account.</p> <p>iv. On successful authentication, you will enter the e-voting module of CDSL. Click on the e-Voting link available against Divi’s Laboratories Limited or select e-Voting service provider “Kfintech” and you will be re-directed to the e-Voting page of Kfintech to cast your vote without any further authentication.</p>
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<p><b>Procedure to login through their demat accounts / Website of Depository Participant</b></p>	
<p>i. Individual shareholders holding shares of the Company in Demat mode can access e-Voting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts / websites of Depository Participants registered with NSDL/CDSL.</p> <p>ii. An option for “e-Voting” will be available once they have successfully logged-in through their respective logins. Click on the option “e-Voting” and they will be redirected to e-Voting modules of NSDL/CDSL (as may be applicable).</p> <p>iii. Click on the e-Voting link available against “Divi’s Laboratories Limited” or select e-Voting service provider “Kfintech” and you will be re-directed to the e-Voting page of Kfintech to cast your vote without any further authentication.</p>	

**Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available on the websites of the Depositories / Depository participants.**

<p><b>Contact details in case of any technical issues NSDL website</b></p>	<p><b>Contact details in case of any technical issues CDSL website</b></p>
<p>Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990 and 1800 22 44 30</b></p>	<p>Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022-23058738 or 022-23058542-43</b></p>



**b. Information and instructions for ‘remote e-voting’ by (i) Shareholders other than individuals holding shares of the Company in demat mode and (ii) All shareholders holding shares in physical mode:**

**A. In case a Member receives an e-mail from the Company / Kfintech i.e. for Members whose e-mail address is registered with the Company / Depository Participant(s):**

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- ii. Enter the login credentials (User ID and password provided in the e-mail). The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. If you are already registered with Kfintech for e-voting, you can use the existing password for logging-in. If required, contact toll-free numbers 1800-309-4001 (from 9:00 a.m. to 6:00 p.m. on all working days) for assistance on your existing password.
- iii. After entering these details appropriately, click on “LOGIN”.
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the “EVEN” for Divi’s Laboratories Limited and click on “Submit”
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote.



- xii. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board Resolution / Power of Attorney / Authorization Letter, etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution /Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to [bhaskararaoandco@gmail.com](mailto:bhaskararaoandco@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) The scanned image of the above-mentioned documents should be in the naming format “Corporate Name Even.”.

**B. In case of a Member whose e-mail address is not registered / updated with the Company / Kfintech / Depository Participant(s), please follow the following steps to generate your login credentials:**

Members who have not registered their e-mail address (including Members holding shares in physical form), should follow the steps for registration of e-mail address as mentioned in Note no. 4 above and may obtain the User ID and Password in the manner as mentioned below:

- i. If e-mail address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click “Forgot Password” and enter Folio No. or DP ID Client ID to generate a password.
  - ii. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to **9212993399**  
Example for NSDL: MYEPWD <SPACE> IN12345612345678  
Example for CDSL: MYEPWD <SPACE> 1402345612345678  
Example for Physical: MYEPWD <SPACE> XXXX1234567890
  - iii. Members may call on KFinTech’s toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com) After due verification of the request, User ID and password will be sent to member.
  - iv. After receiving the User ID and Password, please follow all steps mentioned at A above to cast your vote by electronic means.
13. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (Kfintech Website) or contact at the details mentioned below for any e-voting related clarification/grievances:

Mr. P Nageswara Rao, Manager,  
KFin Technologies Private Limited  
(Unit: Divi’s Laboratories Limited)  
Selenium Tower B, Plot 31-32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad - 500 032  
Phone No. 040 – 67161526  
Toll free No. 1800-309-4001  
e-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [evoting@kfintech.com](mailto:evoting@kfintech.com)

## **EXPLANATORY STATEMENT**

*(Pursuant to Section 102 and 110 of the Companies Act, 2013 (“the Act”) setting out all the material facts pertaining to above mentioned Resolutions)*

### **Item No. 1 - Re-appointment of Dr. Ramesh B.V. Nimmagadda (DIN: 07854042) as an Independent Director of the Company**

Dr. Ramesh B.V. Nimmagadda was appointed as an Additional Director on the Board of the Company on June 27, 2017. Members of the Company at the 27<sup>th</sup> Annual General Meeting held on September 25, 2017 approved his appointment as an Independent Director for a period of 5 (five) consecutive years up to June 26, 2022.

The Compensation, Nomination and Remuneration Committee (CNR Committee) of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Dr. Ramesh B.V. Nimmagadda as an Independent Director of the Company for a second term of 5 (five) consecutive years.

Based on the performance evaluation and as per the recommendations of the Compensation, Nomination & Remuneration Committee and keeping in view the expertise of Dr. Ramesh B.V. Nimmagadda, the Board of Directors at its meeting held on February 11, 2022 approved the continuance of office of Dr. Ramesh B.V. Nimmagadda as Independent Director for a second term of 5 (Five) years, commencing from June 27, 2022 up to June 26, 2027, subject to approval of members of the Company by way of a special resolution.

Dr. Ramesh B.V. Nimmagadda is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as a director. The Company has also received declaration from him that he meets the criteria of independence as prescribed, both, under Section 149(6) of the Act and under the SEBI Listing Regulations.

The Company has received a notice in writing from Dr. Ramesh B.V. Nimmagadda proposing his candidature for re-appointment as an Independent Director on the Board of the Company.

In the opinion of the Board, Dr. Ramesh B.V. Nimmagadda fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management.

Being an expert medical professional, Dr. Ramesh B.V. Nimmagadda has great understanding of the pharmaceutical business and emerging technology besides treatment regimen and its research thereon. He helps in bringing independent judgment during Board deliberations and helps in strategic guidance and assists the Company in implementing the best corporate governance practices. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Ramesh B.V. Nimmagadda as an Independent Director.

Brief profile of Dr. Ramesh B.V. Nimmagadda and the information as required under Regulation 36 of SEBI Listing Regulations and applicable Secretarial Standards is enclosed as Annexure to the Notice.

As per the provisions of Section 149(10) of the Act, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders.

Pursuant to Regulation 17(1A) of SEBI Listing Regulations any Non-Executive Director who has attained the age of 75 years or more cannot be appointed or continued as a Non-Executive Director in any listed Company until and unless approval of Members has been obtained for the same by way of special resolution. Dr. Ramesh B.V. Nimmagadda will attain the age of 75 during his second term of 5 years. Thus, shareholders approval is specifically sought pursuant to Regulation 17(1A) of SEBI Listing Regulations for permitting Dr. Ramesh B.V. Nimmagadda to continue as Independent Director of the Company despite attaining the age of 75 years.

The resolutions set forth in Item No. 1 seeks the approval of members by a special resolution for re-appointment of Dr. Ramesh B.V. Nimmagadda as an Independent Director of the Company, not liable to retire by rotation, commencing from June 27, 2022 up to June 26, 2027 and for continuance of Directorship of Dr. Ramesh B.V. Nimmagadda as an Independent Director of the Company despite having attained the age of 75 years or more in terms of Section 149 and other applicable provisions of the Act and Rules made thereunder and applicable provisions of the SEBI Listing Regulations.

The draft letter for re-appointment of Dr. Ramesh B.V. Nimmagadda as an Independent Director setting out the terms and conditions is available for inspection by members at the Company through electronic mode.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Dr. Ramesh B.V. Nimmagadda, to whom the resolution relates, is in any way concerned or interested, financially or otherwise, in the resolution. The relatives of Dr. Ramesh B.V. Nimmagadda may also be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

The Board recommends the resolutions set forth in Item No. 1 for approval of the members through Postal Ballot, by way of Special Resolution.

### **Item No. 2 - Re-appointment of Dr. Ganapaty Seru (DIN: 07872766) as an Independent Director of the Company**

Dr. Ganapaty Seru was appointed as an Additional Director on the Board of the Company on July 22, 2017. Members of the Company at the 27<sup>th</sup> Annual General Meeting held on September 25, 2017 approved the appointment of Dr. Ganapaty Seru as an Independent Director for a period of 5 (five) consecutive years up to July 21, 2022.

The Compensation, Nomination and Remuneration Committee (CNR Committee) of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Dr. Ganapaty Seru as an Independent Director of the Company for a second term of 5 (five) consecutive years.

Based on the performance evaluation and as per the recommendations of the Compensation, Nomination & Remuneration Committee and keeping in view the expertise of Dr. Ganapaty Seru, the Board of Directors at its meeting held on February 11, 2022 approved the continuance of office of Dr. Ganapaty Seru as Independent Director for a second term of 5 (Five) years, commencing from July 22, 2022 up to July 21, 2027, subject to approval of members of the Company by way of a special resolution.

Dr. Ganapaty Seru is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given his consent to act as a director. The Company has also received declaration from him that he meets the criteria of independence as prescribed, both, under Section 149(6) of the Act and under the SEBI Listing Regulations.

The Company has received a notice in writing from Dr. Ganapaty Seru proposing his candidature for re-appointment as an Independent Director on the Board of the Company.

In the opinion of the Board, Dr. Ganapaty Seru fulfills the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations and is independent of the management.

Being a pharmaceutical professional with research expertise, he provides strategic guidance and assists the Company in implementing the best regulatory practices. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Ganapaty Seru as an Independent Director.

Brief profile of Dr. Ganapaty Seru and the information as required under Regulation 36 of SEBI Listing Regulations and applicable Secretarial Standards is enclosed as Annexure to the Notice.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of upto five years, on passing of a special resolution by shareholders.

The resolution set forth in Item No. 2 seeks the approval of members by a special resolution for the re-appointment of Dr. Ganapaty Seru as an Independent Director of the Company, not liable to retire by rotation, commencing from July 22, 2022 up to July 21, 2027 in terms of Section 149 and other applicable provisions of the Act and Rules made thereunder and applicable provisions of the SEBI Listing Regulations.

The draft letter for re-appointment of Dr. Ganapaty Seru as an Independent Director setting out the terms and conditions is available for inspection by members of the Company through electronic mode.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Dr. Ganapaty Seru, to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution. The relatives of Dr. Ganapaty Seru may also be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

The Board recommends the resolution set-forth in Item No.2 for approval of the members through Postal Ballot, by way of Special Resolution.

**Item No. 3 - Re-appointment of Ms. Nilima Prasad Divi (DIN: 06388001) as ‘Whole-time Director (Commercial)’ of the Company for a period of 5 years**

Ms. Nilima Prasad Divi was appointed as Whole-time Director of the Company for a period of 5 years effective from June 27, 2017 to June 26, 2022 vide resolution passed by the members at the 27<sup>th</sup> Annual General Meeting. The Board of Directors designated Ms. Nilima Prasad Divi as Whole-time Director (Commercial) with effect from January 04, 2020.

She oversees the commercial functions comprising of sourcing, risk mitigation, corporate finance, accounting, taxation, secretarial, investor relations and CSR projects. She is also Chief Control Officer and works towards control mainly in matters pertaining to commercial functions as well as projects.

In view of her contribution towards achieving optimum material procurement planning, efficient working capital cycle and ensuring commercial/regulatory functions of the Company, the shareholders vide special

resolution dated February 26, 2020 approved revision of her remuneration terms by including remuneration @ 1% of the net profits of the Company effective from January 01, 2020, computed in the manner laid down in Section 198 of the Act, in addition to the salary, perquisites and allowances approved by the shareholders in the 27<sup>th</sup> Annual General Meeting of the Company held on September 25, 2017.

The Compensation, Nomination and Remuneration Committee (CNR Committee) of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Ms. Nilima Prasad Divi as Whole-time Director (Commercial) of the Company, for a period of 5 (five) years.

Based on the performance evaluation and as per the recommendations of the Compensation, Nomination & Remuneration Committee and keeping in view the expertise of Ms. Nilima Prasad Divi, the Board of Directors at its meeting held on February 11, 2022 approved the re-appointment of Ms. Nilima Prasad Divi as Whole-time Director (Commercial) of the Company for a period of 5 (Five) years, effective from June 27, 2022 at the remuneration and terms as detailed below, subject to approval of members of the Company by way of a special resolution.

Ms. Nilima Prasad Divi is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given her consent to act as a director.

The Company has received a notice in writing from Ms. Nilima Prasad Divi proposing her candidature for re-appointment as Whole-time Director (Commercial) on the Board of the Company.

Brief profile of Ms. Nilima Prasad Divi and the information as required under Regulation 36 of SEBI Listing Regulations and applicable Secretarial Standards is enclosed as Annexure to the Notice.

In terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Act and the Rules made thereunder and applicable provisions of the SEBI Listing Regulations, the re-appointment of Ms. Nilima Prasad Divi as Whole-time Director (Commercial) of the Company requires approval of members by way of a special resolution.

**Broad particulars of the terms of remuneration payable to Ms. Nilima Prasad Divi are as under:**

**Salary, perquisites and other allowances:**

- a) Salary of ₹ 7,70,000/- per month.
- b) In addition to the aforesaid salary, she shall be entitled to following Perquisites and allowances:
  - i) Rent free furnished accommodation or house rent allowance in lieu thereof including watch and ward
  - ii) Re-imbursment of expenses for gas, electricity and water
  - iii) Re-imbursment of medical expenses
  - iv) Personal accident insurance premium and medical insurance premium for self and family
  - v) Leave travel concession for self and his family including dependents
  - vi) Re-imbursment of actual Club fees
  - vii) Company's contribution towards pension scheme or superannuation fund or provident fund as per Company's policy.
  - viii) Gratuity payable as per the Rules of the Company
  - ix) Encashment of un-availed leave as per the rules of the Company
  - x) All other payments in the nature of perquisites and allowances agreed by the Board of Directors from time to time.

Perquisites shall be evaluated as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. However, contribution towards pension scheme, superannuation fund, provident fund to the extent these singly or together are not taxable under the Income Tax law, gratuity and encashment of un-availed leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included in the aforesaid perquisites limit.

However, the aggregate monetary value of the perquisites in any year shall not exceed 40% of her annual salary.

**Remuneration based on net profits:**

In addition to salary, perquisites and allowances mentioned above, Ms. Nilima Prasad Divi shall be entitled to remuneration @ 1% of the net profits of the Company computed in the manner laid down in Section 198 of the Act, due and payable in the month of June in succeeding financial year.

**Reimbursement of expenses:**

Expenses incurred for travelling, boarding and lodging during business trips, use of car(s) on Company's business and communication expenses at residence, shall be paid/reimbursed at actuals and not considered as perquisites.

**Minimum remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Director, the Company does not have profits or its profits are inadequate, the Company will pay salary, perquisites, allowances and remuneration as a percentage of profits not exceeding the maximum limits as prescribed under Section II, Part II of Schedule V of the Act as amended from time to time as minimum remuneration to Ms. Nilima Prasad Divi.

**Aggregate remuneration:**

The aggregate of remuneration, commission and perquisites/benefits including contribution towards provident fund, superannuation fund, gratuity fund, payable to Ms. Nilima Prasad Divi, individually or to all Whole-time Directors of the Company taken together, shall not exceed during any financial year 5% / 10% of profits of the Company calculated in accordance with the provisions of Sections 198 of the Act.

Ms. Nilima Prasad Divi satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for her re-appointment.

The above may be treated as a written memorandum setting out the terms of re-appointment of Ms. Nilima Prasad Divi under Section 190 of the Act.

The resolutions set forth in Item No. 3 seeks the approval of members by a special resolution for the re-appointment of Ms. Nilima Prasad Divi as Whole-time Director (Commercial) of the Company for a period of 5 (Five) years, effective from June 27, 2022 at the remuneration and terms as detailed hereunder in terms of the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Act read with Schedule V of the Act and Rules made thereunder and applicable provisions of the SEBI Listing Regulations.

Ms. Nilima Prasad Divi is interested in the resolution set out at Item No. 3 of the Notice of Postal Ballot, as the same relates to her re-appointment and remuneration payable to her. Dr. Murali K. Divi and Dr. Kiran S. Divi being related to Ms. Nilima Prasad Divi are deemed to be interested in the resolution. The relatives of Ms. Nilima Prasad Divi may also be deemed to be interested in the resolution to the extent of their shareholding

interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolution set forth in Item No.3 for approval of the members through Postal Ballot, by way of Special Resolution.

### **“ANNEXURE”**

**Additional information of Director(s) recommended for appointment / re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards**

**Dr. Ramesh B.V. Nimmagadda (DIN: 07854042)**

**Brief profile:**

Dr. Ramesh B.V. Nimmagadda has an F.R.C.P.C., from Canada and started his career as Medical Oncologist at Saint John Hospital, Canada in the year 1979. He was a Member of N.C.I., Clinical Trials Group, Canada. During the years 1982-1985, he was Member of Royal College Speciality Committee in Medical Oncology, Director at Provincial Cancer Registry, N.B., Canada and Director, Canadian Cancer Society, N.B., Canada.

Dr. Ramesh has shifted to India in the year 1985 and has been with M/s. Apollo Cancer Hospital, Chennai, as Senior Medical Oncologist. From 1993 to 2018 he has been Director, Medical Oncology, Apollo Cancer Institute, Chennai and since then he has been Senior Consultant in the same department.

Dr. Ramesh Nimmagadda is a member of several Oncology Organizations like American Society of Clinical Oncology, Indian Society of Oncology, Indian Society of Medical and Paediatric Oncology, Indian Co-operative Oncology Network. He is also the founder of Ramesh Nimmagadda Cancer Foundation.

Dr. Ramesh Nimmagadda joined Board of Directors of Divi's Laboratories Limited as Independent Director effective from June 27, 2017. He is appointed as Non-executive Chairman of the Company from April 01, 2020 and also serving as member of CSR Committee and Chairman of the Stakeholders Relationship Committee.

**Age:** 74 years

**Nature of expertise in specific functional areas:** Medicine, pharmaceuticals, Technology, Governance and healthcare industry

**Disclosure of relationships between directors inter-se:** Nil

**Directorships held in other companies:** Nil

**Memberships/Chairmanships of Committees in other companies:** Nil

**Listed entities from which he has resigned in the past three years:** Nil

**Shareholding in the Company:** Nil



**Terms and conditions of appointment:** As per the draft letter of appointment setting out the terms and conditions which is available for inspection by the members of the Company through electronic mode.

**Date of first appointment on Board:** He joined the Board of Directors of Divi's Laboratories Limited on June 27, 2017.

**Last drawn remuneration and number of Board meetings attended:** The sitting fee and annual remuneration paid in FY 2020-21 is ₹ 31 Lakhs. He attended 4 out of 4 Board meetings held during the financial year 2020-21.

**The skills and capabilities required for the role and the manner in which the proposed person meets such requirements:**

As per the Nomination and Remuneration Policy the skills/expertise/competencies required in the context of the Company's business are industry knowledge, technical skills, governance competencies, and expertise in the said areas. Dr. Ramesh Nimmagadda fulfils the said criteria. Please refer to his brief profile and nature of expertise in specific functional areas mentioned above.

**Dr. Ganapaty Seru (DIN: 07872766)**

**Brief profile:**

Dr. Ganapaty Seru has M. Pharm. from Andhra University, Visakhapatnam, M.Sc. in Pharmacology from University of Strathclyde, Glasgow, U.K., and Ph.D. (Phytochemistry) from Andhra University.

Dr. Ganapaty Seru joined Andhra University, Visakhapatnam, Andhra Pradesh during the year 1980 as Faculty for Pharmaceutical Sciences and held various positions at the University. He was the Principal of the University College of Pharmaceutical Sciences and Rector of Andhra University. He was Distinguished Professor, Principal & Dean, GITAM Institute of Pharmacy, GITAM Deemed to be University, Visakhapatnam from October 2013 till November 2021

Dr. Ganapaty Seru has teaching and research experience of about 42 years and supervised 65 doctorates (Ph.D. degree), and 70 M. Pharm projects, successfully completed 3 major research projects and 3 minor research projects on Indian Medicinal Plants funded by UGC and AICTE, New Delhi, published more than 200 research papers in National and International refereed Journals.

Dr. Ganapaty received several awards for best Ph.D. thesis, Best Researcher, Best Academician, National award as Pharmacy Teacher for the year 2007 and was Fellow of AP Academy of Sciences, Member of Board of Studies of several Universities in India. He is a Life Member in many Professional Bodies (IPA, IPGA, APTI, ISPC) and American Chemical Society.

Dr. Ganapaty joined the Board of Directors of Divi's Laboratories Limited as an Independent Director on July 22, 2017. He is serving as member of the Stakeholders Relationship Committee and Compensation, Nomination and Remuneration Committee of the Company.

**Age:** 68 years

**Nature of expertise in specific functional areas:** Chemistry, Medicine, pharmaceuticals, Technology, and healthcare industry

**Disclosure of relationships between directors inter-se:** Nil

**Directorships held in other companies:** Nil

**Memberships/Chairmanships of Committees in other companies:** Nil

**Listed entities from which he has resigned in the past three years:** Nil

**Shareholding in the Company:** Nil

**Terms and conditions of appointment:** As per the draft letter of appointment setting out the terms and conditions which is available for inspection by the members of the Company through electronic mode.

**Date of first appointment on Board:** He joined the Board of Directors of Divi's Laboratories Limited on July 22, 2017.

**Last drawn remuneration and number of Board meetings attended:** The sitting fee and annual remuneration paid in FY 2020-21 is ₹ 27 lakhs. He attended 4 out of 4 Board meetings held during the financial year 2020-21.

**The skills and capabilities required for the role and the manner in which the proposed person meets such requirements:**

As per the Nomination and Remuneration Policy the skills/expertise/competencies required in the context of the Company's business are industry knowledge, technical skills, governance competencies, and expertise in the said areas. Dr. Ganapaty Seru fulfils the said criteria. Please refer to his brief profile and natures of expertise in specific functional areas mentioned above.

**Ms. Nilima Prasad Divi (DIN: 06388001)**

**Brief profile:**

Ms. Nilima Prasad Divi has a Master's Degree in International Business from Gitam Institute of Foreign Trade, Visakhapatnam, and in International Finance from Glasgow University, U.K. Ms. Nilima has significant international exposure in UK and Scotland for over 5 years before joining the Company and acquired commercial acumen and familiarity with international business environment.

Ms. Nilima Prasad Divi joined the Company during 2012 in the management cadre of the Company. She joined the Board as a Whole-time Director from June 27, 2017.

Ms. Nilima Prasad Divi, Whole-time Director (Commercial) of the Company oversees the commercial functions comprising of Sourcing, Risk Mitigation as well as Corporate Finance/ Accounting/ Taxation /Secretarial / Investor Relations, CSR Projects. She is also Chief Control Officer and works towards control mainly in matters pertaining to commercial functions as well as projects.

**Age:** 39 years

**Nature of expertise in specific functional areas:** Sourcing, Risk Mitigation, Corporate Finance /Accounting /Taxation/ Secretarial/ Investor Relations, CSR Projects

**Disclosure of relationships between directors inter-se:** Ms. Nilima Prasad Divi is related to Dr. Murali K. Divi, Managing Director and Dr. Kiran S. Divi, Whole-time Director and Chief Executive Officer of the Company.

**Directorships held in other companies:**

- Divi's Biotech Private Limited
- Divi's Resorts and Agro Farms Private Limited
- Divi's Properties Private Limited

Except Divi's Laboratories Limited, Ms. Nilima Prasad Divi does not hold directorship in any other listed company.

**Memberships/Chairmanships of Committees in other companies:** Nil

**Listed entities from which she has resigned in the past three years:** Nil

**Shareholding in the Company:** 540,00,000 equity shares

**Remuneration proposed to be paid:** As per the resolution at Item No. 3 of this Notice read with the explanatory statement thereto.

**Terms and conditions of appointment:** As per the draft letter of appointment setting out the terms and conditions which is available for inspection by the members of the Company through electronic mode.

**Date of first appointment on Board, last drawn remuneration and number of Board meetings attended:** She joined the Board of Directors as Whole-time Director from June 27, 2017. Her last drawn remuneration for the financial year 2020-21 is ₹ 2,759 lakhs including remuneration based on net profits. She attended 4 out of 4 Board meetings held during the financial year 2020-21.

**By Order of the Board of Directors  
for Divi's Laboratories Limited**

Place: Hyderabad

Date: February 11, 2022

**M. Satish Choudhury**  
**Company Secretary**  
Membership No. A30204

**Registered Office:**

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