

DIVI'S LABORATORIES LIMITED
Hyderabad

PRESS RELEASE dated 4th February, 2017

Divi's Labs earns a PAT of Rs.268 crores in Q3/FY17

Quarter ended 31st December, 2016

Divi's Laboratories has earned a Profit after Tax (PAT) of Rs.268 crores on a total income of Rs.976 crores, on a stand-alone basis, for the quarter ended 31st December, 2016. For the corresponding quarter of the last year the company earned a PAT of Rs. 246 crores on a total income of Rs. 860 crores.

Forex gain for the current quarter amounted to Rs.0.65 crores while there was a forex gain of Rs. 3 crores during the corresponding quarter last year.

9-months ended 31st December, 2016

For the 9-month period ended 31st December, 2016, the company earned a total income of Rs.2999 crores as compared to Rs. 2646 crores during the corresponding 9-month period of last year. PBT for the current 9-month period came to Rs.1038 crores as against a PBT of Rs. 990 crores for the previous period. PAT for the current 9-months is Rs.792 crores as against Rs. 786 crores.

Results for the current 9-month period includes the one-time ex-gratia of Rs.79 crores paid to employees and whole-time directors of the company on the occasion of completion of 25 years' formation of the company.

Sales Income and Other Expenses include cenvat/excise duty. Financial results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) effective from this financial year. Previous year's figures have also been recast to comply with Ind-AS and revised SEBI regulations.

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During the 9-month period, the company has capitalized Assets of Rs.180 crores for creation of additional capacities at the existing manufacturing sites. As at the end of the period, an amount of Rs.400 crores is carried forward as capital expenditure in progress.

Update on US-FDA inspection

The Company's Unit-II at Visakhapatnam, Andhra Pradesh has had an inspection by the US-FDA from 29th November 2016 to 06th December, 2016. The Company has received Form-483 with 5 observations at the closure of the inspection.

The Company has filed its comprehensive response to the observations of the US-FDA within the stipulated time. Response included commitment of management to eliminate the deficiencies observed and to establish an enhanced culture of compliance across the manufacturing facilities. The company has been engaging external consultants and experts for regulatory compliances.

In respect of the observations made by US-FDA, the company has outlined appropriate remediation measures and is monitoring the effectiveness of the corrective and preventive actions (CAPAs) towards cGMP compliance.

The Company awaits review of its response, by FDA. Divi's Labs has always adopted consistent practices to ensure that its products are safe and meet the applicable standards. The company's quality and regulatory teams continually strive to comply with the cGMP guidelines and are committed to ensure supply of quality products to its customers and partners across the globe.

