

# Notice of the 32<sup>nd</sup> Annual General Meeting

**NOTICE** is hereby given that the Thirty-Second Annual General Meeting (AGM) of the Members of Divi's Laboratories Limited ('the Company') will be held on Monday, August 22, 2022 at 10.00 a.m. IST through video conferencing ("VC") / other audio-visual means ("OAVM") to transact the following business:

## ORDINARY BUSINESS:

### Item No. 1 – Adoption of financial statements

To consider and adopt the audited financial statements of the Company, both standalone and consolidated, for the financial year ended March 31, 2022, and the reports of the Board of Directors' and Auditors' thereon.

### Item No. 2 – Declaration of dividend for the financial year 2021-22

To declare dividend of ₹ 30/- per Equity Share of face value ₹ 2/- each (i.e. @ 1500%) for the financial year ended March 31, 2022.

### Item No. 3 – Appointment of Mr. N.V. Ramana, who retires by rotation, as Director of the Company

To appoint a director in place of Mr. N.V. Ramana (DIN: 00005031), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

### Item No. 4 – Appointment of Mr. Madhusudana Rao Divi, who retires by rotation, as Director of the Company

To appoint a director in place of Mr. Madhusudana Rao Divi (DIN: 00063843), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

### Item No. 5 – Reappointment of M/s. Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company

To appoint M/s. Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company for a second term of five years and to fix their remuneration by passing the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No.012754N/N500016), be and is hereby appointed as Statutory Auditors of the Company, for the second term of five years, who shall hold office from the conclusion this 32<sup>nd</sup> Annual General Meeting ("AGM") till the conclusion of the 37<sup>th</sup> AGM of the Company to be held in the year 2027, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors in addition to reimbursement of all out of pocket expenses; and such remuneration may be paid on progressive billing basis."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committees thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, including filing the requisite forms or submission of documents with any authorities and accepting any modifications to the terms of appointment."

**By Order of the Board of Directors**

**M. Satish Choudhury**

Company Secretary  
Membership No. A30204

Place: Hyderabad  
Date: May 23, 2022

**Registered Office:**

1-72/23(P)/DIVIS/303,  
Divi Towers, Cyber Hills,  
Gachibowli, Hyderabad – 500 032  
CIN: L24110TG1990PLC011854  
Website: www.divislabs.com  
e-mail: mail@divislabs.com  
Tel: +91 40 66966300  
Fax: +91 40 66966460

**NOTES:**

1. In view of the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 02/2022 dated May 05, 2022 (collectively referred to as "MCA Circulars") and Securities Exchange Board of India ("SEBI") vide its Circular Nos. SEBI/HO/CFD/CMD1CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively referred to as "SEBI Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars, SEBI Circulars and provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Generally, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the proxy form and attendance slip are not annexed to this Notice.
3. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
4. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
5. In terms of the provisions of Section 152 of the Act, Mr. N.V. Ramana and Mr. Madhusudana Rao Divi, Directors of the Company, retire by rotation at the AGM. Compensation, Nomination and Remuneration Committee and the Board of Directors of the Company commend their respective re-appointments. Details of Directors seeking appointment/ re-appointment and Auditors proposed to be reappointed at the AGM, as required under Regulation 36(3) of SEBI Listing Regulations and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are provided in the "Annexure" to the Notice of AGM.
6. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. August 22, 2022. Members seeking to inspect such documents can send an email to [cs@divisilabs.com](mailto:cs@divisilabs.com).
7. The Board of Directors at its meeting held on May 23, 2022, has recommended a dividend of ₹ 30/- per Equity Share of ₹ 2/- each (i.e. 1500%) for the financial year 2021-22, subject to the approval of the shareholders at the 32<sup>nd</sup> AGM. **The record date fixed is August 12, 2022 for determining the names of the members eligible for dividend on equity shares, if approved.**

If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made within a period of 30 days from the date of declaration as under:

  - a. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively referred to as "Depositories", as on record date.
  - b. To all Members in respect of shares held in physical form, after giving effect to valid transmission or transposition requests lodged with the Company as on record date.

Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the Members who have not updated their bank account details.

Members whose shareholding is in electronic mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time. We urge members to utilize the ECS for receiving dividends. Please refer to note no. 10 for the process to be followed for updating bank account details.
8. Pursuant to the provisions of Section 124 of the Act, the unpaid or unclaimed dividend for the financial year 2014-15 is due to be transferred to the Investor Education

and Protection Fund ("IEPF") established by the Central Government. Unclaimed dividend for the year(s) 2014-15, 2015-16 (interim dividend) 2016-17, 2017-18, 2018-19, 2019-20 (interim dividend) and 2020-21 are held in separate Bank accounts and shareholders who have not received the dividend/ encashed the warrants are advised to write to the Company or to Registrar and Transfer Agent (RTA) of the Company, KFin Technologies Limited ("Kfin") with complete details.

The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2013-14, from time to time, to IEPF. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).

The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2022 are uploaded on the website of the Company and can be accessed through the link <https://www.divislabs.com/investor-relations/reports-and-filings/unclaimed-dividend/>

Pursuant to the applicable provisions of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time), equity shares in respect of which dividend has not been paid or claimed for seven consecutive years or more will be transferred to the demat account of IEPF Authority. The Company has already initiated necessary action for transfer of shares in respect of which dividend has not been paid or claimed by members for seven consecutive years or more. Members are advised to visit the website of the Company at <https://www.divislabs.com/investor-relations/reports-and-filings/unclaimed-dividend/> to ascertain the details of shares liable for transfer in the name of IEPF Authority.

Details of shares so far transferred to the IEPF Authority are available on the website of the Company [www.divislabs.com](http://www.divislabs.com) and the details have also been uploaded on the website of the IEPF Authority and can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).

Members whose unclaimed dividend/ shares are transferred to the IEPF Authority can claim their unclaimed dividend and shares from the IEPF Authority by following the Refund Procedure as detailed on the website of IEPF Authority i.e. [www.iepf.gov.in](http://www.iepf.gov.in).

The concerned Members/investors are advised to visit the weblink of the IEPF Authority <http://iepf.gov.in/IEPF/refund.html>, or contact Company's RTA for detailed procedure to lodge the claim with IEPF Authority.

9. All documents/requests and other communications relating to shares should be addressed to the Company's RTA at the address mentioned below:

Kfin Technologies Limited  
(Formerly known as Kfin Technologies Private Limited)  
Unit: Divi's Laboratories Limited  
Selenium Tower B, Plot No. 31 – 32, Financial District,  
Nanakramguda, Serilingampally, Hyderabad - 500032  
Phone No: +91 40-67161526, Fax: +91 40-23001153  
Toll Free No. 1800-3454-001  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

10. We encourage members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, to receive copies of the Annual Report 2021-22 in electronic mode.

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them by submitting Form SH-13 to RTA (if holding physical shares) / to their DP (if holding demat shares).

Further, SEBI vide its Circular no. SEBI/HO/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 has introduced common and simplified norms for processing investor's service request by the RTA of the Company and mandatory norms for furnishing PAN, KYC and nomination details by holders of physical securities.

## AGM Notice

### Notice

Members may follow the process detailed below for registration of email ID to obtain the annual report, updating bank account details for the receipt of dividend and other information as per the aforementioned SEBI Circular:

Type of holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company either by email to <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> or by post to address mentioned at note no 9 above.	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	<b>Form ISR-1</b>
	Update of signature of securities holder	<b>Form ISR-2</b>
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	<b>Form SH-13</b>
	Declaration to opt out	<b>Form ISR-3</b>
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	<b>Form SH-14</b>
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	<b>Form ISR-4</b>
	The forms for updating the above details are available at <a href="https://www.divislabs.com/investor-relations/shareholders-contact/#downloads">https://www.divislabs.com/investor-relations/shareholders-contact/#downloads</a>	
Demat	Please contact your Depository Participant (DP) and register your email address, bank account details in your demat account and nomination, as per the process advised by your DP.	

Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number registered with Kfin, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, Members may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

11. Any service request by a holder of physical shares shall be entertained by RTA only upon registration of the PAN, Bank details and the nomination. Further, in absence of the above information on or after April 01, 2023, the folios shall be frozen by the RTA in compliance with SEBI Circular. Any request on the said folio will be undertaken only after submission of the aforementioned information. If the folios continue to remain frozen as on December 31, 2025, the frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.
12. Regulation 40 of SEBI Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated January 25, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat

mode while processing investor service requests pertaining to issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission, transposition etc. In view of this, Members holding shares in physical form are requested to consider converting their holdings to demat mode. Any shareholder who is desirous of dematerializing their securities may write to the Company at [cs@divislabs.com](mailto:cs@divislabs.com) or to the RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for any clarifications, if needed.

13. Non-Resident Indian Members are requested to inform the RTA (if holding shares in physical mode) / respective DP (if holding shares in demat mode), immediately of:
  - a) Change in their residential status on return to India for permanent settlement; and
  - b) Particulars of their bank account maintained in India with account type, account number and name and address of the bank with pin code number, if not furnished earlier.
14. **Dispatch of Annual Report through Electronic Mode:**

In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / the Depositories / RTA, unless any Member has requested for a physical copy of the same. Members may note that the

Notice and Annual Report 2021-22 will also be available on the Company's website at [www.divislabs.com](http://www.divislabs.com), websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The Notice is also available on the website of Company's RTA at <https://evoting.kfintech.com>.

For receiving all communication (including Annual Report) from the Company electronically, members are requested to update their email addresses with RTA (if holding shares in physical mode) / respective DP (if holding shares in demat mode) as stated in note no. 10 above. In case of any queries/ difficulties in registering the e-mail address, Members may write to [cs@divislabs.com](mailto:cs@divislabs.com) or [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

#### 15. Procedure for joining the AGM through VC/OAVM:

The Company will provide VC / OAVM facility to its Members for participating at the AGM through platform provided by Company's RTA, KFin Technologies Limited.

Members will be able to attend the AGM through VC / OAVM or view the live webcast at <https://emeetings.kfintech.com> by using their e-voting login credentials.

- a. Members are requested to follow the procedure given below:
  - i. Launch internet browser (chrome/firefox/safari) by typing the URL: <https://emeetings.kfintech.com>
  - ii. Enter the login credentials (i.e., User ID and password for e-voting).
  - iii. After logging in, click on "Video Conference" option
  - iv. Then click on camera icon appearing against AGM event of Divi's Laboratories Limited, to attend the Meeting.
- b. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.
- c. Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.
- d. Facility to join the meeting shall be opened thirty minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
- e. Members who need assistance before or during the AGM, can contact Kfin on [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or call on toll free numbers 1800-425-8998 / 1800-345-4001 . Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.

- f. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
- g. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
- h. 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. The said Resolution /Authorization shall be sent to the Scrutinizer by e-mail from 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".

16. Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and by clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open from Thursday, August 18, 2022 to Friday, August 19, 2022. Members shall be provided a 'queue number' before the meeting. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
17. The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfin. On successful login, select 'Post Your Question' option which will be opened from Thursday, August 18, 2022 to Friday, August 19, 2022.
18. All the shareholders attending the AGM will have option to post their comments / queries through a dedicated Chat box that will be available below the meeting screen.
19. **Procedure for 'remote e-voting' and e-voting at the AGM ('Insta Poll'):**

#### I E-voting Facility:

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI Listing Regulations read with circular of SEBI on e-Voting facility provided by

listed entities, dated December 09, 2020, the Company is providing to its members facility to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting").

Further, the facility for voting through electronic voting system will also be made available at the Meeting ("Insta Poll") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

The Company has engaged the services of Kfin Technologies Limited as the agency to provide e-voting facility.

The manner of voting, including voting remotely 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 remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting:	9:00 a.m. (IST) on Thursday, August 18, 2022
End of remote e-voting:	5:00 p.m. (IST) on Sunday, August 21, 2022

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 KFin upon expiry of the aforesaid period.

Voting rights of a Member /Beneficial Owner (in case of electronic shareholding) shall be in proportion to his/her share in the paid-up equity share capital of the Company as on the **cut-off date, i.e., Tuesday, August 16, 2022 ("Cut-off Date")**.

The Board of Directors of the Company has appointed Mr. V Bhaskara Rao, Practicing Company Secretary, (Membership No. FCS5939) as Scrutiniser to scrutinise the remote e-voting and Insta Poll process in a fair and transparent manner. He has communicated his willingness to be appointed and will be available for the said purpose.

## II. Information and instructions relating to e-voting are as under:

- The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
- A member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting through Insta Poll shall be treated as "INVALID".
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Cut-off Date only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person who is not a member as on the cut-off date, should treat the Notice for information purpose only.
- The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the Members holding shares as on the Cut-off Date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

## III. 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 of SEBI on e-voting Facility provided by Listed Entities, dated December 09, 2020, **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:

## Procedure to login through websites of Depositories

National Securities Depository Limited ("NSDL")	Central Depository Services (India) Limited ("CDSL")
<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>Type in the browser / Click on the following e-Services link: <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a></li> <li>Click on the button "Beneficial Owner" available for login under 'IDeAS' section.</li> <li>A new page will open. Enter your User ID and Password for accessing IDeAS.</li> <li>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>Click on "Active E-voting Cycles" option under E-voting.</li> <li>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 "Kfin" and you will be re-directed to the e-Voting page of Kfin 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>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>Enter your User ID and Password for accessing Easi / Easiest.</li> <li>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 "Kfin" and you will be re-directed to the e-Voting page of Kfin 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>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>Select option "Register Online for IDeAS" available on the left hand side of the page</li> <li>Proceed to complete registration using your DP ID, Client ID, Mobile Number etc.</li> <li>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>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>Proceed to complete registration using your DP ID-Client ID (BO ID), etc.</li> <li>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> <ol style="list-style-type: none"> <li>Type in the browser / Click on the following link: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a></li> <li>Click on the button "Login" available under "Shareholder/Member" section.</li> <li>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.</li> <li>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 "Kfin" and you will be re-directed to the e-Voting page of Kfin to cast your vote without any further authentication.</li> </ol>	<p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>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></li> <li>Provide Demat Account Number and PAN</li> <li>System will authenticate user by sending OTP on registered Mobile &amp; E-mail as recorded in the Demat Account.</li> <li>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 "Kfin" and you will be re-directed to the e-Voting page of Kfin to cast your vote without any further authentication.</li> </ol>

### Procedure to login through their demat accounts / website of Depository Participant

- 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.
- 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).
- iii. Click on the e-voting link available against Divi's Laboratories Limited or select e-voting service provider "Kfin" and you will be re-directed to the e-voting page of Kfin to cast your vote without any further authentication.

**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.**

#### Contact details in case of any technical issues NSDL website

Please contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: **1800 1020 990** and **1800 22 44 30**

#### Contact details in case of any technical issues CDSL website

Please contact CDSL helpdesk by sending a request at helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com) or contact at **022- 23058738** or **022-23058542-43**

#### 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 / Kfin 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 Kfin for e-voting, you can use the existing password for logging-in. If required, please visit <https://evoting.kfintech.com> or 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 / Kfin / Depository Participant(s), please follow the following steps to generate your login credentials:**
- i. Please follow the steps for registration of e-mail address as mentioned in note no. 10 above.
- ii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.
- iii. Any person who becomes a Member of the Company after dispatch of the Notice of the Meeting and holding shares as on the Cut-off Date / any Member who has forgotten the User ID and Password, may obtain / generate / retrieve the same from Kfin in the manner as mentioned below:
- 1) 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
- 2) 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 and PAN to generate a password.
- 3) Members may call on Kfin'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.
- 4) If the Member is already registered with Kfin's e-voting platform, then he/she/ it can use his/her/its existing password for logging-in.
- iv. 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> (Kfin Website) or contact at the details mentioned below for any e-voting related clarification/grievances:
- Mr. P Nageswara Rao, Manager,  
Kfin Technologies 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)
- C. E-voting at AGM (Insta Poll):**
- Facility to vote through Insta Poll will be made available on the Meeting page (after you log into the Meeting) and will be activated once the Insta Poll is announced at the Meeting. An icon, "Vote", will be available at the bottom left on the Meeting Screen. Once the voting at the Meeting is announced by the Chairman, Members who have not cast their vote using remote e-voting will be able to cast their vote by clicking on this icon.

**D. E-voting Result:**

The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The result of e-voting will be declared within forty-eight hours of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company at [www.divislabs.com](http://www.divislabs.com) and on the website of Kfin at: <https://evoting.kfintech.com>. The result will also be simultaneously be communicated to the Stock Exchanges.

**Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Monday, August 22, 2022.**

**20. Tax Deductible at Source / Withholding tax on Dividend:**

**Dividend income is taxable in the hands of shareholders and the Company is required to deduct tax at source at the prescribed rates from dividend paid to shareholders. The shareholders are requested to refer to the Income Tax Act, 1961 for the prescribed tax rates applicable to them.**

The Primary shareholder can request the Company to provide the credit of Tax Deducted at source on the dividend pay-outs by the Company, separately to the joint shareholders (beneficiary shareholder) of the said shares by submitting the declaration as per Rule 37BA of the Income Tax Rules, 1962. This declaration shall be submitted with the Company on or before **August 12, 2022** (i.e. Record Date). Any declarations as per Rule 37BA submitted after this date will not be considered. The information of the payee

and tax deducted thereon will be submitted to income tax department as per the details of primary shareholder provided by the Depositories / RTA or as per declarations under Rule 37BA received till the record date.

If shareholder is classified as "specified person" as per the provisions of section 206AB, tax will be deducted at the rate higher of the following:

- i. Twice the rate specified in the relevant provision of the Income-tax Act; or
- ii. Twice the rate or rates in force; or
- iii. At the rate of 5%.

The 'specified person' means a person who has:

- a) not filed return of income for the previous year 2020-21 relevant to the assessment year 2021-22; and
- b) subjected to tax deduction/collection at source in aggregate amounting to ₹ 50,000/-.

For this purpose, the Company will be relying on the information verified by the utility provided and available on the Income Tax website.

The rate of deduction of tax from dividend would vary depending on the residential status of the shareholder under the income tax act, as informed by the Depository Participant / Kfin, RTA of the Company. The Company will not entertain directly any request for change in the residential status of the shareholder. Such requests for change in residential status shall be submitted with respective Depository Participant / RTA along with requisite documents. It is reiterated that the residential status as informed by the DP/RTA as per their records as on the record date, will be the final for determination of rate of tax to be deducted from payment of dividend to the respective shareholder.

**A. Resident Shareholders:****1. Rate of Tax Deductible at Source from dividend:**

Sr. No.	Particulars	Rate of tax to be deducted	Documents required (if any) / Remarks
(1)	(2)	(3)	(4)
1	Valid PAN updated in the Company's Register of Members	10%	No document is required.  In case of resident individual shareholders, if dividend amount does not exceed ₹5,000/-, no tax will be deducted except in the circumstances detailed at Note (v) given below.

Sr. No.	Particulars	Rate of tax to be deducted	Documents required (if any) / Remarks
(1)	(2)	(3)	(4)
2	No PAN/Invalid PAN is recorded in the Company's Register of Members	20%	Tax will be deducted, regardless of dividend amount. Please refer Note (v) given below.  All the shareholders are requested to update, on or before the record date, their PAN with their Depository Participant (if shares are held in electronic form) and Company / Kfin (if shares are held in physical form). Please quote all the folio numbers under which you hold your shares while updating the PAN details.
3	Availability of lower/ nil rate of tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority is to be submitted on or before the record date. Else the tax will be deducted at the applicable rate of tax depending on residential status and status category of the shareholder.

**2. No Tax on dividend payment to resident shareholders will be deducted, if the Shareholders submit any of the documents listed below with the Company / Kfin/ Depository Participant on or before the record date i.e. August 12, 2022**

Sr. No.	Category I and II Alternate Investment Fund	Rate of tax to be deducted	Documents required (if any) / Remarks
(1)	(2)	(3)	(4)
1.	Submission of Form 15G/15H	Nil	Declaration in Form 15G (applicable to an individual who is below 60 years) / Form 15H (applicable to an individual who is 60 years and above), fulfilling certain conditions.  Please quote all the folio numbers under which you hold your shares in Declaration in Form 15G/15H
2.	Shareholders to whom Section 194 of the Income Tax, 1961 does not apply as per second proviso to Section 194 such as LIC, GIC. etc.	Nil	Self-declaration that it has full beneficial interest with respect to the shares owned by it along with self-attested copy of PAN card and copy of registration certification issued by the IRDAI.
3.	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, Corporations established by Central Act & Mutual funds.	Nil	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961  Corporation established by Central Act:  Certificate of registration which indicates that it is Corporation established under central act and its income is exempt from income tax  Mutual funds:  Self-declaration that they are specified in Section 10 (23D) of the Act along with self-attested copy of PAN card and registration certificate.
4.	Category I and II Alternate Investment Fund	Nil	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961  Self-declaration that they are specified in Section 10 (23FBA) of the Act and established as Category I or II AIF under the SEBI regulations along with self-attested copy of PAN card and registration certificate issued by SEBI.

Sr. No.	Category I and II Alternate Investment Fund	Rate of tax to be deducted	Documents required (if any) / Remarks
(1)	(2)	(3)	(4)
5.	<ul style="list-style-type: none"> <li>• Recognised provident funds</li> <li>• Approved superannuation fund</li> <li>• Approved gratuity fund</li> </ul>	Nil	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT).
6.	National Pension Scheme	Nil	No TDS/ withholding tax as per section 197A (1E) of Income Tax Act, 1961  Self-declaration that they are governed by the provisions of section 10(44) [Subsection 1E to Section 197A] of the Act and self-attested copy of PAN card and registration certificate.
7.	Any resident shareholder exempted from TDS deduction as per the provisions of Income Tax Act or by any other law or notification	Nil	Necessary documentary evidence substantiating exemption from deduction of TDS

**B. Non-Resident Shareholders:**

The normal rate of tax to be deducted from payment of dividend to non-resident shareholders is 20% plus applicable Surcharge and Additional Surcharge (Cess).

In case of shareholders listed below, on submission of the requisite documents listed in column (3) of the table below with the Company / Kfin (RTA) , the tax will be deducted at applicable rate mentioned in Column (2) of the below table:

Sr. No.	Particulars	Rate of tax to be deducted	Documents required (if any) / Remarks
(1)	(2)	(3)	(4)
1.	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) / Other Non-Resident shareholders	20% (plus applicable surcharge and cess) or tax rate as per applicable treaty, whichever is beneficial	<p>FPI / FII registration certificate in case of FIIs / FPIs.</p> <p>To avail beneficial rate of tax treaty following documents would be required to submit:</p> <ol style="list-style-type: none"> <li>1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received</li> <li>2. PAN or declaration as per Rule 37BC of Income Tax Rules, 1962 in a specified format.</li> <li>3. Form 10F filled &amp; duly signed</li> <li>4. Self-declaration for non-existence of permanent establishment/ fixed base in India</li> </ol> <p>(Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company)</p>

Sr. No.	Particulars	Rate of tax to be deducted	Documents required (if any) / Remarks
(1)	(2)	(3)	(4)
2.	Indian Branch of a Foreign Bank		Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority; and  Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India
3.	Availability of Lower/NIL rate of tax deduction certificate issued by Income Tax Authority	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority
4.	Any non-resident shareholder exempted from withholding tax deduction as per the provisions of Income Tax Act or any other law such as The United Nations (Privileges and Immunities) Act 1947, etc.	NIL	Necessary documentary evidence substantiating exemption from withholding tax deduction

**C. Notes:**

- i. The Company will issue soft copy of the TDS certificate to its shareholders through e-mail registered with Kfin post payment of the income tax deducted and submission of respective return with income tax department and Shareholders will be able to download Form 26AS from the Income Tax Department's website at <https://incometaxindiaefiling.gov.in>.
- ii. The aforesaid documents such as Form 15G/ 15H, documents under sections 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded by using the link <https://ris.kfintech.com/form15/> on or before the record date i.e, August 12, 2022 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received after the record date will not be considered. Formats of Form 15G / Form 15H are available on the website of the Company and can be downloaded from the link <https://www.divislabs.com/investor-relations/shareholders-contact/#downloads>. Any member facing difficulty in submitting disclosures using the aforementioned link may please seek assistance by sending email to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) and [cs@divislabs.com](mailto:cs@divislabs.com).
- iii. Application of TDS rate is subject to necessary verification by the Company of the details of the shareholder as available in Register of Members as on the record date and other documents available with the Company/ Kfin.
- iv. **In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund. Tax deducted by the Company is final and no claim shall lie against the Company for tax deducted at higher rate, for any reason, whatsoever.**
- v. No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed ₹ 5,000/-. However, where the PAN is not updated in Company/ Kfin/ Depository Participant records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of ₹ 5,000/-.
- vi. **All the shareholders are requested to update their PAN with their Depository Participant (if shares are held in electronic form) and Company / Kfin (if shares are held in physical form) against all their folio holdings on or before record date i.e, August 12, 2022.**
- vii. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
- viii. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

# ANNEXURE TO NOTICE OF AGM

**Explanatory Statement & details of Directors seeking appointment/re-appointment and Auditors proposed to be reappointed at the AGM as required under Regulation 36(3) of SEBI Listing Regulations, and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India**

## **Item No. 3 – Appointment of Mr. N.V. Ramana, who retires by rotation, as Director of the Company**

### **Brief resume:**

Mr. N.V. Ramana has been the Executive Director of Divi's Laboratories Limited for the past 27 years.

He is a graduate in chemistry from Osmania University, India. He is also a Member of the American Chemical Society.

Mr. Ramana oversees functions relating to strategic planning, marketing, custom manufacturing, contract research of active pharma ingredients as also the nutraceutical business. He was instrumental in developing the nutraceutical business from conceptualisation, design, engineering, automation, development of products to suit end user requirements and developing marketing set up, managing subsidiaries and growth of business.

Prior to joining Divi's, Mr. Ramana had over 10 years of experience in the diverse international businesses, a substantial part of which is in the pharmaceutical industry; and was engaged in market research for active pharma ingredients, developing marketing strategies for API business and enhancing business for several pharma companies.

**Age:** 64 years

**Nature of his expertise in specific functional areas:** Strategic planning, marketing, custom manufacturing, contract research of active pharma ingredients as also the nutraceutical business.

**Disclosure of relationships between directors inter-se:** Mr. N.V. Ramana is not related to any of the directors of the Company.

**Directorships held in other companies:** Nil

**Memberships/Chairmanships of Committees in other companies:** He is neither a Member nor Chairman of Committees of other Companies.

**Shareholding in the Company:** 2,69,518 equity shares of ₹ 2/- each

**Remuneration proposed to be paid:** As per existing approved terms of appointment.

**Terms and conditions of appointment:** In terms of Section 152(6) of the Companies Act, 2013, Mr. N.V. Ramana who was re-appointed as an Executive Director of the Company by an Ordinary Resolution passed on October 07, 2019, is liable to retire by rotation.

**Date of first appointment on Board, last drawn remuneration and number of Board meetings attended:** He joined the Board of Directors of Divi's Laboratories Limited on October 12, 1994. His last drawn remuneration for the financial year 2021-22 is ₹ 5,627 lakhs including remuneration based on net profits. He attended 4 board meetings out of 4 meetings held during the financial year 2021-22.

Mr. N.V. Ramana is interested in the resolution set out at Item No. 3 of the Notice, as the same relates to his appointment. The relatives of Mr. N.V. Ramana 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.

## **Item No. 4 – Appointment of Mr. Madhusudana Rao Divi, who retires by rotation, as Director of the Company**

### **Brief resume:**

Mr. Madhusudana Rao Divi is a post-graduate in Structural Engineering from Mysore University. He worked with M/s. Howe India and M/s. Towell Construction Company and executed several offshore constructions works, Defence and Civil construction works in India, Saudi Arabia, Iraq and Kuwait. Between 1990-1996, he was Executive Director of Sadah General Trading & Contracting Co., Kuwait and implemented several offshore and on-shore construction projects.

Mr. Madhusudana Rao Divi joined as a Director of Divi's Laboratories Limited in the year 1994 and has been a Whole-time Director since July 01, 1997. He looks after Project Implementation, Production Planning, Environment Management, Health and Safety, Plant Up-gradation to comply with regulatory requirements.

**Age:** 77 years

**Nature of his expertise in specific functional areas:**

Project implementation, production planning, environment management and regulatory affairs.

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

Mr. Madhusudana Rao Divi is related to Dr. Murali K. Divi, Managing Director of the Company.

**Directorships held in other companies:** Nil**Memberships/Chairmanships of Committees in other companies:** He is neither a Member nor Chairman of Committees of other Companies.

**Shareholding in the Company:** 2,97,600 equity shares of ₹ 2/- each

**Remuneration proposed to be paid:** As per existing approved terms of appointment.

**Terms and conditions of appointment:** In terms of Section 152(6) of the Companies Act, 2013, Mr. Madhusudana Rao Divi who was re-appointed as a Whole-time Director - Projects by a Special Resolution passed on February 26, 2020, is liable to retire by rotation.

**Date of first appointment on Board, last drawn remuneration and number of Board meetings attended:** He joined the Board of Directors of Divi's Laboratories Limited on October 14, 1994. His last drawn remuneration for the financial year 2021-22 is ₹ 115 lakhs. He attended 4 board meetings out of 4 meetings held during the financial year 2021-22.

Mr. Madhusudana Rao Divi is interested in the resolution set out at Item No. 4 of the Notice, as the same relates to his reappointment. Dr. Murali K. Divi being related to Mr. Madhusudana Rao Divi is deemed to be interested in the resolution. The relatives of Mr. Madhusudana Rao 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. 4 for approval of the members.

**Item No. 5 - Reappointment of M/s. Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the Company**

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/ N500016), Chartered Accountants, (hereinafter referred to as PWC) were appointed as Statutory Auditors of the Company to hold office for five consecutive years from the conclusion of the 27<sup>th</sup> AGM of the Company

held on September 25, 2017 till the conclusion of the 32<sup>nd</sup> AGM to be held in the year 2022, subject to ratification by members every year. However, MCA vide its notification dated May 07, 2018, has omitted the requirement under the first proviso to Section 139 of the Act, and Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, regarding ratification of appointment of statutory auditors by members at every subsequent AGM. PWC will complete their first term of five consecutive years as the Statutory Auditors of the Company at the conclusion of the 32<sup>nd</sup> AGM of the Company.

Pursuant to Section 139(2) of the Act, the company can appoint an auditors firm for a second term of five consecutive years. Accordingly, PWC is eligible for reappointment for a further period of five years. Considering the evaluation of the past performance, experience, and expertise of PWC and based on the recommendation of the Audit Committee, the Board of Directors, at its meeting held on May 23, 2022, approved the reappointment of PWC as the Statutory Auditors of the Company to hold office for a second term of five consecutive years from the conclusion of the ensuing AGM until the conclusion of the 37<sup>th</sup> AGM to be held in the year 2027. The reappointment is subject to approval of the shareholders of the Company at the ensuing AGM.

PWC have consented to the said reappointment, and confirmed that their reappointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be reappointed as statutory auditor in terms of the provisions of the Sections 139(1), 141(2) and 141(3) of the Act, and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time. PWC also confirmed having a valid peer review certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The proposed remuneration to be paid to PWC for audit services for the financial year ending March 31, 2023, is ₹ 40 lakhs (Rupees Forty Lakh) plus applicable taxes and out-of-pocket expenses. Besides the audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by statutory authorities, audit/limited review related services under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the Audit Committee.

The Board of Directors and the Audit Committee shall approve revisions to the remuneration of the Statutory Auditors for the remaining part of the tenure. The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

**Brief profile of PWC:**

Price Waterhouse Chartered Accountants LLP is a separate, distinct and independent member firm of the PW India Network of Firms which include 11 similarly situated independent firms, each of which are registered with the Institute of Chartered Accountants of India. PwC is cumulatively more than 100 years old in India and has offices in 9 cities with over 5,500 people. The locations are Mumbai, Ahmedabad, Gurgaon, Bangalore, Jamshedpur, Kolkata, Hyderabad, Pune and Chennai. The registered office is at Sucheta Bhavan, 11A Vishnu Digambar Marg, New Delhi 110002. The firm has 196 assurance partners as on May 23, 2022.

None of the directors / key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 5 of the Notice.

The Board recommends the resolution set forth in item no. 5 for the approval of members.

**By Order of the Board of Directors**

**M. Satish Choudhury**

Company Secretary  
Membership No. A30204

Place: Hyderabad  
Date: May 23, 2022

**Registered Office:**

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