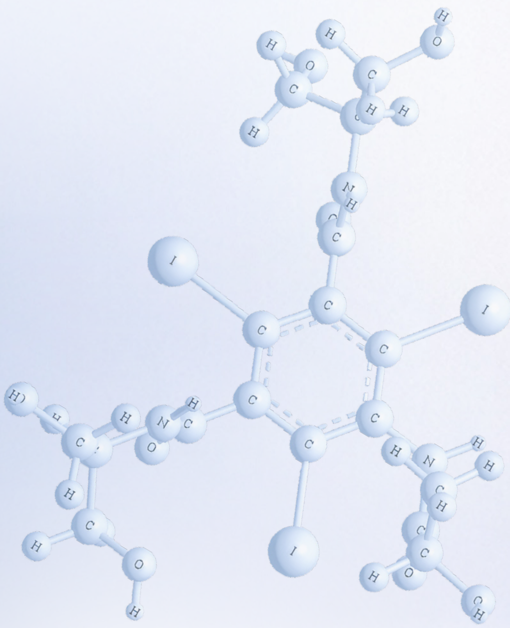
Divi's Laboratories Limited

Leading with Purpose.

Powered by Chemistry.



36th Annual Report

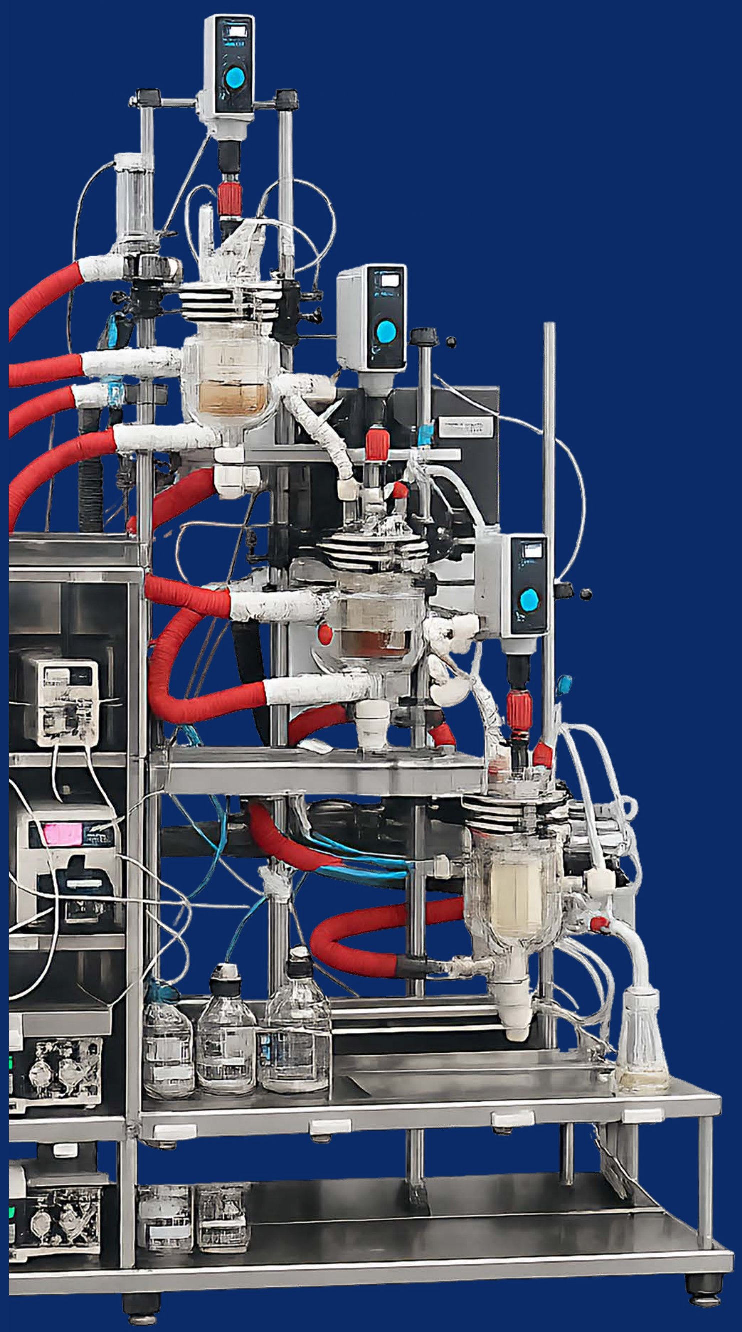
2025-26

Index

For more details, visit www.divislabs.com

Forward-Looking Statement

This Annual Report contains forward-looking statements, which might be identified by words, and variations of words, such as "will", "expect", "may", "would", "could", "plan", "believe", "anticipate", "intend", "estimate", "potential", "position", "outlook", "future", "prospects", and similar expressions. These forward-looking statements may include but are not limited to statements about our business and expected operational and financial performance, business outlook, demand in the global markets, our strategy, etc. These forward-looking statements involve several risks and uncertainties, many of which are beyond our control. Factors that could cause our actual results to differ materially from those described in our forward-looking statements include, but are not limited to, changes in local and global economic conditions, geo-political issues, changes in government regulations, manufacturing or quality control outcomes, regulatory compliances, change in market dynamics, currency fluctuations, legal and cyber security issues, exposure to various market risks, human resource risks, etc. There may be other factors not presently known to us or which we currently consider to be immaterial that could cause our actual results to differ materially from those projected in any forward-looking statements we make. We do not undertake any obligation to update or revise our forward-looking statements except as required by applicable law or regulation.



Leading with Purpose.

Powered by Chemistry.

For over three decades, we have built manufacturing facilities integrating our expertise in complex chemistry addressing our customers requirements with consistency and scale. This strength has earned the trust of the global pharmaceutical ecosystem and fostered long-standing partnerships. Today, our Custom Synthesis business, serving global innovators through complex, life-cycle programmes contributes to more than half of revenues, reflecting the growing importance of chemistry-led collaboration.

Readiness remains central to this model. Investments in capacity additions, infrastructure and advanced technologies are enhancing our ability to address evolving customer needs, including in emerging modalities such as peptides. At the same time, deeper backward integration, process excellence and an uncompromising focus on quality are reinforcing reliability and execution across the business.

Leading with purpose, for us, means serving patients through our manufacturing expertise, aligning our growth with the aspirations of our people, the trust of our customers, the expectations of our shareholders and the well-being of the communities around us. It is reflected in the way we invest in our teams, deepen partnerships, advance green chemistry, improve resource efficiency and strengthen disciplined execution. This balance of capability and care enables us to create enduring value.

With chemistry as our strength and purpose guiding our actions, we are shaping the next phase of our growth.

FY 2025-26 HIGHLIGHTS

A Year of Steady Progress

FINANCIAL

₹10,894 crores
Total Income

₹3,436 crores
Profit Before Tax

₹2,607 crores
Profit After Tax

₹98.19
Earnings Per Share

OPERATIONAL

- Established our Peptide Centre of Excellence
- Scaled up backward integration at Unit 3, Kakinada
- Progressed three major capex programmes backed by long-term supply commitments
- Expanded technology platforms in flow chemistry and biocatalysis
- Successfully concluded a US FDA general cGMP inspection at Unit 1, Choutuppal
- Marked 20 years of Divi's Nutraceuticals
- Received the International Safety Award 2026 from the British Safety Council

ENVIRONMENTAL

~8,290 GJ
Energy conserved

~1,59,500 KL
Water conserved

~46 MT
Waste reduced

~13,500 TCO_2e
GHG emissions reduced

SOCIAL

~9%
Female employees

~22 hours
EHS training/employee

42.50 million
Safe man-hours achieved

~₹50 crore
CSR commitment

GOVERNANCE

20%
Women Directors

50%
Independent Directors on the Board

100%
Average Board meeting attendance

100%
Shareholder grievances resolved

A Transformative Year of Investment

In FY 2025-26, we invested over ₹15 billion across Divi's manufacturing network, advancing capabilities that set the foundation for the next phase of growth. The capex programmes strengthened all three units, added technology-led capacity, deepened our sustainability footprint and built infrastructure aligned with future business needs. These investments expand what Divi's can deliver today and unlock what we can pursue tomorrow.

ABOUT DIVI'S LABORATORIES

Purpose-led Chemistry

Divi's Laboratories ranks among the global leaders in Active Pharmaceutical Ingredients, serving some of the world's largest pharmaceutical and nutraceutical companies.

VISION

We envision creating value for all stakeholders by manufacturing high quality Generic APIs, Custom synthesis of APIs & Intermediates along with Nutraceutical Ingredients for the global pharmaceutical & nutraceutical industry through sustainable leadership in chemistry.

MISSION

We, at Divi's, aim to be a responsible business, adding value through our core competency in the area of chemistry while adhering to our core values and serving the immediate community and at large through our diverse social initiatives that would establish a strong foundation for a better tomorrow for all stakeholders.

VALUES

Continuous Process Innovation

Sustainable Business Operations

Collaborative Efforts & Shared Values

Our strengths lie in large-scale generic API manufacturing, complex custom synthesis and a growing portfolio of nutrition and wellness ingredients. Over the years, we have built a reputation for dependable supply, deep process chemistry expertise and a disciplined approach to quality.

Our facilities combine advanced research, modern engineering and strong compliance systems, allowing us to deliver consistent, high-value chemistry solutions at scale. Backward integration, efficient processes and long-standing customer partnerships continue to support our position as a preferred manufacturer for regulated markets.

Sustainability remains central to how we operate. We invest in greener chemistries, energy-efficient technologies and responsible resource management while also supporting our people and the communities around us. These efforts reflect our commitment to grow responsibly and create long-term value.

Our Company is headquartered in Hyderabad, India.

Among the top 3 API manufacturers globally

36
Years of experience

100+
Country reach

3
Manufacturing facilities

89%
Revenue from exports

~18,600 M³/KL
Manufacturing capacity

~19,300
Employees

4
R&D Centres driven by ~700 scientists

OPERATING CONTEXT

Evolving Industry Dynamics

The external environment continues to reshape business priorities across the pharmaceutical industry. At Divi's, our purpose-led mindset and strong chemistry foundation help us stay responsive, sharpen execution and pursue sustainable growth.

Growing CDMO market and India's rising relevance

Pharmaceutical outsourcing is evolving into a more strategic, partnership-led model, with innovator companies seeking specialised capabilities and execution reliability. This is reinforcing structural growth in the global CDMO market, which was valued at ~USD 150 billion in 2024 and is projected to reach ~USD 290–300 billion by the early 2030s. Within this shift, India is emerging as a favourable CDMO destination, buoyed by global supply-chain diversification and demand for reliable manufacturing partners. BCG estimates that India's CRDMO sector could expand from USD 3.0–3.5 billion currently to USD 22–25 billion by 2035.

Our strategic response

- Expanding participation in Custom Synthesis programmes across development, validation and commercial stages
- Investing in dedicated assets aligned to long-term customer programmes
- Strengthening backward integration and supply assurance across the manufacturing network
- Building long-term customer relationships through chemistry depth, execution reliability and scientific collaboration

Expanding peptide market

The pharmaceutical industry is seeing strong growth in peptides, driven by increasing demand for more targeted and effective therapies. While obesity treatments are a major driver, the opportunity extends across multiple therapeutic areas. The global peptide therapeutics market, estimated at ~USD 140 billion in 2025, is projected to reach ~USD 295 billion by 2033. Innovative therapies account for ~80% of total revenue, while metabolic disorders represent ~64% of overall demand value, reflecting both the current scale and future potential of peptide-based medicines.

Our strategic approach

- Deploying advanced technologies and specialised facilities to address complex peptide opportunities
- Investing in both SPPS and LPPS capabilities to build scale in fragment manufacturing
- Strengthening speed-to-market through backward integration in protected amino acids and peptide building blocks

Sustained Relevance of generic APIs

Generic APIs continue to play a central role in expanding access to affordable medicines and supporting healthcare systems globally. While short-term pricing pressures persist in parts of the market, the long-term demand outlook remains intact, supported by rising healthcare needs and the continued role of generics in improving affordability. Generics continue to expand across cost-sensitive markets, and also represented ~90% of prescription volumes in the US in 2025, underscoring their critical role in enabling access at scale.

Our strategic approach

- Leveraging backward integration to enhance cost competitiveness and supply reliability
- Maintaining strong relationships with global customers to support volume continuity
- Focussing on execution discipline and dependable supply across key generic APIs
- Balancing the generics portfolio with higher-value Custom Synthesis opportunities

Rising importance of ESG in supplier selection

Sustainability and process safety are becoming more important in pharmaceutical outsourcing decisions. Innovator companies and global MNCs are placing greater emphasis on environmental performance, responsible manufacturing and strong EHS standards while evaluating supply partners. As a result, ESG are increasingly moving closer to core supplier-selection criteria, alongside quality, reliability and technical capability.

Our strategic approach

- Advancing green chemistry
- Improving process efficiency, solvent recovery and safer operating systems
- Aligning manufacturing practices with evolving customer expectations on sustainability and responsible operations

Geopolitical and trade-policy volatility

The external environment remains shaped by geopolitical uncertainty, shifting trade policies and periodic logistics disruptions, all of which can influence sourcing costs, lead times and supply-chain planning. In addition, policy changes such as China's withdrawal of export tax rebates on certain products could create selective input-cost pressure in parts of the chemicals and intermediates chain. While these factors can increase operating complexity, they also reinforce the importance of supply assurance, backward integration and procurement flexibility.

Our strategic approach

- Strengthening backward integration to improve control over key starting materials and intermediates
- Diversifying procurement and expanding the domestic supplier base
- Maintaining prudent inventory buffers and supply-chain flexibility
- Using network capacity more dynamically to support continuity and reduce disruption risk

GEOGRAPHIC FOOTPRINT

Chemistry for Global Markets

Our presence spans key pharmaceutical markets supported by advanced manufacturing facilities. This footprint strengthens our ability to respond to customer needs with speed and consistency. With strong R&D and chemistry capabilities embedded within our facilities, we continue to build a global platform that supports long-term growth and deeper engagement with partners worldwide.

Manufacturing Facilities

Manufacturing Unit 1
Choutuppal
65 km from Hyderabad

Manufacturing Unit 2
Visakhapatnam (Vizag)
700 km from Hyderabad

Manufacturing Unit 3
Kakinada
150 km south of Unit 2

R&D Centres

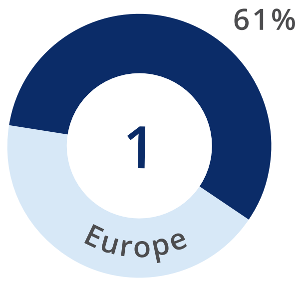
- B-34, Industrial Estate
  Sanath Nagar, Hyderabad, Telangana
- Lingojigudem Village,
  Choutuppal Mandal,
  Yadadri Bhuvanagiri, Telangana
- Chippada Village,
  Bheemunipatnam Mandal,
  Visakhapatnam,
  Andhra Pradesh
- Ontimamidi Village, Thondangi
  Mandal, Kakinada,
  Andhra Pradesh

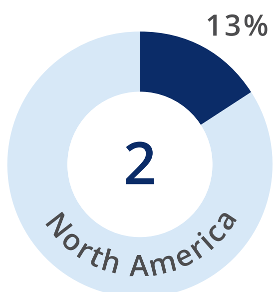
Headquarters

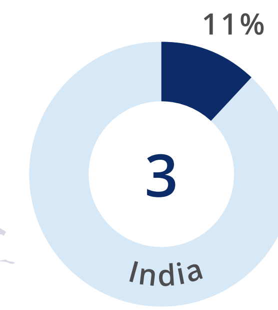
Hyderabad

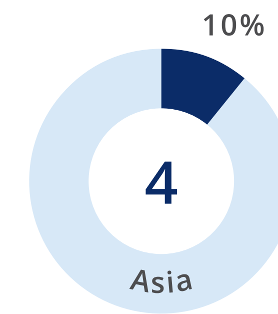
Subsidiaries

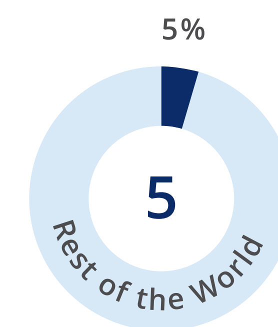
1. **New Jersey, USA**
2. **Basel, Switzerland**







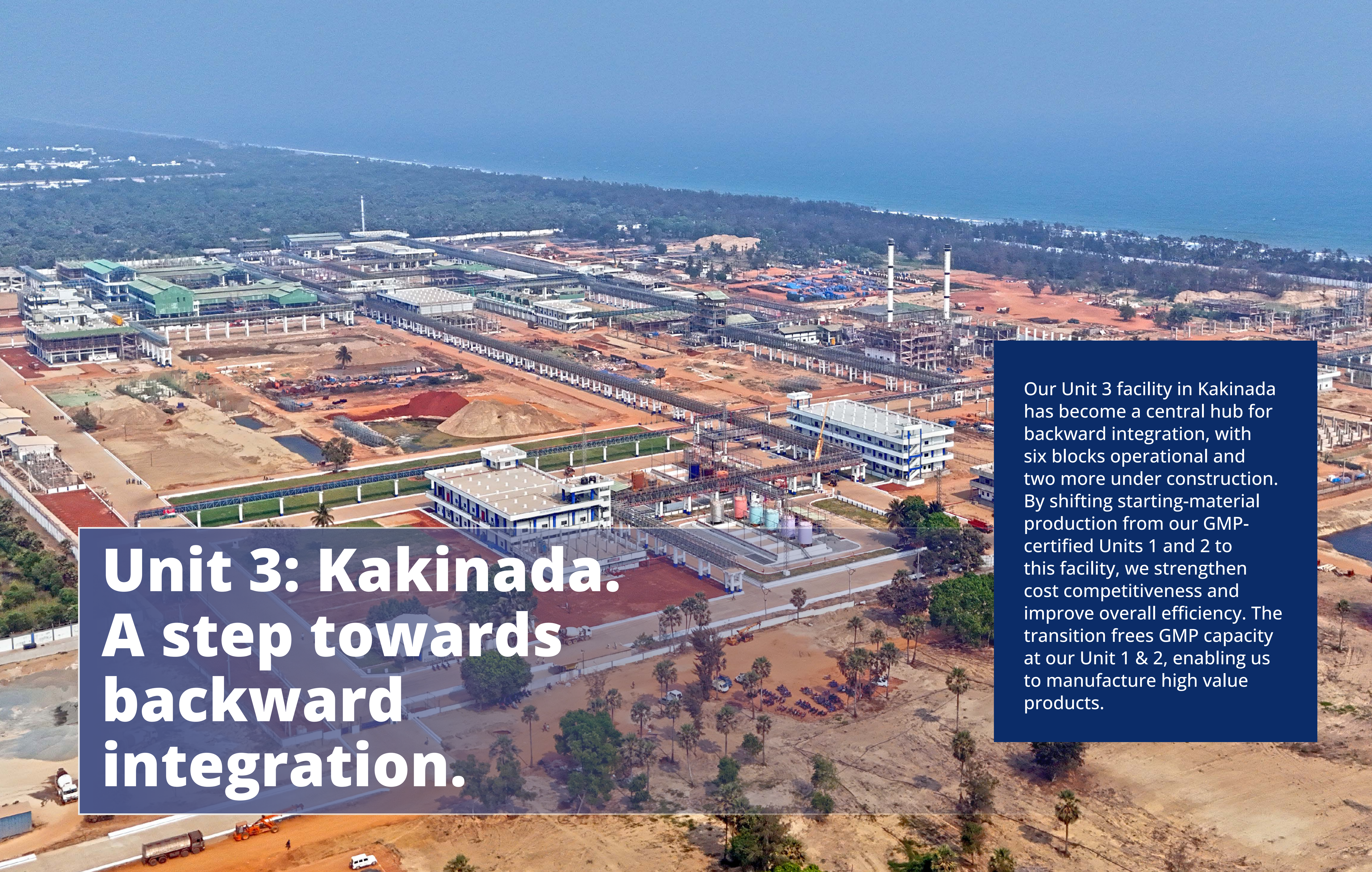




Sales by geography (₹ in crores)

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Europe	2,865	3,063	4,003	5,192	6,311
North America	3,833	2,196	1,310	1,488	1,360
India	1,038	957	971	1,105	1,147
Asia	798	1,041	1,017	1,044	1,079
Rest of the World	346	349	351	367	479

Map not to scale. For illustrative purposes only.



Unit 3: Kakinada. A step towards backward integration.

Our Unit 3 facility in Kakinada has become a central hub for backward integration, with six blocks operational and two more under construction. By shifting starting-material production from our GMP-certified Units 1 and 2 to this facility, we strengthen cost competitiveness and improve overall efficiency. The transition frees GMP capacity at our Unit 1 & 2, enabling us to manufacture high value products.

MANAGING DIRECTOR'S MESSAGE

Building Long-Term Value Through Chemistry

Dear Shareholders,

The financial year 2025-26 was characterised by uncertainty and challenge across the world. Amidst this backdrop, I am pleased to report that Divi's Laboratories continued to deliver with consistency while investing prudently in future-ready capabilities. The year's performance demonstrates our chemistry excellence, disciplined execution and clear commitment to sustainable, inclusive growth.

Navigating a dynamic environment

The operating environment remained complex, marked by changing trade flows, geopolitical tensions and evolving policy frameworks. Our response was anchored in agile decision-making and operational stability. A diversified sourcing model, supported by a steadily expanding domestic supplier base and prudent inventory buffers, helped reinforce supply resilience. At the same time, Unit 3 at Kakinada continued to advance our backward integration strategy by supporting the production of starting materials and intermediates, while also releasing GMP capacity at existing units for new products and customer requirements.

Delivering a resilient performance

Our **Generics business** remained steady despite persistent pricing pressure across the market. While value growth was moderated by pricing conditions, volumes across the core portfolio were stable, with encouraging traction in select products. Importantly, we did not see any loss of customers or market share, aided by process efficiencies, cost discipline and execution capabilities across markets.

Custom Synthesis business continues to be central to our long-term growth agenda. We saw healthy engagement from global innovators through a steady flow of new project discussions. Multiple programmes progressed through development and validation, with a few expected to move towards commercial manufacturing over the next 12 to 24 months, subject to regulatory approvals. As products evolve through different stages of their lifecycle, from patent-phase opportunities to late lifecycle programmes, new molecules continue to enter our pipeline. This balanced portfolio reduces concentration risk and supports a steady growth trajectory over time.

In peptides, we continued to strengthen our capabilities across chemistry, manufacturing and technology platforms. We saw active engagement with global pharmaceutical companies across multiple clinical phases, supported by our Peptide Centre of Excellence. Our backward-integrated model, together with our work across complex building blocks and fragments, provides greater control over quality, cost and supply reliability, and positions us well as peptide-based therapies expand across therapeutic areas.

The **Nutraceuticals business** delivered a healthy performance, supported by steady demand recovery and our established capabilities in carotenoids and other value-added ingredients. As we marked 20 years in Nutraceuticals, the segment continues to evolve as an important contributor aligned with the growing global focus on health, nutrition and wellness.

Investing for the future

A defining feature of the year was the scale of our capacity investments. Three major capex programmes, backed by long-term supply commitments, are progressing through different stages of execution. These investments are expected to begin contributing progressively over the next 12 to 24 months, subject to customer approvals and regulatory clearances. This approach to capital allocation continues to strengthen our future readiness and our ability to participate in more complex, higher-value opportunities.

Alongside physical capacity, we continued to deepen our scientific and technological platform. Greater automation, together with the expansion of advanced capabilities in flow chemistry is enhancing our ability to execute increasingly complex chemistries at scale. Our quality and compliance credentials were further reinforced by the successful conclusion of a US FDA general cGMP inspection at our Unit 1 facility.

Purpose in practice

Our purpose is reflected in the way our people engage in our manufacturing operations and continue to advance green chemistry practices by improving atom efficiency, reducing waste and enhancing solvent recovery and reuse.

Beyond our manufacturing facilities, we join with the communities around us for programmes focussed on education, health, safe drinking water, village infrastructure, women empowerment, livelihood creation, sanitation and animal welfare among others. Our community-focussed initiatives touched 18 lakh+ lives during the year, reaffirming our belief that business success carries greater meaning when it contributes to stronger and healthier communities.

Business outlook

As we look to the future, we are encouraged by the long-term potential of the industry.

The Company is well placed to benefit from these medium- to long-term trends through its differentiated capabilities. Long-standing relationships with global innovators, together with a proven record in EHS, sustainability and compliance, remain important in a market where partners are increasingly selective in how they choose CDMO providers.

In the near term, however, challenges persist, particularly the potential impact of geopolitical uncertainty and policy changes on input costs and supply conditions. We therefore remain focused on disciplined risk management and close coordination across the supply chain.

Our broader direction remains unchanged, with our strategy anchored in operational excellence and a long-term perspective. Despite our investment programme, we continue to maintain a robust liquidity position and a healthy balance sheet. These firm foundations position the Company to deliver the next phase of growth and create sustained stakeholder value.

Finally, I would like to express my sincere gratitude to our employees for their dedication and discipline, which continue to form the foundation of our performance. I also thank our customers for their continued trust, the Government and regulatory agencies for their continued support, and our shareholders for their unwavering support. I am grateful to our Board for its guidance and support. The confidence of all our stakeholders continues to inspire us as we move forward with purpose and responsibility.

Warm regards,

Dr. Murali K. Divi
Managing Director

BUSINESS PORTFOLIO

Chemistry in Action

Our business is anchored in three key portfolios that define our role in the global pharmaceutical value chain. Each portfolio contributes in a distinct way to our growth but all share the same foundation of chemistry excellence, dependable execution and long-term customer partnerships.

Generic APIs

Our generic API business is built on depth of chemistry, scale and reliability. We focus on a chosen set of molecules where we can deliver clear value through process innovation and cost competitiveness. With manufacturing that ranges from tens to thousands of metric tonnes a year, we support global customers with dependable volumes and consistent quality.

- Recognised as the world's largest manufacturer of 10 key APIs
- Presence in more than 100 countries supported by a resilient network

FY 2025-26 Snapshot

The business remained stable during the year, supported by backward integration, supply reliability and a resilient customer base. Unit 3 at Kakinada strengthened self-sufficiency through the in-house production of starting materials and intermediates, while volumes across key products remained steady despite continued pricing pressure.

Way Ahead

Scale, process efficiency and dependable execution will continue to anchor this portfolio. Upcoming product launches and continued backward integration are expected to support growth and strengthen competitiveness across key generic APIs.

Custom Synthesis

Our Custom Synthesis business supports leading global innovators with contract manufacturing of complex APIs and intermediates. The focus is on challenging chemistry that demands precision, high-potency handling and the ability to scale safely. Over the years, we have developed strong capabilities in managing high-energy reactions and delivering tailored solutions for late lifecycle APIs, registered starting materials and advanced intermediates. This combination of technical depth and reliable execution has positioned us as a trusted partner for some of the world's largest pharmaceutical companies.

- Ranked among the top 10 synthetic drug substance CDMO in the world
- Partner to 12 of the top 20 pharmaceutical companies worldwide

FY 2025-26 Snapshot

Custom Synthesis remained the key growth driver during the year, with rising contribution to overall revenues and a healthy pipeline of projects across development, validation and commercial stages. Customer engagement stayed strong, supported by a steady flow of RFPs, site visits and progress on multiple programmes, including three major capex-backed projects linked to long-term supply commitments.

Way Ahead

This portfolio is supported by a strong pipeline, expanding capabilities and investments aligned to customer programmes. A few projects are moving closer to commercial volumes, while ongoing capacity creation and technology upgrades are expected to strengthen long-term growth visibility.

Nutraceuticals

Our Nutraceuticals business operates as an integrated facility for the production of carotenoid ingredients and finished formulations, which include fat soluble vitamins. As a significant global supplier, we support leading food, beverages, dietary supplement and feed manufacturers with a reliable and scalable range of nutrition-focussed ingredients.

- Among the few nutraceutical ingredient manufacturers offering a wide range of carotenoids at competitive scale
- Portfolio includes Astaxanthin, Beta-carotene, Lycopene, Canthaxanthin, Apocarotenal and Vitamins A, D2, D3, E and K2

FY 2025-26 Snapshot

Nutraceuticals delivered healthy momentum during the year and remained a meaningful contributor to revenues. The business also marked a milestone year, completing 20 years of Divi's Nutraceuticals, while continuing to strengthen capacity and support growing demand.

Way Ahead

This portfolio is well placed to benefit from rising global interest in health, nutrition and wellness. Continued capacity strengthening and the breadth of the carotenoids portfolio are expected to support future growth.

CORE COMPETENCIES

The Chemistry Behind Divi's

Our foundations have been shaped over time through a clear sense of purpose, disciplined choices and a long-term approach to building a business designed for relevance, resilience and sustained growth.

A philosophy built on focus

Our business is shaped by a deliberate choice to remain API-led. By concentrating on generic APIs, custom synthesis and nutraceutical ingredients, we avoid competing with our customers and instead deepen our expertise in the chemistries that matter. This clarity of purpose allows us to build long-term value where we can make the greatest impact.

Integration as a mindset

Backward integration at Divi's is not only about manufacturing key starting materials in-house. It reflects a broader view of controlling quality, managing impurities and safeguarding supply. By keeping critical steps within our ecosystem, we strengthen compliance, reduce variability and enhance cost efficiency.

Relationships that endure

We have built relationships that span decades across regulated markets. Customers rely on our technical depth and ability to scale with certainty, and several of these partnerships have continued for more than 20 years. This enduring trust forms the foundation of our long-term growth.

Responsibility at the core

We measure progress not only by volumes or revenues but by the responsibility with which we grow. Energy-efficient operations, water stewardship and green chemistry principles guide our choices as we build a more sustainable future for our stakeholders and communities.

Engineering-led scale

Our facilities are designed to deliver reliability at scale. Years of disciplined investment have created plants capable of handling volumes from kilos to thousands of metric tonnes with the same consistency. This approach ensures predictable supply for global markets and the ability to respond quickly to shifts in demand.

Innovation with purpose

Our R&D effort is driven by practical innovation. The focus is on designing processes that simplify manufacturing, reduce environmental impact and remain efficient throughout the product lifecycle. With around 700 scientists working across four R&D centres and dedicated process development units, we continue to build competitive, sustainable chemistries for global partners.

Quality as culture

Quality at Divi's is a shared responsibility built into every stage of manufacturing. Our facilities at Unit 1 and 2 hold approvals from major global regulators including the USFDA, EU GMP agencies, Health Canada, TGA, ANVISA, COFEPRIS, PMDA and MFDS. A team of about 2,800 QA and QC professionals sustains this framework, ensuring consistent standards for regulated markets worldwide.

People who power our progress

Our success is built on the expertise and dedication of our people. Scientists, engineers, manufacturing teams and quality professionals across our facilities work together to bring precision to every stage of production. They are guided by a leadership team with decades of experience in pharmaceutical manufacturing and R&D, ensuring that we stay ahead as the industry evolves.

Advancing leadership in peptides

We inaugurated our Peptide Centre of Excellence, further strengthening our edge in the peptide segment. Capabilities across peptide fragments and complex building blocks continued to deepen, supported by a backward-integrated model that enhances control over quality, cost and supply.

We are actively engaged with several Big Pharmas across Phase I, Phase II and Phase III programmes, and as these molecules advance through regulatory milestones, we are ready to scale investments and capacity to meet their demand.

BUSINESS MODEL

Where Chemistry Meets Value Creation

RESOURCES UTILISED

Financial Resources
Strategic investments in infrastructure, R&D and operational efficiency to support manufacturing, supply chain and regulatory compliance.

Manufactured Capital
State-of-the-art manufacturing facilities and quality control laboratories ensuring consistent production and high-quality standards.

Intangible Assets
Intellectual property, patents and proprietary technology, coupled with regulatory approvals and certifications, drive innovation and maintain product excellence.

Skilled Workforce
A highly proficient team, led by experienced leadership, with deep industry expertise, fostering innovation and executing Divi's strategic vision.

Strategic Partnerships
Long-standing relationships with customers, suppliers and communities, ensuring sustainable and responsible growth.

Natural Resources
A commitment to sustainable sourcing, environmental responsibility and efficient resource utilisation for eco-friendly operations.

BUSINESS ACTIVITIES

Core Activities

We operate across the entire pharmaceutical value chain, from research & development to commercial production, ensuring the highest quality and compliance standards.

Business Portfolios

Building a Sustainable Future

- Upholding Employee Health, Safety, and Well-being
- Promoting Green Chemistry
- Empowering Communities
- Engaging with Stakeholders

VALUE CREATED FOR STAKEHOLDERS

Customers and Partners
- High-quality APIs, intermediates, and nutraceuticals, tailored to meet customer and partner requirements
- Flexible contract manufacturing services offering customised solutions

Shareholders
- Disciplined capital allocation to drive long-term, sustainable growth
- Strong corporate governance and compliance fostering trust and transparency

Employees
- A rewarding work environment with career development opportunities
- Extensive training programs to enhance skills and expertise
- A focus on employee well-being and professional growth

Sustainability & Community
- A steadfast commitment to reducing environmental impact and promoting sustainability
- Meaningful contributions to community welfare and development

KEY OUTCOMES

100+
countries served across diverse therapeutic areas

₹10,894 crores
Revenue

₹3,920 crores
EBITDA

42.50 million
Safe man-hours achieved

~90%
Employee retention rate

~18 lakh+
CSR beneficiaries

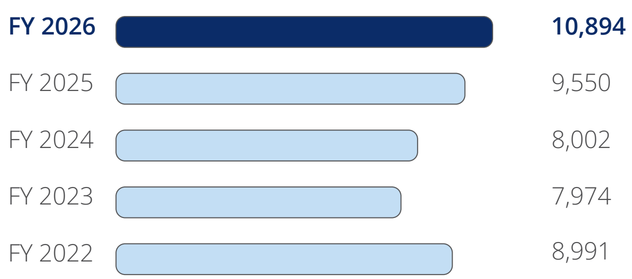
~8,290 GJ
Energy conserved

~1,59,500 KL
Water recycled and reused

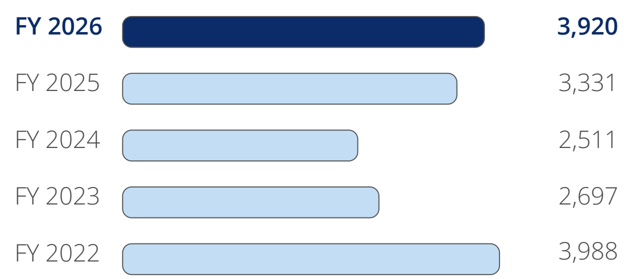
FINANCIAL HIGHLIGHTS

Performance Anchored in Discipline

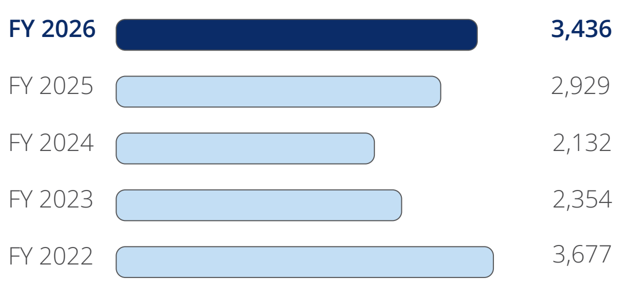
Total Income
(In ₹ crores)



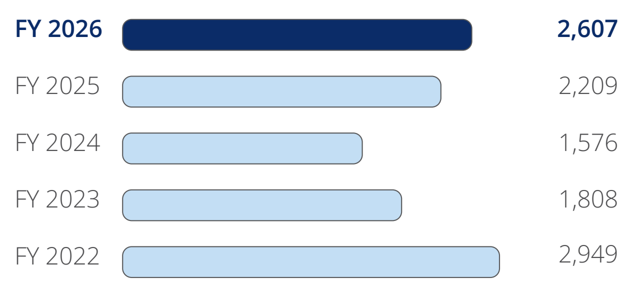
EBITDA
(In ₹ crores)



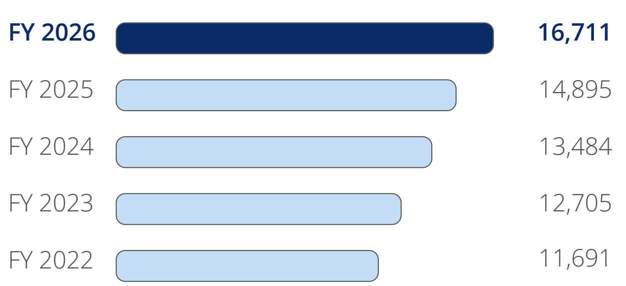
PBT
(In ₹ crores)



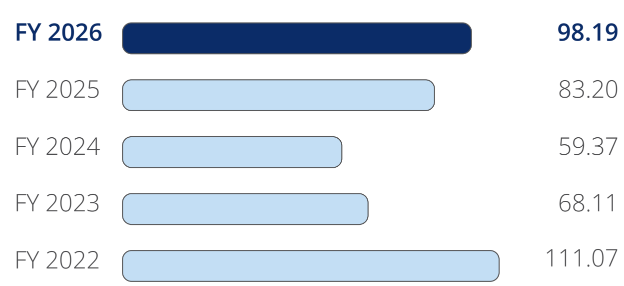
PAT
(In ₹ crores)



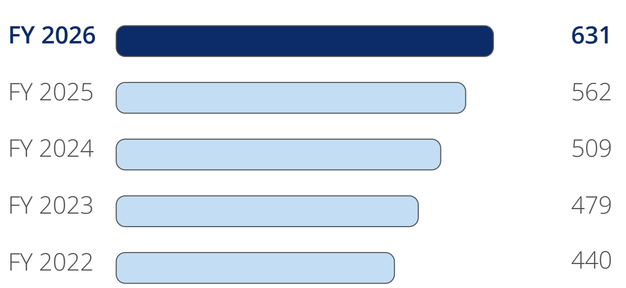
Net Worth
(In ₹ crores)



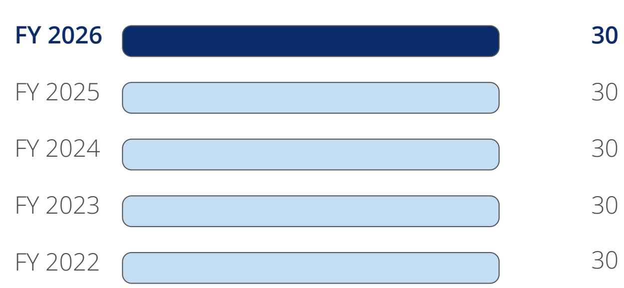
Earnings per Share
(₹)



Book Value per Share
(₹)



Dividend per Share
(₹)



(In ₹ crores)

	2021-22	2022-23	2023-24	2024-25	2025-26
Income and Profit					
Revenue	8,880	7,625	7,665	9,198	10,388
Revenue Growth %	30.61%	-14.13%	0.52%	20.00%	12.94%
Other Income	111	349	337	352	506
Total Income	8,991	7,974	8,002	9,550	10,894
Total Income Growth %	31.05%	-11.31%	0.35%	19.35%	14.07%
Profit Before Interest, Depreciation and Tax (EBITDA)	3,988	2,697	2,511	3,331	3,920
EBITDA To Total Income	44.36%	33.82%	31.38%	34.88%	35.98%
EBITDA Growth %	38.33%	-32.37%	-6.90%	32.66%	17.68%
Interest	1	1	3	1	23
Depreciation	311	342	376	401	461
Profit Before Tax (PBT)	3,677	2,354	2,132	2,929	3,436
PBT Growth %	39.92%	-35.98%	-9.43%	37.38%	17.31%
Tax Expense	728	546	556	720	829
Profit After Tax (PAT)	2,949	1,808	1,576	2,209	2,607
PAT Growth %	50.84%	-38.69%	-12.83%	40.16%	18.02%
Dividend, Share Capital and Capital Employed					
Dividend Per Share %	1500%	1500%	1500%	1500%	1500%
Dividend Payout	796	796	796	797	797
Dividend Payout to PAT %	26.99%	44.03%	50.51%	36.08%	30.57%
Equity Share Capital	53	53	53	53	53
Other Equity	11,638	12,652	13,431	14,842	16,658
Net Worth	11,691	12,705	13,484	14,895	16,711
Net Worth Growth %	26.09%	8.67%	6.13%	10.46%	12.19%
Gross Fixed Assets	5,618	6,357	6,752	7,859	9,397
Net Fixed Assets	4,321	4,719	4,737	5,440	6,520
Total Assets (balance sheet total)	13,308	14,352	15,362	16,824	19,954
Key Financial Indicators					
Earnings Per Share (₹ 2/- each)	111.07	68.11	59.37	83.20	98.19
Cash Earnings Per Share (₹ 2/- each)	122.77	81.00	73.53	98.30	115.56
Total Income Per Share (₹ 2/- each)	339	300	302	360	410
Book Value Per Share (₹ 2/- each)	440	479	509	562	631
Total Debt To Equity	-	-	-	-	-
EBITDA / Total Income %	44.36%	33.82%	31.38%	34.88%	35.98%
Net Profit Margin % (PAT/Total Income)	32.80%	22.67%	19.70%	23.13%	23.93%
RoNW % (PAT/Net Worth)	25.22%	14.23%	11.69%	14.83%	15.60%

Closing the loop through advanced solvent recovery

We are among the few companies in the industry that recover and reuse solvents within the same process and stage. This closed-loop approach strengthens our commitment to green chemistry, reduces waste, and improves resource efficiency. It also gives Divi's a meaningful competitive advantage across both generic APIs and custom synthesis, supporting sustainable and inclusive growth.

ESG OVERVIEW

Purpose in Action

Our approach to ESG reflects how we choose to grow responsibly, with care for our people, communities and environment, ensuring that progress is meaningful, inclusive and sustained over the long term.

Advancing our sustainability goals

During the year, we recalibrated our 2030 sustainability targets, particularly across carbon and energy, to reflect our Science Based Targets initiative (SBTi) commitment and evolving stakeholder expectations. This strengthens our ESG roadmap with measurable goals that are consistent with global best practices.

Carbon Footprint

Our validated near-term and net-zero targets provide a clear decarbonisation pathway across our operations and value chain, supporting focussed action on emissions reduction, energy efficiency and long-term climate resilience.

Our goals

Near-term targets

- Reduce absolute Scope 1 and 2 GHG emissions by 58.8% by FY 2034 from the FY 2024 base year
- Reduce absolute Scope 3 GHG emissions by 35% within the same timeframe

Long-term targets

- Reduce absolute Scope 1 and 2 GHG emissions by 90% by FY 2050 from the FY 2024 base year
- Reduce absolute Scope 3 GHG emissions by 90% within the same timeframe

Overall net-zero target

- Reach net-zero greenhouse gas emissions across the value chain by FY 2050

(The target boundary includes land-related emissions and removals from bioenergy feedstocks.)

Progress during FY 2026

Reduced

~13,500 TCO_2e

of GHG emissions through targeted initiatives

Conserved

~8,290 GJ

of energy through targeted initiatives

Water Conservation

Water conservation remains a critical focus area, particularly in water-stressed regions where we operate. Our approach combines reduction, reuse and efficiency improvement.

Our goals

- Reduce ground and surface water intake by 30% by FY 2030
- Reduce overall water consumption by 25% by FY 2030
- Reduce water intensity by 25% by FY 2030

Progress during FY 2026

Conserved

~1,59,500 KL

of water through operational initiatives

Waste Management

We continue to embed waste reduction and responsible material usage into our manufacturing processes, with a growing focus on packaging sustainability.

Our goals

- Reduce waste disposal intensity by 25% by FY 2030
- Reduce plastic packaging usage

Progress during FY 2026

Reduced

~46 MT

of plastic packaging waste

Health and Safety

Ensuring a safe and healthy workplace is fundamental to our operating philosophy. Our safety systems are designed to prevent incidents while building a culture of accountability and continuous learning.

Our goals

- Maintain zero major fire, explosion, toxic gas leak, fatality and reportable lost time injury
- Maintain lost time injury (LTI) severity rate of not more than 0.3
- Deliver minimum 18 EHS training hours per employee per year

Progress during FY 2026

- Recorded zero major fire, explosion, toxic gas leak, fatality and reportable injuries
- Achieved LTI severity rate of 0.14, well below the target of 0.3
- Delivered average EHS training of 22 hours per employee per year

Number of Completed Initiatives

Conservation of natural resources

FY 2026	51
FY 2025	45
FY 2024	78

Ergonomics

FY 2026	68
FY 2025	59
FY 2024	39

Safety enhancements

FY 2026	491
FY 2025	486
FY 2024	405

Energy conservation

FY 2026	49
FY 2025	71
FY 2024	92

General improvements

FY 2026	84
FY 2025	77
FY 2024	114

Environmental protection

FY 2026	85
FY 2025	77
FY 2024	92

Sustainable Development Goals (SDGs) Impacted

Awards and Recognition

Excellence in Corporate Social Responsibility at the FAPCCI Excellence Awards 2025

Gold Award in Pharma Industries at the State Energy Conservation Awards 2025 by the Government of Andhra Pradesh

BRITISH SAFETY COUNCIL International Safety Awards 2026 Winner

International Safety Award 2026 by the British Safety Council

CDP Discloser 2024

BRONZE | Top 35% ecovadis Sustainability Rating NOV 2025

CDP Score "B"
(Climate and Water Security)

ENVIRONMENT

Purpose Towards a Greener Future

At Divi's, environmental stewardship is closely linked to how we innovate, manufacture and grow. From improving resource efficiency and reducing emissions to advancing green chemistry and circularity, we strive to minimise our environmental footprint while creating long-term value. Our approach combines scientific rigour, operational discipline and measurable goals to support a greener future.

Reducing Carbon Footprint

- Use of biomass briquettes for boiler operations, reducing emissions by ~6,800 TCO_2e
- Installing Dissolved Oxygen (DO) analyser for biological aeration tank to optimise operation of the blowers, reducing emissions by ~190 TCO_2e
- Optimised utility usage by replacing brine with RT water for sub cooler, reducing emissions by ~60 TCO_2e
- Installed Variable Refrigerant Volume (VRV) type air conditioners instead of individual air conditioners, reducing emissions by ~70 TCO_2e

Water Conservation

- Using STP treated water as feed to RO plant in place of fresh water, conserving ~1,41,350 KL of water
- Increasing efficiency of cooling tower recirculation water, conserving ~7,200 KL of water
- Recovering and reusing of steam condensate water for boiler operations, conserving ~3,580 KL of water
- Utilising the air compressors air drying units condensate water as makeup water for cooling towers, conserving ~690 KL of water

Solar panels

Energy Management

- Installed LT capacitor panels with Automatic Power Factor Controllers (APFC), resulted in energy conservation of ~2,650 GJ
- Adopting energy efficient technologies and replacement of energy intensive equipment with energy efficient equipment, conserving ~1,370 GJ of energy
- Arranging oxygen analysers for process vessels, benefited us in reducing the nitrogen demand for equipment energisation, thereby conserving ~1,350 GJ of energy
- Installing Dissolved Oxygen (DO) analyser for biological aeration tank to optimise operation of the blowers, resulted in energy conservation of ~960 GJ

Waste Management

- Implementing process improvements through Green Chemistry Principles aided in improving recovery & reuse potential
- Established dedicated solvent recovery stations to enable the efficient reuse of solvents and minimise waste
- Reused final wash/rinse water for initial rinse steps in production processes, reducing freshwater consumption and overall waste
- Process solid residue sent by Divi's is reused as fuel (co-incineration) in cement industries

Biomass briquettes

SOCIAL – OUR EMPLOYEES

Powered By Our People

Our people strengthen our ability to grow responsibly, bringing together technical excellence, ownership, safety consciousness and shared purpose across every part of our organisation.

At Divi's, our people strategy is anchored in a simple belief: sustainable growth is possible only when people feel respected, empowered and included. We focus on building a workplace where employees are encouraged to take ownership, contribute ideas, make decisions and participate meaningfully in the Company's progress. Our leaders play an important role in shaping this culture by demonstrating accountability, transparency and integrity in everyday actions.

Our commitment to sustainable chemistry and responsible innovation gives our people a strong sense of purpose. Employees today increasingly seek to work with organisations whose impact extends beyond business performance. By contributing to human health, environmental responsibility and social progress, our teams find deeper meaning in their work. This shared purpose has helped us build pride, loyalty and an industry-leading retention culture.

Recognising and Rewarding Contribution

We have followed a progressive compensation philosophy for over three decades, with a structured approach that recognises contribution and remains competitive across geographies. Our compensation practices go beyond statutory requirements and are designed to reward performance, strengthen motivation and support long-term employee continuity.

Building an Inclusive and Equitable Workplace

We are committed to ensuring equal access to opportunity across the organisation. Our approach is guided by inclusive hiring, equal pay for equal roles and transparent career progression. Growth is based on merit, capability and contribution, irrespective of background, identity or personal circumstances. Through standardised selection processes, leadership development and structured training, we continue to support diverse talent across levels.

~90%
employee retention rate

~19,300
total employees

~9%
female employees

Supporting Women Through Every Career Stage

We aim to support women through practical measures that respond to their individual needs. During pregnancy, department heads work with team members to adjust responsibilities where required, reduce physical strain and limit exposure to occupational risks. For new mothers, return-to-work support is provided to make the transition back to the workplace smoother. These efforts have enabled job continuity while promoting greater satisfaction among women employees.

~90%
return-to-work rate for new mothers

~75%
retention of female employees post-maternity

Enabling Balance, Growth and Continuous Learning

At Divi's, we carefully plan manpower resource requirements to ensure employees do not have to work extended hours. Our strong focus on promoting work-life balance contributes to a conducive work environment, encouraging referrals for new hiring. Learning and development is actively supported through well-defined career paths as well as technical and leadership training programmes. Learning modules cover GMP, quality systems, soft skills and functional capabilities, enabling personal and professional growth.

Hiring with Transparency and Fairness

Our recruitment policy is standardised, merit-based and inclusive. Diversity at the workplace is promoted by attracting talent from different backgrounds, including underrepresented groups, persons with disabilities and experienced retirees. Our aim is to foster a workplace where different perspectives come together for a more balanced and informed decision-making, while ensuring fairness and transparency at every stage of hiring.

~30 years
average employee age

Safety, Health and Well-being

At Divi's, employee safety and well-being is a top priority. Our Environment, Health and Safety (EHS) management is ISO 45001 and ISO 14001 certified, reflecting strong governance and adherence to the highest global standards. Comprehensive risk assessments, including HIRA, HAZOP and LOPA, are undertaken at regular intervals. We also ensure that any changes, including those relating to materials, technology, equipment and operating procedures, are fully reviewed for EHS and compliance risks before implementation. Further, periodic internal audits are carried out by multi-disciplinary teams.

Additionally, physical and mental well-being is promoted through ergonomic workplace design, health and wellness initiatives and safety training. EHS targets are defined, measured and reviewed to reinforce accountability and best workplace practices.

FY 2026 EHS Highlights

~42.5 million
safe man-hours recorded

0.14
LTI severity rate, including first-aid cases

0 major
incidents involving fire, gas leak or fatality

~2,03,800
EHS training sessions conducted

~17,17,000
participations in EHS sessions

SOCIAL – OUR COMMUNITIES

Purpose in Action, Beyond Business

Our approach to community development is rooted in creating tangible, lasting impact where it matters most, anchored in the firm belief that progress must be inclusive.

Across regions surrounding our operations, we focus on strengthening essential systems that support everyday life, including education, healthcare, water access, infrastructure and livelihoods. Rather than fragmented interventions, our efforts are designed to build continuity, improve access, enable opportunity and support communities in becoming more resilient over time.

Promoting Education

We continued to invest in strengthening foundational education by improving access, enhancing infrastructure and supporting students across underserved and tribal regions.

Our initiatives focussed on upgrading school infrastructure, enabling access to learning materials and strengthening academic support systems. This included classroom development, sanitation facilities, laboratory modernisation and improved access to digital and physical learning resources. We also supported students through scholarships, additional teaching support and targeted academic interventions.

Alongside this, we continued to integrate health and well-being into school ecosystems through regular check-ups, ensuring that students are able to learn in environments that are both supportive and functional.

Impact snapshot

10,312
students covered through school health check-ups

9,785
students covered through eye screening camps

9,385
students received notebooks and school bags

~8,500
students benefited through hostel infrastructure support

2,504
students received Class 10 study material

Safe Drinking Water

Access to clean drinking water remains one of our most sustained and high-impact interventions. Over the years, we have built and expanded a wide network of water purification systems across communities, institutions and public spaces.

During the year, we continued to extend this network across hospitals, educational institutions and high-footfall community locations, while also ensuring maintenance and operational continuity of existing installations. These efforts are aimed at ensuring reliable access to safe drinking water in both rural and institutional settings.

Impact snapshot

1,711
RO plants across 1,407 locations till date

~12,79,440
beneficiaries per day

~19,000
beneficiaries at Andhra University

~70,450
daily beneficiaries at major government hospitals

Public Health

Our healthcare initiatives are focussed on improving access to essential services while promoting preventive care across communities.

During the year, we conducted health and screening camps, supported critical medical treatments and strengthened infrastructure across primary and community health centres as well as public hospitals. Interventions included provision of medical equipment, patient facilities and essential infrastructure to improve service delivery.

Impact snapshot

~54,000
beneficiaries through PHC infrastructure support

~30,000
people benefited through medical equipment support

~1,000
beneficiaries per day through hospital patient facilities

~600
people covered through eye camps

Village Development

Our village development initiatives are focussed on strengthening core infrastructure that supports daily living and local economic activity.

During the year, we supported the development of roads, irrigation systems, drainage infrastructure and public utilities. These interventions are designed to improve connectivity, enable agricultural productivity and enhance access to essential services. We also contributed to community infrastructure and public service facilities, helping strengthen institutional capacity at the grassroots level.

Impact snapshot

~17,500
beneficiaries through rural lighting initiatives

~13,670
beneficiaries through digital infrastructure support to panchayats

~5,000
beneficiaries through improved road connectivity

~3,000
farmers supported through irrigation infrastructure

~1,500+
beneficiaries across multiple village infrastructure initiatives

Swachh Bharat

Our sanitation initiatives are aligned with the Swachh Bharat mission and focus on improving hygiene and cleanliness at the community level.

During the year, we supported local sanitation systems through provision of cleaning materials, strengthening waste management practices and enabling community-led maintenance mechanisms. These interventions contribute to improved public hygiene and help reduce health risks associated with poor sanitation.

Impact snapshot

~1,82,000 beneficiaries supported through sanitation initiatives	**~31,634** beneficiaries through waste management infrastructure support

Environmental Sustainability

Our environmental efforts are centred on strengthening green cover and encouraging responsible practices within communities.

During the year, we supported plantation drives, maintenance of green spaces and awareness initiatives that promote environmentally conscious behaviour. These initiatives contribute to improving local ecosystems while encouraging community participation in sustainability efforts.

Impact snapshot

~10,000 beneficiaries through plantation initiatives	**~2,000** beneficiaries through eco-friendly awareness initiatives

Livelihoods and Women Empowerment

We continued to support livelihood creation by enabling skill development and promoting income-generating opportunities, particularly for women and rural communities.

Our initiatives focussed on vocational training, skill-building programmes and support for community-led economic activities. We also introduced alternative livelihood models, such as seaweed cultivation, to diversify income sources for coastal communities. In addition, infrastructure and capacity-building support was extended to strengthen traditional occupations such as fishing, improving both productivity and working conditions.

Impact snapshot

142 individuals trained in computer education	**65** individuals trained in beauty therapy	**39** individuals trained in maggam work / embroidery	**650** beneficiaries supported through fishing infrastructure	**40** women trained through tailoring programmes

Sports and Community Development

We supported grassroots sports initiatives to encourage participation, promote physical well-being and nurture local talent.

During the year, our efforts included development of playgrounds, organisation of sporting events and provision of equipment and infrastructure. These initiatives help create platforms for community engagement while supporting youth development.

Impact snapshot

~4,500
beneficiaries through playground development

~1,000
participants in state-level volley ball tournaments

512
players participated in Divi's Challengers Trophy

96
participants in women's Kabaddi league

~300
daily beneficiaries through children's play park

Animal Welfare

Our animal welfare initiatives focus on supporting rural livelihoods through improved livestock health and access to veterinary care.

During the year, we conducted veterinary camps and supported healthcare infrastructure, enabling access to essential services in areas where such facilities are limited.

Impact snapshot

~350
animals covered through veterinary camps

~750 per day
beneficiaries through veterinary infrastructure support

Inclusive Care and Child Development

Through Varnam Child Development Centre, we continue to support early identification, therapy and care for children with developmental needs. We also extend financial support to Divi's Foundation for Gifted Children.

The initiative focusses on strengthening systems for screening, awareness and intervention, while providing integrated support for children and their families. Our efforts are aimed at promoting inclusion and enabling better developmental outcomes.

varnam
CHILD DEVELOPMENT CENTRE
A unit of DIVI'S FOUNDATION FOR GIFTED CHILDREN

Impact snapshot

13,878
therapy sessions in the financial year 2025-26

120
children screened through developmental camps

80
families supported through multidisciplinary care

Disaster Response

We responded to the Montha cyclone by providing immediate relief through distribution of food and water to affected communities.

Impact snapshot

~27,800
beneficiaries supported through relief efforts

GOVERNANCE

Built on Trust and Integrity

Strong governance underpins our ability to create long-term value. We operate with a clear commitment to transparency, ethical conduct and responsible decision-making.

Board oversight and leadership

Our governance framework is designed to protect stakeholder interests, support sustainable growth and ensure that the Company is managed with discipline and accountability. The Board of Directors provides strategic direction and independent oversight of the Company's operations. It reviews performance, monitors emerging risks and ensures adherence to statutory and regulatory requirements. Regular Board discussions on strategy, capital allocation, compliance and risk enable timely and informed decisions that strengthen organisational resilience.

Governance philosophy

Our governance practices are guided by the principles of integrity, fairness, accountability and ethical leadership. These principles inform how we conduct business, engage with stakeholders and uphold regulatory expectations. We continue to refine our governance systems to align with evolving best practices and global benchmarks.

Board composition

Our Board comprises a balanced mix of Executive and Non-Executive Directors who bring diverse industry, financial, operational and governance experience. This combination supports objective judgement, strengthens oversight and enhances the quality of strategic guidance provided to the management team.

5
Executive Directors

5
Non-Executive Independent Directors

Diversity and capability

Board appointments are based on a comprehensive evaluation of expertise, leadership experience and strategic insight, supported by considerations of diversity, including gender representation. This approach ensures that the Board remains well equipped to address complex challenges and respond to changing market dynamics.

2
Women Directors

Strengthening governance systems

We continue to enhance internal controls, audit mechanisms and compliance processes to maintain organisational discipline. Regular reviews of policies, codes of conduct and risk management frameworks reinforce our culture of responsibility and ethical behaviour across all levels.

Expertise: Number of Directors with developed skillsets

8/10
Global business

10/10
Governance

7/10
Technology

10/10
Strategy, planning, and marketing

10/10
Leadership

7/10
Legal, commercial, and financial

10/10
Sustainability and risk management

10/10
Information Technology

Board Committees

The Board is supported by specialised committees that provide focussed oversight on key governance areas. Each committee operates within a defined mandate, enabling clear role delineation and effective execution of responsibilities. Committees report regularly to the Board on their activities and review their own performance to ensure continued alignment with their objectives and delegated authority.

Board of Directors and Committee positions held

M

Dr. Murali K. Divi
Managing Director

N. V. Ramana
Executive Director

M
C
M
C

Dr. Ramesh B. V. Nimmagadda
Non-Executive Chairman & Independent Director

M
M
C

Prof. S. Ganapaty
Independent Director

C

Dr. Kiran S. Divi
Whole-time Director & Chief Executive Officer

M
M

Nilima Prasad Divi
Whole-time Director (Commercial)

C
M

K. V. Chowdary
Independent Director

M

Dr. Rajendra Kumar Premchand
Independent Director

M
M

Dr. S. Devendra Rao
Whole-time Director (Manufacturing)

M
M

Prof. Sunaina Singh
Independent Director

- Audit Committee
- Stakeholders Relationship Committee
- Risk Management and Sustainability Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

C - Chairman **M** - Member

Corporate Information

Manufacturing Facilities

Unit 1: Hyderabad

Choutuppal Unit:
Lingojigudem Village,
Choutuppal Mandal,
Yadadri Bhuvanagiri, Telangana
PIN - 508252.

DC SEZ Unit:
Lingojigudem Village,
Choutuppal Mandal,
Yadadri Bhuvanagiri, Telangana
PIN - 508252.

Unit 2: Visakhapatnam

Export Oriented Unit:
Chippada Village,
Bheemunipatnam Mandal,
Visakhapatnam, Andhra Pradesh
PIN - 531163.

Divi's Pharma SEZ:
Chippada Village,
Bheemunipatnam Mandal,
Visakhapatnam, Andhra Pradesh
PIN - 531163.

DSN SEZ Unit:
Chippada Village,
Bheemunipatnam Mandal,
Visakhapatnam, Andhra Pradesh
PIN - 531163.

DCV SEZ Unit:
Chippada Village,
Bheemunipatnam Mandal,
Visakhapatnam, Andhra Pradesh
PIN - 531163.

Unit 3: Kakinada

Export Oriented Unit
Ontimamidi Village (Kona),
Thondangi Post, Thondangi Mandal,
Kakinada, Andhra Pradesh
PIN - 533408.

R&D Centres

B-34, Industrial Estate, Sanath Nagar,
Hyderabad. Telangana, PIN - 500018.

Lingojigudem Village,
Choutuppal Mandal,
Yadadri Bhuvanagiri, Telangana
PIN - 508252.

Chippada Village,
Bheemunipatnam Mandal,
Visakhapatnam, Andhra Pradesh
PIN - 531163.

Ontimamidi Village (Kona)
Tondangi Post, Tondangi Mandal,
Kakinada, Andhra Pradesh,
PIN - 533408.

Subsidiaries

Divis Laboratories (USA) Inc,
New Jersey, USA
Divi's Laboratories Europe AG,
Basel, Switzerland

Registered Office

Divi Towers, 1-72/23(P)/DIVIS/303
Cyber Hills, Gachibowli,
Hyderabad, Telangana, India,
PIN - 500032.
CIN: L24110TG1990PLC011854
Phone: +91 40 66966300
Fax: +91 40 66966460
E-mail: mail@divislabs.com
Website: www.divislabs.com

Statutory Auditors

Price Waterhouse Chartered Accountants LLP
Chartered Accountants,
Unit-2B 8th Floor, Octave Block
Block E1, Parcel-4 Salarpuria Sattva
Knowledge City Raidurg,
Hyderabad - 500081.

Secretarial Auditors

V. Bhaskara Rao & Co.
Company Secretaries,
H. No. 6-3-347/1 & 2, Flat No. 104,
2nd Floor, Megasri Classics,
Dwarakapuri Colony
Punjagutta, Hyderabad - 500082.

Bankers

State Bank of India
CCG Branch, Door No. 8-2-684/2/A
I Floor, NSL Icon Building,
Anand Banjara Colony,
Road No. 12, Banjara Hills,
Hyderabad - 500034.

HDFC Bank Ltd.
Bank House,
Wholesale Banking Operations,
H. No. 6-3-246 & 244
Road No. 1, Banjara Hills,
Hyderabad - 500034.

Registrar & Share Transfer Agent

Kfin Technologies Limited
Selenium Tower B, Plot No. 31-32
Gachibowli, Financial District,
Nanakramguda,
Hyderabad - 500032.
CIN: L72400MH2017PLC444072
Phone No.: 040-67161526,
Fax: 040-23001153
Toll Free No.: 1800 4258 998
E-mail: einward.ris@kfintech.com

Date, Time & Mode of 36th AGM

Monday, August 10, 2026 at 10 AM (IST)
Through Video Conferencing (VC)
Other Audio Visual Means (OAVM)

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Company	L24110TG1990PLC011854
2.	Name of the Listed Entity	Divi's Laboratories Limited
3.	Year of incorporation	1990
4.	Registered office address	Divi Towers, 1-72/23(P)/DIVIS/303, Cyber Hills, Gachibowli, Hyderabad – 500 032, Telangana, India
5.	Corporate address	Divi Towers, 1-72/23(P) /DIVIS/303, Cyber Hills, Gachibowli, Hyderabad – 500 032, Telangana, India
6.	E-mail	mail@divislabs.com
7.	Telephone	+91 40-66966300
8.	Website	www.divislabs.com
9.	Financial year for which reporting is being done	April 01, 2025 to March 31, 2026
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE), and BSE Limited (BSE)
11.	Paid-up Capital	₹53,09,37,160/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	M. Satish Choudhury Company Secretary & Compliance Officer cs@divislabs.com +91 40-66966352
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosure under this Business Responsibility & Sustainability Report (BRSR) is on a standalone basis unless otherwise stated.
14.	Name of assessment or assurance provider	Bureau Veritas (India) Private Limited
15.	Type of assessment or assurance obtained	Reasonable assurance for BRSR core indicators.

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No	Description of main activity	Description of business activity	% of turnover of the entity
1.	Manufacture of Active Pharmaceuticals Ingredients, Intermediates and Nutraceuticals.	Manufacture of Active Pharmaceuticals Ingredients, Intermediates and Nutraceuticals.	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No	Product/ service	NIC code	% of total turnover contributed
1.	Manufacture of Active Pharmaceuticals Ingredients, Intermediates and Nutraceuticals.	21009	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4*	1	5
International	0	2	2

**The number of plants include the Company's 3 manufacturing facilities and a R&D center. The Company's Unit 3 manufacturing facility at Kakinada started its operations from January 01, 2025 and information related to the unit is included wherever required in the report effective from January 01, 2025.*

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	23
International (No. of countries)	80

b. What is the contribution of exports as a percentage of the total turnover of the entity?

89%

c. A brief on types of customers

Our customers include various Pharmaceutical and Nutraceutical companies across the globe.

IV. Employees

20. Details as at the end of financial year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	11,514	9,795	85.07	1,719	14.93
2.	Other than permanent (E)	605	582	96.20	23	3.80
3.	**Total employees (D + E)**	**12,119**	**10,377**	**85.63**	**1,742**	**14.37**
Workers						
4.	Permanent (F)	51	51	100	0	0
5.	Other than permanent (G)	7,122	7,117	99.93	5	0.07
6.	**Total workers (F + G)**	**7,173**	**7,168**	**99.93**	**5**	**0.07**

b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C/A)
Differently abled employees						
1.	Permanent (D)	17	15	88.24	2	11.76
2.	Other than permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	**17**	**15**	**88.24**	**2**	**11.76**
Differently abled workers						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	10	10	100	0	0
6.	**Total differently abled workers (F + G)**	**10**	**10**	**100**	**0**	**0**

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of females	
		No. (B)	% (B / A)
Board of Directors	10	2	20.00
Key Management Personnel*	7	1	14.28

** Including 5 Executive Directors.*

22. Turnover rate for permanent employees and workers:

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.56%	13.94%	10.21%	7.37%	13.28%	8.26%	8.11%	14.64%	9.05%
Permanent Workers	1.85%	0	1.85%	1.74%	0	1.74%	0	0	0

V. Holding, subsidiary and associate companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures:

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the business responsibility initiatives of the listed entity? (Yes/No)
1	Divis Laboratories (USA) Inc., New Jersy, USA.	Subsidiary	100%	No
2	Divi's Laboratories Europe AG, Basel, Switzerland	Subsidiary	100%	No

VI. CSR details

24. (i) Whether CSR is applicable as per Section 135 of the Companies Act, 2013: Yes

(ii) Turnover: ₹10,388 crore

(iii) Net worth: ₹16,711 crore

VII. Transparency and disclosures compliances

25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No) (If Yes, then provide web- link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year#	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year#	Remarks
Communities	Yes*	0	0		0	0	-
Investors (other than shareholders)	NA	0	0		0	0	-
Shareholders	Yes*	102	0		79	0	-
Employees and workers	Yes*	0	0		0	0	-
Customers	Yes*	35	6		49	5	-
Value chain partners	Yes*	0	0		0	0	-
Other (please specify)	-	-	-		-	-	-

** Various policies of the Company for redressing the grievances of its stakeholders are available at https://www.divislabs.com/investor-relations/.*

In addition, there are internal policies placed on intranet of the Company.

 # Pending complaints at the end of relevant period were/are being redressed as per the standard operating procedure and are/will be closed in due course.

26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk opportunity (Indicate positive or negative implications)
1	Occupational health and safety	R	In pharmaceutical manufacturing, health and safety management systems must ensure uninterrupted and safe operations.	Health and safety management systems and procedures are in place in line with the applicable laws enacted in India like Factories Act, Explosives Act, etc., as well as applicable international standards like ISO. These systems / procedures are reviewed and audited periodically. Processes are in place for incident reviews leading to corrective and preventive action.	Occupational health & safety incidents can have negative financial implications.
2	Environment management	R	The Company's operations if not managed properly may result in risk to environment.	Environmental risks and impacts are managed through established environment management practices. The practices include conducting risk assessments, periodic review mechanisms and continuous strengthening practices and mitigation plans, using reviews and corrective and preventive actions. We are certified for ISO 14001 Environment Management System.	Environmental risks may result in negative financial implications.
3	Water management	R	Water management is crucial for the Company's operations from the perspective of protection and conservation of the natural resource and cost effectiveness.	We are managing risks associated with water management through implementation and strengthening of water recycle and reuse programs, installation of RO plants to treat water to reuse, water conservation programs (rainwater harvesting, collecting steam condensate, etc), and by installation of desalination plants to utilize seawater for selected operations.	Water management risks may result in negative financial implications apart from scarcity of this resource.
4	Community care	O	The Company believes in sustainable development and serves the vulnerable population around its manufacturing operations through its CSR activities.	-	Positive: The Company helps the communities with CSR activities in the area of health, education, drinking water, women empowerment, green initiatives, support to differently abled, rural development, Skill development, etc. This gives the Company a positive response in the communities it operates.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk opportunity (Indicate positive or negative implications)
5	Waste management	R	Manufacturing of products requires abundant quantities of raw materials and proper management of waste generated.	We are managing risks associated with Waste management through implementation and strengthening of recycle and reuse programmes. Effective recovery of solvents from solvent recovery system and reuse in the process. Implementation of green chemistry in the process to reduce the waste generation. All solid waste generated are handled as per the applicable regulations of Ministry of Environment, Forest & Climate Change of India and Pollution Control Board's (PCB) conditions.	Waste management risks may result in negative financial implications.
6	Climate change	R	Increased levels of Green House Gas emissions may pose harmful effects to environment, human health and associated risks.	We are mitigating climate change risks by reducing the dependency on fossil fuel sources and focusing on renewable sources for power and heat energy. We have taken various initiatives to reduce GHG emissions from our operations. We have got approved by SBTi for both near term and net zero targets. Our GHG footprint is being verified by external agency as per ISO 14064-1 on annual basis. The Carbon Footprint of a Product (CFP) assessment for two selected products is being verified by an external agency in line with ISO 14067:2018.	Climate change risks may result in negative financial implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	The Policies are approved by the Board or by the respective Executive Director as authorized by the Board.								
c. Web Link of the Policies, if available	(Click on policy for web access if available on the Company website i.e. www.divislabs.com) P1 to P9 (excluding P7) - Code of Ethics and Business Conduct P1 - Whistle Blower Policy P2 - Supplier Code of Conduct, Sustainable procurement policy P3 to P5 - Labour and Human Rights Policy P4 & P8 - Corporate Social Responsibility Policy P6 – Environmental, Health and Safety Policy, Environmental Sustainability Policy P7 – NA P9 - Information Security Policies (available on our intranet)								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes						NA	Yes	
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	No	Yes
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.		ISO 45001, ISO 14001 ISO 9001 ISO 14067	ISO 45001			ISO 14001, ISO 45001 ISO 14064, G.M.P & G.L.P certification	-	As per the CSR Rules prescribed under the Companies Act, 2013	
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	We are committed to Science Based Targets initiative (SBTi) for both Near term and Net-Zero targets and our targets were validated by SBTi.								

Carbon footprint:

Near Term Targets:	Long-Term Targets:
• To reduce absolute scope 1 and 2 GHG emissions 58.8% by FY 2034 from FY 2024 base year. • To reduce absolute scope 3 GHG emissions 35% within the same timeframe. *	• To reduce absolute scope 1 and 2 GHG emissions 90% by FY 2050 from FY 2024 base year. • To reduce absolute scope 3 GHG emissions 90% within the same timeframe. *

Overall Net-Zero targets:
Divi's Laboratories Limited commits to reach net-zero greenhouse gas emissions across the value chain by FY 2050.

**The target boundary includes land-related emissions and removals from bioenergy feedstocks.*

In addition to these commitments, there are specific targets on Water Conservation, Waste Management aimed to achieve by 2030, Health and Safety targets for FY 2026 as detailed below:

Water Conservation for FY 2030:	Waste Management for FY 2030:
• Reduce ground water & surface water intake by 30%. • Reduce water consumption by 25%. • Reduce intensity-based water consumption by 25%.	• Reduce intensity-based waste disposal by 25%. • Reduce plastic waste using for packing.

Health and Safety Targets for FY 2026:

- No major fire, explosion, toxic gas leak; No fatality & reportable lost time injury.
- Lost time injury severity (LTIs) rate of not more than 0.3.
- Minimum 18 EHS training hours per employee per year.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Our sustainability targets for 2030 have been revised with respect to carbon footprint and energy conservation in line with the aforementioned SBTi targets. Performance against specific commitments and targets during the year is as follows: **Carbon footprint:** • ~13,500 TCO_2e GHG emissions were reduced with the initiatives taken during FY 2025-26. • ~8,290 GJ of energy is conserved with the initiatives taken during FY 2025-26. **Water Conservation:** • ~1,59,500 KL of water was conserved with the initiatives taken during FY 2025-26. **Waste Management:** • ~ 46 MT of plastic packaging waste was reduced. **Health and Safety Targets:** • No major fire, explosion, toxic gas leak, fatality and reportable injuries have occurred during FY 2025-26. • Lost time injury severity (LTIs) rate for FY 2025-26 is 0.14 that is well below the target of 0.3. • Average EHS training hours per employee per year is ~21 Hours 50 min.								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):

   At Divi's, sustainability is fundamental to our business operations. In addition to our internal sustainability targets, we have received approval from the Science Based Targets initiative (SBTi) for both our Near-Term and Net-Zero targets, reinforcing our commitment to climate action and long-term value creation.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Dr. S. Devendra Rao Whole-time Director (Manufacturing) DIN: 10481393 Email: cs@divislabs.com; Tel: +91 40-66966352
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Risk Management and Sustainability Committee oversees the Environment, Social and Governance related topics.

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by director / committee of the Board/ any other Committee and frequency
Performance against above policies and follow up action	The Policies of the Company are reviewed periodically or on need basis by respective Department heads / Executive Directors / Board Committees / Board of Directors, as applicable.
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with all applicable laws.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No	Yes, Bureau Veritas (India) Private Limited, TUV SUD	Yes, Bureau Veritas (India) Private Limited	No	No	Yes, Bureau Veritas (India) Private Limited	NA	No	No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

    With respect to Principle 7, the answer is "Not Applicable" (NA) as the Company does not have a separate policy on public advocacy.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable

Essential indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	4	Familiarization programmes for the Board of Directors/ KMPs of the Company are done periodically. The topics of the programmes includes business and industry updates, risk management, important regulatory changes and compliances of various statutory requirements, updating on various Codes/ Policies of the Company, environmental, social and governance parameters, legal cases, etc.	100%
Key Managerial Personnel (KMP)			
Employees other than BoD and KMPs	2,785	In addition to on-the-job training programmes, all the employees including workers underwent trainings which include topics covering principles P1-6, P8, P9.	100%
Workers			

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.**

   (Note: The entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL			
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

   Not Applicable.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company has Anti-Corruption Policy, which not only covers the Company but also extends to its stakeholders, viz., suppliers, customers, employees, etc. Weblink: https://www.divislabs.com/wp-content/uploads/2025/07/Anti-Corruption-Policy.pdf.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the directors	0	-	0	-
Number of complaints received in relation to issues of conflict of interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of accounts payables	94	84

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics		FY 2025-26	FY 2024-25
Concentration of purchases	a.	Purchases from trading houses as % of total purchases	14.69%	20.54%
	b.	Number of trading houses where purchases are made from	655	731
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	42.86%	46.86%
Concentration of sales	a.	Sales to dealers / distributors as % of total sales	4.91%	4.39%
	b.	Number of dealers / distributors to whom sales are made	2	2
	c.	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	100%	100%
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b.	Sales (Sales to related parties / Total Sales)	4.91%	4.39%
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d.	Investments (Investments in related parties / Total Investments made)	9.62%	10.12%

Leadership indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/ Principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	Nil	Nil

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the Company has in place "Code of Ethics and Business Conduct" and a 'Policy on Related Party Transactions' which are applicable to the members of the Board of Directors. Transactions with Directors or any entity in which such Directors are concerned or interested, are required to be approved by the Audit Committee, the Board of Directors and Members of the Company, wherever applicable. In such cases, the interested Directors abstain themselves from the discussions at the meeting. Related Party Transactions, if any, with the Company shall be at arm's length basis only. The weblink of the abovementioned policies are mentioned below:

Code of Ethics and Business Conduct: https://www.divislabs.com/wp-content/uploads/2025/10/Code-of-Ethics-and-Business-Conduct_06.08.2025.pdf

Policy on Related Party Transactions: https://www.divislabs.com/wp-content/uploads/2025/07/Policy-on-Related-Party-Transactions.pdf

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	100%	100%	The expenditure towards R&D is aimed at improving environmental and social impacts, such as reduction in emission and waste generation, conservation of energy and water.
Capex	7.90%	4.68%	With the investments in specific technologies to improve the environmental and social impacts of product and processes during the year, the Company was able to reduce ~13,500 TCO_2e emissions, conserve ~1,59,500 KL of water and ~8,290 GJ of energy.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No):**

Yes

b. **If yes, what percentage of inputs were sourced sustainably?**

Yes, at Divi's, we are striving for sustainability across all functions of our organization including sourcing and procurement. Through our Sustainable Procurement policy, we are committed to ensuring the goods and services we purchase are manufactured, delivered, used and disposed of in an environmentally and socially responsible manner. It is also intended to encourage our suppliers to adopt practices that minimize their environmental impact and deliver community benefits, in relation to their own operations, and throughout the supply chains in which they operate. About 54.52% value of our purchases are sourced from vendors who embraced our sustainable procurement policy.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Divi's has established systematic processes to manage end-of-life materials in compliance with applicable waste management rules. Plastic and packaging wastes are segregated at source and disposed of through authorized recyclers as per the Plastic Waste Management Rules. Initiatives include reducing single-use plastics and engaging vendors for sustainable alternatives. E-waste from IT and laboratory equipment is collected, recorded and handed over to CPCB-authorized recyclers under the E-Waste (Management) Rules. Hazardous wastes such as spent solvents, residues and ETP sludge are managed under the Hazardous and Other Wastes Rules. Solvent recovery units enable reuse, while residual wastes are sent to authorized TSDFs. Non-hazardous wastes are segregated and recycled or composted through authorized vendors, minimizing landfill disposal. Continuous monitoring and audits ensure regulatory compliance and circular resource utilization across operations.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes. Actions are implemented to minimize the amount of plastic waste generated and ensure that the waste is recycled/ reused or disposed off to environment in friendly manner. For the purpose of implementation, we have engaged with authorized recyclers. Our waste collection plan is in line with the EPR plan submitted to PCB.

Leadership indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

We have conducted Life Cycle Assessments (LCA) internally for Climate Change category for the below products:

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
210	Naproxen Sodium	4.95%	Cradle to Grave	No*	No
210	Levetiracetam	3.24%	Cradle to Grave	No*	No
210	Valsartan	4.98%	Cradle to Grave	No	No

** The assessment was carried out by in-house Subject Matter Expert team and independently verified by external agency as per ISO 14067: 2018.*

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

There were no significant social or environmental concerns identified in LCA.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

We have established systems for recovering and recycle/reuse for most of our input materials.

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Toluene	~94.3%	~87.3%
Nitrobenzene	~93.6%	~92.6%

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Not applicable. Considering the line of business/operations, we have not reclaimed any products and packaging at the end of life of products.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable. We have not reclaimed any products and their packaging materials.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	9,795	9,795	100	9,795	100	NA	NA	0	0	9,795	100
Female	1,719	1,719	100	1,719	100	1,719	100	NA	NA	1,719	100
Total	**11,514**	**11,514**	**100**	**11,514**	**100**	**1,719**	**100**	**0**	**0**	**11,514**	**100**
Other than permanent employees											
Male	582	582	100	582	100	NA	NA	0	0	582	100
Female	23	23	100	23	100	23	100	NA	NA	23	100
Total	**605**	**605**	**100**	**605**	**100**	**23**	**100**	**0**	**0**	**605**	**100**

NA: Not Applicable

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	51	51	100	51	100	NA	NA	0	0	51	100
Female	0	0	0	0	0	0	0	NA	NA	0	0
Total	**51**	**51**	**100**	**51**	**100**	**0**	**0**	**0**	**0**	**51**	**100**
Other than permanent workers											
Male	7,117	7,117	100	7,117	100	NA	NA	0	0	7,117	100
Female	5	5	100	5	100	5	100	NA	NA	5	100
Total	**7,122**	**7,122**	**100**	**7,122**	**100**	**5**	**100**	**0**	**0**	**7,122**	**100**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	0.32%	0.19%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	N.A.	100	100	N.A.
ESI	22.95	79.71	Y	25.50	81.80	Y
Others -please specify	-	-	-	-	-	-

3. **Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

   Yes.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

   Yes. The Company's Code of Ethics and Business Conduct provides for equal opportunities for all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, gender, age, nationality, ethnic origin or disability (to the extent it does not affect the performance of the expected functions), subject to applicable laws and regulations. Weblink to access the Code of Ethics and Business Conduct is https://www.divislabs.com/wp-content/uploads/2025/10/Code-of-Ethics-and-Business-Conduct_06.08.2025.pdf.

5. **Return to work and retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	88.70%	75.37%	NA	NA
Total	**88.70%**	**75.37%**	**NA**	**NA**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent workers	Yes	Yes, a Grievance Redressal Mechanism has been constituted to hear and redress individual grievances. The Company has formulated Whistle Blower Policy for redressing grievances related to unethical behavior, actual or suspected fraud or a violation of a Company's Code of Conduct. As per this Policy, the concerns can be sent to the Vigilance Officer or directly to the Chairman of the Audit Committee. The policy can be accessed at https://www.divislabs.com/wp-content/uploads/2025/07/WhistleBlowerPolicy.pdf.
Other than permanent workers	Yes	
Permanent employees	Yes	
Other than permanent employees	Yes	

7. **Membership of employees and worker in association(s) or unions recognized by the listed entity:**

Category	FY 2025-26			FY 2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or union (D)	% (D/C)
Total permanent employees	**11,514**	**Nil**	**0**	**10,485**	**Nil**	**0**
Male	9,795	Nil	0	8,903	Nil	0
Female	1,719	Nil	0	1,582	Nil	0
Total permanent workers	**51**	**Nil**	**0**	**57**	**Nil**	**0**
Male	51	Nil	0	57	Nil	0
Female	0	Nil	0	0	Nil	0

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	10,377	10,377	100	10,377	100	9,583	9,583	100	9,583	100
Female	1,742	1,742	100	1,742	100	1,693	1,693	100	1,693	100
Total	**12,119**	**12,119**	**100**	**12,119**	**100**	**11,276**	**11,276**	**100**	**11,276**	**100**
Workers										
Male	7,168	7,168	100	7,168	100	7,023	7,023	100	7,023	100
Female	5	5	100	5	100	6	6	100	6	100
Total	**7,173**	**7,173**	**100**	**7,173**	**100**	**7,029**	**7,029**	**100**	**7,029**	**100**

Note: Training programmes offered under health and safety and skill upgradation are mandatory for all employees and workers. All of them attended the training programmes as per schedule.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	9,795	9,795	100	8,903	8,903	100
Female	1,719	1,719	100	1,582	1,582	100
Total	**11,514**	**11,514**	**100**	**10,485**	**10,485**	**100**
Workers						
Male	51	51	100	57	57	100
Female	0	0	0	0	0	100
Total	**51**	**51**	**100**	**57**	**57**	**100**

10. Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes. The Company has implemented Occupational Health and Safety Management System aligned with ISO 45001:2018 covering all manufacturing facilities, research centre, offices for both permanent employees and contractual employees; and the same has been certified with 100% coverage of our operations. The system includes hazard identification, risk assessment, safety training, emergency preparedness, and regular internal and external audits to ensure continual improvement.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company follows a structured process to identify work-related hazards and assess the risks across its operations. It includes both routine and non-routine activities and is aligned with requirements of Occupational Health and Safety Management System (ISO 45001:2018). 100% of our employees and workers were given training on Health and Safety at the workplace. Qualified EHS personnel leads Hazard Identification and Risk Assessments (HIRA) to evaluate and reduce hazards to As Low As Reasonably Practicable (ALARP) levels, following a structured hierarchy of controls. For high-hazard and safety-critical processes, Layer of Protection Analysis (LOPA) is applied to assess the adequacy of existing safeguards and determine the need for additional protection measures. As part of implementation of Process safety management (PSM), Pre-Start-up Safety Reviews (PSSR) were conducted for prior to commissioning new/ modified facilities, Management of Change (MOC) to evaluate risks from process or equipment modifications, etc.

The Company also implemented Permit-to-Work (PTW) and Lockout / Tagout (LOTO) systems for safe execution of work under controlled risk conditions. The Company conducts incident and near-miss investigations to identify root causes and implement corrective and preventive actions to prevent reoccurrence of the incidents. Regular safety inspections and periodical internal and external audits are conducted to monitor compliance with system requirements. Any deviations identified are promptly addressed through corrective actions. Regular Industrial Hygiene monitoring assessments conducted to evaluate workplace conditions and potential health hazards, ensuring safe and healthy workplace for our employees and workers.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. The Company has formulated a formal mechanism for both employees and workers to identify and report work-related hazards and withdraw from unsafe conditions without fear of retaliation. Workers can report hazards, unsafe conditions or near-misses through near-miss reporting and incident reporting systems and suggest necessary actions. Safety Committee is constituted with participation from equal number of employees & workers and quarterly meetings are conducted to share concerns related to OH&S hazards and actions necessary to mitigate those hazards. These processes ensure transparent communication, prompt risk mitigation, and promote a culture of shared responsibility for workplace safety.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. Employees and workers have access to non-occupational medical and healthcare services, including on-site Occupational Health Centers (OHC), periodical health check-ups and referral support to local hospitals and wellness programs. The on-site OHC facilities have qualified personnel and materials necessary to meet the fundamental first aid needs of both occupational and non-occupational health services.

11. Details of safety related incidents, in the following format:

Safety incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.29	0.12
	Workers	0.34	0.73
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Note: LTIFR is calculated considering the first aid cases also.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company is committed to maintain a safe, healthy and sustainable workplaces across all its manufacturing facilities, corporate office and R&D facilities. The Company has implemented Occupational Health and Safety Management System aligned with requirements of ISO 45001:2018. EHS policy promotes the elimination/ minimizations of OH&S risks by providing safe and healthy working conditions for prevention of work-related injury or ill health. Comprehensive hazard identification and risk analyzing techniques i.e. HAZOP, HIRA, LOPA etc. and mitigation strategies through incorporating hierarchy of controls are in place. The outcome of the assessments was communicated to personnel involved in respective area/ process for which these assessments were carried out. Regular safety trainings are conducted for employees and workers on identifying unsafe acts & unsafe conditions, near-misses, emergency handling procedures, protective equipment usage, etc. The Company also has comprehensive response plans for fires, toxic gas leak and chemical spills emergencies, supported by Emergency response plans, Fire safety drills, & evacuation procedures, etc. and first-aid readiness.

The Company undertakes periodic internal and external audits to assess the safety practices and procedures in alignment with the EHS management system. Regular Industrial Hygiene monitoring assessments are conducted to evaluate workplace conditions and potential health hazards, ensuring a safe and healthy workplace for employees and workers. The Company fosters a strong safety culture through leadership engagement, employee participation, safety committees and continuous training.

13. Number of complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil	Nil	-	Nil	Nil	-
Health & safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There have been no safety-related incidents or significant risks/concerns arising from assessments of health and safety practices or working conditions during the reporting period. Divi's continues to maintain a robust Occupational Health and Safety Management System (OHSMS), ensuring routine hazard identification, risk assessments, and preventive measures are effectively implemented across all operations.

Leadership indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) **Employees:** Yes

(B) **Workers:** Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company periodically communicates with the value chain partners and peruses compliances. This activity is also reviewed by internal auditor / consultants. The Company expects its value chain partners to uphold business responsibility principles and values of transparency and accountability.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been/are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	Nil	Nil	NA	NA
Workers	Nil	Nil	NA	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Assessment of value chain partners has commenced and ~ 54.52% of our supply chain partners by value have responded to participate in our assessment.
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

During the reporting period, no corrective action plan was necessitated.

If any such risks/concerns are noticed, the value chain partner will be asked to comply with requisite measures in a timebound manner. If not complied within the given time, procurement will be deferred till the value chain partners improve the safety practices and working conditions to address the risk/concern.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

We recognize key stakeholder as an individual or group of individuals or institutions that impact our business or are impacted by our business. Our key stakeholders include employees, customers, investors, suppliers, the community and government authorities.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/ No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website, Others)	Frequency of engagement (Annually/ half yearly/ quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails, notice boards, website, management interactions	Continuous and as per requirement	For employee wellbeing, to provide a safe and inclusive workplace, provide required infrastructure and training for professional and personal growth. Also to redress grievances and work on feedbacks and consultation.
Customers	No	Emails, brochures, website and meetings (physical and virtual).	Based on business needs	To keep the customers informed about our products and services and to understand the business needs.
Value chain partners	No	Emails, website and meetings (physical and virtual).	Based on business needs	To ensure timely supply of goods and services in order to maintain business continuity sustainably.
Shareholders	No	Notices, advertisements, email, annual reports, stock exchange intimations, earnings conference calls and through updates on Company's website.	Quarterly/half-yearly/annual	Disclosure of financial information and business updates beside applicable statutory disclosures.
Community	Yes	CSR initiatives, In-person Meetings	Need basis	With a commitment to make meaningful change a reality, we continue to undertake varied initiatives aimed at improving lives of vulnerable/ Marginalized groups in the community.
Government/ Government agencies	No	Various submissions and disclosures, meetings, emails, etc	As per statutory requirement and need based	To ensure and report various compliances to discharge statutory responsibilities and to keep the policy makers informed about industry requirements.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Consultation with relevant stakeholders on the economic, environmental, and social topics is done by the respective functional heads and the feedback is shared with the Management / Committee / Board, as required.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes. For instance, CSR activities are identified, prioritized, and implemented in consultation with relevant stakeholders.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   The Company serves the needs of underserved communities through its CSR initiatives, which are designed and implemented to create sustainable impact. The respective departmental heads are empowered to lead these initiatives and engage with vulnerable and marginalized stakeholder groups, as required. Through systematic stakeholder engagement, community needs are identified and addressed through wellplanned and strategic CSR interventions. The impact of CSR projects is periodically assessed to enable continuous improvement and drive longterm sustainable outcomes.

   Our Corporate Social Responsibility (CSR) activities primarily focusing on rural transformation, health, education, livelihood enhancement, women empowerment, disaster management, safe drinking water, and environmental sustainability.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	11,514	11,514	100	10,485	10,485	100
Other than permanent	605	605	100	791	791	100
Total employees	**12,119**	**12,119**	**100**	**11,276**	**11,276**	**100**
Workers						
Permanent	51	51	100	57	57	100
Other than permanent	7,122	7,122	100	6,972	6,972	100
Total workers	**7,173**	**7,173**	**100**	**7,029**	**7,029**	**100**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to minimum Wage		More than minimum Wage		Total (D)	Equal to minimum Wage		More than minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**11,514**	**0**	**0**	**11,514**	**100**	**10,485**	**0**	**0**	**10,485**	**100**
Male	9,795	0	0	9,795	100	8,903	0	0	8,903	100
Female	1,719	0	0	1,719	100	1,582	0	0	1,582	100
Other than permanent	**605**	**0**	**0**	**605**	**100**	**791**	**0**	**0**	**791**	**100**
Male	582	0	0	582	100	680	0	0	680	100
Female	23	0	0	23	100	111	0	0	111	100

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to minimum Wage		More than minimum Wage		Total (D)	Equal to minimum Wage		More than minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Permanent	**51**	**0**	**0**	**51**	**100**	**57**	**0**	**0**	**57**	**100**
Male	51	0	0	51	100	57	0	0	57	100
Female	0	0	0	0	100	0	0	0	0	100
Other than permanent	**7,122**	**0**	**0**	**7,122**	**100**	**6,972**	**0**	**0**	**6,972**	**100**
Male	7,117	0	0	7,117	100	6,966	0	0	6,966	100
Female	5	0	0	5	100	6	0	0	6	100

3. **Details of remuneration/salary/wages:**

a. **Median remuneration / wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In ₹ lakhs)	Number	Median remuneration/ salary/ wages of respective category (In ₹ lakhs)
Executive Directors	4	4,301.97	1	3,478.33
Independent Directors*	4	33.50	1	29.00
Key Managerial Personnel#	2	139.02	0	0
Employees other than BoD and KMP	9,789	5.46	1,718	4.37
Workers	51	11.36	0	0

*Note: *Independent directors are paid by way of sitting fees and annual remuneration equal for male and female categories.*

#Other than Executive Directors.

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	9.20%	9.30%

4. **Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

For employees, a grievance redressal committee is constituted for the resolution of disputes arising out of individual grievances. The committee has equal representation from management and workers. Individual workers can raise grievances to the committee. The grievance redressal committee would enquire and resolve the grievance within defined time limits.

Also, the Company has a Whistle Blower Policy with defined procedures to report instances of unethical behavior, actual or suspected fraud, or violation of the Code of Ethics and Business Conduct to the Vigilance Officer / Chairman of the Audit Committee. The Policy is available on the Company's website.

6. **Number of complaints on the following made by employees and workers:**

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

A mechanism is in place to handle the complaints related to discrimination and harassment which also includes prevention of adverse consequences to the complainant. Any retaliation or threats against those who make harassment complaints or assist in the investigation shall be subject to disciplinary measures.

Also, the Company has Whistle Blower Policy with a set mechanism to file complaints, which will be appropriately dealt with by the Chairman of the Audit Committee.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

10. **Assessments for the year:**

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

Not applicable

Leadership indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

   Not applicable

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

   The Company in the reporting period did not undertake any Human Rights due diligence.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes.

4. **Details on assessment of value chain partners:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual harassment	Assessment of value chain partners has commenced and ~54.52% of our supply chain partners by value have responded to participate in our assessment.
Discrimination at workplace	
Child labour	
Forced labour/Involuntary labour	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   Not applicable.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment:

Essential indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A)	40,964 GJ	23,267 GJ
Total fuel consumption (B)	44,169 GJ	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	85,133 GJ	23,267 GJ
From non-renewable sources		
Total electricity consumption (D)	18,78,271 GJ	17,48,555 GJ
Total fuel consumption (E)	35,31,567 GJ	31,88,224 GJ
Energy consumption through other sources (F)	2,358 GJ	2,081 GJ
Total energy consumed from non-renewable sources (D+E+F)	54,12,196 GJ	49,38,860 GJ
Total energy consumed (A+B+C+D+E+F)	54,97,329 GJ	49,62,127 GJ
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0000529	0.0000539
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)#	0.0010766	0.0010832
Energy intensity in terms of physical output	83.52 GJ/MT	78.32 GJ/MT

 # The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF- for India. (Ref: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   No.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kiloliters)		
(i) Surface water	9,53,382	9,55,439
(ii) Groundwater	8,80,887	8,92,831
(iii) Third party water	23,261	27,470
(iv) Seawater / desalinated water	9,05,159	9,19,563
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	27,62,689	27,95,303
Total volume of water consumption (in kiloliters)	36,55,825	34,83,162
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0000352	0.0000379
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) #	0.0007159	0.0007603
Water intensity in terms of physical output	55.54 Kl/MT	54.98 Kl/MT

 # The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF- for India. (Ref: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited.

4. **Provide the following details related to water discharged:**

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	4,37,108	4,08,910
- No treatment	0	0
- With treatment – Secondary treatment	4,37,108	4,08,910
(iv) Sent to third-parties	4,588	1,608
- No treatment - Sent to common effluent treatment plant (CETP)	4,588	1,608
- With treatment – please specify level of treatment	0	0
(v) Others	4,211	4,297
- No treatment	0	0
- With treatment – Primary Treatment	4,211	4,297
Total water discharged (in kiloliters)	**4,45,907**	**4,14,815**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes. Divi's Laboratories Limited has implemented a ZLD system at Unit-I, Telangana, covering all industrial effluents and domestic wastewater. The system includes advanced treatment technologies, RO permeate reuse, STP-treated water reuse, and continuous online monitoring with real-time data reporting to the Pollution Control Board. The ZLD system ensures regulatory compliance, sustainable water management, and efficient resource utilization.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx#	Tons	134.37	129.88*
SOx#	Tons	103.88	91.31*
Particulate matter (PM)#	mg/m^3 (average)	47.04	32.12
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

#NOx, SOx and PM air emission details are from the boiler stacks.

**NOx, SOx emissions for FY 2024-25 were amended w.r.t change in accounting methodologies.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, stack emission analysis has been carried out by SV Enviro labs and consultants.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	3,71,697	3,39,941
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	3,78,516	3,57,810
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MT CO_2e/ Rupees	0.0000072	0.0000076
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)# (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	MT CO_2e/ per rupee adjusted for PPP	0.0001469	0.0001523
Total Scope 1 and Scope 2 emission intensity in terms of physical output	MTCO_2e/MT	11.40	11.01

 # The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF- for India. (Ref: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND.).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited.

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes, the entity has implemented various initiatives to reduce the Green House Gas emissions (GHG).

~13,500 TCO_2e emissions were reduced with the initiatives taken during FY 2025-26.

Key initiatives are:

- Use of biomass briquettes for boiler operations.
- Installing Dissolved Oxygen (DO) analyzer for biological aeration tank to optimize operation of the blowers.
- Optimized utility usage by replacing brine with RT water for sub cooler.
- Arranging Oxygen Analyzers to process vessels.
- Recovering and reusing of steam condensate for boiler operations.
- Installing LT capacitor bank panel with automatic power factor controllers to reduce power losses.
- Installed Variable Refrigerant Volume (VRV) type air conditioners instead of individual air conditioners.
- Implementing green chemistry principles in process operation.
- Adopting energy efficient equipment and technologies.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	886.43	539.68
E-waste **(B)**	5.00	8.67
Bio-medical waste **(C)**	0.83	0.48
Construction and demolition waste **(D)**	4,101.04	3,626.24
Battery waste **(E)**	25.90	39.60
Radioactive waste **(F)**	0	0
Other Hazardous waste. Please specify, if any. **(G)**	1,17,544.50	1,34,821.12
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	28,996.55	26,401.11
Total (A+B + C + D + E + F + G+ H)	**1,51,560.25**	**1,65,436.90**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000015	0.0000018
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)# (Total waste generated / Revenue from operations adjusted for PPP)	0.0000297	0.0000361
Waste intensity in terms of physical output	2.30 MT/MT	2.61 MT/MT
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	58,125.30	76,957.43
(ii) Re-used	39,034.15	41,855.60
(iii) Other recovery operations	36,136.45	32,319.05
Total	**1,33,295.90**	**1,51,132.08**

Parameter	FY 2025-26	FY 2024-25
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	38.99	31.74
(ii) Landfilling	15,530.96	14,960.43
(iii) Other disposal operations	0.83	0.045
Total	**15,570.78**	**14,992.22**

 # The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published by the IMF- for India. (Ref: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND.)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has established robust and compliant Standard Operating Procedures outlining handling procedures for various types of wastes across its facilities. The approach emphasizes waste minimization at source, segregation, recycle, reuse, co-processing and safe disposal in line with all applicable waste management rules. Hazardous waste such as mixed spent solvents, organic residues, ETP sludge, spent carbon, process salts are collected & stored in designated, impervious areas with secondary containment and sent to either authorized cement industries for co-processing (for use as an alternative fuel), recyclers or CPCB/ SPCB-authorized Treatment, Storage and Disposal Facilities (TSDFs) for safe disposal of waste.

During 2025-26, ~86% of hazardous waste is sent for co-processing and recyclers. Plastic/packaging waste and E-waste is sent to authorized recyclers. Battery waste is sent to authorized recyclers. Fly ash is sent to brick manufacturers.

Divi's follows the principles of green chemistry for developing 'environmentally benign' processes that maximize resource efficiency and reduce the usage of hazardous and toxic chemicals in its manufacturing processes. Dedicated solvent recovery systems are used to recover and reuse mixed solvents for multiple cycles, significantly reducing the volume of fresh chemical procurement and minimizing waste generation. The Company adopted slurry transfer methods and reuses final rinse water for initial wash steps to reduce chemical and water intensity. Th Company conducts continuous training programs for employees to promote safe handling and storage practices. Continuous monitoring of waste generation trends, benchmarking against industry best practices and adoption of new cleaner technologies form part of Divi's long-term strategy to reduce its environmental footprint and align with its commitment to sustainable and responsible manufacturing.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The Company does not have any of its manufacturing facilities in ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

In the current financial year, no environmental impact assessments studies were undertaken.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, we are compliant with the applicable environmental law/ regulations/ guidelines in India.

Leadership indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):**

   Not Applicable. Our facilities are not located in areas of water stress.

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	12,00,799	8,96,952
Total Scope 3 emissions per rupee of turnover	MT CO_2e/ Rupees	0.00001156	0.00000975
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	MT CO_2e/ MT	18.24	14.16

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Bureau Veritas (India) Private Limited

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   Not applicable.

   Not applicable, as none of our facilities are located in/ near ecologically sensitive areas.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
01	Reducing carbon footprint	Key initiatives: • Use of biomass briquettes for boiler operations. • Installing Dissolved Oxygen (DO) analyzer for biological aeration tank to optimize operation of the blowers. • Optimized utility usage by replacing brine with RT water for sub cooler.	~13,500 TCO_2e emissions were reduced with the initiatives taken during the reporting period.
02	Water management	Key initiatives: • Using STP treated water as feed to RO plant in place of fresh water. • Increasing efficiency of Cooling tower recirculation water. • Recovering and reusing of steam condensate water for boiler operations. • Utilizing the air compressors air drying units condensate water as makeup water for cooling towers.	~1,59,500 KL of water was conserved with the initiatives taken during the reporting period.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
03	Energy management	Key initiatives: • Installing Dissolved Oxygen (DO) analyzer for biological aeration tank to optimize operation of the blowers. • Arranging oxygen analyzers for process vessels, benefited us in reducing the nitrogen demand for equipment energization. • Installed LT capacitor panels with Automatic Power Factor Controllers (APFC). • Adopting energy efficient technologies and replacement of energy intensive equipment with energy efficient equipment.	~8,290 GJ of energy was conserved with the initiatives taken during the reporting period.
04	Waste management	Key initiatives: • Implementing process improvements through Green Chemistry Principles aided in improving recovery & reuse potential. • Established dedicated solvent recovery stations to enable the efficient reuse of solvents and minimize waste. • Reused final wash/rinse water for initial rinse steps in production processes, reducing fresh water consumption and overall waste. • Process solid residue sent by Divi's is reused as fuel (co-incineration) in cement industries.	~46 MT of plastic waste was reduced with the initiatives taken during the reporting period.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   Yes. Divi's Laboratories Limited has implemented a comprehensive Business Continuity and Disaster Management Plan across all critical operations. The plan covers risk assessment, emergency preparedness and recovery strategies for natural disasters, fire, process disruptions, IT failures, and pandemics. Critical processes and resources are prioritized, with backup systems, alternate facilities, and trained response teams in place. Regular mock drills, audits, and reviews ensure readiness and continuous improvement. The plan ensures minimal operational downtime, safety of employees and continuity of supply to customers.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   No significant adverse impact to the environment were reported from the value chain of the entity.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   Assessment of value chain partners has commenced and ~54.52% of our supply chain partners by value have responded to participate in our assessment.

8. **How many Green Credits have been generated or procured:**

   a. By the listed entity: Nil

   b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners:

      Data is currently not available. The Company will seek necessary information from value chain partners for future year's reporting.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent:

Essential indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   The Company is associated with 7 trade and industry chambers/ associations.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	National Safety Council	National
2.	Confederation of Indian Industry	National
3.	Pharmaceuticals Export Promotion Council of India	National
4.	Bulk Drug Manufacturers Association	National
5.	National Fire Protection Association	National
6.	Swiss-India Chamber of Commerce	International
7.	Federation of Telangana Chambers of Commerce and Industry	State

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

   Not Applicable

Leadership indicators

1. **Details of public policy positions advocated by the entity:**

   Not Applicable

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   Not Applicable.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   Not Applicable.

3. **Describe the mechanisms to receive and redress grievances of the community.**

   A grievance redressal mechanism is in place consisting of CSR team members to receive and redress grievances of the community and also an effective whistle blower policy at corporate level.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	22.08 %	16.82%
Directly from within India	71.27%	63.78%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2025-26	FY 2024-25
Rural	71.94%	72.08%
Semi-urban	20.38%	21.31%
Urban	7.68%	6.61%
Metropolitan	0	0

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not applicable.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S.No.	State	Aspirational District	Amount Spent (in ₹ Crores)
1	Andhra Pradesh	Alluri Sitharamaraju	0.26

3. a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?**

   No

   b) **From which marginalized /vulnerable groups do you procure?**

   NA

   c) **What percentage of total procurement (by value) does it constitute?**

   NA

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	Not applicable	Not applicable	Not applicable	Not applicable

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the case	Corrective action taken
Not applicable	Not applicable	Not applicable

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Safe Drinking Water	12,79,440 per day	Our CSR initiatives are implemented with an objective to reach out to the vulnerable and marginalized communities, including persons with disabilities, elderly, women and children from the less privileged socio-economic sections of the society.
2	Village Development	1,31,350	
3	Swachh Bharat	1,82,000	
4	Promoting Education	1,10,229	
5	Environment Sustainability	30,600	
6	Promoting Rural Sports	1,742	
7	Livelihood Enhancement Projects	443	
8	Support to Differently Abled	202	
9	Empowering Woman	13	
10	Animal Welfare	1,100	
11	Disaster Management	27,800	
12	Public Health	85,650	

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Divi's manufactures Active Pharmaceutical Ingredients (APIs), API Intermediates, Nutraceuticals, and supplies them to customers for further manufacturing to make respective finished dosage products. Being a Business-to-business (B2B) Company, we deal with relatively small number of large customers. We have established procedures to receive customer complaints whether received in oral or in writing and respond back to customers within agreed timelines. The customer complaints are concluded and closed upon mutual agreement.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	The Company complies with all the regulatory requirements in relation to the display of information on product label.
Safe and responsible usage	
Recycling and/ or safe disposal	

3. **Number of consumer complaints in respect of the following:**

	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	-
Forced recalls	Nil	-

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, we are following a set of Information Security Policies which are aligned to ISO 27001. The policies are shared with the relevant stakeholders and are also available on the intranet platform of the Company.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   No corrective actions were warranted during the year, as no issues or instances as stated above have occurred during the year under review.

7. **Provide the following information relating to data breaches:**

   a) Number of instances of data breaches along-with impact: Nil

   b) Percentage of data breaches involving personally identifiable information of customers: 0%

   c) Impact, if any, of the data breaches: Not applicable

Leadership indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The information on products and services of the Company can be accessed from website of the Company at https://www.divislabs.com/.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   As Divi's manufactures active pharmaceutical ingredients (APIs), API intermediates and supplies to customers for further manufacturing to make respective finished drug products, we have no direct consumers. However, Storage and handling conditions/measures are displayed on the labels of each material container shipped to our customers.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Divi's manufactures Active Pharmaceutical Ingredients (APIs), API Intermediates, Nutraceuticals and supplies to customers for further manufacturing to make respective finished dosage products. Being a Business-to-business (B2B) company, we deal with relatively small number of large customers. We keep our customers informed of any risk of disruption/ discontinuation of supplies in a prompt manner as agreed with them.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

   Yes, product information displayed on the label of product container like name of product and grade (USP/EP/BP/IP), unique batch number, date of manufacture & retest date, quantity, manufacturing site address and license details, storage and handling conditions/precautions, approved by sign from quality department.

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes, the Company has a mechanism to survey the customer satisfaction level for all its products / services.

Independent Practitioner's Reasonable Assurance Report

To

The Board of Directors of

Divi's Laboratories Limited

Introduction and objectives of work

The Board of Directors of Divi's Laboratories Limited (the 'Company') have engaged us for providing Assurance Report on identified sustainability information in the Business Responsibility & Sustainability Report (BRSR) of the Company for the year ended March 31, 2026, including relevant information of the previous year disclosed in the BRSR.

Our scope of work consists of Reasonable Assurance on BRSR Core indicators in the BRSR Report, as described in the Securities and Exchange Board of India's (SEBI) vide Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026.

Opinion

Reasonable Assurance for 9 BRSR-Core Parameters (Refer to Annexure-1)

We have performed a Reasonable Assurance engagement on whether the Company's identified sustainability information i.e. BRSR Core indicators disclosed in the BRSR report for the period from April 01, 2025 to March 31, 2026 including relevant information of the previous year disclosed in the BRSR, has been prepared in accordance with the Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, guidance notes for BRSR format issued by SEBI.

In our opinion, the Company's BRSR Core indicators disclosed in the BRSR report for the period from April 01, 2025 to March 31, 2026 including relevant information of the previous year disclosed in the BRSR subject to reasonable assurance is prepared in all material respects, in accordance with the Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and basis of preparation as set out in Section A General Disclosures 13 of the BRSR Report for the year ended March 31, 2026.

The Company has established appropriate systems for the collection, aggregation, and analysis of quantitative data on all BRSR Core indicators.

Our opinion is not modified in respect of this matter.

Basis for opinion and summary of our work

We have performed the Reasonable Assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and in line with the requirements of Bureau Veritas's Internal Standards and Requirements for assurance of Sustainability Reports.

As part of its independent reasonable assurance engagement, we assessed the appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported. In this process, we undertook the following activities:

- Assessment was conducted by means of physical site visits at Head Office (HO), Unit 1, Unit 2, Unit 3 & Divi's Research Centre (DRC). Bureau Veritas interviewed personnel of Divi's including Environment, Health & Safety (EHS) team, Environment compliance Department (ECD), Engineering, Personal & Administration, Purchase, Accounts & Corporate Secretarial and other relevant departments.
- The assurance process involved carrying out an Assessment by experienced assessors from Bureau Veritas.
- The Company has submitted performance data on reported BRSR topics. The data pertaining to each location visited was assessed by Bureau Veritas through the process above described.
- Data on various BRSR attributes were assessed for the locations that were visited. Later, it was confirmed that the same assessed data went into preparation of the final data within the BRSR Report for the FY 2025-26.
- Review of Company's data and information systems for collection, aggregation, analysis and review.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on the current best practice in independent assurance.

Management responsibility

The Selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, preparation, and presentation of information in the BRSR report are the sole responsibility of the Company and its management. We are not involved in drafting or preparation of BRSR

Report. Our sole responsibility was to provide independent reasonable assurance on BRSR Core indicators stated in the BRSR report for the year ended March 31, 2026.

Our responsibility

We are responsible for performing Reasonable Assurance on the BRSR Core indicators in the BRSR Report of the company for the period from April 01, 2025 to March 31, 2026 including relevant information of the previous year disclosed in the BRSR report, are free from material misstatements, whether due to fraud or error, in accordance with the reporting requirements stated above. Our responsibility includes forming an independent opinion, based on the procedures performed by us and the evidence we have obtained, and reporting our reasonable assurance opinion on the BRSR Core indicators to the Directors of Divi's Laboratories Limited.

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period.
- Positional statements (expressions of opinion, belief, aim or future intention by Divi's Laboratories Limited and statements of future commitment.
- Competitive claims in the report claiming, "first company in India", "first time in India", "first of its kind", etc.

Our assurance does not extend to the activities and operations of Divi's Laboratories Limited outside of the scope and geographical boundaries as well as the operations undertaken by any subsidiaries or joint ventures of the Company.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Statement of Independence, Integrity, and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety, and social accountability with over 198 years history. Its assurance team has extensive experience in conducting assessment over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA), across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour, and high ethical standards in their day-to-day business activities.

The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Divi's Laboratories Limited.

Competence

The assurance team has extensive experience in conducting assurance over environmental, social, ethical, and health & safety information, systems and processes an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Restriction on use of Our Report

Our Reasonable assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the company solely to assist the company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

M Rama Mohan Rao
Lead Assuror
Bureau Veritas (India) Private Limited

Place: Hyderabad, India
Date: 23.05.2026

Rupam Baruah
Technical Reviewer
Bureau Veritas (India) Private Limited

Place: Mumbai, India
Date: 23.05.2026

Annexure 1

Reasonable level of assurance is provided for following '9 Indicators included in BRSR-Core Attributes'

Sl. No	Attribute	Parameter	Cross Reference to the BRSR
1	Greenhouse Gas (GHG) Footprint	Scope 1 Emissions	Principle 6, Question 7 of Essential Indicators
		Scope 2 Emissions	
		GHG Emission Intensity	
2	Water Footprint	Total Water Consumption	Principle 6, Question 3 of Essential Indicators
		Water Intensity	
		Water Discharge	Principle 6, Question 4 of Essential Indicators
3	Energy Footprint	Total Energy Consumed	Principle 6, Question 1 of Essential Indicators
		% from Renewable Sources	
		Energy Intensity	
4	Waste Management (Circularity)	Category-wise Waste Generation	Principle 6, Question 9 of Essential Indicators
		Waste Intensity & Recovery	
5	Employee Wellbeing and Safety	Spending on Well-being	Principle 3, Question 1(c) of Essential Indicators
		Safety Incidents	Principle 3, Question 11 of Essential Indicators
6	Gender Diversity	Wages Paid to Females	Principle 5, Question 3(b) of Essential Indicators
		POSH Complaints	Principle 5, Question 7 of Essential Indicators
7	Inclusive Development	MSME/Indian Sourcing	Principle 8, Question 4 of Essential Indicators
		Wages in Smaller Towns	Principle 8, Question 5 of Essential Indicators
8	Customer & Supplier Fairness	Data Breach Incidents	Principle 9, Question 7 of Essential Indicators
		Accounts Payable Days	Principle 1, Question 8 of Essential Indicators
9	Business Openness	Related Party Transactions & Concentration	Principle 1, Question 9 of Essential Indicators

Management Discussion & Analysis

1. Economy and Industry Outlook

Macroeconomic and Trade Environment

The global economy in 2025-26 expanded at a moderate yet resilient pace, with GDP growth stabilising at ~3%, broadly in line with the previous year[1]. A defining feature of this period has been the relative outperformance of global trade volumes relative to overall economic growth, particularly in non-discretionary and compliance-intensive sectors such as pharmaceuticals and chemicals [1]. At the same time, global trade architecture is undergoing a fundamental shift from integrated globalisation toward more fragmented but resilient networks driven by geopolitical uncertainty, supply chain disruptions, and regulatory divergence. This has led to increased reliance on bilateral and regional trade partnerships, alongside supplier diversification to mitigate concentration risks. Consequently, procurement strategies are evolving beyond cost optimisation toward risk-adjusted frameworks that prioritise supply assurance and compliance consistency. Companies are adopting proactive sourcing practices, including selective inventory buffering and forward contracting of critical inputs. In parallel, governments are increasingly influencing manufacturing ecosystems through targeted incentives, localisation policies, and regulatory oversight aimed at strengthening domestic capabilities in critical industries. These dynamics are further supporting the gradual redistribution of manufacturing activity toward cost-competitive and infrastructure-ready regions, particularly across Asia.

India continues to stand out as one of the fastest-growing major economies, with GDP growth estimated at 7.6% in FY 2025–26 [2]. Growth remains investment-led, driven by sustained public capital expenditure in infrastructure, manufacturing, and digital ecosystems. Ongoing investments in logistics, multimodal transport, and port infrastructure have supported supply chain efficiency and mitigated operational bottlenecks, thereby enhancing India's competitiveness in high-value manufacturing and global trade integration. As the country progresses toward its long-term aspiration of becoming a USD 30–35 trillion economy by 2047, the pharmaceutical industry is poised to play a key role in driving economic growth and strengthening national health security [3].

Global Pharmaceutical Industry

The global pharmaceutical industry continued its expansion in 2025, with aggregate medicine spending reaching ~USD 1.74 trillion[4]. While overall growth remained robust, value accretion increasingly shifted toward innovation led and specialty therapies rather than broad based volume expansion. Demand fundamentals remain strong, supported by favourable demographics, rising prevalence of chronic diseases, and improving healthcare access in emerging markets. In contrast, population-adjusted usage growth remained relatively modest at ~1.9% CAGR, reflecting demand maturity in developed markets[4]. Consequently, therapy mix, treatment duration, and patient adherence are assuming greater importance in shaping consumption patterns. This transition is evident in pharmaceutical pipelines, which are progressively oriented toward targeted and precision-driven therapies. The ability to translate laboratory-scale innovation into reliable, compliant, and scalable supply has thus emerged as a critical success factor, particularly across multi-year commercial horizons [5].

Regional Market Structure [6]

- **North America** remains the largest market, accounting for over 40% of global pharmaceutical value in 2025, supported by high R&D intensity, rapid adoption of innovative therapies, advanced healthcare and reimbursement infrastructure, and high per capita drug spending.
- **Europe** represents a stable, regulation-driven market, contributing ~22–25% of global pharma value, with strengths in biosimilars, specialty generics, and chronic therapies under controlled pricing environments [4].
- **Asia-Pacific** is the fastest-growing region, expanding at ~7% CAGR through 2030, driven by demographic scale, income growth, and improving healthcare access. Asia serves as the global manufacturing base, with increasing participation in innovation.
- **Emerging markets** across Latin America and the Middle East & Africa (MEA) continue to expand, supported by rising generics penetration and healthcare infrastructure investments.

Demand and Operating Model

- **Shift toward high-value therapeutics [4]**

  Specialty medicines are projected to account for ~46% of global pharma spending by 2030, driven by complex treatment pathways, longer therapy durations, and lifecycle-driven value extension beyond traditional peak-and-decline revenue curves. Global oncology spending alone is expected to grow from ~USD 291 billion in 2025 to ~USD 467 billion by 2030.

- **GLP-1 therapies**

  The rapid rise of GLP-1 therapies represents one of the most significant demand shifts in recent years. This growth is driven by long-duration, multi-indication usage across obesity, diabetes, and cardiovascular risk management. Global anti obesity drug spending rose from barely USD 3 billion in 2020 to ~USD 66 billion in 2025 and is expected to reach USD 125 billion by 2030[4].

- **Peptide therapeutics momentum [6]**

  The global peptide therapeutics market was estimated at ~USD 140 billion in 2025 and is projected to reach ~USD 295 billion by 2033. The innovative segment accounted for ~80% of total revenue, while metabolic disorders represented ~64% of overall demand value.

- **Continued centrality of small molecules**

  Small molecules continue to account for over half of global pharma revenues, due to clinical versatility, cost efficient manufacturability, high scalability, and a sustained flow of regulatory approvals, including a significant share of the 90+ novel drugs approved during 2024-25[6].

- **Branded and generics balance [6]**

  Branded drugs accounted for ~66.5% of global pharma revenues in 2025, while generics continued to expand, particularly in cost-sensitive markets. Generics also represented ~90% of prescription volumes in the US, underscoring a dynamic wherein innovation drives value and generics enable access.

Outlook [4]

The global pharmaceutical industry is expected to sustain steady growth through 2030, with total spending projected to reach ~USD 2.6 trillion at a CAGR of 5–8%. At the same time, overall usage is expected to approach nearly four trillion defined daily doses. Growth is becoming highly selective, with value concentrating in therapies that demonstrate differentiated clinical outcomes and sustained real-world effectiveness. Pricing and reimbursement pressures across developed markets are intensifying scrutiny on value delivery and utilisation. While innovation activity remains robust, commercial success is shifting from initial launch alone to effective lifecycle management spanning indication expansion, combination therapies, and sustained market access. As R&D costs rise and development timelines lengthen, operational reliability across the supply chain is becoming critical to preserving commercial value. Overall, the industry is expected to favour players and portfolios that combine scientific differentiation with disciplined execution and predictable delivery across global markets.

Global Active Pharmaceutical Ingredients (API) Industry

The global API industry, valued at ~USD 270 billion in 2025, constitutes the manufacturing backbone of the pharmaceutical value chain[6]. Historically characterised by volume-led and cost-centric models, the industry is now transitioning toward process-intensive, high-barrier APIs, where competitiveness increasingly depends on combining manufacturing scale with regulatory compliance, chemistry expertise, and end-to-end reliability. Synthetic APIs continued to dominate, accounting for ~71% of global API revenues in 2025, reflecting their central role across generics and chronic therapies [6]. While captive manufacturing still accounts for more than half of global supply, the merchant API participation is expanding faster, particularly in complex and capital-intensive segments.

Geographic Dynamics and Supply Rebalancing [4],[6]

Global API manufacturing is evolving toward a diversified, multi-node, risk-adjusted supply architecture:

- **Asia-Pacific** remains the world's primary API manufacturing hub and the fastest-growing production region, supported by enormous chemistry talent, extensive industrial infrastructure, and cost advantages. The region continues to anchor global API supply while steadily expanding capabilities across complex chemistries.

- **United States** accounted for ~38% of the global API market by value in 2025. While manufacturing cost structures are significantly higher, the current policy emphasis on domestic production is prompting infrastructure investments by companies.

- **Emerging regions** such as Latin America and MEA remain early stage, with manufacturing focussed on essential medicines and generic APIs.

Structural Drivers of Value Creation

- **Process chemistry as a competitive moat**

  Capabilities such as multi step synthesis, impurity management, backward integration, manufacturing automation, yield optimisation, and solvent recovery are critical to ensuring reproducibility at scale and cost efficiency.

- **Regulatory compliance economics**

  Escalating expectations for GMP, batch to batch consistency, data integrity, and environmental and safety norms are raising both capital and operating intensity, making compliance credibility a key differentiator influencing supplier selection and contract longevity.

- **High-Potency APIs (HPAPIs)**

  HPAPIs represent one of the most technically demanding API segments. The HPAPI market is projected to grow from ~USD 30 billion in 2025 to ~USD 48.3 billion by 2033[6].

- **Nutraceutical ingredients**

  Preventive healthcare and nutrition-led wellness are emerging as strong growth drivers beyond traditional pharmaceuticals. The global nutraceuticals market is projected to expand from ~USD 684 billion in 2026 to ~USD 1.15 trillion by 2033[6]. Demand for ingredients such as carotenoids and vitamins continues to grow, supported by increasing adoption across applications including dietary supplements, functional foods, beverages, and animal nutrition. This is driving greater preference for scientifically validated, quality-assured ingredients, thereby favouring manufacturers with integrated production capabilities, consistent quality systems, and formulation expertise.

Outlook

The global API industry is projected to grow at a CAGR of 5–6%, reaching ~USD 419 billion by 2033[6]. Value realisation will depend more heavily on molecular complexity, regulatory intensity, and specialised chemistries, where manufacturing capability and technical differentiation command greater strategic importance. As supply chains continue to prioritise resilience, customer relationships are expected to favour established manufacturers, reflecting the importance of regulatory familiarity, proven process robustness, and assured continuity. Rising compliance thresholds across major markets are likely to further consolidate participation toward chemistry strong, regulatory reliable suppliers.

Global Contract Development and Manufacturing Organisation (CDMO) Industry

The global CDMO industry has evolved from a supplemental outsourcing option to a core execution component of the pharmaceutical value chain. CDMOs are now embedded across the full spectrum of chemistry, manufacturing, and controls (CMC), supporting development, scale-up, validation, and commercial supply, particularly for programmes with high regulatory exposure and extended market lifecycles. The global CDMO market, valued at ~USD 150 billion in 2024, is projected to reach ~USD 290–300 billion by the early 2030s[6], reflecting a sustained shift toward outsourced execution across both Big Pharma companies and biotechnology innovators. Thus, a capacity led, transactional arrangement has now become lifecycle anchored, risk shared, and execution critical.

Operating Model and Demand Dynamics

- **Lifecycle-integrated outsourcing**

  CDMO engagement now spans the full molecule lifecycle, including clinical supply, validation, and commercial manufacturing, unlike earlier CRO-led outsourcing models. Companies increasingly prefer a smaller set of proven manufacturing partners capable of multi-year collaborations over fragmented, stage-wise service providers.

- **Capital-light operation**

  With development costs exceeding USD 2 billion per molecule, innovators are increasingly deferring in-house manufacturing investments in favour of flexible CDMOs providing specialised technology and dedicated infrastructure aligned with programme visibility and market timelines [7].

- **Innovation-linked demand**

  Small molecules accounted for ~66% of CDMO revenues in 2024[6], with demand increasingly skewed toward new, chemistry-intensive molecules that require specialised capabilities, high process precision, and expertise in advanced manufacturing.

- **Capacity constraints**

  High-barrier segments such as peptides, HPAPIs, and containment-intensive chemistries face sustained capacity bottlenecks due to capital intensity, long qualification cycles, and stringent occupational safety requirements, thus creating advantages for differentiated suppliers.

- **Technology-enabled process reliability**

  Process Analytical Technology (PAT), real-time monitoring systems, digital quality management platforms, and predictive analytics are now considered baseline requirements to ensure consistency, inspection readiness, and process control across CDMO operations.

Regional Landscape [6]

- **Asia-Pacific** is the largest manufacturing base for small molecule CDMO activity, contributing ~38–40% of global revenues in 2024.
- **North America** represents the epicentre of innovator-led demand, contributing ~37% of global API CDMO revenues, supported by a dense ecosystem of multinational pharmaceutical and biotechnology companies.
- **Europe** remains focussed on specialty and compliance-intensive manufacturing, where regulatory rigour and long-standing industry relationships support quality-driven partnerships.

Outlook

The global CDMO market is expected to grow at a CAGR of ~7.4% through 2033 [6], outpacing underlying pharmaceutical R&D expenditure. Within this, API CDMO represents the largest segment and is projected to expand from ~USD 107 billion in 2024 to USD 210 billion by 2033 [6]. Growth is expected to be concentrated in high-barrier segments such as HPAPIs and peptide-linked chemistries, where substitutability remains limited. Outsourcing is transitioning from tactical capacity augmentation toward long-term strategic partnerships, focussed on managing execution risk, accelerating development timelines, and ensuring right-first-time technology transfers. Decision-making frameworks are evolving from unit cost considerations toward total lifecycle economics. Client relationships are becoming highly selective in late-stage and commercial programmes, where execution lapses can directly impact regulatory approvals, market access, and revenue realisation.

Indian Pharmaceutical Industry

India holds a distinctive position in the global pharmaceutical network as both a large domestic market and a globally integrated manufacturing hub. The industry has advanced well beyond its traditional generics base, expanding into complex formulations, biosimilars, specialty therapies, and contract manufacturing services. Over the past nine years, it has grown at a CAGR of ~9%[10] and contributes ~1.7% to national GDP [2], firmly establishing itself as one of India's most globally competitive manufacturing sectors. With the domestic market growing above 8% to reach ~USD 25.8 billion (₹ 2.46 lakh crore)[11] and exports maintaining strong momentum, the pharmaceutical industry surpassed USD 55 billion in FY26, underscoring its strength across domestic and international markets [8].

Drivers Shaping the Industry

- **Export-led global leadership**

  India is among the largest suppliers of generic medicines globally by volume. Pharmaceutical exports crossed USD 31 billion in FY 2025-26 [8], accounting for over half of industry revenues.

- **Domestic healthcare demand**

  Growing domestic medicine consumption is driven by population growth, healthcare awareness, and better insurance coverage. Urbanisation, lifestyle changes, and diagnostic improvements further increase therapy initiation and adherence.

- **Expanding access and distribution**

  Government-supported healthcare programmes, improved procurement channels, digital pharmacies, and organised retail chains are widening access to essential medicines, even across semi-urban and rural locations.

- **Moving up the value chain**

  Competitive intensity and pricing pressures in commoditised generics are accelerating India's shift toward higher-value domains, including complex generics, injectables, specialty medicines, biosimilars, and differentiated drug-device combinations.

- **Policies reinforcing quality and capability[8]**

  Government initiatives such as Production-Linked Incentive (PLI) schemes, Research Linked Incentives (RLI), and the Promotion of Research and Innovation in Pharma MedTech (PRIP) programme are enhancing R&D intensity, advanced manufacturing, and regulated market-readiness.

Outlook

India's pharmaceutical industry is projected to reach USD 120–130 billion by 2030 [8]. Exports are expected to remain the primary value driver, driven by global demand for cost-effective, quality-assured medicines and growing preference for reliable manufacturing partners. Domestic demand is becoming structurally stronger, with a gradual shift from acute therapies toward chronic and specialty segments that offer higher value and recurring demand visibility. India's innovation ecosystem is also expanding, with the pipeline increasing from ~270 assets in 2015 to ~450 in 2024[5]. Policy support and a growing pool of returning skilled talent are strengthening India's scientific and research capabilities. Overall, India is well positioned to strengthen its role as a globally integrated pharmaceutical manufacturing hub, combining scale, cost competitiveness, and advancing technological sophistication across APIs, formulations, and complex chemistries.

Indian Active Pharmaceutical Ingredients (API) Industry

India has become a critical pillar of global API supply, supported by a massive base of USFDA and EU approved facilities and more than 500 manufacturers[8]. India ranks among the top global API suppliers by volume, with exports reaching ~ ₹ 41,500 crore in FY25 [12].

Key Drivers and Trends

- **Regulated market orientation**

  A significant proportion of India's API output is exported to regulated markets where requirements around data integrity, batch reproducibility, impurity characterisation, and documentation discipline are materially higher, thus elevating the importance of regulatory track record and quality systems.

- **Process innovation as competitiveness**

  Competitive advantage is defined by process innovation alongside scale. Indian manufacturers are investing in advanced technologies such as continuous flow chemistry, genotoxic risk management, and resource-efficient, green chemistries to expand the addressable opportunity set.

- **Policy-led focus on resilience**

  Policy measures such as budgetary support, PLI schemes for bulk drugs, and development of dedicated API parks have played a catalytic role in strengthening domestic manufacturing capabilities and improving self-reliance in import dependent molecules.

Outlook

India's API industry is well positioned to grow in line with global demand, supported by India's established customer relationships and proven execution capabilities. Ongoing investments in backward integration, domestic capacity creation, technology adoption, and sustainable manufacturing are expected to gradually reduce dependence on imported key starting materials and improve supply resilience. However, rising regulatory expectations and compliance requirements are increasing industry cost structures globally, reinforcing entry barriers and favouring scaled, quality-focussed players with strong governance frameworks and manufacturing systems.

Indian Contract Development and Manufacturing Organisation (CDMO) Industry

India has emerged as a significant CDMO/CRDMO destination, transitioning from early stage chemistry support toward late stage development and commercial manufacturing. This evolution reflects improved regulatory alignment with global agencies, expansion of manufacturing infrastructure, and deepening execution capabilities across chemistries. The Indian CRDMO market is projected to grow from ~USD 3 billion in 2024 to reach ~USD 22–25 billion by 2035[13]. Within this, the CDMO segment is poised to scale nearly fivefold to ~USD 10–12 billion over the same period[13]. In parallel, CDMO exports are expected to account for 13–15% of global outsourcing expenditure by 2030[9]. This implies a structurally expanding role for India in global pharmaceutical supply chains.

Key Factors

- **Global supply diversification**

  "China+1" and friend-shoring strategies are redirecting outsourcing flows toward credible alternatives. India is a key beneficiary, with estimates suggesting it could capture 20–30% of the outsourcing share potentially migrating away from China by 2030 [9].

- **Outsourcing driven by pricing pressure**

  Reimbursement tightening and drug pricing reforms in developed markets are reinforcing outsourcing as a critical lever for margin optimisation. India's ability to deliver cost efficiency while ensuring compliance and quality remain key advantages difficult to replicate across geographies.

- **Late-stage and commercial supply**

  Clinical stage and pre commercial programmes account for a substantial share of outsourcing demand; however, revenue visibility and customer tenure are materially longer when products progress toward commercialisation, spaces that Indian CDMOs are gradually claiming.

Outlook

For India, CDMO growth is expected to outpace global trends, with export revenues projected to reach ~USD 130 billion by 2047[9]. In parallel, the rapid expansion of India's domestic in-licensed branded dosage manufacturers and dosage CDMOs supplying regional markets is strengthening local-for-local API demand. Sustained value creation will increasingly depend on disciplined operation, as higher-value opportunities are accompanied by materially higher execution thresholds. As project complexity and regulatory expectations continue to rise, competitive differentiation is shifting toward capability depth, compliance excellence, and trusted consistency.

1. IMF
2. Press Information Bureau (PIB)
3. EY Parthenon and Organisation of Pharmaceutical Producers of India (OPPI)
4. IQVIA
5. McKinsey
6. Grand View Research
7. Scientific American and Deloitte
8. India Brand Equity Foundation (IBEF)
9. Bain & Co and the Indian Pharmaceutical Alliance (IPA)
10. Department of Pharmaceuticals
11. Financial Express
12. Economic Times and Pharmexcil
13. BCG

2. Company overview

Divi's Laboratories Limited is a leading manufacturer and supplier of high-quality Active Pharmaceutical Ingredients (APIs) and intermediates, serving global innovator pharmaceutical companies. The company has established itself as a trusted partner to many of the world's leading pharma organisations, including 12 of the top 20 global pharmaceutical companies.

With a presence in over 100 countries, Divi's Generic APIs division has played a key role in its growth, positioning the company as the world's largest API manufacturer in 10 of the 30 generic APIs it produces. Its diverse product portfolio supports therapeutic segments such as cardiovascular, anti-inflammatory, anti-cancer, and central nervous system treatments.

Divi's Laboratories has consistently been recognised for excellence in quality, research and development, and occupational health and safety. The company remains committed to sustainable growth by expanding capacity while adhering to stringent environmental, safety, and social responsibility standards.

Headquartered in Hyderabad, India, Divi's operates three state-of-the-art manufacturing facilities with advanced utilities, environmental management systems, and robust safety standards.

2.1 Manufacturing facilities:

The Company operates from three manufacturing facilities:

- Unit-1, located at village Lingojigudem in Yadadri Bhuvanagiri District near Hyderabad, Telangana State comprises:
  - the first manufacturing facility operating from the year 1995; and
  - the DC-SEZ Unit operating from the year 2020.
- Unit-2, located at village Chippada, Bheemunipatnam Mandal, Visakhapatnam District, Andhra Pradesh State comprises:
  - An Export-Oriented Unit operating from the year 2003.
  - An SEZ Unit operating from the year 2006.
  - DSN SEZ Unit operating from the year 2011.
  - The DCV SEZ Unit operating from the year 2020.
- Unit-3, an Export-Oriented Unit located at village Ontimamidi, Thondangi Mandal, Kakinada District, Andhra Pradesh, operating from January 2025.

All these Units have been adding production capacities and utility infrastructure and are upgraded and modernised from time to time.

The facilities at Hyderabad and Visakhapatnam have undergone multiple inspections by leading global regulatory authorities, including USFDA, EU GMP (UK, Germany, Ireland, Slovenia), Health Canada, TGA, ANVISA, COFEPRIS, PMDA, and MFDS.

The nutraceutical facility in Visakhapatnam is a globally recognised, technology-driven unit specialising in high-quality carotenoids, Astaxanthin, Lycopene, Canthaxanthin, Apocarotenal, and vitamin ingredients. These products cater to food, beverage, dietary supplement, pet food, and feed industries, with formulations designed for both supplementation and food fortification.

The commissioning of phase I of Unit 3 at Kakinada in January 2025 strengthened the Company's backward integration by enabling in-house production of starting materials and intermediates, improving supply assurance, cost efficiency, and impurity control.

2.2 Research and development centres

The Company's R&D infrastructure comprises the Divi's Research Center (DRC) at Sanath Nagar, Hyderabad, and Process Development & Support Centres (PDSCs) located at its manufacturing facilities near Hyderabad and Visakhapatnam. These centres focus on the development of new processes and continuous improvement of existing ones for both pipeline and commercial products.

The PDSCs play a critical role across the product lifecycle, including process development, scale-up from gram to commercial scale, optimisation, impurity profiling, pilot studies, pre-validation and validation batches, and seamless technology transfer to manufacturing units, while also providing ongoing process support and improvements to ensure operational efficiency and product quality.

2.3 Subsidiaries

The Company has two wholly-owned subsidiaries, Divis Laboratories (USA) Inc., New Jersey, and Divi's Laboratories Europe AG, Basel, which support the marketing of its nutraceutical products and enhance customer reach across key international markets. These subsidiaries strengthen the Company's global presence and enable closer engagement with customers in their respective regions.

3. Internal control systems

The Company has established a comprehensive and robust system of internal controls commensurate with the size, nature, and complexity of its operations, encompassing manufacturing, finance, and marketing functions, including internal financial controls over financial reporting. These controls are supported by well-defined policies, standard operating procedures, and documented processes designed to ensure orderly and efficient conduct of business, adherence to Company policies, safeguarding of assets, prevention and detection of frauds and errors, and accuracy and completeness of accounting records, along with timely preparation of reliable financial information in compliance with applicable laws and regulations.

The internal control framework is reinforced by a structured and continuous internal audit function, staffed with qualified professionals, which operates based on an annual audit plan approved by the Audit Committee of the Board. The scope of internal audit includes evaluation of the adequacy and effectiveness of internal controls, review of operational efficiencies, assessment of compliance with statutory requirements, and recommendations for strengthening internal processes, policies, and accounting systems.

The internal audit function reports directly to the Audit Committee, thereby ensuring independence and objectivity. Significant audit observations and the status of corrective actions are periodically reviewed by the Audit Committee, and appropriate directions are provided to management. Process owners are responsible for implementing corrective and preventive actions in a time-bound manner.

Further, the Audit Committee, in conjunction with the statutory auditors, reviews the adequacy and operating effectiveness of internal financial controls over financial reporting. Based on such reviews and audit reports, the internal financial controls of the Company are considered adequate and operating effectively during the year. The Company also fosters a culture of continuous improvement, with management actively considering and implementing recommendations from internal auditors, statutory auditors, and the Audit Committee to strengthen governance, risk management, and control processes.

4. Risk management

Divi's lays emphasis on risk management and has an enterprise-wide approach to risk management, which lays emphasis on identifying and managing key operational and strategic risks with a dynamic business continuity plan. The Company strives to identify opportunities that enhance organisational values while managing or mitigating risks that can adversely impact its future performance through:

- Integrated process for identification, assessment and reporting
- Decentralised management of specific opportunities and risks and
- Aggregation at corporate level monitored by the Risk Management and Sustainability Committee with overall direction and control by the Board.

The Company continues its initiatives aimed at assessment and avoidance or minimisation of various risks affecting its business and towards cost control and efficiency across its businesses and functions, taking appropriate measures and reviewing them from time to time. The company's risk management and control procedures involve prioritisation and continuous assessment of these risks and devise appropriate controls, evaluating and reviewing the control mechanism and redesigning from time to time in the light of its effectiveness.

4.1 Global markets

Divi's is engaged in manufacture of generic APIs, custom synthesis of active ingredients for innovator companies, other specialty chemicals and nutraceuticals. The Company is very selective in its product portfolio with a focus on export markets within the domain of its capabilities. As the Company has significant exposure to export markets, it will have an impact of change in global economy or changing dynamics in the supply-chain of its products in the global markets besides any protective actions by governments of recipient countries.

4.2 Competition

In order to stay competitive vis-à-vis its peers in Europe and US, the Company lays great stress on leveraging its inherent skills and strengths in chemistry by building strong customer relationships supported by cost competitive and fast delivery structure. However, competition is inherent in the business of the Company as there are constant efforts in process innovation and cost competitiveness. Divi's continues to work towards optimising its processes and upgrading its plant capacities and capabilities at its multi-purpose manufacturing facilities to stay competitive and compliant to regulations; and is also creating additional capacities addressing the anticipated or increasing business opportunities. This would enable the Company minimise risks/threats and avail the opportunities that emerge for business growth.

4.3 Regulatory and quality compliances

The Company devotes significant importance to the regulatory compliances as it accesses advanced markets like Europe and USA for a major part of its business. Risks relating to regulatory compliances with such markets are inherent to the Company's business. Divi's has put in place appropriate systems, processes, operations, and procedures to monitor and ensure consistent practice for the evolving compliance regime for market access to the recipient countries of its products and specifications. The chemists and staff are periodically retrained so that they are fully aware of the latest regulations, quality testing, standard operating procedures, and norms. Divi's has invested in extensive training to incorporate the cGMP updates into its operating systems. The Company constantly reviews its policies and procedures to adhere conformity of the various global and domestic regulations for its manufacturing facilities or statutory compliances.

4.4 Patent compliance

From the inception of its manufacturing operations, the Company has its stated policy of conforming to intellectual property rights (IPR) and does not violate patents. The Company manufactures either patent-expired generics or undertakes custom synthesis of compounds for the innovator MNC companies. Divi's continually reviews patent compliance in its process development of active ingredients and has a monitoring mechanism to validate non-infringement of the processes developed.

4.5 Human resources

Divi's always consider employees as an integral part of its operations and put in place appropriate compensation plans, feedback process, continuing training and upgradation of skills in their functional areas. Employee relations are affable and harmonious with safe and healthy working environment and all-round contribution and participation in the growth.

4.6 Commercial and financial risks

With predominance of revenue from export of goods and services, the Company is exposed to a wide spectrum of risks relating to markets, legal disputes relating to contracts, various statutory compliances, credit from suppliers or to customers or from banks/lenders, interest rates, liquidity as well as foreign exchange rate volatility, continuity in supply of raw materials and prices or of any non-foreseen changes relating to trade and regulations by countries where company does business; and addresses these appropriately to mitigate or minimise these risks. The Company constantly reviews its systems and processes and takes adequate measures to address these risks or meet its obligations.

The Company has significant exports, besides imports of inputs and hence has a large exposure to exchange rate risks. Given the instability in the global, political and economic environment and bilateral trade issues, there has been significant volatility of foreign currency rates. Such events are outside the control or horizon of the company and it is becoming very difficult to accurately predict currency movements. With the experience over the years, it has been ascertained that the best way to manage currency fluctuations is to have a better geographic balance in revenue mix factoring Company's competitive positioning, and to ensure a foreign currency match between receivables and payables.

The Company constantly reviews and aligns its policies and takes appropriate decisions to minimise the commercial and financial risks.

4.7 Insurance

The Company's current and fixed assets as well as its personnel and products are adequately insured against various risks like transit, war, terrorism, fire and allied risks, public and product liability, personnel, directors & officers' liability etc.

4.8 Environment, health and safety

As the Company's manufacturing operations involve complex chemical reactions, risks exist on any issues relating to safe operations, health and safety of employees and environment management compliances. Divi's policies and processes are designed and reviewed from time to time to adhere to all applicable regulations on the environment management, employee health and safety. Divi's continually strives to optimise the resources and upgrade its processes in order to reduce the environmental impact of its processes, products and services, besides ensuring health and safety of employees involved in the processes.

4.9 Information technology (IT)

The Company has put in place an IT policy in order to ensure consistency, protection and security of data and IT systems to ensure smooth business processes. The systems used for information security are constantly tested, continuously updated and expanded. In addition, our employees are regularly trained on data protection and safety including secure online banking transactions. IT-related risk management exercise is conducted using appropriate protocols and tools.

The Company has implemented EDR (Extended Detection and Response), end point and server protection, automated prevention and detection solutions, including perimeter security controls with web security tools, enhanced internal vulnerability detection and multiple network segmentations based on business criticality. The internal team regularly performs VAPT scan which is also reviewed by external consultants. Implemented absolute zero trust security architecture.

4.10 Business continuity

The Company has appropriate strategies for business continuity for addressing disruptive events, of various nature, on business operations and has set up a comprehensive and proactive framework to mitigate such disruptive events by deploying available alternative solutions; and reduce their potential damages.

4.11 Sustainable operations

As part of our efforts towards sustainable business operations, we assess the opportunities and risks associated with sustainable sourcing/utilisation of resources and manufacturing activity; and continually evaluate alternatives and implement optimum processes for sustainable and safe operations in order to minimise, mitigate or de-risk our business operations.

5. Regulatory filings/approvals

Divi's has triple certifications ISO-9001 (Quality Systems), ISO-14001 (Environment Management Systems) and ISO-45001 (Occupational Health and Safety Systems) for its manufacturing facilities and adheres to cGMP and standard operating practices in its manufacturing/ operating activities and these certifications are renewed from time to time.

The manufacturing facilities at Hyderabad and Visakhapatnam are periodically inspected by US-FDA, EU and other major regulatory agencies.

The Company has also obtained Food Safety System Certification (FSSC) 22000 for vitamins and carotenoids, GMP+B2 certification for production of Feed Ingredients.

Divi's has a total of 41 Drug Master Files (DMFs) with US-FDA, 30 CoSs (Certificates of Suitability) filed with EDQM, 25 DMFs with Health Canada and 9 MFs with PMDA, Japan and several filings at various other agencies. Divi's has filed for a total of 44 patents for generic products.

6. Business distribution

Our product portfolio comprises of two broad categories i) Generic APIs (Active Pharma Ingredients) and Nutraceuticals and ii) Custom Synthesis of APIs and specialty ingredients for innovator pharma giants.

The Company operates predominantly in export markets and has a broad product portfolio under generics and custom synthesis. Among Divi's well distributed product range, some of the components of the business, as percentage in value terms, are given below:

Particulars	FY 2025-26	FY 2024-25
Exports	89%	88%
Imports, including supplies from SEZ units	44%	49%
Top 5 products	48%	43%
Top 5 customers	51%	49%
Exports in USD terms	86%	86%
Exports in Pounds	8%	9%
Exports in Euro	6%	5%

7. Performance and operations review

Analysis of profitability of Indian Operations for the current and the previous financial year is given hereunder:

(₹ in crores)

Particulars	FY 2025-26	FY 2024-25
Revenue from operations	10,388	9,198
Other income	506	352
Total income	10,894	9,550
Expenditure before depreciation & finance cost	6,974	6,219
PBDIT	3,920	3,331
Finance cost	23	1
Depreciation	461	401
Profit before tax (PBT)	3,436	2,929
Tax expense:		
Current tax	869	793
Deferred tax	(40)	(73)
Profit after tax (PAT)	2,607	2,209
Other comprehensive income (net of tax)	6	(2)
Total comprehensive income	2,613	2,207
Earnings per share (EPS) Basic & Diluted (₹)	98.19	83.20

This financial year, the Company has earned revenue from operations of ₹10,388 crores, witnessed a growth of 12.94% over previous financial year. The total income for the year is ₹10,894 crores against ₹9,550 crores for previous year.

Our net material consumption for the year is about 38.66% of the revenue from operations for the year, against 39.98% of revenue during the previous year. Our profit before tax for the year is higher at ₹3,436 crores as against ₹2,929 crores during the previous financial year primarily due to more contribution from revenue from operations, stable overheads.

Tax expense for the year amounted to ₹829 crores as against a tax expense of ₹720 crores during the previous financial year. The effective tax rate for the year is at 24.1% of PBT as against 24.6% for previous year, as the Company have opted for new tax regime under the provisions of the Income Tax Act, 1961, from previous financial year.

Profit after tax for the year amounted to ₹2,607 crores as against ₹2,209 crores during the previous year.

7.1 Exports

Exports constituted 89% of sales revenue during the year. Exports to advanced markets comprising Europe and America accounted for 74% of sales revenue.

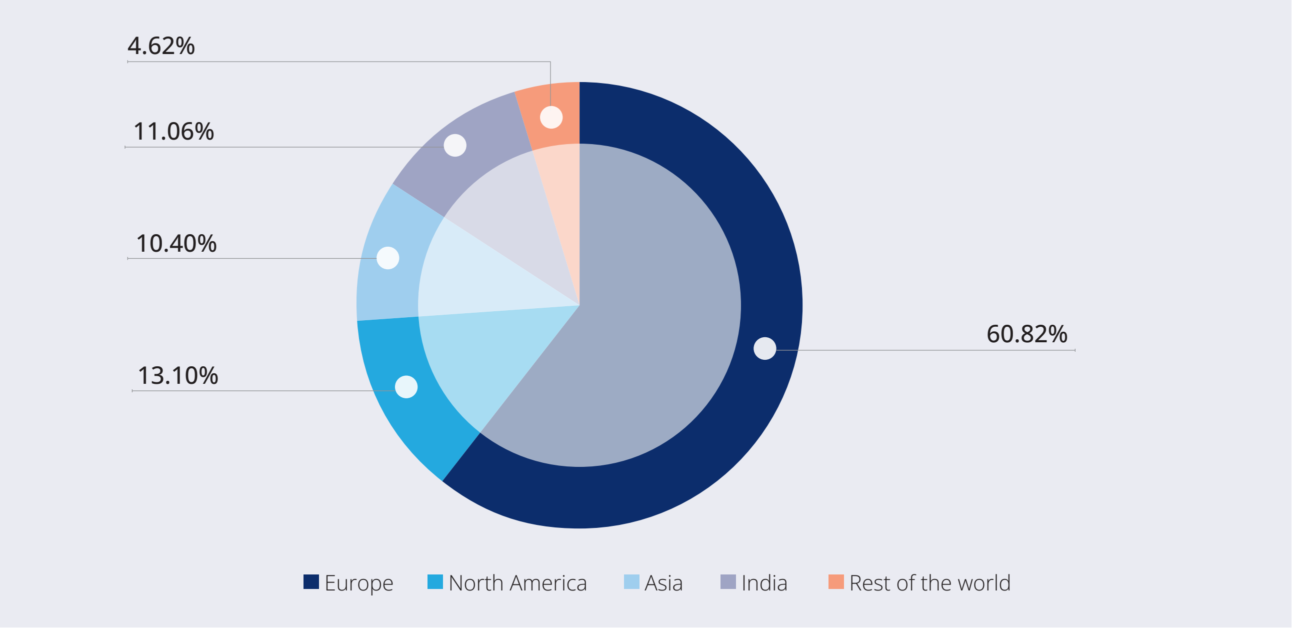
7.2 Region-wise sales revenue

Our revenue from products and services region-wise is given below:

(₹ in crores)

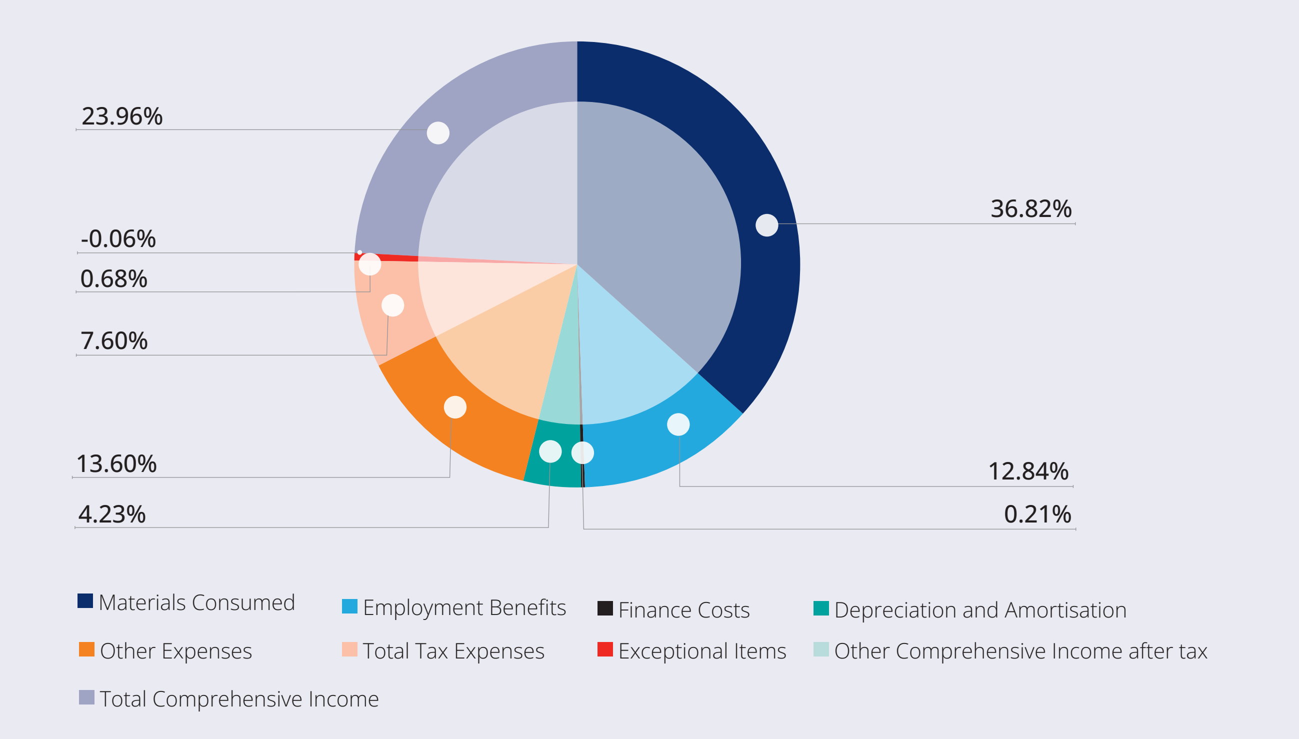
Region	FY 2025-26		FY 2024-25	
	Amount	%	Amount	%
Europe	6,311	60.82	5,192	56.46
North America	1,360	13.10	1,488	16.18
Asia	1,079	10.40	1,044	11.35
India	1,147	11.06	1,105	12.02
Rest of the World	479	4.62	367	3.99
Total	**10,376**	**100.00**	**9,196**	**100.00**

7.3 Other income



Other income mainly comprises of interest on deposits and investments, gain on forex transactions and gain in fair value of non-current investments. Other income for the year amounted to ₹506 crores as against ₹352 crores of previous year. This year, we have a gain on forex transactions and translations amounting to ₹210 crores against a gain of ₹48 crores in previous year.

7.4 Distribution of total income



7.5 Material costs

(₹ in crores)

Particulars	FY 2025-26	FY 2024-25
Material consumption	4,260	3,760
Changes in inventories of finished goods and work-in-progress	(244)	(83)
Net material consumption	4,016	3,677
Revenue from operations	10,388	9,198
% of consumption to revenue	38.66%	39.98%

Material consumption varies from product to product. The Company manufactures several active pharmaceutical ingredients and intermediates within the Generic and Customs synthesis groups as well as nutraceuticals. Manufacture of any product involves stage-wise controlled processing through its chemistry to the specifications under the standard operating practices complying to cGMP conditions.

Material consumption net of changes in stocks is about 38.66% of revenue from operations during the year as compared to 39.98% of previous year.

7.6 Employee benefits expense

Employee benefits expense represent salaries and benefits to employees and also fixed and variable managerial remuneration of Whole-time Directors as approved by the Members.

Employee benefit expense for the year is ₹1,474 crores against ₹1,210 crores for the previous year. Of this, remuneration to Whole-time Directors accounted to ₹224 crores during the year as against ₹198 crores of the previous year.

Employee cost for the year works out to about 13.53% as against 12.67% of total income earned for the respective years.

On introduction and notification of labour codes in place of 29 existing labour laws by the Government of India, past service cost of ₹74 crores in respect of terminal benefits – Gratuity has been recognised and shown under exceptional items for the current financial year.

7.7 Other expenses

Major items of other expenses are power and fuel, repairs, stores & spares, packing materials, R&D expenses, carriage outward, travelling & conveyance, Insurance, sales commission, environment management expenses and CSR expenses.

Other expenses for the year accounted for ₹1,484 crores as against ₹1,332 crores for the previous year. Other expenses account for 13.62% of total income for the year against 13.95% for the previous year.

7.8 Capital expenditure

During the year, property, plant and equipment (PPE) and intangible assets valuing ₹1,544 crores have been capitalised. Total capital WIP at all locations as at the year end is ₹2,113 crores against ₹1,022 crores as at the previous year end.

7.9 Non-current investments

Non-current investments as at the end of the current year amounted to ₹76 crores as against ₹72 crores for previous year.

7.10 Current Income-tax assets

Income tax assets as at the end of the year is ₹14 crores, against the previous year of ₹12 crores, and there is a current tax liability of ₹11 crores for the current financial year.

7.11 Other Non-current Assets

Other non-current assets at the year end of ₹143 crores includes advances for capex programs of ₹134 crores and other receivables.

7.12 Inventory position

Inventory position for the last two years is as under:

(₹ in crores)

Particulars	As on March 31, 2026	As on March 31, 2025
Raw materials	1,423	1,022
Work-in-progress	1,969	1,698
Finished goods	121	148
Packing materials	13	9
Stores and spares	185	156
Total	**3,711**	**3,033**

The Company undertakes campaign production of large volume products like Naproxen, Dextromethorphan and Gabapentin by running the plant at full stream and stock these products for sale – thus freeing the multi-purpose plants for producing other products; and hence carries significant volume of work-in-progress to be able to service the large volume products. As the company has a good market share for these products, we do not foresee any constraints in marketing these products and managing the inventory cycle. Slow moving and non-moving items have been fully provided for.

7.13 Trade receivables

(₹ in crores)

Particulars	As on March 31, 2026	As on March 31, 2025
Outstanding receivables	3,230	2,856
Less: Allowances for doubtful debts	2	1
Net receivables	3,228	2,855
Receivables (days)	**113**	**113**

Trade receivables at the year end came to ₹3,228 crores as against ₹2,855 crores previous year. Trade receivables include an amount of ₹438 crores as against ₹300 crores of previous year due from subsidiaries.

7.14 Other current assets

(₹ in crores)

Particulars	As on March 31, 2026	As on March 31, 2025
Indirect taxes - Input tax credits	325	245
Prepaid expenses	24	34
Advances to suppliers	115	87
Contract assets	125	-
Others	113	1
Total	**702**	**367**

These assets are monitored and reviewed periodically.

7.15 Other financial assets

Other financial assets at the year end are ₹75 crores against ₹78 crores of previous year. These comprise security and other deposits and receivables of export incentives and are in the normal course of business.

7.16 Deferred tax liabilities

Deferred tax liabilities represent temporary differences arising between the tax base of assets using the liability method, liability on account of obligations for SEZ units under the Income-tax Act as also of employee benefit obligations. Deferred tax liability as of March 31, 2026 amounted to ₹469 crores as against ₹509 crores as of March 31, 2025.

7.17 Trade payables

Trade payables for raw materials/services amounted to ₹1,190 crores as at the end of the year as against ₹880 crores as at the end of previous year. Of the trade payables, an amount of ₹62 crores (previous year: ₹37 crores) relates to dues to micro and small enterprises. The Company follows consistent practices of procurement and avails efficient credit terms from vendors.

7.18 Other financial liabilities

Other financial liabilities as at the year end is ₹916 crores which includes refundable advance from customers of ₹456 crores, employee benefits payable of ₹312 crores, capital creditors of ₹145 crores and other financial liabilities of ₹3 crores.

7.19 Other liabilities

Other liabilities as at the year end is ₹516 crores includes deferred revenues of ₹402 crores, which will be recognised as revenue from operations over the estimated period of contract, customer advance of ₹83 crores, Statutory dues payable ₹17 crores, other liabilities of ₹2 crores and Liability for CSR activities of ₹12 crores which will be discharged within the statutory timelines specified in the Companies Act, 2013.

7.20 Key financial ratios

Particulars	March 31, 2026	March 31, 2025
Return on net worth / equity (%)	16.50%	15.57%
Return on capital employed (%)	21.23%	19.88%
Basic EPS (₹)	98.19	83.20
Trade receivables turnover	3.28	3.59
Inventory turnover	3.04	3.05
Current ratio	5.47	7.03
Debt equity ratio	#	#
Operating profit margin (%)	37.74%	36.21%
Net profit margin (%)	23.93%	23.13%

 # There is no net debt outstanding as on March 31, 2026 and as on March 31, 2025.

Detailed explanation of ratios:

(i) Return on net worth / equity

Return on net worth / equity is a measure of profitability generated to Equity holders. It is calculated by dividing the net profit after tax for the year with average Shareholder's equity during the year.

(ii) Return on capital employed

Return on capital employed is a ratio that measures the efficiency of the Company with which its capital is being employed. In other words, the ratio indicates the ability of the Company to generate returns for both equity and debt holders. It is calculated by dividing net operating profit (EBIT) by average capital employed i.e., Tangible net worth + total debt + deferred tax liability.

(iii) Basic EPS

Earnings Per Share is the portion of a Company's profit allocated to each share. It serves as an indicator of a Company's profitability. It is calculated by dividing the profit after tax for the year by weighted average number of shares outstanding during the year.

(iv) Trade receivables turnover

This ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short-term debt is collected. It is calculated by dividing the total revenue from operations by average trade receivables and contract assets.

(v) Inventory turnover

Inventory turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing the revenue from sale of goods by average inventory.

(vi) Current ratio

The Current ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

(vii) Debt equity ratio

The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly-owned funds. It is calculated by dividing a Company's net borrowings by its Shareholder's equity.

(viii) Operating profit margin

Operating profit margin is a profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the operating profit (PBDIT) by revenue from operations.

(ix) Net profit margin

The net profit margin is equal to how much net income or profit is generated as a percentage of total revenue. It is calculated by dividing the profit after tax for the year by total income for the year.

7.21 Cautionary Statement

This report may contain certain statements that the Company believes are or may be considered to be 'forward looking statements' which are subject to certain risks and uncertainties. These forward-looking statements may include but are not limited to statements about our business and expected operational and financial performance, business outlook, demand in the global markets, our strategy, etc. These forward-looking statements involve several risks and uncertainties, many of which are beyond our control. Factors that could cause our actual results to differ materially from those described in our forward-looking statements include, but are not limited to, changes in local and global economic conditions, geo-political issues, changes in government regulations, manufacturing or quality control outcomes, regulatory compliances, change in market dynamics, currency fluctuations, legal and cyber security issues, exposure to various market risks, human resource risks, etc. There may be other factors not presently known to us or which we currently consider to be immaterial that could cause our actual results to differ materially from those projected in any forward-looking statement we make. We do not undertake any obligation to update or revise our forward-looking statements except as required by applicable law or regulation.

Corporate Governance Report

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and the report contains the details of Corporate Governance systems and processes at Divi's Laboratories Limited (Divi's or the Company).

Company's philosophy on corporate governance

Corporate Governance refers to the system of processes, policies, laws, and practices that guide how the Company is managed and controlled. It ensures accountability, transparency, and fairness in all business activities. Our approach to corporate governance is based on strong values such as integrity, ethical conduct, accountability, and fairness. We are committed to maintaining high standards of transparency, complying with all applicable laws and regulations, and making responsible decisions.

The Company understands the importance of balancing the interests of all stakeholders while focusing on long-term value creation. By promoting ethical leadership and good governance practices, we ensure responsible and sustainable business operations.

With strong expertise in sustainable chemistry and long-standing relationships built on trust, we consider our stakeholders as partners in our growth. We aim to create value for all stakeholders, including shareholders, employees, customers, suppliers, investors, communities, and policymakers.

We also actively contribute to society through various initiatives, especially in communities around our manufacturing locations. The Company continues to create value by delivering high-quality APIs, intermediates, and nutraceutical ingredients to global markets, while strictly adhering to all applicable laws.

Corporate Governance is a continuous process, and we remain committed to refine our governance systems to align with evolving best practices and global benchmarks.

Board of directors

The Board of Directors plays an important role in guiding the Company's overall direction and overseeing its operations. It ensures that the Company is managed effectively and in line with its strategic goals. The Board regularly reviews business performance, operational updates, risk management practices, and compliance with applicable laws to maintain strong governance standards.

The Board, through its active engagement and informed approach, ensures that decisions are taken in the best interests of the Company, with a focus on long-term value creation, transparency, and high standards of ethics.

The Board comprises a balanced mix of Executive and Non-Executive Directors, bringing together diverse skills, experience, and perspectives. This diversity supports better decision-making, encourages innovation, and strengthens the Board's ability to provide effective guidance to the management.

The Directors exercise due care and independent judgement in their decision-making and remain aligned with the long-term objectives of the Company and the interests of its stakeholders. The Company has a well-defined framework for conducting Board and its Committee meetings, ensuring that decisions are taken in a structured, informed, and efficient manner.

Composition

As on March 31, 2026, the Board comprises of ten Directors, of which five are Independent Directors. The Chairperson of the Board is a Non-Executive Independent Director. Brief profiles of the Directors are available on the Company's website at www.divislabs.com.

The composition of the Board is in accordance with Regulation 17 of the SEBI Listing Regulations and the provisions of Sections 149 and 152 of the Companies Act, 2013, read with the rules framed thereunder.

The composition of the Board, which remained unchanged during the financial year 2025–26, is as follows:

Category	Name of the Director	Designation	Date of joining the Board	Date of last re-appointment	Belong to Promoter/ Promoter group
Executive Directors	Dr. Murali K. Divi	Managing Director	October 12, 1990	October 10, 2024	Yes
	Mr. N. V. Ramana	Executive Director	October 01, 1994	December 26, 2024	-
	Dr. Kiran S. Divi	Whole-time Director and Chief Executive Officer	August 10, 2001	April 01, 2025	Yes
	Ms. Nilima Prasad Divi	Whole-time Director (Commercial)	June 27, 2017	June 27, 2022	Yes
	Dr. S. Devendra Rao	Whole-time Director (Manufacturing)	February 10, 2024	-	-
Independent Directors	Dr. Ramesh B. V. Nimmagadda	Non-executive Chairman, Independent Director	June 27, 2017	June 27, 2022	-
	Prof. S. Ganapaty	Independent Director	July 22, 2017	July 22, 2022	-
	Prof. Sunaina Singh	Independent Director	March 28, 2019	March 28, 2024	-
	Mr. K.V. Chowdary	Independent Director	January 04, 2020	January 04, 2025	-
	Dr. Rajendra Kumar Premchand	Independent Director	May 25, 2024	-	-

Board meetings and attendance

The Board meets at least once every quarter to review the quarterly financial results and other agenda items. Additional meetings are convened, as and when required. Directors are expected to attend all Board meetings, including the quarterly meetings and the Annual General Meeting (AGM). To facilitate participation, the Company provides video conferencing and other audio-visual means for Directors who are unable to attend meetings in person.

The schedule of Board meetings is finalized based on the availability of the Directors. The agenda for the meetings, along with detailed notes, is prepared in consultation with the Whole-time Director (Commercial), Chief Executive Officer and Managing Director and approved by the Chairperson. The same is circulated to the Directors within the prescribed statutory timelines. Directors are also provided the opportunity to suggest items for inclusion in the agenda for discussion at the meetings.

During the financial year 2025-26, four Board meetings were held. The details of the Board meetings and the attendance of Directors at these meetings, as well as their attendance at the last AGM, are provided below:

Name of the director	Attendance at Board meetings held on				Attendance %	Last AGM held on August 11, 2025
	May 17, 2025	August 06, 2025	November 07, 2025	February 11, 2026		
Dr. Ramesh B. V. Nimmagadda					100%	
Dr. Murali K. Divi					100%	
Mr. N. V. Ramana					100%	
Dr. Kiran S. Divi					100%	
Ms. Nilima Prasad Divi					100%	
Dr. S. Devendra Rao					100%	

Name of the director	Attendance at Board meetings held on				Attendance %	Last AGM held on August 11, 2025
	May 17, 2025	August 06, 2025	November 07, 2025	February 11, 2026		
Prof. S. Ganapaty	Participation by video conference	Participation by video conference	Present	Present	100%	Participation by video conference
Prof. Sunaina Singh	Present	Participation by video conference	Present	Present	100%	Participation by video conference
Mr. K.V. Chowdary	Present	Present	Present	Present	100%	Participation by video conference
Dr. Rajendra Kumar Premchand	Present	Participation by video conference	Present	Present	100%	Participation by video conference
% Attendance at meeting	100%	100%	100%	100%	100%	100%

Present   Participation by video conference

Disclosure of Director's other directorships, committee positions, inter-se relationships and shareholding

All Directors disclose their directorships and Committee positions held in other companies on an annual basis and update any changes as and when they occur during the year. The number of directorships and Committee memberships/chairmanships held by the Directors are within the limits prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

The following table shows the Directors' number of directorships, number of committee positions held, inter-se relationships and shareholdings:

Name of the Director	Number of other Directorships[1]		Committee positions[2]		Directorships in other listed companies	Inter-se relationships	Share-holding[3]
	Public companies	Private companies	Member	Chairperson			
Dr. Murali K. Divi	-	3	-	-	-	Dr. Murali K. Divi is father of Dr. Kiran S. Divi and Ms. Nilima Prasad Divi.	75,67,000
Dr. Kiran S. Divi	-	4	-	-	-		5,40,00,000
Ms. Nilima Prasad Divi	-	4	-	-	-		5,40,00,000
Mr. N. V. Ramana	-	-	-	-	-	None	-
Dr. S. Devendra Rao	-	-	1	-	-	None	60,000
Dr. Ramesh B. V. Nimmagadda	-	-	2	1	-	None	-
Prof. S. Ganapaty	-	-	1	-	-	None	-
Prof. Sunaina Singh	-	-	1	-	-	None	-
Mr. K.V. Chowdary	8 (Including 1 as Chairperson)	1	10	5	4 (Refer note [4] below).	None	-
Dr. Rajendra Kumar Premchand	1	3	1	-	-	None	815

[1] Excludes directorship(s) in Divi's Laboratories Limited, foreign companies and Section 8 companies under the Companies Act, 2013.

[2] Chairperson is also considered a member of the Committee. Committee information includes details of only the Audit and the Stakeholders Relationship Committees across all Indian public companies.

[3] Shareholding in the Company as on March 31, 2026.

[4] Mr. K.V. Chowdary holds directorship in 4 other listed companies as detailed below:

Name of company	***Category / Designation***
CCL Products (India) Limited	*Independent Director*
Reliance Industries Limited	*Independent Director*
Tata Motors Limited	*Independent Director*
Anant Raj Limited	*Independent Director*

Board independence

Every Independent Director provides a declaration at the first meeting of the Board in which they participate as a Director and thereafter at the first Board meeting of each financial year, confirming that they meet the criteria of independence as prescribed under applicable laws. They also confirm that they are not aware of any circumstances or situations that may exist or may reasonably be anticipated to impair their ability to discharge duties with objective and independent judgment, without any external influence.

In the opinion of the Board, all the Independent Directors meet the criteria of independence as specified under the SEBI Listing Regulations and Section 149 of the Companies Act, 2013, and are independent of the management.

The Independent Directors have also included their names in the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Meeting of Independent Directors

During the financial year 2025-26, one separate meeting of the Independent Directors was held on February 11, 2026. The Independent Directors, inter alia, evaluated the performance of Non-Independent Directors, the Board as a whole, and the Chairperson, after considering the views of the Executive and Non-Executive Directors.

Board familiarisation and induction programme

The Directors are provided with necessary documents, reports, and internal policies to enable them to familiarise themselves with the Company's procedures and practices. The Board is periodically apprised of developments relating to the industry, business operations, performance of the Company, compliance framework, roles and responsibilities of the Board and its Committees, and key statutory and regulatory changes.

A structured induction programme is in place for new Directors. An induction kit containing key documents, including various codes and policies of the Company and an overview of the roles and responsibilities of the Board and its Committees, is provided to facilitate their understanding. Plant visits are also arranged for Directors, based on their convenience and requirements.

Details of the familiarisation programmes for Independent Directors are available on the Company's website at: https://www.divislabs.com/investor-relations/corporate-governance/.

Succession planning

The Company has established a formal succession planning framework, wherein the Management, in consultation with the Nomination and Remuneration Committee, undertakes the identification and recommendation of candidates for appointment to leadership roles at the Board and Senior Management levels, for the Board's consideration and approval.

Key skills / expertise / competencies available with the Board

The Board comprises qualified and experienced members possessing the requisite skills, expertise, and competencies. The core skills/expertise/competencies identified by the Board are as follows:

Skill / Expertise / Competency	Description
Global Business	Understanding of global business dynamics and regulatory environment in the geographical markets in which the Company operates.
Strategy, Planning & Marketing	Ability to assess long-term industry trends, competitive landscape, customer relationships, and contribute to strategies for business continuity and growth.
Governance	Knowledge of corporate governance practices, regulatory compliance, and ability to uphold high standards of ethics, accountability, and stakeholder interests.
Leadership and Human Resources	Experience in leadership roles, organizational structuring, talent management, and succession planning.
Technology	Understanding of technologies relevant to the Company's products and operations, including emerging trends and development of cost-efficient processes.
Legal, Commercial and Financial	Expertise in legal, commercial, and financial matters, including governance, accounting, and financial management.
Sustainability and Risk Management	Experience in ESG (Environmental, Social and Governance) aspects and risk management frameworks, with the ability to integrate these into business strategy and operations.
Information Technology (IT)	Knowledge of information technology systems, digital transformation initiatives, cybersecurity frameworks, and use of IT in enhancing operational efficiency and governance.

The Board members possess the skills identified above and the specific area of expertise for each one of them is given below:

Name of the Director	Global business	Strategy, planning & marketing	Governance	Leadership and human resource	Technology	Legal, commercial, financial	Sustainability and risk management	Information Technology (IT)
Dr. Ramesh B. V. Nimmagadda	√		√	√	√	√	√	√
Dr. Murali K. Divi	√	√	√	√	√	√	√	√
Mr. N. V. Ramana	√	√	√	√	√	√	√	√
Dr. Kiran S. Divi	√	√	√	√	√	√	√	√
Ms. Nilima Prasad Divi	√	√	√	√		√	√	√
Dr. S. Devendra Rao	√	√	√	√	√		√	√
Prof. S. Ganapaty	√		√	√	√	√	√	√
Prof. Sunaina Singh			√	√			√	√
Mr. K.V. Chowdary		√	√	√		√	√	√
Dr. Rajendra Kumar Premchand	√		√	√	√	√	√	√

Board compensation

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel, and other employees, in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The Policy lays down the criteria for appointment, qualification, evaluation, and remuneration of Directors, Key Managerial Personnel, and Senior Management, and ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain, and motivate Directors of the quality required to run the Company successfully. The Policy also provides for performance evaluation of the Board, its Committees, and individual Directors, including Independent Directors.

The said Policy is available on the Company's website at: https://www.divislabs.com/investor-relations/policies-documents/.

Remuneration to executive directors:

The remuneration of Executive Directors comprises a fixed component and a variable component linked to the net profits of the Company, in accordance with the terms of their appointment and applicable statutory provisions. The tenure of the Managing Director and Whole-time Directors is five years from the respective dates of their appointment/re-appointment, and they are eligible for re-appointment, subject to approval of the shareholders.

The appointment may be terminated by either party by giving three months' notice, in accordance with the terms of appointment and the Company's policy. There is no provision for payment of severance fees.

The remuneration paid to executive directors during the financial year 2025-26 is as follows:

(₹ in crores)

Name	Salary	PF	Perquisites and allowances	Remuneration based on net profits	Total
Dr. Murali K. Divi	0	0	0.36	99.90	100.26
Mr. N. V. Ramana	0.92	0.11	0.22	49.95	51.20
Dr. Kiran S. Divi	0.92	0.11	0.51	33.30	34.84
Ms. Nilima Prasad Divi	0.92	0.11	0.45	33.30	34.78
Dr. S. Devendra Rao	2.24	0.08	0.94	-	3.26
Total	**5.00**	**0.41**	**2.48**	**216.45**	**224.34**

Remuneration to non-executive directors:

Non-Executive Directors, including independent directors, are paid sitting fees of ₹1,00,000/- for attending each meeting of the Board or its Committees, within the limits prescribed under the Companies Act, 2013. In addition, they are also paid an annual remuneration of ₹20,00,000/- per annum, on a pro-rata basis, in accordance with the provisions of Regulation 17(6) of the SEBI Listing Regulations. The Company also reimburses out-of-pocket expenses incurred by the Non-Executive Directors for attending meetings.

Apart from the sitting fees, annual remuneration and reimbursement of expenses as stated above, the Non-Executive Directors do not have any other material pecuniary relationship or transactions with the Company. The Company has not granted any stock options to its Non-Executive Directors.

The remuneration paid to Non-executive directors during the financial year 2025-26 is as follows:

(₹ in crores)

Name	Sitting fees	Annual remuneration	Total
Dr. Ramesh B. V. Nimmagadda	0.17	0.20	0.37
Prof. S. Ganapaty	0.14	0.20	0.34
Prof. Sunaina Singh	0.09	0.20	0.29
Mr. K.V. Chowdary	0.13	0.20	0.33
Dr. Rajendra Kumar Premchand	0.08	0.20	0.28
Total	**0.61**	**1.00**	**1.61**

Directors and officers insurance

The Company has obtained and continues to maintain a Directors' and Officers' Liability Insurance Policy, in accordance with and as required under Regulation 25(10) of the SEBI Listing Regulations, as applicable.

Performance evaluation criteria of directors

The Board of Directors has carried out an annual evaluation of its own performance, that of its Committees, and of individual Directors, including Independent Directors, in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The criteria for performance evaluation are determined by the Nomination and Remuneration Committee. The performance evaluation of Independent Directors is carried out by the entire Board, excluding the Director being evaluated. Based on the outcome of such evaluation, the Board determines the continuation or extension of the term of appointment of the Independent Directors.

The Independent Directors play a key role in providing objective judgment and constructive guidance to the Management and in monitoring its performance. The evaluation of Independent Directors, inter alia, is based on the following broad criteria:

- Providing strategic guidance, leveraging their knowledge and experience, in areas such as corporate strategy, business plans, risk management, and performance objectives.
- Exercising independence in decision-making, while constructively considering and deliberating on the views of other Board members.
- Contributing to the adoption and strengthening of best corporate governance practices.
- Demonstrating the ability to exercise independent judgment, particularly in situations involving potential conflicts of interest.
- Upholding high standards of integrity and fulfilling fiduciary duties and responsibilities.

Board committees

Pursuant to the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 2015, the Board has constituted five Committees, namely, the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management and Sustainability Committee, and Corporate Social Responsibility Committee. The Board has approved the terms of reference of these Committees in line with the statutory requirements. The Committees meet at periodic intervals or as and when required to discharge the functions assigned to them. During the financial year, all recommendations made by the Committees have been accepted by the Board.

Mr. M. Satish Choudhury, Company Secretary and Compliance Officer of the Company, acts as the Secretary to all the aforesaid Board Committees.

Audit committee

The composition and terms of reference of the Audit Committee are in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

Composition, meetings and attendance during the year:

Four meetings of the Committee were held during the year. The details of the meetings and attendance of members of the Committee at these meetings are given below:

Name of the Audit Committee member	Designation	Audit Committee meetings held on				Attendance %
		May 17, 2025	August 06, 2025	November 07, 2025	February 11, 2026	
Mr. K.V. Chowdary	Chairman	Present	Present	Present	Present	100%
Dr. Ramesh B. V. Nimmagadda	Member	Present	Present	Present	Present	100%
Prof. S. Ganapaty	Member	Present	Participation by video conference	Present	Present	100%
Dr. Rajendra Kumar Premchand	Member	Present	Participation by video conference	Present	Present	100%
% Attendance at meeting		100%	100%	100%	100%	100%

Present   Participation by video conference

The meetings of the Audit Committee are attended, inter alia, by the Whole-time Director (Commercial), Chief Financial Officer, Principal Advisor (Finance), Internal Auditor, and representatives of the Statutory Auditors as invitees.

Mr. K. V. Chowdary, Chairman of the Audit Committee, attended the 35th Annual General Meeting of the Company held on August 11, 2025.

Terms of reference:

The terms of reference of the Audit Committee, inter alia, include the following:

- Oversight of the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are accurate, adequate, and credible.
- Examination and review of financial statements and auditor's reports thereon before submission to the Board for approval.
- Review of all financial transactions, including inter-corporate loans and investments, utilization of funds, related party transactions, and the overall financial position of the Company.
- Recommendation for appointment, remuneration, and terms of appointment of the Statutory Auditors, and approval of remuneration for other services rendered by them.
- Review and monitoring of the independence and performance of auditors and effectiveness of the audit process.
- Review of the performance of Statutory and Internal Auditors and adequacy of internal control systems.
- Evaluation of internal financial controls and risk management systems.
- Review of the functioning of the vigil mechanism/whistle blower mechanism.
- Review of statements of deviations submitted to monitoring agencies.
- Approval of policies relating to the implementation of the Insider Trading Code and oversight of its compliance.
- Approval or any subsequent modification of related party transactions.

Nomination and remuneration committee (NRC)

The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

Composition, meetings and attendance during the year:

Four meetings of the Committee were held during the year. The details of the meetings and attendance of members of the Committee at these meetings are given below:

Name of the NRC member	Designation	NRC Meetings held on				Attendance %
		May 17, 2025	August 06, 2025	November 07, 2025	February 11, 2026	
Prof. S. Ganapaty	Chairman	Participation by video conference	Participation by video conference	Present	Present	100%
Dr. Ramesh B.V. Nimmagadda	Member	Present	Present	Present	Present	100%
Prof. Sunaina Singh	Member	Present	Participation by video conference	Present	Present	100%
Mr. K.V. Chowdary	Member	Present	Present	Present	Present	100%
% Attendance at meeting		100%	100%	100%	100%	100%

Present Participation by video conference

Prof. S. Ganapaty, Chairman of the Nomination and Remuneration Committee, attended the 35th Annual General Meeting of the Company held on August 11, 2025.

Terms of reference:

The terms of reference of the Nomination and Remuneration Committee, inter alia, include the following:

- Formulation of criteria for determining qualifications, positive attributes, and independence of Directors, and recommendation to the Board of a policy relating to the remuneration of Directors, Key Managerial Personnel, and other employees.
- Formulation of criteria for evaluation of the performance of the Board, its Committees, and individual Directors, including Independent Directors, and review of the policy on Board diversity.
- Identification and evaluation of persons for appointment to the Board and Senior Management in accordance with the prescribed criteria, and recommendation to the Board for their appointment and/or removal.
- Assisting the Board and Independent Directors in carrying out performance evaluation of the Board, its Committees, and individual Directors.
- Recommendation to the Board of remuneration payable to Senior Management personnel.
- Administration and monitoring of the Employees' Stock Option Scheme(s), including formulation of terms and conditions relating to grant, vesting, exercise, and other matters, and making appropriate adjustments in case of corporate actions.
- Carrying out such other functions as may be assigned by the Board or as may be required under applicable laws, regulations, or statutory modifications from time to time.

Stakeholders relationship committee (SRC)

The composition and terms of reference of the Stakeholders' Relationship Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

Composition, meetings, and attendance during the year:

One meeting of the Committee was held during the year. The details of the meetings and attendance of members of the Committee at the meeting is given below:

Name of the SRC member	Designation	SRC Meeting held on	Attendance %
		May 17, 2025	
Dr. Ramesh B.V. Nimmagadda	Chairman	Present	100%
Prof. Sunaina Singh	Member	Present	100%

Name of the SRC member	Designation	SRC Meeting held on May 17, 2025	Attendance %
Mr. K.V. Chowdary[1]	Member	👤	100%
Dr. S. Devendra Rao	Member	🖥	100%
% Attendance at meeting		100%	100%

👤 👤 Present 🖥 Participation by video conference

[1] Mr. K.V. Chowdary ceased to be the Member of the SRC with effect from August 06, 2025.

Dr. Ramesh B.V. Nimmagadda, Chairman of the Stakeholders Relationship Committee, attended the 35th Annual General Meeting of the Company held on August 11, 2025.

Terms of reference:

The terms of reference of the Stakeholders' Relationship Committee, inter alia, include the following:

- Resolving grievances of the security holders of the Company, including complaints relating to transfer/transmission of shares, non-receipt of annual reports, non-receipt of declared dividends, issue of new or duplicate share certificates, and matters relating to general meetings.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of services rendered by the Registrar and Share Transfer Agent.
- Review of measures and initiatives undertaken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants, annual reports, and statutory notices by the shareholders.

Investor grievance redressal:

During the financial year under review, the Company received 102 complaints from shareholders/investors. All complaints were duly addressed and resolved to the satisfaction of the investors, and no complaints were outstanding as on March 31, 2026.

Compliance officer:

Mr. M. Satish Choudhury, Company Secretary of the Company, has been designated as the Compliance Officer for the purpose of addressing shareholders'/investors' grievances and ensuring compliance with the applicable provisions of the SEBI Listing Regulations. He is also the Nodal Officer for the purposes of the Investor Education and Protection Fund Rules.

Corporate social responsibility committee (CSR Committee)

The composition and terms of reference of the Corporate Social Responsibility Committee are in compliance with the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder.

Composition, meetings, and attendance during the year:

Four meetings of the Committee were held during the year. The details of the meetings and attendance of members of the Committee at these meetings are given below:

Name of the CSR Committee member	Designation	CSR meetings held on				Attendance %
		May 17, 2025	August 06, 2025	November 07, 2025	February 10, 2026	
Dr. Ramesh B.V. Nimmagadda	Chairman	👤	👤	👤	👤	100%
Dr. Murali K. Divi	Member	👤	👤	👤	👤	100%
Ms. Nilima Prasad Divi	Member	👤	👤	👤	👤	100%
% Attendance at meeting		100%	100%	100%	100%	100%

👤 👤 Present 🖥 Participation by video conference

Terms of reference:

The terms of reference of the Corporate Social Responsibility Committee, inter alia, include the following:

- Formulation and recommendation to the Board of the Corporate Social Responsibility (CSR) Policy, indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommendation of the amount of expenditure to be incurred on CSR activities in accordance with the CSR Policy.
- Formulation and recommendation of the annual CSR action plan, including the list of CSR projects or programmes to be undertaken during the financial year.
- Monitoring the implementation of CSR projects/ programmes and ensuring adherence to the CSR Policy of the Company.
- Providing guidance on CSR initiatives undertaken by the Company from time to time.
- Recommending appointment of an independent agency/ firm for undertaking impact assessment, wherever applicable.

Risk management and sustainability committee (RMSC)

The composition and terms of reference of the Risk Management and Sustainability Committee are in compliance with the provisions of Regulation 21 of the SEBI Listing Regulations.

Composition, meetings and attendance during the year:

Two meetings of the Committee were held during the year. The details of the meetings and attendance of members of the Committee at these meetings are given below:

Name of the RMSC member, Designation of non-director members	Designation	RMSC Meetings held on		Attendance %
		May 17, 2025	November 07, 2025	
Dr. Kiran S. Divi	Chairman			100%
Ms. Nilima Prasad Divi	Member			100%
Dr. S. Devendra Rao	Member			100%
Prof. S. Ganapaty	Member			100%
Mr. L. Ramesh Babu (Vice President -Procurement)	Member			100%
Mr. L. Kishore Babu[1] (Chief Financial Officer)	Member		NA	100%
% Attendance at meeting		100%	100%	100%

Present Participation by video conference NA - Not Applicable

[1]Mr. L. Kishore Babu ceased to be the Member of the Committee with effect from August 01, 2025.

Terms of reference:

The terms of reference of the Risk Management and Sustainability Committee, inter alia, include the following:

- Formulation of a comprehensive risk management policy, including a framework for identification of internal and external risks faced by the Company, such as financial, operational, sectoral, sustainability, information and cybersecurity risks, and such other risks as may be determined by the Committee, along with measures for risk mitigation, internal control systems, and business continuity plan.
- Ensuring that appropriate methodologies, processes, and systems are in place to identify, monitor, and evaluate risks associated with the Company's business.
- Monitoring and overseeing the implementation of the risk management policy, including evaluation of the adequacy and effectiveness of the risk management systems.
- Periodic review of the risk management policy, at least once in two years, taking into account evolving industry dynamics and the changing risk landscape.

- Oversight of the Company's disclosures and compliance with statutory requirements relating to Environmental, Social, and Governance (ESG), including the Business Responsibility and Sustainability Report (BRSR), as applicable.
- Review and monitoring of the Company's sustainability and ESG goals and targets.
- Oversight of the Company's strategies, policies, and practices relating to sustainability and ESG matters.

Senior management

The details of Senior Management personnel, as defined under the SEBI Listing Regulations, as on March 31, 2026, including changes during the financial year 2025-26, are provided below:

A. Senior management as on March 31, 2026

S. No.	Name	Designation
1	Mr. Satya Prakash Divi	Vice President – Sales, Marketing & Logistics
2	Mr. Venkatesa Perumallu Pasumarthy (Appointed w.e.f. August 01, 2025)	Chief Financial Officer (KMP)
3	Dr. P. Srinivasa Rao	Chief Technologist – PDSC
4	Mr. M. Ramesh Babu	Chief Technologist – PDSC
5	Mr. Y.T.S. Prasad	Global Quality Head
6	Mr. S. Ramakrishna	Vice President – Production
7	Mr. L. Ramesh Babu	Vice President – Procurement
8	Dr. L.V. Ramana	Vice President – Production
9	Mr. D. Madhu Babu	Vice President – Projects
10	Mr. K. Subba Rao	General Manager – P&A/HR
11	Mr. E.S.V.S. Rama Krishna Prasad	General Manager – Engineering
12	Mr. V. Naga Sekhar	General Manager – Engineering
13	Mr. S. Balaji	General Manager – ECD
14	Mr. Manoranjan Jasti	Chief Information Officer
15	Mr. Ravi Suresh	Deputy General Manager – Engineering
16	Mr. M. Satish Choudhury	Company Secretary & Compliance Officer (KMP)
17	Mr. N.V. Anirudh (Appointed w.e.f. November 07,2025)	President (Nutraceuticals)

B. Cessations during the financial year 2025–26

The following individuals ceased to be members of the Senior Management of the Company during the financial year due to superannuation:

1. Mr. Y.S. Koteswara Rao, General Manager – P&A, with effect from September 05, 2025;
2. Mr. L. Kishore Babu, Chief Financial Officer (KMP), with effect from August 01, 2025; and
3. Mr. G. Hemanth Kumar, Vice President – Production, with effect from April 30, 2025.

Subsidiary companies

The Company does not have any material subsidiaries. The Corporate Governance requirements with respect to subsidiaries, as stipulated under Regulation 24 of the SEBI Listing Regulations, have been duly complied with.

The Audit Committee and the Board periodically review the performance of the Company's unlisted wholly owned subsidiaries, namely, Divis Laboratories (USA) Inc. and Divi's Laboratories Europe AG, on a quarterly basis.

General body meetings

Annual general meetings:

The details of the Annual General Meetings (AGMs) held during the preceding three financial years, including the date, time, venue, and special resolutions passed thereat, are provided below:

Date and time	Special resolution(s) passed	Venue
August 11, 2025 10.00 a.m. IST	No special resolutions were passed.	The AGMs for the preceding three financial years were held through video conferencing/other audio-visual means (VC/OAVM) in compliance with the applicable regulatory requirements. The deemed venue for these meetings was the registered office of the Company at 1-72/23(P)/DIVIS/303, Divi Towers, Cyber Hills, Gachibowli, Hyderabad – 500 032, Telangana, India.
August 12, 2024 10.00 a.m. IST	1. Appointment of Dr. Rajendra Kumar Premchand, (DIN: 00895990), as an Independent Director. 2. Re-appointment of Dr. Murali K. Divi (DIN: 00005040) as Managing Director of the Company. 3. Re-appointment of Mr. N.V. Ramana (DIN: 00005031) as Executive Director of the Company. 4. Re-appointment of Mr. K.V. Chowdary (DIN: 08485334) as an Independent Director of the Company.	
August 28, 2023 10.00 a.m. IST	No special resolutions were passed.	

Resolutions through postal ballot during the year:

During the financial year under review, no resolutions were passed through postal ballot.

Means of communication

Website: The Company's website, www.divislabs.com, has a dedicated section titled "Investor Relations" which hosts information required to be disclosed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations and the Companies Act, 2013. The information available under this section, inter alia, includes details of the Company, Board and Board Committees, various policies and codes adopted by the Company, annual reports, quarterly financial results and other compliance filings, financial statements of subsidiaries, transcripts of quarterly earnings calls, details of unclaimed dividends and shares transferred to the Investor Education and Protection Fund (IEPF), communications to shareholders, information on closure of the trading window, official press releases, investor presentations (if any), and submissions made to the stock exchanges.

Quarterly earnings calls: The Management engages with investors on a quarterly basis to provide updates on the Company's operations and business performance. The schedule and relevant details of such quarterly investor calls, along with the audio recordings and transcripts thereof, are duly intimated to the stock exchanges and hosted on the Company's website.

Annual reports: The Annual Report, inter alia, comprising the audited standalone and consolidated financial statements, Board's Report, Management Discussion and Analysis Report, Corporate Governance Report, Business Responsibility and Sustainability Report, Auditor's Report, Notice of the Annual General Meeting, and other relevant information, is sent to the registered email addresses of the Members. The same is also made available on the Company's website. Physical copies of the Annual Report are provided to Members upon specific request.

Stock exchange filings: The Company regularly submits various periodic and event-based disclosures and other material information to the stock exchanges, namely, National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Such submissions are disseminated by the stock exchanges on their respective websites for the information of investors. The relevant disclosures filed with the stock exchanges are also made available on the Company's website.

Newspaper publications: Brief financial results and other statutory communications, including notices, intimations, record dates for corporate actions, dates of general meetings, and e-voting information, are published from time to time in the all-India editions of Financial Express and the Hyderabad edition of Andhra Prabha, in compliance with applicable statutory requirements.

Letters / e-mails / SMS to Members: The Company communicated with its shareholders through various letters, emails, and SMS during the financial year. Such communications, inter alia, included reminders for claiming unclaimed/unpaid dividends, dematerialisation of shares, updating of email addresses, PAN and bank account details, and information relating to deduction of tax at source on dividends. Further, email and SMS reminders are sent to Members at the commencement of the e-voting period for proposed resolutions, with a view to encouraging greater shareholder participation.

General shareholder information

Annual General Meeting (AGM) details	**Monday, August 10, 2026 at 10:00 a.m. (IST).** The **36th AGM** will be held through video conferencing / other audio-visual means only. Deemed venue of the AGM is 1-72/23(P)/DIVIS/303, Divi Towers, Cyber Hills, Gachibowli, Hyderabad – 500 032, Telangana, India.	
Financial year	April 1 to March 31	
Dividend	The Board of Directors has recommended a dividend of ₹30 per equity share of face value ₹2 each (1,500%) for the financial year ended March 31, 2026, subject to the approval of the Members at the ensuing Annual General Meeting. The record date for determining entitlement to the said dividend is **July 24, 2026**. Upon approval by the Members, the dividend will be paid on or after August 13, 2026.	
ISIN	INE361B01024	
CIN	L24110TG1990PLC011854	
Listing on stock exchanges	**National Stock Exchange of India Limited (NSE)** Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051.	**BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
	The listing fee for the financial year 2026-27 has been paid to both the Stock Exchanges.	
Registrars & transfer agent (RTA)	KFin Technologies Limited CIN: L72400MH2017PLC444072 Phone No: +91 40-67161526; Fax: +91 40-23001153 Toll Free No. 1800 309 4001 E-mail: einward.ris@kfintech.com Website: www.kfintech.com	
	Address For Correspondence: Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, India.	**Registered Office:** 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai – 400 070, Maharashtra, India. Ph.no : +022 4617 0911

Share transfer systems

As mandated by SEBI, securities of the Company can be transferred/traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

Special window for re-lodgement of transfer requests of physical shares

Pursuant to SEBI Circulars dated July 2, 2025, the Company opened a special window for physical shareholders to facilitate the re-lodgement of transfer deeds that were originally lodged prior to April 1, 2019, and rejected/ returned, due to deficiency in the documents. The re-lodgement window started for a period of 6 months from July 7, 2025, to January 6, 2026.

In terms of SEBI Circular dated January 30, 2026, another special window has been opened for a period of 1 year from February 5, 2026, to February 4, 2027. Shareholders may note that securities transferred under the special window shall be mandatorily credited in demat mode and shall be under lock-in for a period of one year from the date of transfer. Such securities shall not be transferred/ lien-marked/pledged during the said lock-in period. Shareholders are encouraged to take advantage of this opportunity by submitting the necessary documents to the Company's RTA i.e. KFin Technologies Limited.

Shareholding pattern

Sl No.	Category of shareholder	As on March 31, 2026 Number of shareholders	As on March 31, 2026 Number of shares	As on March 31, 2026 As % of total shares	As on March 31, 2025 Number of shareholders	As on March 31, 2025 Number of shares	As on March 31, 2025 As % of total shares	% Change
A	Promoter and promoter group							
1	Indian	6*	13,77,35,090	51.88	6*	13,77,55,090	51.89	0.01
B	Public shareholders							
1	Institutions (Domestic)	92	5,10,22,040	19.22	106	5,49,68,487	20.71	1.49
2	Institutions (Foreign)	746	5,38,65,707	20.29	813	4,78,12,211	18.01	2.28
3	Central Government/ State Government(s)/ President of India	4	3,602	0.00	3	2,492	0.00	0
4	Non-institutions	2,27,158	2,28,42,141	8.6	2,66,827	2,49,30,300	9.39	0.79
	Total	**2,28,006**	**26,54,68,580**	**100**	**2,67,755**	**26,54,68,580**	**100**	

** One of the Promoter Group member do not hold any shares.*

Distribution of shareholding

Category Number of shares	Holders (after PAN based consolidation)	Shareholding	% of total Shares
1 - 5000	2,26,938	1,17,96,473	4.44
5001 - 10000	410	30,50,886	1.15
10001 - 20000	225	32,05,205	1.21
20001 - 30000	111	27,25,284	1.03
30001 - 40000	64	22,77,288	0.86
40001 - 50000	26	11,65,991	0.44
50001 - 100000	92	64,96,273	2.45
100001 and above	140	23,47,51,180	88.43
Total	**2,28,006**	**26,54,68,580**	**100.00**

Dematerialisation of shares

As mandated by SEBI, securities of the Company can be transferred/traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

The following is the mode of shares held by Members of the Company as on March 31, 2026:

Mode of holding	Number of shares	% of total shares
NSDL	25,81,21,250	97.23
CDSL	72,77,939	2.74
Physical	69,391	0.03
Total	**26,54,68,580**	**100**

Liquidity

The Company's equity shares are actively traded on the Indian Stock Exchanges i.e. BSE and NSE. Relevant data for the average daily turnover of equity shares for the FY 2025-26 is given below:

Particulars	BSE	NSE	Total
Number of shares	13,476	4,14,363	4,27,839
Value in ₹ crores	8.47	260.84	269.31
Number of trades	1,953	43,161	45,114

Note: This information is compiled from the data available on the websites of BSE and NSE.

Outstanding depository receipts / any convertible instruments

The Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instruments.

Commodity price risk / foreign exchange risk and hedging activities

The Company's business is not exposed to any commodity price risk. The Company's payables and receivables are partly in foreign currencies and due to fluctuations in foreign exchange rates, it is subject to currency risks. The Company has in place a robust risk management framework for identification, monitoring and mitigation of various risks including foreign exchange risk. Please refer the risk management section of the Management Discussion and Analysis Report for further details.

Plant locations

The Company has 3 manufacturing facilities and the details of plants at each facility is as follows:

I) Choutuppal Mandal, Yadagiri Bhuvanagiri District, Telangana:

Name of plant
DTA Unit Lingojigudem Village, Choutuppal Mandal Yadagiri Bhuvanagiri District, Telangana, Pin Code - 508252
DC SEZ Unit Lingojigudem Village, Choutuppal Mandal Yadagiri Bhuvanagiri District, Telangana, Pin Code - 508252

II) Bheemunipatnam Mandal, Visakhapatnam District, Andhra Pradesh:

Name of plant
Export Oriented Unit Chippada Village, Bheemunipatnam Mandal Visakhapatnam District, Andhra Pradesh, Pin Code - 531163
Divi's Pharma SEZ Unit Chippada Village, Bheemunipatnam Mandal Visakhapatnam District, Andhra Pradesh, Pin Code - 531163
DSN SEZ Unit Chippada Village, Bheemunipatnam Mandal Visakhapatnam District, Andhra Pradesh, Pin Code - 531163
DCV SEZ Unit Chippada Village, Bheemunipatnam Mandal Visakhapatnam District, Andhra Pradesh, Pin Code - 531163

III) Thondangi Mandal, Kakinada District, Andhra Pradesh:

Name of plant
Export Oriented Unit Ontimamidi Village (Kona), Thondangi Mandal, Kakinada District, Andhra Pradesh, Pin Code - 533408

Transfer of unclaimed dividend and shares to IEPF

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013 read with the rules framed thereunder, the dividend lying in the Unpaid Dividend Account which remains unpaid or unclaimed for a period of seven consecutive years, along with the underlying shares, is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) Authority. However, this requirement does not apply to shares in respect of which there is a specific order of a Court, Tribunal, or Statutory Authority restraining any transfer of such shares.

The Company sends periodic reminders to the shareholders to claim their dividends to avoid transfer of dividends/ shares to the IEPF Authority. Notices in this regard are also published in newspapers. The details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority are available on the Company's website at https://www.divislabs.com/investor-relations/reports-and-filings/unclaimed-divided/.

The Company has transferred eligible unclaimed dividend amounts up to the financial year 2017-18 to the IEPF Authority as per statutory requirements, along with corresponding shares where applicable. Further, the details of unpaid and unclaimed dividends lying with the Company as on March 31, 2026, have been uploaded on the Company's website and on the website of the Ministry of Corporate Affairs.

Details of shares transferred to the IEPF Authority are available on the Company's website at https://www.divislabs.com/investor-relations/reports-and-filings/unclaimed-dividend/ and also on the website of the IEPF Authority (www.iepf.gov.in).

Members are requested to claim their respective unclaimed dividends at the earliest.

The due dates for transfer of unclaimed dividends to the IEPF Authority for the financial year 2018-19 and onwards are as follows:

Financial year	Date of declaration of dividend	Amount outstanding as on March 31, 2026 (₹)	Due for transfer to IEPF
2018-2019	23.08.2019	8,93,088	22.09.2026
2019-2020	12.02.2020 (Interim)	7,52,496	11.03.2027
2020-2021	30.08.2021	6,79,505	07.10.2028
2021-2022	22.08.2022	10,66,370	29.09.2029
2022-2023	28.08.2023	12,61,758	04.10.2030
2023-2024	12.08.2024	15,71,477	18.09.2031
2024-2025	11.08.2025	28,00,727	17.09.2032

The Company has sent individual notices to all shareholders whose shares are due to be transferred to the IEPF Authority. Members are requested to visit the Company's website to ascertain the details of shares liable for transfer to the IEPF Authority.

Shareholders whose unclaimed dividend and/or shares have been transferred to the IEPF Authority may claim the same by following the refund procedure prescribed by the Authority, as detailed on its website: https://www.iepf.gov.in/IEPF/refund.html.

Further, pursuant to the provisions of the IEPF Rules, the Board of Directors has appointed Mr. M. Satish Choudhury as the Nodal Officer and Ms. Deepa Kumari as the Deputy Nodal Officer of the Company. They are responsible for verification of claims of shareholders pertaining to shares transferred to the IEPF Authority and/or refund of dividends from the IEPF Authority, and for coordination with the Authority. The contact details of the Nodal Officer and Deputy Nodal Officer are available on the Company's website.

Address for correspondence

All correspondence from Members should be addressed to KFin Technologies Limited, the Registrar and Share Transfer Agent of the Company, or to the Company at its Registered Office at the addresses mentioned below:

Registrar and Share Transfer Agent:	Company: Company Secretary & Compliance Officer, and Nodal Officer under IEPF
Kfin Technologies Limited	Mr. M. Satish Choudhury
Unit: Divi's Laboratories Limited	**Divi's Laboratories Limited**
Selenium Tower B, Plot No. 31 – 32,	1-72/23(P)/DIVIS/303, Divi Towers,
Financial District, Nanakramguda,	Cyber Hills, Gachibowli,
Serilingampally, Hyderabad - 500032,	Hyderabad – 500 032,
Rangareddy, Telangana, India	Telangana, India
Phone No: +91 40-67161526;	Phone: +91 40 66966352;
Fax: +91 40-23001153	Fax: +91 40-66966460
Toll Free No. 1800-3454-001	E-mail: cs@divislabs.com/mail@divislabs.com
E-mail: einward.ris@kfintech.com	Website: www.divislabs.com

Credit rating

During the financial year, CARE Ratings Limited has reaffirmed the credit ratings assigned to the Company's bank facilities as CARE AA+ (Outlook: Stable) for long-term bank facilities and CARE AA+ (Stable) / CARE A+ for long/short-term bank facilities, reflecting the Company's consistent financial performance and stable credit profile.

Other disclosures

Dividend distribution policy

The Board of Directors has adopted a Dividend Distribution Policy in accordance with the requirements of the SEBI Listing Regulations, 2015 and the Companies Act, 2013. The Policy is available on the Company's website at https://www.divislabs.com/DividendDistributionPolicy.pdf.

Disclosures on materially significant related party transactions

The Company has not entered into any materially significant related party transactions that may have a potential conflict with the interests of the Company. All related party transactions during the financial year were in the ordinary course of business and on an arm's length basis, and have been duly disclosed in Note 31 of the standalone financial statements forming part of the Annual Report.

The Policy on Related Party Transactions is available on the Company's website at https://www.divislabs.com/investor-relations/policies-documents/.

Details of non-compliance by the Company, penalties, strictures imposed on the Company on any matter related to capital markets, during the last three years

There has been no instance of non-compliance by the Company on any matter relating to capital markets during the last three years and, consequently, no penalties or strictures have been imposed on the Company by SEBI or the stock exchanges.

Whistle blower policy / Vigil mechanism

The Company has established a Whistle Blower Policy as part of its commitment to corporate transparency, providing a mechanism for directors and employees to report, in good faith, instances of unethical behaviour, actual or suspected fraud, or violations of the Code of Ethics and Business Conduct to the Vigilance Officer or the Chairman of the Audit Committee. The mechanism includes adequate safeguards against victimization and provides for direct access to the Chairman of the Audit Committee in exceptional cases, and no personnel have been denied such access. The Policy is available on the Company's website at https://www.divislabs.com/investor-relations/policies-documents/.

Material subsidiary companies

The Company has two wholly owned subsidiary companies, which are not material subsidiaries in accordance with the Company's Policy for determining material subsidiaries. The Policy is available on the website of the Company at https://www.divislabs.com/investor-relations/policies-documents/.

The Audit Committee and Board review the financial statements of the subsidiary companies quarterly. During the year, the Board took on record the minutes of the Board meetings of the subsidiary companies.

Certificate of non-disqualification of directors

A certificate from M/s. V. Bhaskara Rao & Co., Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority, is forming part of this Report.

Fees paid for the services of Auditors

Details of the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor of the Company is a part, are as follows:

(₹ in crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
As Statutory Auditor	0.55	0.45
For quarterly reviews	0.30	0.30
Re-imbursement of expenses	0.04	0.03
Total payments to auditors	**0.89**	**0.78**

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, statement of complaints for the financial year ended March 31, 2026, is as follows:

Particulars	Number
Number of complaints pending as on beginning of the financial year	Nil
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of financial year	Nil

Other:

- The Company has complied with the mandatory requirements of corporate governance as specified in Regulations 17 to 27; clauses (b) to (i) of Regulation 46(2) and Schedule V of the SEBI Listing Regulations.
- The Company or its subsidiaries has not given any loans or advances to any firm / company in which its directors are interested.
- During financial year, the Company has not raised any funds through preferential allotment or qualified institutional placement.
- During the year under review, the Board of Directors has accepted all the recommendations of the Committees of the Board.

- The securities of the Company were not suspended from trading at any time during the year.
- There are no agreements with any party as defined in Schedule III, Para A, Clause 5A of SEBI Listing Regulations, which impact the management or control of the Company or impose any restriction or create any liability upon the Company.

Adoption of mandatory and discretionary requirements

The Company has complied with all the mandatory requirements of the corporate governance as stipulated in Schedule V of the SEBI Listing Regulations.

Status of adoption of the discretionary requirements pursuant to Regulation 27(1) of the SEBI Listing Regulations read with Part E of Schedule II is as under:

The Board: Our Chairperson is a non-executive Director and does not maintain a Chairperson's office at the Company's expense. However, the Company, from time to time, reimburses the expenses in relation to the Chairperson's office in connection with performance of his duties as the Chairperson of the Company.

Shareholder rights: Half-yearly and other quarterly financial results are uploaded on Company's website www.divislabs.com and information about publication of financial results along with QR code for accessing the same are published in the newspapers.

Audit qualifications: The Company strives to follow a regime of unmodified opinion of Auditors on financial statements. The Auditors' Reports on the financial statements for the financial year 2025-26 are with an unmodified opinion.

Separate posts of Chairperson and the Managing Director: In view of the SEBI's mandate which later became discretionary, the Board of Directors of the Company separated the posts of Chairperson and the Managing Director with effect from April 01, 2020. Dr. Ramesh B.V. Nimmagadda, Independent Director of the Company is acting as non-executive Chairman and Dr. Murali K. Divi is the Managing Director of the Company.

Reporting of internal auditor: The Internal Auditors of the Company report to the Audit Committee and make detailed presentation at quarterly meetings.

CEO and CFO certification

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company provide an annual certification on financial reporting and internal controls to the Board in accordance with Regulation 17(8) of the SEBI Listing Regulations and the said certificate for the year ended March 31, 2026 forms part of this Report. Further, the CEO and CFO also provide quarterly certifications on financial results to the Board in terms of Regulation 33(2) of the SEBI Listing Regulations.

Compliance certificate

A certificate from Mr. V. Bhaskara Rao of M/s. V. Bhaskara Rao & Co., Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the SEBI Listing Regulations forms part of this Report.

Certificate on compliance with Code of Ethics and Business Conduct

The Company has adopted a Code of Ethics and Business Conduct ("the Code") applicable to Directors, Senior Management and all employees, which is comprehensive in nature and is available on the Company's website at www.divislabs.com. The Code has been circulated to all members of the Board and Senior Management, and compliance with the same has been affirmed by them. A declaration signed by the Chief Executive Officer and Managing Director is as follows:

We hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code in respect of the financial year 2025-26.

For and on behalf of the Board

	Dr. Murali K. Divi	**Dr. Kiran S. Divi**
	Managing Director	Whole-time Director & Chief Executive Officer
Date: May 23, 2026	DIN: 00005040	DIN: 00006503
	Place: London	Place: Hyderabad

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors
Divi's Laboratories Limited,
CIN: L24110TG1990PLC011854
1-72/23(P)/DIVIS/303,
Divi Towers Cyber Hills, Gachibowli,
Hyderabad, Telangana-500032.

We have examined the relevant registers, records, forms, returns and disclosures (hereinafter referred to as 'relevant documents') produced to us by **Divi's Laboratories Limited**, bearing CIN L24110TG1990PLC011854 and having Registered Office at 1-72/23(P)/DIVIS/303, Divi Towers, Cyber Hills, Gachibowli, Hyderabad, Telangana-500032 (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on our examination of relevant documents made available to us by the Company and such other verifications carried out by us as deemed necessary and to the extent possible, in our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that, for the financial year ending on March 31, 2026, none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of Appointment
1.	Dr. Murali Krishna Prasad Divi	00005040	12-10-1990
2.	Mr. Nimmagadda Venkata Ramana	00005031	01-10-1994
3.	Dr. Satchandra Kiran Divi	00006503	10-08-2001
4.	Dr. S. Devendra Rao	10481393	10-02-2024
5.	Ms. Nilima Prasad Divi	06388001	27-06-2017
6.	Dr. Rameshbabu Venkata Nimmagadda	07854042	27-06-2017
7.	Prof. Ganapaty Seru	07872766	22-07-2017
8.	Prof. Sunaina Singh	08397250	28-03-2019
9.	Mr. Kosaraju Veerayya Chowdary	08485334	04-01-2020
10.	Dr. Rajendra Kumar Premchand	00895990	25-05-2024

Ensuring that the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V. Bhaskara Rao & Co.,
Company Secretaries

V. Bhaskara Rao
Partner
FCS No.5939, CP No.4182
Peer Review No.6351/2025
UDIN: F005939H000449789

Date: May 23, 2026
Place: Hyderabad

Certification of Chief Executive Officer and Chief Financial Officer

[Pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Board of Directors
Divi's Laboratories Limited

We, Dr. Kiran S. Divi, Whole-time Director & Chief Executive Officer appointed in terms of the Companies Act, 2013 and Mr. Venkatesa Perumallu Pasumarthy, Chief Financial Officer of Divi's Laboratories Limited ("the Company") hereby certify that:

1. We have reviewed the financial statements, and the cash flow statements (both standalone and consolidated) of the Company for the year ended March 31, 2026 and to the best of our knowledge and belief these statements;
   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that:
   i. there are no significant changes in internal controls over financial reporting during the year;
   ii. there are no significant changes in accounting policies during the year; and
   iii. there are no instances of significant fraud of which we have become aware.

For Divi's Laboratories Limited

Dr. Kiran S. Divi
Whole-time Director &
Chief Executive Officer
DIN: 00006503

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

Place: Hyderabad
Date: May 23, 2026

Certification on Corporate Governance

To
The Members of
Divi's Laboratories Limited,
CIN: L24110TG1990PLC011854,
1-72/23(P)/DIVIS/303, Divi Towers,
Cyber Hills, Gachibowli,
Hyderabad -500032.

We have examined the compliance of conditions of Corporate Governance by Divi's Laboratories Limited ('the Company'), for the year ended March 31, 2026, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulations 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time.

The Compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation, and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Our examination was limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2026.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For V. Bhaskara Rao & Co.,
Company Secretaries

V. Bhaskara Rao
Partner
FCS No.5939, CP No.4182
Peer Review No.6351/2025
UDIN: F005939H000449756

Date: May 23, 2026
Place: Hyderabad

Board's Report

Dear Members,

Your Directors are pleased to present the 36th Annual Report of Divi's Laboratories Limited (the Company or Divi's), together with the audited standalone and consolidated financial statements for the financial year ended March 31, 2026.

The consolidated performance of the Company and its subsidiaries (the Group) has been referred to wherever considered necessary.

Financial highlights and company affairs

The Company continued to demonstrate resilience and steady performance during the year under review. The Company's financial performance (standalone and consolidated) for the year ended March 31, 2026, is summarized below:

(₹ in crores)

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations	10,388	9,198	10,560	9,360
Other income	506	352	507	352
Total income	10,894	9,550	11,067	9,712
Expenditure before depreciation and finance costs	6,974	6,219	7,193	6,392
Profit before depreciation, finance costs and tax (PBDIT)	3,920	3,331	3,874	3,320
Depreciation	461	401	463	402
Finance costs	23	1	23	2
Profit before tax (PBT)	3,436	2,929	3,388	2,916
Tax expense:				
Current tax	869	793	868	799
Deferred tax	(40)	(73)	(48)	(74)
Total tax expense	829	720	820	725
Profit after tax (PAT)	2,607	2,209	2,568	2,191
Other comprehensive income (Net of tax)	6	(2)	21	3
Total comprehensive income	2,613	2,207	2,589	2,194
Earnings per share of ₹2/- each (EPS) Basic & Diluted (in ₹)	98.19	83.20	96.75	82.53

Operations for the year:

The financial year 2025-26 was marked by a challenging global environment, with evolving geopolitical and trade dynamics. Despite this, the Company demonstrated resilience through agile decision-making, operational stability and a diversified sourcing strategy.

During the year, the Company delivered steady performance across its businesses. The Company continued to invest in capacity expansion and backward integration, enhancing its ability to support future growth. With a continued focus on quality, compliance, operational excellence and sustainability, the Company remains well-positioned to leverage long-term industry opportunities while maintaining prudent financial and risk management.

Standalone financial performance

The Company recorded revenue from operations of ₹10,388 crores during the financial year, reflecting a growth of 13% over the previous year. Total income stood at ₹10,894 crores, while profit before tax and profit after tax is ₹3,436 crores and ₹2,607 crores, respectively. The tax expense for the year was ₹829 crores.

Consolidated financial performance

The Group recorded total income of ₹11,067 crores during the financial year, with profit before tax and profit after tax at ₹3,388 crores and ₹2,568 crores, respectively. The consolidated performance largely reflects the standalone operations of the Company.

The consolidated financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 (Act) and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (SEBI Listing Regulations), in compliance with applicable Indian Accounting Standards (Ind AS), and together with the Auditor's Report thereon, forms part of this Annual Report.

Dividend

The Board of Directors has recommended a dividend of ₹30/- per equity share of face value ₹2/- each (1,500%) for the financial year ended March 31, 2026, in accordance with the Company's Dividend Distribution Policy. The total dividend payout for the year amounts to ₹796 crores, representing 31% of the standalone profit after tax.

The dividend is subject to approval of the Members at the ensuing Annual General Meeting (AGM) and will be subject to deduction of tax at source. The record date for determining the eligibility of Members entitled to receive the dividend, if declared at the AGM, is July 24, 2026.

Pursuant to Regulation 43A of the SEBI Listing Regulations, the Dividend Distribution Policy is available on the Company's website at: https://www.divislabs.com/investor-relations/policies-documents/.

Transfer to reserves

The Company has not proposed to transfer any amount to the General Reserve on declaration of dividend.

Capital expenditure

The Company continues to make steady progress on its capital expenditure programmes. The Kakinada (Unit 3) project, operational since January 2025, is being scaled up in phases and supports backward integration through production of select starting materials and intermediates, while enabling release of GMP capacity at existing units.

In addition, capital expenditure programmes at Unit 1 and Unit 2 are progressing across various stages of implementation and regulatory approvals. These projects, backed by long-term business commitments, are focused on capacity expansion and enhancement of capabilities in complex chemistries.

The property, plant and equipment and intangible assets aggregating to ₹1,544 crores were capitalized during the financial year. Capital work-in-progress across all locations as of March 31, 2026, amounts to ₹2,113 crores.

Material changes and commitments affecting the financial position between the end of the financial year and the date of the report

There have been no material changes or commitments affecting the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

Changes in the nature of business

During the year under review, there was no change in the nature of business of the Company. Further, there was no significant change in the nature of business carried on by its subsidiaries.

Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report (BRSR) for the financial year 2025-26, as required under Regulation 34(2) of the SEBI Listing Regulations, is presented in a separate section and forms part of this Annual Report.

Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review, as required under Regulation 34(2) of the SEBI Listing Regulations, is presented in a separate section and forms part of this Annual Report.

Corporate Governance Report

The Corporate Governance Report, as required under Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, forms part of this Annual Report. A certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is annexed to the said Report.

Credit ratings

During the financial year, CARE Ratings Limited reaffirmed the Company's strong credit ratings for its bank facilities, reflecting its consistent financial performance and stable credit profile.

Subsidiaries

The Company has two wholly owned subsidiaries, Divis Laboratories (USA) Inc. and Divi's Laboratories Europe AG, engaged in marketing and distribution of nutraceutical ingredients used in the food, beverage, dietary supplement, feed and pet food industries, etc., providing enhanced access to customers in their respective regions.

There was no material change in the nature of business of the subsidiaries during the year.

The Company does not have any material subsidiaries, associates or joint ventures. The Policy on determination of material subsidiaries is available on the Company's website at https://www.divislabs.com/investor-relations/policies-documents/.

The Board reviewed the affairs of the subsidiaries during the year. A statement containing salient features of their financial statements and performance in Form AOC-1 is annexed as **Annexure - I** to this Report.

The Audited Standalone Financial Statements of the Company, Audited Consolidated Financial Statements of the Group and the Audited Financial Statements of the subsidiaries, are available on the Company's website at https://www.divislabs.com/investor-relations/.

Directors and Key Managerial Personnel

Appointments / Re-appointments during the year:

Re-appointment on retirement by rotation:

- Mr. N.V. Ramana and Dr. Kiran S. Divi retire by rotation at the forthcoming 36th AGM and, being eligible, offer themselves for re-appointment.

Key Managerial Personnel

The details of Key Managerial Personnel as on March 31, 2026, are as under:

Name	Designation
Dr. Murali K. Divi	Managing Director
Mr. N. V. Ramana	Executive Director
Dr. Kiran S. Divi	Whole-time Director and Chief Executive Officer
Ms. Nilima Prasad Divi	Whole-time Director (Commercial)
Dr. S. Devendra Rao	Whole-time Director (Manufacturing)
Mr. Venkatesa Perumallu Pasumarthy	Chief Financial Officer
Mr. M. Satish Choudhury	Company Secretary and Compliance Officer

During the year, Mr. L. Kishore Babu superannuated as Chief Financial Officer and Key Managerial Personnel of the Company with effect from August 01, 2025. Consequently, Mr. Venkatesa Perumallu Pasumarthy was appointed as Chief Financial Officer and Key Managerial Personnel of the Company with effect from the same date.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulation 25 of the SEBI Listing Regulations, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. They have also affirmed compliance with the Code of Conduct for Independent Directors as set out in Schedule IV of the Act. In the opinion of the Board, the Independent Directors possess the requisite integrity, expertise and experience.

Policy on Directors' appointment and remuneration

As on March 31, 2026, the Board comprised ten Directors, including five Executive Directors and five Non-Executive Independent Directors, with two women Directors.

The appointment of Independent Directors is in accordance with the criteria prescribed under the Act and the SEBI Listing Regulations.

The Company has in place a Nomination and Remuneration Policy, formulated pursuant to applicable provisions and based on the recommendation of the Nomination and Remuneration Committee, which, inter alia, provides for identification of qualified individuals, Board diversity, criteria for appointment and independence, remuneration framework, and performance evaluation of Directors, Key Managerial Personnel and Senior Management. The Policy is available on the Company's website at https://www.divislabs.com/wp-content/uploads/2025/07/Nomination-Remuneration-policy.pdf.

We affirm that the remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

Remuneration details of Directors & KMP and particulars of employees

Pursuant to Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Rules), the prescribed particulars pertaining to remuneration and other details are given in **Annexure – II** to this Report.

The non-executive independent directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, annual remuneration and reimbursement of expenses for attending meetings, if any.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Rules, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of this report. Further, the report and the annual accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining the statement may write to the Company Secretary at cs@divislabs.com.

Number of meetings of the Board

The Board met four times during the financial year. The meeting details are provided in the Corporate Governance Report that forms part of this Report. The intervening gap between the meetings was within the period prescribed under the Act and the SEBI Listing Regulations.

Performance evaluation

The Board carried out an annual evaluation of its own performance, that of its Committees and individual Directors, including Independent Directors, in accordance with the provisions of the Act and the SEBI Listing Regulations. The evaluation was based on structured criteria and guidance issued by SEBI, and was conducted through a formal process involving structured questionnaires and feedback from the Directors.

A separate meeting of the Independent Directors was held, wherein the performance of the Chairman, non-independent Directors and the Board as a whole was evaluated, taking into account the views of non-independent Directors. The performance of Independent Directors was evaluated by the entire Board, excluding the Directors being evaluated. The outcomes of the evaluation process were discussed by the Board and used to enhance overall effectiveness.

Details of the meeting of Independent Directors are provided in the Corporate Governance Report forming part of this Annual Report.

Committees of the Board

As on March 31, 2026, the Board has five Committees, namely the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, and Risk Management and Sustainability Committee.

All the recommendations made by the Committees during the year were duly approved by the Board. Details of the composition of the Board and its Committees are provided in the Corporate Governance Report forming part of this Annual Report.

Public deposit

As the Company has not accepted any deposits from the public covered by provisions of Section 73 of the Act, there was no amount outstanding on account of principal or interest on deposits from public as on the date of the balance sheet.

Loans, guarantees or investments

The Company has not granted any loans or provided any guarantees covered under the provisions of Section 186 of the Act. Details of investments made by the Company are disclosed in the notes to the financial statements forming part of this Annual Report.

Related party transactions

The Company has in place a Policy on Related Party Transactions, in line with the provisions of the Act and the SEBI Listing Regulations, which is available on its website at https://www.divislabs.com/wp-content/uploads/2025/07/Policy-on-Related-Party-Transactions.pdf.

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. All related party transactions and subsequent modifications are placed before the Audit Committee for review and approval.

Prior omnibus approval is obtained for related party transactions on a quarterly basis for transactions which are of repetitive nature and/ or entered in the ordinary course of business and are at arm's length. All contracts and arrangements with related parties were at arm's length and in the ordinary course of business of the Company. There are no materially significant related party transactions entered into by the Company with related parties which may have potential conflict of interest with the Company at large. Statement of transactions with related parties during the year is given at Note No. 31 of the Notes to standalone financial statements.

In accordance with Section 134(3)(h) of the Act, and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of the contracts or arrangements with related parties referred to in Section 188(1) of the Act, are provided in Form AOC-2 attached as **Annexure - III** to this Report.

Internal financial controls

The Company has in place adequate internal financial controls with reference to its financial statements. These controls ensure the accuracy and completeness of the accounting records and the preparation of reliable financial statements. Details in respect of internal financial controls and their adequacy are included in the Management Discussion and Analysis Report, which forms part of this Annual report.

Risk management

The Company has in place a Risk Management and Sustainability Committee responsible for overseeing the implementation and effectiveness of the risk management framework, with additional oversight on financial risks and controls by the Audit Committee. Details of the Committee's composition and terms of reference are provided in the Corporate Governance Report forming part of this Annual Report.

The Company follows an enterprise-wide risk management approach, with continuous identification, evaluation and mitigation of key operational and strategic risks, including business, regulatory, operational, ESG and cybersecurity risks. Further details are provided in the Management Discussion and Analysis Report forming part of this Annual Report.

Directors' responsibility statement

Pursuant to Section 134 (5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirms that:

a) the applicable accounting standards read with requirements of Schedule III to the Act have been followed in the preparation of the annual accounts for the year ended March 31, 2026 and there are no material departures from the same;

b) accounting policies selected were applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the period;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis.

e) internal financial controls have been laid down and such controls are adequate and operating effectively;

f) proper systems have been laid down to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Corporate social responsibility (CSR)

The Company's CSR initiatives are focused on creating sustainable and inclusive impact across communities surrounding its operations. Key areas of intervention include education, healthcare, safe drinking water, rural infrastructure, sanitation, environmental sustainability, livelihoods and community development, etc.

During the year, the Company undertook various initiatives such as strengthening educational infrastructure and student support, expanding access to safe drinking water, improving healthcare access through camps and infrastructure support, and contributing to village development through infrastructure and irrigation projects among others. The Company also supported livelihood generation, women empowerment, sports development, environmental initiatives and animal welfare, along with targeted interventions in child development and disaster relief.

These initiatives have positively impacted a large number of beneficiaries and continue to contribute towards improving quality of life and fostering long-term community resilience.

The Company's CSR Policy is available on its website at: https://www.divislabs.com/wp-content/uploads/2025/07/Divis-CSR-Policy.pdf.

The Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2025–26 is annexed as **Annexure – IV** to this Report.

Conservation of energy, technology absorption and foreign exchange earnings & outgo

The Company continues to focus on energy efficiency, adoption of advanced technologies and optimal utilization of resources in its operations.

Particulars as required under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are annexed as **Annexure – V** to this Report.

Vigil mechanism

The Company has established a vigil mechanism and adopted a Whistle Blower Policy in accordance with the provisions of the Act and the SEBI Listing Regulations, to enable Directors, employees and other stakeholders to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

The mechanism provides for adequate safeguards against victimisation and ensures direct access to the Chairman of the Audit Committee in appropriate cases. The Company ensures that all concerns are investigated in a fair and impartial manner and appropriate action is taken. The Whistle Blower Policy is available on the Company's website at: https://www.divislabs.com/wp-content/uploads/2025/07/WhistleBlowerPolicy.pdf

Statutory auditors

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016), Chartered Accountants, were re-appointed as Statutory Auditors at the 32nd Annual General Meeting held on August 22, 2022, for a term of five consecutive years until the conclusion of the 37th AGM to be held in the year 2027.

Secretarial auditors

Pursuant to the approval of the Members at the 35th AGM held on August 11, 2025, M/s. V. Bhaskara Rao & Co., Practicing Company Secretaries, Hyderabad, (Unique code number of firm: P2025TS104600 and having Peer Review No.6351/2025) were appointed as Secretarial Auditors of the Company for a term of five consecutive years until the conclusion of the 40th

AGM to be held in the year 2030. The Secretarial Audit Report is annexed as **Annexure – VI** to this Report.

Auditors' qualifications, reservations, adverse remarks or disclaimers

There are no qualifications, reservations, adverse remarks or disclaimers by the Statutory Auditors in their report, or by the Secretarial Auditor in the Secretarial Audit Report for the financial year 2025-26. During the year, there were no instances of frauds reported by Auditors under Section 143(12) of the Act.

Cost audit

Pursuant to the provisions of Section 148 of the Act read with Rule 3 of the Companies (Cost Records and Audit) Rules, 2014, as amended, the Company is required to maintain cost records and accordingly, such records are maintained.

As per Rule 4 of the said Rules, cost audit is not applicable to a company covered under Rule 3, if its revenue from exports in foreign exchange exceeds 75% of its total revenue or if it operates from a Special Economic Zone. The Company meets the prescribed criteria and is therefore exempt from mandatory cost audit.

Annual return

The Annual Return of the Company as on March 31, 2026, prepared in accordance with the provisions of Section 92(3) read with Section 134(3)(a) of the Act, is available on the Company's website at: https://www.divislabs.com/investor-relations/reports-and-filings/annual-return/.

Other disclosures

- Information relating to unclaimed dividend and transfer of eligible dividend and shares to the Investor Education and Protection Fund (IEPF) is provided in the Corporate Governance Report forming part of this Annual Report.
- No company has become or ceased to be a subsidiary, joint venture or associate of the Company during the year.
- No significant or material orders were passed by any regulatory authority, court or tribunal impacting the going concern status or future operations of the Company.
- The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and no complaints were received or pending during the year.
- The Company has complied with the applicable Secretarial Standards, namely SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings, respectively.
- No application was made or proceeding was pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year.
- There was no instance of one-time settlement with any Bank or Financial Institution.
- During the year under review, the Company is in compliance with the provisions of the Maternity Benefit Act, 1961, as amended. Adequate measures are in place to provide maternity benefits, including leave and other applicable facilities, to eligible employees.
- During the year under review, none of the directors of the Company have received any remuneration from the Company's subsidiaries.

Acknowledgements

Your Directors place on record their sincere appreciation for the continued support and cooperation received from customers, shareholders, suppliers, bankers, business associates, financial institutions, regulatory authorities and the Central and State Governments.

The Directors also express their deep appreciation for the dedication, commitment and contribution of the employees at all levels of the Company and its subsidiaries, whose continued efforts have significantly contributed to the growth and success of the Company.

For and on behalf of the Board

Dr. Ramesh B.V. Nimmagadda
Chairman
DIN: 07854042
Place: Hyderabad

Dr. Murali K. Divi
Managing Director
DIN: 00005040
Place: London

Date: May 23, 2026

Annexure – I

FORM NO. AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

Part A Subsidiaries

(₹ in crores)

Sl. No	Particulars	Divis Laboratories (USA) Inc.	Divi's Laboratories Europe AG.
1	The date since when Subsidiary was acquired	February 01, 2006	February 06, 2006
2	Reporting period for the Subsidiary	April 01, 2025 to March 31, 2026	April 01, 2025 to March 31, 2026
3	Reporting currency and exchange rate as on the last date of the relevant financial year	1 USD = ₹94.6543 Balance sheet 1 USD = ₹88.3572 for P&L	1 CHF = ₹117.5250 Balance sheet 1 CHF = ₹110.2545 for P&L
4	Share capital	1	4
5	Reserves & surplus	116	13
6	Total assets	226	382
7	Total liabilities	109	365
8	Investments	-	-
9	Turnover	337	397
10	Profit/(Loss) before taxation	(2)	(14)
11	Provision for taxation	(1)	*
12	Profit/(Loss) after taxation	*	(14)
13	Other comprehensive income after tax for the year	11	5
14	Total comprehensive income for the year	11	(9)
15	Proposed dividend	-	-
16	% of shareholding	100%	100%

** Amount is below the rounding off norm adopted by the Company.*

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K. Divi
Managing Director
DIN: 00005040

N.V. Ramana
Executive Director
DIN: 00005031

Dr. Kiran S. Divi
Whole-time Director &
Chief Executive Officer
DIN: 00006503

Nilima Prasad Divi
Whole-time Director (Commercial)
DIN: 06388001

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: May 23, 2026

Annexure – II

INFORMATION PURSUANT TO SECTION 197(12) OF THE ACT AND RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary for the year are given below:

Sl. No	Name of Director / KMP and Designation	Ratio of remuneration of each Director to median remuneration of employees of the Company for the financial year	% increase/ (decrease) in remuneration in the financial year
1	Dr. Murali K. Divi Managing Director	1,692	13.73%
2	Mr. N.V. Ramana Executive Director	864	13.29%
3	Dr. Kiran S. Divi Whole-time Director and Chief Executive Officer	588	13.22%
4	Ms. Nilima Prasad Divi Whole-time Director (Commercial)	587	13.29%
5	Dr. S. Devendra Rao Whole-time Director (Manufacturing)	55	5.00%
6	Dr. Ramesh B.V. Nimmagadda Non- Executive Chairman & Independent Director	6	5.71%
7	Prof. S. Ganapaty Independent Director	6	6.25%
8	Prof. Sunaina Singh Independent Director	5	7.41%
9	Mr. K.V. Chowdary Independent Director	6	6.45%
10	Dr. Rajendra Kumar Premchand Independent Director	5	3.70%
11	Mr. L. Kishore Babu[1] Chief Financial Officer	Not applicable	-
12	Venkatesa Perumallu Pasumarthy[2] Chief Financial Officer	Not applicable	-
13	Mr. M. Satish Choudhury Company Secretary	Not applicable	79.73%

[1] Mr. L. Kishore Babu superannuated as Chief Financial Officer and Key Managerial Personnel of the Company effective from August 01, 2025 and remuneration in FY 2026 was paid for part of the year. Thus, it is not comparable.

[2] Mr. Venkatesa Perumallu Pasumarthy was appointed as the Chief Financial Officer and Key Managerial Personnel (KMP) of the Company effective from August 01, 2025, and remuneration in FY 2026 was paid for part of the year as KMP. Thus, it is not comparable.

Note: The remuneration to executive directors includes salary, allowances and perquisites as well as remuneration based on net profits, as applicable. Independent Directors were paid sitting fees @ ₹1 lakh per meeting for attending the Board and its Committee Meetings, and an annual remuneration of ₹20 lakhs per annum.

(ii) The percentage increase in the median remuneration of employees in the financial year was 6.81%.

(iii) As on March 31, 2026, the Company has 9,634 permanent employees on the rolls of Company as defined under said Rule 5(1).

(iv) Average percentile increase in the salaries of employees other than the managerial personnel in the financial year was 11.39% whereas there was an increase of 12.88% in the managerial remuneration.

(v) It is hereby affirmed that the remuneration paid for Directors, Key Managerial Personnel, and other Employees is as per the Remuneration Policy of the Company.

For and on behalf of the Board

Dr. Ramesh B.V. Nimmagadda
Chairman
DIN: 07854042
Place: Hyderabad

Dr. Murali K. Divi
Managing Director
DIN: 00005040
Place: London

Date: May 23, 2026

Annexure – III

FORM NO. AOC 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1 Details of contracts or arrangements or transactions not at arm's length basis:

a	Name(s) of the related party and nature of relationship	Nil
b	Nature of contracts/arrangements/transactions	
c	Duration of the contracts/arrangements/transactions	
d	Salient terms of the contracts or arrangements or transactions including the value, if any	
e	Justification for entering into such contracts or arrangements or transactions	
f	Date of approval by the Board	
g	Amount paid as advances, if any:	
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2 Details of material contracts or arrangement or transactions at arm's length basis:

a	Name(s) of the related party and nature of relationship	Mr. L. Ramesh Babu *	Mr. S. Swaroop Krishna, son of Dr. S. Devendra Rao, Whole-time Director (Manufacturing)	Mr. Nimmagadda Venkata Anirudh, son of Mr. N.V. Ramana, Executive Director
b	Nature of contracts/ arrangements/ transactions	Working as Vice President (Procurement)	Working as Senior Manager (Engineering)	Working as President (Nutraceuticals)
c	Duration of the contracts/ arrangements/ transactions	On going	On going	On going
d	Salient terms of the contracts or arrangements or transactions including the value, if any	During the financial year 2025-26, he received remuneration of ₹2.79 crores (including allowances and perks). **	During the financial year 2025-26, he received remuneration of ₹0.49 crores (including allowances and perks). **	During the financial year 2025-26, he received remuneration of ₹0.63 crores (including allowances and perks). **
e	Date of approval by the Board, if any	April 14, 2009, and March 20, 2014	February 10, 2024	November 08, 2013, May 17, 2025 and November 07, 2025
f	Amount paid as advances, if any:	Nil	Nil	Nil

**Mr. L. Kishore Babu superannuated as Chief Financial Officer and Key Managerial Personnel of the Company effective from August 01, 2025, and consequently, Mr. L. Ramesh Babu ceases to be a Related Party effective from August 01, 2025.*

*** Terms of employment as applicable to employees occupying similar positions in the said management cadre as per the general policy of the Company.*

For and on behalf of the Board

Dr. Ramesh B.V. Nimmagadda
Chairman
DIN: 07854042
Place: Hyderabad

Dr. Murali K. Divi
Managing Director
DIN: 00005040
Place: London

Date: May 23, 2026

Annexure – IV

Annual Report on Corporate Social Responsibility (CSR) activities undertaken during the Financial Year 2025-26

1. Brief outline on CSR Policy of the Company

The Company believes that sustainable industrial growth must go hand-in-hand with the development of the communities in which it operates. Accordingly, the Company's CSR initiatives are focused on improving the quality of life of communities and villages surrounding its manufacturing facilities.

The CSR Policy of the Company aims to ensure sustainable business practices while contributing to the welfare of all stakeholders. The Company undertakes various programs for enhancing the social, economic, and environmental well-being of the local population, with a special focus on marginalized and underserved sections of society.

CSR activities are implemented through a structured approach to create long-term value and inclusive growth. The initiatives undertaken by the Company are aligned with the provisions of Schedule VII of the Companies Act, 2013, and are in accordance with the recommendations of the CSR Committee.

2. Composition of CSR Committee

Name of the CSR Committee member	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Dr. Ramesh B.V. Nimmagadda	Chairman / Independent Director	4	4
Dr. Murali K. Divi	Member / Managing Director	4	4
Ms. Nilima Prasad Divi	Member / Whole-time Director (Commercial)	4	4

3. The web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

a) Composition of CSR Committee – https://www.divislabs.com/investor-relations/corporate-governance/composition-of-committees/

b) CSR Policy - https://www.divislabs.com/wp-content/uploads/2025/07/Divis-CSR-Policy.pdf

c) CSR projects approved by the Board - https://www.divislabs.com/csr-and-sustainability/csr/

4. The executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

The Company has been conducting internal assessments of the CSR projects undertaken to evaluate their effectiveness and ensure alignment with the stated objectives of the CSR Policy.

Pursuant to the applicable statutory requirements, impact assessment of select CSR projects was carried out by an independent agency, M/s. Deeksha, a registered non-profit society. The assessment provided an objective evaluation of the outcomes and impact created by the Company's CSR initiatives.

Sl. No	CSR Projects	CSR activity related to	CSR project amount (in ₹ crore)	Year of implementation
1	Support for facilitate infrastructure in schools of Siricilla, Telangana	Promoting education	2.00	2023-2024
2	Development of Mahavir Harina Vanastali National Park, Vanasthalipuram, Hyderabad	Environmental Sustainability	2.00	2023-2024

Sl. No	CSR Projects	CSR activity related to	CSR project amount (in ₹ crore)	Year of implementation
3	Support for construction of veterinary hospital at New Delhi	Animal Welfare	5.00	2021-2022
4	Emergency relief initiatives in flood-affected areas in Andhra Pradesh	Disaster Management	5.00	2024-2025
5	Emergency relief initiatives in flood-affected areas in Telangana	Disaster Management	5.00	2024-2025
6	Emergency food relief to flood-affected communities in Vijayawada, Andhra Pradesh through M/s. Hare Krishna Movement Charitable Foundation	Disaster Management	4.80	2024-2025
7	Jala Prasadam & Sujalam – Installation of drinking water facilities in Mangalagiri Constituency, Andhra Pradesh	Safe drinking water	2.41	2024-2025

The executive summary of the impact assessment reports, along with the detailed CSR impact assessment reports, are available on the Company's website and can be accessed at: https://www.divislabs.com/csr-and-sustainability/csr/.

5	a)	Average net profit of the company as per Section 135(5) (in ₹ crores)	2,464.57
	b)	Two percent of average net profit of the Company as per Section 135(5) (in ₹ crores)	49.29
	c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years (in ₹ crores)	0.30
	d)	Amount required to be set off for the financial year, if any	0.00
	e)	Total CSR obligation for the financial year [(b)+(c)-(d)] (in ₹ crores)	49.59

6	a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) (in ₹ crores)	37.48
	b)	Amount spent in Administrative Overheads (in ₹ crores)	1.35
	c)	Amount spent on Impact Assessment, if applicable. (in ₹ crores)	0.10
	d)	Total amount spent for the Financial Year [(a)+(b)+(c)] (in ₹ crores)	38.93
	e)	CSR amount spent or unspent for the Financial Year	10.66

Total amount spent for the Financial Year (in ₹ crores)	Amount unspent (in ₹ crores)				
	Total amount transferred to unspent CSR account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (in ₹ crores)	Date of transfer	Name of the Fund	Amount.	Date of transfer
38.93	10.66	April 28, 2026	-	-	-

f) Excess amount for set off, if any: Nil

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹ crores)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in ₹ crores)	Amount Spent in the financial year (in ₹ crores)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹ crores)	Deficiency, if any
					Amount (in ₹ crores)	Date of Transfer		
1.	FY 2024-25	6.21	6.21	6.21	NA		0	NA
2.	FY 2023-24	24.47	8.36	8.36	NA		0	NA
3.	FY 2022-23	8.68	5.16	5.16	NA		0	NA

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:** No

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not applicable. Unspent CSR amount outstanding at the end of the financial year pertaining to ongoing CSR projects have been transferred to Unspent CSR account in terms of Section 135(6) of the Act.

	Dr. Murali K. Divi	**Dr. Ramesh B.V. Nimmagadda**
	Managing Director	Chairman - CSR Committee
	DIN: 00005040	DIN: 07854042
Date: May 23, 2026	Place: London	Place: Hyderabad

Annexure – V

INFORMATION PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014.

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy

Energy conservation refers to reducing energy consumption through optimal energy utilization, technologies, enhancing energy availability, resource efficiency as also use of renewable energy.

A dedicated energy management team focuses on energy management and constantly reviews the progress made. It has implemented a number of energy conservation initiatives. Some of key initiatives include:

- Installed Dissolved Oxygen analyzer for biological aeration tanks to optimize operation of blowers.
- Installing LT capacitor bank panel with automatic power factor controllers to reduce power losses.
- Arranging oxygen analyzers for process vessels.
- Optimized utility usage by replacing brine with RT water for heat transfer.
- Recovering and reusing steam condensate water for boiler operations.
- Replacing of Centrifuge and Fluidized-Bed-Dryer setup with Agitated Nutsche Filter.
- Recovery and reuse of heat energy from flash steam letting out to atmosphere to reduce load on live steam consumption.
- Installed Variable Refrigerant Volume (VRV) type air conditioners instead of individual air conditioners, resulting in reduced power consumption and improved temperature control.
- Adopting energy efficient technologies and replacement of energy intensive equipment with energy efficient equipment.

(ii) Steps taken by the Company for utilising alternate sources of energy

- Usage of biomass briquettes fuel along with coal for boiler operations.
- Installed rooftop solar PV panels to support on-site renewable energy generation.

(iii) The capital investment on energy conservation equipment and on-site Renewable Energy generation is ₹17.90 crores during the year 2025-26.

B. Technology Absorption

1.	Efforts in brief, made towards technology absorption	The Company has its own R&D Centres which develop technologies and processes for Active Pharmaceutical Ingredients and drug intermediates and these technologies are implemented at the Company's manufacturing facilities.
2.	Benefits derived as a result of the above efforts	The Company constantly reviews, optimizes and improves its processes for its product range. These efforts have resulted in lower cost of production, achieve consistent exports and be competitive in the global market. The process upgradations also brought about improvement in green chemistry by reducing reagents, minimize wastes and increasing recoveries.
3.	Information regarding import of technology during the last three years.	There is no import of technology.

4. Expenditure incurred on research and development

(₹ in crores)

Particulars	2025-26	2024-25
Capital	-	-
Recurring	92	80
Total	92	80
Total R&D Expenditure as a % of Sales Revenue	0.89%	0.86%

C. Foreign Exchange Earnings and Outgo

(₹ in crores)

Particulars	2025-26	2024-25
Foreign Exchange earnings	9,058	8,154
Foreign Exchange outgo	2,363	1,867

For and on behalf of the Board

Dr. Ramesh B.V. Nimmagadda
Chairman
DIN: 07854042
Place: Hyderabad

Dr. Murali K. Divi
Managing Director
DIN: 00005040
Place: London

Date: May 23, 2026

Annexure – VI

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members of
Divi's Laboratories Limited
CIN: L24110TG1990PLC011854
1-72/23(P)/DIVIS/303, Divi Towers,
Cyber Hills, Gachibowli,
Hyderabad -500032.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Divi's Laboratories Limited (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Divi's Laboratories Limited ("the Company") for the financial year ended on March 31, 2026, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- viz

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time*;

e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which was replaced by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021*;

f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 which was replaced by the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021*;

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 which was replaced by the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;*

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018*;

j. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

** Not applicable to the Company during the Audit period.*

(vi) Other applicable Acts

(a) The Factories Act, 1948

(b) The Industrial Disputes Act, 1947

(c) The Payment of Wages Act, 1936

(d) The Minimum Wages Act, 1948

(e) The Employees Provident Funds and Miscellaneous Provisions Act, 1952

(f) The Payment of Bonus Act, 1965

(g) The Payment of Gratuity Act, 1972

(h) The Contract Labour (Regulation & Abolition) Act, 1970

(i) The Maternity Benefit Act,1961

(j) The Child Labour (Prohibition & Regulation) Act, 1986

(k) The Industrial Employment (Standing Order) Act, 1946

(l) The Apprentices Act, 1961

(m) Equal Remuneration Act, 1976

(n) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956

(o) The Customs Act, 1962

(p) The Foreign Trade (Development and Regulation) Act, 1992

(q) The Shops and Establishment Act, 1988

(r) The Water (Prevention and control of pollution) Act 1974, The Air (Prevention and control of pollution) Act 1981 and The Environment Protection Act, 1986 and rules made thereunder

(s) The Public Liability Insurance Act, 1991

(t) The Explosive Act, 1884

(u) The Indian Boilers Act, 1923

(v) The Patents Act, 1970

(w) The Biological Diversity Act, 2002

(x) The Food Safety and Standards Act, 2006

(y) Special Economic Zones Act, 2005

(z) The Drug and Cosmetics Act, 1940

(aa) The Narcotic Drugs and Psychotropic Substances Act, 1985

(bb) Employee's State Insurance Act, 1948

(cc) Factories and Establishment (National, Festival and Other Holidays) Acts of the applicable states, where the company has establishments.

(dd) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013

(ee) Labour Welfare Fund Acts of the applicable states, where the company has establishments.

(ff) Conservation of Foreign Exchange and Prevention of Smuggling Act, 1974

We have relied on the representations made by the Company, its officers and reports of Internal Auditors for systems and mechanism framed by the Company for compliances under other acts, Laws and regulations applicable to the Company as mentioned above.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India

(ii) The Listing Agreements entered into by the Company with Stock Exchanges and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, and Standards etc. mentioned above.

We further report that the Board of Directors of the Company has duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors/Committees that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried out unanimously and there were no dissenting members during the year under review.

We further report that there are adequate systems and processes in the Company Commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial auditors and other designated professionals.

We further report that, as informed, the Company has responded appropriately to notices/queries received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that, during the audit period no major events occurred which had bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.

V. Bhaskara Rao and Co.,
Company Secretaries

V. Bhaskara Rao
Partner
FCS No.5939, CP No.4182
Peer Review No.6351/2025
UDIN: F005939H000449745

Place: Hyderabad
Date: 23.05.2026

Annexure – A

To,
The Members of
Divi's Laboratories Limited
CIN: L24110TG1990PLC011854
1-72/23(P)/DIVIS/303, Divi Towers,
Cyber Hills, Gachibowli,
Hyderabad -500032.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

V. Bhaskara Rao and Co.,
Company Secretaries

V. Bhaskara Rao
Partner
FCS No.5939, CP No.4182
Peer Review No.6351/2025
UDIN: F005939H000449745

Place: Hyderabad
Date: 23.05.2026

Independent Auditor's Report

To the Members of Divi's Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Divi's Laboratories Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2026, the Standalone Statement of profit and loss (including Other comprehensive income), the Standalone statement of changes in equity, the Standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the standalone financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the standalone financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. Appropriateness of recognition of revenue from sale of products in correct period

Refer to Note 16 to the standalone financial statements.

The Company has earned revenue of ₹10,178 crores from sale of products during the year. Revenue is recognised at a point in time or over a period of time based on satisfaction of the performance obligations agreed in the customer contracts.

Revenue in respect of sale of products is recognised when the customer obtains control of the Company's products, which occurs at a point in time. The Company has customers operating in various geographies, and sale contracts with customers are based on various international commercial terms ('Incoterms') which determines the timing of recognition of revenue.

Revenue is recognised over time when the Company's performance does not create an asset with alternative use for the Company and the Company has an enforceable right to payment for performance completed to date, which is measured based on the progress towards satisfaction of each identified performance obligation set out in the contract with customers.

We considered this to be a key audit matter, as revenue is one of the key performance indicators for the Company and there is a risk of recognition of revenue in an incorrect period given the different contractual terms with the customers.

Our procedures included the following:

- Obtained an understanding of the nature of customer contracts on a sample basis, including key terms and evaluated the reasonableness of management's judgments in selection of accounting policies and assessed whether it is in compliance with applicable accounting standards.

- Performed walkthrough and obtained detailed understanding of Company's revenue recognition process.
- Evaluated the design, implementation and tested the operating effectiveness of controls around recognition of revenue from sale of products.
- Tested, on a sample basis, revenue from sale of products recognised at a point in time, including sales recorded close to year-end, with underlying supporting documents like customer purchase orders, invoices, shipping documents, etc., to evaluate whether revenue has been recognised in the correct accounting period.
- Evaluated the computation of revenue recognised over time by examining supporting documents, including contract-specific physical verification and production progress reports to measure work performed up to the year end in line with the performance obligations set out in the customer contracts, agreeing the price with reference to the customer contract and verifying the mathematical accuracy.
- Evaluated whether the presentation and disclosures are in accordance with applicable accounting standards and reporting framework.

B. Appropriateness of capitalisation of costs as per Ind AS 16, Property, Plant and Equipment

Refer to Note 3 and 4 to the standalone financial statements.

During the year, the Company incurred capital expenditure of ₹2,635 crores across various locations and capitalised ₹1,540 crores as Property, Plant and Equipment, mainly comprising Plant and Machinery, Roads and Buildings.

This has been determined as a key audit matter due to the risk associated with inappropriate allocation of costs to different items of Property, Plant and Equipment having different useful life, and the risk that the elements of costs that are eligible for capitalisation are not appropriately capitalised or that capitalised costs are not in accordance with the recognition criteria of Ind AS 16.

Our procedures included in the following:

- Understood and evaluated the design and tested the operating effectiveness of key controls relating to capitalisation of appropriate costs and process followed for accumulating costs relating to individual items of Property, Plant and Equipment.
- Tested, on a sample basis, the costs capitalised during the year against underlying supporting documents to ascertain the nature of the costs and whether it is specifically attributable to an item of Property, Plant and Equipment and the basis of allocation of costs, where applicable, and evaluated whether these cost meet the recognition criteria under Ind AS 16.
- In respect of internal costs such as employee benefits expense and other direct costs allocated to items of Property, Plant and Equipment, tested on a sample basis whether the costs are directly attributable to the construction of the project.
- Tested, on a sample basis, other costs debited to the Standalone Statement of profit and loss to determine whether they meet the criteria for capitalisation.
- Examined the useful life assigned to each significant part of an item of Property, Plant and Equipment capitalised to determine whether it is consistent with the Company's accounting policy.
- Assessed the adequacy of the related disclosures in the standalone financial statements.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Business Responsibility and Sustainability Report and Corporate Governance Report (but does not include the standalone financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the additional information excluding those referred earlier that would be included in the annual report, which is expected to be made available to us after that date.

   Our opinion on the standalone financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

When we read the additional information excluding those referred earlier that would be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Standalone Balance Sheet, the Standalone Statement of profit and loss (including other comprehensive income), the Standalone statement of changes in equity and the Standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above and paragraph 15(h)(vi) below.

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 32(a) to the standalone financial statements.

ii. The Company was not required to recognise a provision as at March 31, 2026 under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any long term derivative contracts as at March 31, 2026.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 34(v)(A) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 34(v)(B) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid by the Company during the year in respect of the prior year ended March 31, 2025, is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of dividend.

Further, as stated in Note 28(b) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account that have a feature of recording audit trail (edit log) facility and that have operated throughout the year for all relevant transactions recorded in the software, except for two accounting software where the audit trail has not been enabled for changes made through one specific access at application level and at the direct database level.

During the course of performing our procedures, we did not notice any instance of audit trail feature being tampered with or not preserved by the Company as per the statutory requirements for record retention in instances where audit trail facility is enabled and operating.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

N.K. Varadarajan
Partner
Membership Number: 90196
UDIN: 26090196GWNTVF7935

Place: Hyderabad
Date: May 23, 2026

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of Divi's Laboratories Limited on the standalone financial statements as of and for the year ended March 31, 2026.

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Divi's Laboratories Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

N.K. Varadarajan
Partner
Membership Number: 90196
UDIN: 26090196GWNTVF7935

Place : Hyderabad
Date : May 23, 2026

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Divi's Laboratories Limited on the standalone financial statements as of and for the year ended March 31, 2026

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the standalone financial statements, are held in the name of the Company, except for the land measuring 33.29 acres with a gross carrying value of ₹ 4 crores allotted by Andhra Pradesh Industrial Infrastructure Corporation, where the mutation in the name of the Company is currently in process.

(d) The Company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or Intangible Assets does not arise.

(e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements, does not arise.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly statements with such banks, which are in agreement with the books of account; reviewed by us for the quarter ended June 30, 2025, September 30, 2025, December 31, 2025, and audited by us for the year ended March 31, 2026. Also, refer Note 14(a)(ii) to the standalone financial statements.

iii. The Company has not made any investments during the year, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. In our opinion, the Company has complied with the provisions of Section 186 of the Act, in respect of the investments made by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under. Accordingly, the reporting under clause 3(v) of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the books of account maintained by the Company pursuant to the said requirement, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, professional tax, income tax, sales tax, entry tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues, as applicable, with the appropriate authorities.

(b) There are no statutory dues of provident fund, employees' state insurance, professional tax, sales tax, value added tax, cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2026, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount of demand without netting off amount paid under protest (Rupees In crores)	Amount paid under protest (Rupees In crores)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Penalty	0.10	-	January, 2007	Customs, Excise and Service Tax Appellate Tribunal, South Zonal Bench, Chennai.
Customs Act, 1962	Customs duty and penalty	1.00	-	March 2012 & November 2012	Commissioner of Customs, Central Excise & Service tax, Visakhapatnam
Customs Act, 1962	Customs duty and penalty	1.60	0.03	June 2006 to March 2010	High Court of Andhra Pradesh, Amaravati.
Customs Act, 1962	Customs duty	0.41	0.41	May 2014 to February, 2018	The Assistant Commissioner of Customs
Central Excise Act, 1944	Excise duty and Penalty	2.44	0.12	September 2006 to December 2008	Customs, Central Excise & Service tax Appellate Tribunal, Hyderabad
Central Excise Act, 1944	Excise duty and Penalty	0.09	-	June 2009 to March 2010	High Court of Andhra Pradesh, Amaravati
Central Excise Act, 1944	Service tax and Penalty	0.19	0.01	May 2011 to December 2011	High Court of Andhra Pradesh, Amaravati
Central Excise Act, 1944	Service tax, interest and penalty	0.64	0.06	April 2003 to March 2011	Customs, Central Excise & Service tax Appellate Tribunal, Hyderabad
Entry of Goods into Local areas Act, 2001	Entry tax	0.43	0.11	Financial Year 2014-15 to 2016-17	High Court of Andhra Pradesh, Amaravati
Income Tax Act, 1961	Interest	0.0041	-	Financial Year 2005-06	Additional Commissioner of Income Tax, Range-I, Hyderabad
CGST Act, 2017	GST, Interest and Penalty	248.91	8.2	Financial Year 2017-18, 2018-19	High Court of Telangana, Hyderabad
CGST Act, 2017	GST and Penalty	0.21	0.02	Financial Year 2022-23	Deputy Commissioner of Central Tax, Hyderabad

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed by us, as statutory auditors, with the Central Government. Further, no such report has been filed by any other auditor appointed by the Company under the Act. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with the directors. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, the Group (as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025) does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and, accordingly, the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) The Company does not have any amount remaining unspent under sub-section (5) of Section 135 of the Act as at balance sheet date in respect of "other than ongoing projects" of Corporate Social Responsibility. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. (Also, refer Note 23(b) to the standalone financial statements).

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

N.K. Varadarajan
Partner
Membership Number: 90196
UDIN: 26090196GWNTVF7935

Place: Hyderabad
Date: May 23, 2026

Standalone Balance Sheet

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	6,514	5,436
Capital work-in-progress	4	2,113	1,022
Intangible assets	5	6	4
Financial assets			
(i) Investments	6(a)	76	72
(ii) Other financial assets	6(b)(i)	67	62
Income tax assets (net)	7(a)	1	1
Other non-current assets	8	143	248
Total Non-current assets		**8,920**	**6,845**
Current assets			
Inventories	9	3,711	3,033
Financial assets			
(i) Trade receivables	6(c)	3,228	2,855
(ii) Cash and cash equivalents	6(d)	85	396
(iii) Bank balances other than (ii) above	6(e)	3,286	3,300
(iv) Other financial assets	6(b)(ii)	8	16
Income tax assets (net)	7(b)	14	12
Other current assets	10	702	367
Total current assets		**11,034**	**9,979**
TOTAL ASSETS		**19,954**	**16,824**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	53	53
Other equity	11(b)	16,658	14,842
TOTAL EQUITY		**16,711**	**14,895**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other financial liabilities	14(c)	456	-
Provisions	12	81	-
Deferred tax liabilities (net)	13	469	509
Other non-current liabilities	15(a)	218	-
Total Non-current liabilities		**1,224**	**509**
Current liabilities			
Financial liabilities			
(i) Borrowings	14(a)	-	2
(ii) Trade payables	14(b)		
a) Total outstanding dues of micro and small enterprises		62	37
b) Total outstanding dues other than (ii) (a) above		1,128	843
(iii) Other financial liabilities	14(c)	460	408
Provisions	12	60	54
Current tax liabilities(net)	7(c)	11	-
Other current liabilities	15(b)	298	76
Total current liabilities		**2,019**	**1,420**
TOTAL LIABILITIES		**3,243**	**1,929**
TOTAL EQUITY AND LIABILITIES		**19,954**	**16,824**

The accompanying notes are an integral part of the financial statements

This is the Standalone Balance Sheet
referred to in our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

N.K. Varadarajan
Partner
Membership number: 90196

Place: Hyderabad
Date: 23-05-2026

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K Divi
Managing Director
DIN: 00005040

N.V. Ramana
Executive Director
DIN: 00005031

Dr. Kiran S Divi
Whole-time Director and
Chief Executive Officer
DIN: 00006503

Nilima Prasad Divi
Whole-time Director
(Commercial)
DIN: 06388001

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: 23-05-2026

Standalone Statement of Profit and Loss

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	16	10,388	9,198
Other income	17	506	352
Total Income		**10,894**	**9,550**
Expenses			
Cost of raw materials consumed	18	4,260	3,760
Changes in inventories of finished goods and work-in-progress	19	(244)	(83)
Employee benefits expense	20	1,400	1,210
Finance costs	21	23	1
Depreciation and amortisation expense	22	461	401
Other expenses	23	1,484	1,332
Total Expenses		**7,384**	**6,621**
Profit before exceptional items and tax		**3,510**	**2,929**
Exceptional items Employee benefits expense - Impact of new Labour Codes	37	74	-
Profit before tax		**3,436**	**2,929**
Tax expense			
Current tax	24	869	793
Deferred tax		(40)	(73)
Total tax expense		**829**	**720**
Profit after tax		**2,607**	**2,209**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gain/(loss)on remeasurements of post-employment benefit obligations		8	(3)
- Income tax relating to these items		(2)	1
Other comprehensive income/(loss) after tax		**6**	**(2)**
Total comprehensive income		**2,613**	**2,207**
Earnings per share (par value of ₹2 each)			
- Basic and Diluted	36	98.19	83.20

The accompanying notes are an integral part of the financial statements

This is the Standalone Statement of profit and loss referred to in our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

N.K. Varadarajan
Partner
Membership number: 90196

Place: Hyderabad
Date: 23-05-2026

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K Divi
Managing Director
DIN: 00005040

N.V. Ramana
Executive Director
DIN: 00005031

Dr. Kiran S Divi
Whole-time Director and
Chief Executive Officer
DIN: 00006503

Nilima Prasad Divi
Whole-time Director
(Commercial)
DIN: 06388001

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: 23-05-2026

Standalone Statement of Cash Flows

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	3,436	2,929
Adjustments for:		
Depreciation and amortisation expense	461	401
Unrealised foreign exchange loss/(gain)	(106)	6
Interest income from financial assets at amortised cost	(284)	(295)
Change in fair value of investments in optionally convertible debentures	(4)	(1)
Gain on redemption of investments	-	(4)
Provision for doubtful debts/ (written back) including bad debts written off/ (recovered)	1	1
Interest expense	23	1
Loss on disposal / discard of property, plant and equipment and intangible assets	-*	4
Amortisation of government grants	-*	-*
	3,527	**3,042**
Change in operating assets and liabilities		
(Increase) / Decrease in trade receivables	(261)	(592)
(Increase) / Decrease in inventories	(678)	(48)
(Increase) /Decrease in other financial assets	3	(15)
(Increase) / Decrease in other assets	(334)	(49)
Increase / (Decrease) in employee benefit obligation	95	7
Increase / (Decrease) in trade payables	303	82
Increase / (Decrease) in other financial liabilities	478	-
Increase / (Decrease) in other liabilities	440	41
Cash generated from operations	**3,573**	**2,468**
Income tax paid including withholding tax and net of refunds	(862)	(818)
Net cash inflow from operating activities	**2,711**	**1,650**
Cash flows from investing activities		
Payments for property, plant and equipment	(2,519)	(1,437)
Proceeds from sale of property, plant and equipment	3	-*
Proceeds from redemption of optionally convertible debentures	-	22
Interest received	284	295
Proceeds from withdrawal of deposits	6,156	3,541
Investment in deposits	(6,142)	(3,224)
Net cash outflow from investing activities	**(2,218)**	**(803)**

Standalone Statement of Cash Flows

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flows from financing activities		
Interest paid	(5)	(1)
Dividend paid to company's shareholders	(797)	(796)
Net cash outflow from financing activities	**(802)**	**(797)**
Net increase/(decrease) in cash and cash equivalents	**(309)**	**50**
Cash and cash equivalents at the beginning of the year	394	344
Cash and cash equivalents at end of the year	**85**	**394**
Reconciliation of cash and cash equivalents at the end of the year		
Cash and cash equivalents [refer note 6(d)]	85	396
Overdraft facilities from bank [refer note 14(a)]	-	(2)
Balance as per statement of cash flows	**85**	**394**

** Amount is below the rounding off norm adopted by the Company.*

1. The Standalone statement of cash flows has been prepared under the indirect method as set out in Indian accounting standard Ind AS 7- Statement of Cash Flows.

2. The accompanying notes are an integral part of the financial statements.

This is the Standalone statement of cash flows referred to in our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

N.K. Varadarajan
Partner
Membership number: 90196

Place: Hyderabad
Date: 23-05-2026

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K Divi
Managing Director
DIN: 00005040

N.V. Ramana
Executive Director
DIN: 00005031

Dr. Kiran S Divi
Whole-time Director and
Chief Executive Officer
DIN: 00006503

Nilima Prasad Divi
Whole-time Director
(Commercial)
DIN: 06388001

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: 23-05-2026

Standalone Statement of Changes in Equity

(All amounts in Indian Rupees Crores, except equity shares and per share data unless otherwise stated)

a. Equity Share Capital

S. No	Particulars	As at March 31, 2026	As at March 31, 2025
i	Balance at the beginning of the reporting period	53	53
ii	Balance at the end of the reporting period	53	53

b. Other Equity

S. No	Particulars	Reserves and Surplus				Total
		Securities Premium	SEZ Reinvestment Reserve	General Reserve	Retained Earnings	
As at March 31, 2026						
i	Balance at the beginning of the year	80	405	1,000	13,357	14,842
ii	Profit after tax	-	-	-	2,607	2,607
iii	Other Comprehensive Income after tax	-	-	-	6	6
iv	Dividend paid to Company's shareholders -transactions with owners in their capacity as owners	-	-	-	(797)	(797)
v	Transfer to retained earnings / from SEZ reinvestment reserve	-	(193)	-	193	-
vi	**Balance at the end of the year**	**80**	**212**	**1,000**	**15,366**	**16,658**
As at March 31, 2025						
i	Balance at the beginning of the previous year	80	626	1,000	11,725	13,431
ii	Profit after tax	-	-	-	2,209	2,209
iii	Other Comprehensive Income after tax	-	-	-	(2)	(2)
iv	Dividend paid to Company's shareholders -transactions with owners in their capacity as owners	-	-	-	(796)	(796)
v	Transfer to retained earnings / from SEZ reinvestment reserve	-	(221)	-	221	-
vi	**Balance at the end of the previous year**	**80**	**405**	**1,000**	**13,357**	**14,842**

The accompanying notes are an integral part of the financial statements
This is the Standalone statement of changes in equity
referred to in our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

N.K. Varadarajan
Partner
Membership number: 90196

Place: Hyderabad
Date: 23-05-2026

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K Divi
Managing Director
DIN: 00005040

N.V. Ramana
Executive Director
DIN: 00005031

Dr. Kiran S Divi
Whole-time Director and
Chief Executive Officer
DIN: 00006503

Nilima Prasad Divi
Whole-time Director
(Commercial)
DIN: 06388001

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: 23-05-2026

Notes to Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

1. Corporate Information:

1.1 Divi's Laboratories Limited (Divi's/'Company') is a Company limited by shares, incorporated and domiciled in India. The Company is engaged in the manufacture of Active Pharmaceutical ingredients (API's), Intermediates and Nutraceutical ingredients with predominance in exports. In addition to generics, the Company, through its custom synthesis, supports innovator pharma companies for their patented products business right from gram scale requirements for clinical trials to launch as well as late life cycle management. The Company is a public limited company and the Company's equity shares are listed in BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in India.

1.2 The financial statements are approved for issue by the Company's Board of Directors on May 23, 2026.

2. Basis of Preparation:

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value.

(iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notifications dated 7 May 2025 and 13 August 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, amended certain accounting standards listed below, effective from annual reporting periods beginning on or after 1 April 2025:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1
- Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107
- International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12
- Lack of Exchangeability – Amendments to Ind AS 21

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards or amendments not yet adopted

The amendment to Ind AS 1 includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, as outlined below:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1- Lender waivers for breach of material provision of a long-term loan arrangement.

The Company does not expect this amendment to have an impact on its operations or financial statements.

(iv) Critical estimates and Judgements:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Information about the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

to estimates and assumptions turning out to be different than those originally assessed is given in the relevant notes.

The areas involving critical estimates or judgements are:

i. Estimation of defined benefit obligations – note 12

ii. Estimation of useful lives and residual value of property, plant and equipment and intangible assets – note 3

iii. Estimation of Contingent liabilities – note 32(a)

iv. Revenue recognition from contracts with customers- note 16

Other areas of accounting estimates are:

i. Estimation of expected credit loss- note 27

ii. Estimation of slow-moving inventory items- note 9

iii. Estimation of accrual for rebate -note 16

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 3: Property, plant and equipment

Accounting policy :

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Refer note 39(a) for the other accounting policies relevant to property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant & equipment is provided on straight-line basis to allocate their cost, net of residual value over the estimated useful lives of the assets. The useful lives and residual values have been determined based on technical evaluation done by management's experts in order to reflect the actual usage of the assets and are consistent with the useful lives prescribed under Schedule II of the Companies Act, 2013.

Following are the estimated useful lives:			
Plant and machinery	7.5 to 25 years	Vehicles	8 and 10 years
Roads and buildings	3 to 60 years	Laboratory equipment	10 years
Furniture and fixtures	10 years	Computer and data processing units	3 to 6 years
Office equipment	5 years		

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each year.

	Freehold Land	Plant and Machinery	Roads and Buildings	Furniture and Fixtures	Vehicles	Office Equipment	Laboratory Equipment	Computer and data processing units	Total
Year ended March 31, 2026									
Gross carrying amount									
At the beginning of the year	202	4,992	2,128	71	34	56	313	31	7,827
Additions	104	956	300	13	12	8	138	9	1,540
Disposals	-	(1)	-	-	(5)	-	-	-	(6)
At the end of the year	**306**	**5,947**	**2,428**	**84**	**41**	**64**	**451**	**40**	**9,361**
Accumulated depreciation									
At the beginning of the year	-	1,797	335	38	16	37	144	24	2,391
Depreciation charge	-	329	83	7	3	6	28	3	459
Disposals	-	(1)	-	-	(2)	-	-	-	(3)
At the end of the year	**-**	**2,125**	**418**	**45**	**17**	**43**	**172**	**27**	**2,847**
Net carrying amount as at March 31, 2026	**306**	**3,822**	**2,010**	**39**	**24**	**21**	**279**	**13**	**6,514**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

	Freehold Land	Plant and Machinery	Roads and Buildings	Furniture and Fixtures	Vehicles	Office Equipment	Laboratory Equipment	Computer and data processing units	Total
Year ended March 31, 2025									
Gross carrying amount									
At the beginning of the year	195	4,438	1,667	61	27	51	256	28	6,723
Additions	7	565	461	10	7	5	57	3	1,115
Disposals	-	(11)	-*	-	-*	-*	-*	-	(11)
At the end of the year	**202**	**4,992**	**2,128**	**71**	**34**	**56**	**313**	**31**	**7,827**
Accumulated depreciation									
At the beginning of the year	-	1,500	269	32	13	32	123	21	1,990
Depreciation charge	-	304	66	6	3	5	21	3	408
Disposals	-	(7)	-*	-	-*	-*	-*	-	(7)
At the end of the year	**-**	**1,797**	**335**	**38**	**16**	**37**	**144**	**24**	**2,391**
Net carrying amount as at March 31, 2025	**202**	**3,195**	**1,793**	**33**	**18**	**19**	**169**	**7**	**5,436**

** Amount is below the rounding off norm adopted by the Company.*

Notes:

(a) Title deeds of the immovable properties included above are held in the name of the Company, except for the land measuring 33.29 acres with a gross carrying value of ₹4 allotted by Andhra Pradesh Industrial Infrastructure Corporation (APIIC), where the mutation in the name of the Company is currently in process.

(b) Contractual obligations and other commitments: refer note 33(i) for disclosure of contractual and other commitments for the acquisition of property, plant and equipment.

(c) The addition in gross carrying amounts of roads and buildings and plant and machinery includes directly attributable costs of ₹40 (March 31, 2025: ₹75).

(d) The Company has not revalued its Property, plant and equipment during the year or in the previous year.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 4: Capital work-in-progress

Capital work-in-progress includes cost of property, plant and equipment under installation / under development at various locations as at the balance sheet date.

	March 31, 2026	March 31, 2025
Capital work-in-progress		
At the beginning of the year	1,022	778
Additions	2,635	1,362
Capitalisations	(1,544)	(1,118)
At the end of the year	**2,113**	**1,022**

Note 4(a): Capital work-in-progress (CWIP) ageing schedule

As at March 31, 2026	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,921	162	30	-	2,113
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2025	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	886	127	9	-	1,022
Projects temporarily suspended	-	-	-	-	-

Note 4(b): There are no significant capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 and March 31, 2025.

Note 4(c): Capital work in progress includes directly attributable cost of ₹31 (March 31, 2025: ₹59) as per details given below:

Particulars	March 31, 2026	March 31, 2025
At the beginning of the year	59	44
Employee benefits expense	9	39
Other expenses	3	41
Depreciation and amortisation expense	-	10
Total	**71**	**134**
Less: Capitalisations during the year	(40)	(75)
At the end of the year	**31**	**59**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 5: Intangible assets

Refer note 39(b) for accounting policies relevant to intangible assets.

	March 31, 2026	March 31, 2025
Computer software		
Gross carrying amount		
At the beginning of the year	32	29
Additions	4	3
Disposals	-	-
At the end of the year	**36**	**32**
Accumulated amortisation		
At the beginning of the year	28	25
Amortisation charge	2	3
Disposals	-	-
At the end of the year	**30**	**28**
Net carrying amount	**6**	**4**

Note:

The Company has not revalued intangible assets during the year or in the previous year.

Note 6: Financial Assets

Accounting policy :

(i) Classification:

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVOCI) are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other income in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments(other than investments in subsidiaries) at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of equity instruments at fair value through profit or loss are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value are not reported separately from other changes in fair value.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company's unconditional right to receive consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Derivative financial instruments

The derivative financial instruments in the form of foreign- exchange forward contracts are only used for economic hedging purposes and not as speculative investments. These do not meet the hedge accounting criteria and hence are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit and loss. They are presented as current financial assets or financial liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

(iii) Investment in subsidiaries

The Company has accounted for its investments in subsidiaries at cost.

(iv) Impairment of financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27(A) details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Individual trade receivables are written off when management deems them not to be collectible - Note 27(A).

Refer note 39(c) for the other accounting policies relevant to financial assets.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 6(a): Non-Current investments

	March 31, 2026	March 31, 2025
Unquoted, fully paid up		
(i) Investment in equity instruments in subsidiary companies (at cost)		
2,000 (March 31, 2025 : 2,000) ordinary shares of US$ 0.01 each of Divis Laboratories (USA) Inc **	3	3
200 (March 31, 2025 : 200) ordinary shares of CHF 500 each of Divi's Laboratories Europe AG ***	4	4
Investment in equity instruments in other companies (at FVPL)		
12,000 (March 31, 2025 : 12,000) equity shares of ₹10/- each of Pattan Cheru Enviro Tech Limited	-*	-*
Total equity instruments	**7**	**7**
Unquoted, fully paid up		
(ii) Investment in debentures in other companies (at FVPL)		
0.25% Redeemable 5,40,00,000 (March 31, 2025:5,40,00,000) optionally convertible debentures (OCDs) of ₹10/- each in Skyjets International Private Limited [refer note below]	69	65
(Including change in fair value of investments in OCDs ₹15 (March 31, 2025 : ₹11)		
Total debentures	**69**	**65**
Total non-current investments	**76**	**72**
Aggregate amount of unquoted investments	**76**	**72**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of impairment in the value of investment	-	-

** Amount is below the rounding off norm adopted by the Company.*

*** ₹1 (March 31, 2025: ₹1) included in the cost of investment is on account of fair valuation of interest free loans given to subsidiary.*

**** ₹4 (March 31, 2025: ₹4) included in the cost of investment is on account of fair valuation of interest free loans given to subsidiary.*

Note: 1,80,00,000 OCDs of ₹10/- each were redeemed during the previous year amounting ₹22 including accumulated premium of ₹4 upto the date of redemption.

Note 6(b): Other financial assets

	March 31, 2026	March 31, 2025
6(b)(i): Other financial assets - non-current:		
Security deposits	67	62
Total other financial assets - non-current	**67**	**62**
6(b)(ii): Other financial assets - current:		
Derivatives not designated as hedge		
- Foreign exchange forward contracts	1	-
Rental deposit	3	3
Other deposits	3	12
Insurance claims and export incentive receivable	1	1
Total other financial assets - current	**8**	**16**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 6(c) Trade receivables

	March 31, 2026	March 31, 2025
Trade receivables from others	2,792	2,556
Trade receivables from related parties	438	300
Gross trade receivables	3,230	2,856
Less: Loss allowance	2	1
Net trade receivables	**3,228**	**2,855**
Current portion	3,228	2,855
Non-current portion	-	-

(i) Security wise break-up of trade receivables

	March 31, 2026	March 31, 2025
Trade receivables considered good- secured	-	-
Trade receivables considered good - unsecured	3,228	2,855
Trade receivables - credit impaired	2	1
Total	**3,230**	**2,856**
Less: Loss allowance	2	1
Total trade receivables	**3,228**	**2,855**

(ii) Ageing of trade receivables

Particulars	Not due	Outstanding for periods from due date of payment					Total
		Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2026							
Undisputed trade receivables							
Considered good	2,573	559	96	-	-	-	3,228
Credit impaired	-	-	-	2	-	-	2
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-*	-*
Total	**2,573**	**559**	**96**	**2**	**-**	**-***	**3,230**
Less: Loss allowance	-	-	-	2	-	-*	2
Total trade receivables							**3,228**

Particulars	Not due	Outstanding for periods from due date of payment					Total
		Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2025							
Undisputed trade receivables							
Considered good	2,299	528	28	-*	-	-	2,855
Credit impaired	-	-	-	-	1	-	1
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-*	-*
Total	**2,299**	**528**	**28**	**-***	**1**	**-***	**2,856**
Less: Loss allowance	-	-	-	-*	1	-*	1
Total trade receivables							**2,855**

** Amount is below the rounding off norm adopted by the Company.*

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 6(d): Cash and cash equivalents

Refer note 39(d) for accounting policies relevant to Cash and cash equivalents

	March 31, 2026	March 31, 2025
Balances with banks		
- in current accounts	3	1
- in term deposits with original maturity period of less than three months	81	394
Cash on hand	1	1
Total cash and cash equivalents*	**85**	**396**

**There are no repatriation restrictions on cash and cash equivalents as at the end of the current year and previous year.*

Note 6(e): Bank balances other than cash and cash equivalents

	March 31, 2026	March 31, 2025
Balances in earmarked accounts with banks:		
- Unclaimed dividend	1	1
- Unspent CSR account	-*	16
Balances in term deposit accounts with remaining maturity period of less than twelve months.		
- pledged towards overdraft facilities with banks	180	171
- pledged towards margin on guarantees issued by bank	-*	-*
- other unencumbered deposits	3,105	3,112
Total bank balances other than cash and cash equivalents	**3,286**	**3,300**

** Amount is below the rounding off norm adopted by the Company.*

Note 7: Income tax assets (net)

Refer note 39(e) for accounting policies relevant to Current taxes

	March 31, 2026	March 31, 2025
7(a) Income tax asset - Non-Current		
Prepaid income taxes	1	1
	1	1
7(b) Income tax asset - Current		
Prepaid income taxes	14	804
Provision for income tax	-	(792)
	14	12
Total Income tax asset 7(a)+7(b)	**15**	13
7(c) Current tax liability		
Provision for income tax	871	-
Prepaid income taxes	(860)	-
Total Current tax liability (net)	**11**	-

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 7(d): Movement in income tax asset/(liability)

	March 31, 2026	March 31, 2025
Income tax asset/(liability) - at the beginning of the year	13	(13)
Add: Taxes paid during the year	862	846
Less: Refund received	-	(28)
Add: Adjustments of current tax for prior years	-*	-*
Less: Current tax provision	(871)	(792)
Net Income tax asset/(liability) - at the end of the year	**4**	**13**

Note 8: Other non-current assets

	March 31, 2026	March 31, 2025
Capital advances	134	238
Pre-paid expenses	1	1
Other receivables*	8	9
Total other non-current assets	**143**	**248**

**Includes ₹8 deposited on account of disputed GST order. Refer the note 32(b).*

Note 9: Inventories

Accounting policy :

Raw materials, stores and spares, work-in-progress and finished goods are stated at the lower of cost, calculated on weighted average basis, and net realizable value.

Refer note 39(f) for other accounting policies relevant to Inventories.

Accounting Estimates – Management estimates and write down value of slow moving inventory, considering the future usage or marketability of the related finished products.

	March 31, 2026	March 31, 2025
Raw materials	1,423	1,022
Work-in-progress	1,969	1,698
Finished goods	121	148
Packing material	13	9
Stores and spares	185	156
Total Inventories	**3,711**	**3,033**

Raw materials and finished goods consists of goods in transit of ₹150 (March 31, 2025: ₹101) and ₹118 (March 31, 2025: ₹146) respectively.

Amounts recognised in Profit and loss

Write-down of inventories to net realisable value and on account of slow moving inventory amounted to ₹9 (March 31, 2025: ₹5). These were recognised in standalone statement of profit and loss and included in 'Changes in inventories of finished goods and work-in-progress ' and 'Cost of raw materials consumed'.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 10: Other current assets

Refer note 16 for accounting policies relevant to contract assets.

	March 31, 2026	March 31, 2025
Indirect taxes- input credits including refund claims	325	245
Prepaid expenses	24	34
Advances to suppliers	115	87
Contract assets- Unsecured, considered good (Refer note 16) *	125	-
Others	113	1
Total other current assets	**702**	**367**

**Net off contract liability of ₹111 for the same contract.*

Note 10(a): Movement in contract assets

	March 31, 2026	March 31, 2025
Balance at the beginning of the year	-	-
Add: Revenue recognised during the year	236	-
Less: Amount billed during the year	-	-
Less: Movement in expected credit loss allowance	-	-
Balance at the end of the year	**236**	**-**
Less: Net off contract liabilities for the same contract	111	-
Total net contract asset	**125**	**-**

Note 11: Equity share capital and other equity

Note11(a): Equity share capital

Refer note 39(g) for other accounting policies relevant to Equity

(i) Authorised equity share capital

Particulars	Number of shares	Amount
As at April 1, 2024	30,00,00,000	60
Movement during the year	-	-
As at March 31, 2025	**30,00,00,000**	**60**
Movement during the year	-	-
As at March 31, 2026	**30,00,00,000**	**60**

(ii) Issued, subscribed and paid-up equity share capital

Particulars	Number of shares	Amount
As at April 1, 2024	26,54,68,580	53
Movement during the year	-	-
As at March 31, 2025	**26,54,68,580**	**53**
Movement during the year	-	-
As at March 31, 2026	**26,54,68,580**	**53**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹2 per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll, each share is entitled to one vote.

(iii) Details of shareholders holding more than 5% shares in the company

	March 31, 2026		March 31, 2025	
	Number of shares	% holding	Number of shares	% holding
Dr. Satchandra Kiran Divi	5,40,00,000	20.34%	5,40,00,000	20.34%
Ms. Nilima Prasad Divi	5,40,00,000	20.34%	5,40,00,000	20.34%
Mrs. Swarnalatha Divi	1,40,00,000	5.27%	1,40,00,000	5.27%
Life Insurance Corporation of India	74,16,288	2.79%	1,49,52,710	5.63%

(iv) Shareholdings of promoters and promoter group:

Promoter Name	March 31, 2026			March 31, 2025		
	Number of shares	% of total shares	% of change during the year	Number of shares	% of total shares	% of change during the year
Dr. Murali Krishna Prasad Divi	75,67,000	2.85%	0.00%	75,67,000	2.85%	0.00%
Dr. Satchandra Kiran Divi	5,40,00,000	20.34%	0.00%	5,40,00,000	20.34%	0.00%
Ms. Nilima Prasad Divi	5,40,00,000	20.34%	0.00%	5,40,00,000	20.34%	0.00%
Mrs. Swarnalatha Divi	1,40,00,000	5.27%	0.00%	1,40,00,000	5.27%	0.00%
Divis Biotech Private Limited	80,00,000	3.01%	0.00%	80,00,000	3.01%	0.00%
Mr. Madhusudana Rao Divi	1,68,090	0.06%	-10.63%	1,88,090	0.07%	-29.47%

Note 11(b): Other Equity

	March 31, 2026	March 31, 2025
Reserves and surplus		
Securities premium reserve	80	80
General reserve	1,000	1,000
Retained earnings	15,366	13,357
Special economic zone re-investment reserve	212	405
Total other equity	**16,658**	**14,842**

(i) There is no movement in securities premium reserve and general reserve during the current year and previous year.

(ii) Retained earnings

	March 31, 2026	March 31, 2025
At the beginning of the year	13,357	11,725
Profit after tax for the year	2,607	2,209
Transfer from special economic zone re-investment reserve	193	221
Dividend paid to company's shareholders	(797)	(796)
Items of other comprehensive income recognised directly in retained earnings:		
- Remeasurements of post employment benefit obligation, net of tax	6	(2)
At the end of the year	**15,366**	**13,357**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(iii) Special economic zone re-investment reserve

	March 31, 2026	March 31, 2025
At the beginning of the year	405	626
Transferred to retained earnings	(193)	(221)
At the end of the year	**212**	**405**

Nature and purpose of reserves:

Securities premium reserve:

Securities premium reserve is used to record the premium on issue of securities. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve:

General Reserve represents amounts transferred from retained earnings in earlier years under the provisions of the erstwhile Companies Act, 1956.

Special Economic Zone Re-investment reserve:

The special economic zone re-investment reserve is created out of profits of eligible SEZ unit in earlier years for utilisation of such reserve in terms of the provisions of the Income Tax Act, 1961.

Note 12: Provisions - Employee Benefit Obligations

Refer note 39(h) for accounting policies relevant to employee benefits.

Particulars	March 31, 2026			March 31, 2025		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	60	-	60	53	-	53
Gratuity	-	81	81	1	-	1
	60	**81**	**141**	**54**	**-**	**54**

(a) Compensated absences obligations:

The compensated absences covers the Company's liability for earned leave. The liabilities for earned leave that cannot be availed/settled within 12 months are therefore measured at the present value of expected future availment/payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit is discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

The provision for compensated absences at the end of the current reporting period is presented as current, since the Company does not have an unconditional right, to defer settlement of the obligations beyond 12 months.

(b) Post-employment obligations- Gratuity: (Defined benefit)

The gratuity obligation at the end of the reporting period has been actuarially valued by an independent actuary using the projected unit credit method, as per the applicable provisions of Code on Social Security 2020, where as the applicable provisions of Payment of Gratuity Act, 1972 was applied for the previous year valuation (Refer note 37 for the impact of Labour Codes). The gratuity plan is a funded plan and the Company makes contributions, through an approved trust, to recognised funds administered by Life Insurance Corporation of India (Insurer).

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2025	**71**	**(70)**	**1**
Current service cost	15	-	15
Past service cost (Also refer note 37)	74	-	74
Interest expense/(income)	5	(5)	-
Amount recognised in Statement of profit and loss	**94**	**(5)**	**89**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-*	-*
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(17)	-	(17)
(Gain)/loss from experience adjustments	9	-	9
Amount recognised in other comprehensive income	(8)	-*	(8)
Amount recognised in total comprehensive income	**86**	**(5)**	**81**
Employer contributions	-	(1)	(1)
Benefit payments	(3)	3	-
As at March 31, 2026	**154**	**(73)**	**81**

	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2024	56	(66)	(10)
Current service cost	7	-	7
Past service cost	1	-	1
Interest expense/(income)	4	(5)	(1)
Amount recognized in Statement of profit and loss	**12**	**(5)**	**7**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-*	-*
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	1	-	1
(Gain)/loss from experience adjustments	3	-	3
Amount recognized in other comprehensive income	4	-*	4
Amount recognized in total comprehensive income	**16**	**(5)**	**11**
Employer contributions	-	-	-
Benefit payments	(1)	1	-
As at March 31, 2025	**71**	**(70)**	**1**

** Amount is below the rounding off norm adopted by the Company.*

The net liability disclosed above relates to funded plan is given below:

	March 31, 2026	March 31, 2025
Present value of funded obligations	154	71
Fair value of plan assets	(73)	(70)
Deficit /(Surplus) of funded plans	81	1

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(ii) Significant estimates: Actuarial assumptions

The significant actuarial assumptions considered are:

	March 31, 2026	March 31, 2025
Discount rate	7.80%	7.03%
Salary growth rate	6%	6%
Attrition rate depending on age	1% to 3%	1% to 3%
Retirement age	60 years	60 years
Average balance future service	28.45 Years	28.25 Years
Mortality table	IALM (2012-14)	IALM (2012-14)

(iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	March 31, 2026	March 31, 2025
Defined benefit obligation under base scenario	154	71
Increase / (Decrease) in defined benefit obligation:		
Discount rate:(% change compared to base due to sensitivity)		
Increase : +1%	(18)	(8)
Decrease: -1%	21	9
Salary growth rate:(% change compared to base due to sensitivity)		
Increase : +1%	17	9
Decrease: -1%	(15)	(7)
Attrition rate:(% change compared to base due to sensitivity)		
Increase : +1%	5	1
Decrease: -1%	(5)	(1)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

(iv) Defined benefit liability

The Company has established a trust to administer its obligation for payment of gratuity to employees. The trust in turn contributes to a scheme administered by the Life Insurance Corporation of India (Insurer). Every year, the insurer carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. The trust has not changed the process used to manage the risks from previous years.

The major categories of plan assets are as follows:

	March 31, 2026	March 31, 2025
*Fund managed by Life Insurance Corporation of India (Unquoted)	100%	100%

**Fund is managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available.*

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Contributions to post employment benefit plan for the year ending March 31, 2027 is expected to be ₹ Nil

The weighted average duration of the defined benefit obligation is 14 years (March 31, 2025: 13 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	Between 1-2 years	Between 3-5 years	Between 6-10 years	Over 10 years	Total
March 31, 2026						
Defined benefit obligation-gratuity	11	6	21	48	457	543
March 31, 2025						
Defined benefit obligation-gratuity	8	3	9	23	168	211

(v) Asset-liability matching strategy

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity payables falling due during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

(c) Defined contribution plans

Employer's contribution to provident fund: Contributions are made to a provident fund in India for employees in accordance with the requirements of Employees' Provident funds and Miscellaneous Provisions Act, 1952 and applicable provisions of Code on Social Security, 2020 and rules thereunder. The contributions are made to registered provident fund administered by the government. This obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards this defined contribution plan is ₹31 (March 31, 2025: ₹28).

Employer's contribution to state insurance scheme: Contributions are made to state insurance scheme for eligible employees in accordance with the requirements of Employees' State Insurance Act, 1948 and applicable provisions of Code on Social Security, 2020 and rules thereunder. The contributions are made to employee state Insurance corporation (ESI), a corporation administered by the government. This obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards this defined contribution plan is ₹2 (March 31, 2025: ₹2)

Note 13: Deferred tax liabilities (net)

Refer note 39(e) for accounting policies relevant to deferred taxes.

The balance comprises temporary differences attributable to:

Particulars	March 31, 2026	March 31, 2025
Deferred tax liability :		
Property, plant and equipment	450	419
SEZ reinvestment utilisation reserve	53	102
Others	4	3
Deferred tax asset:		
Employee benefits	38	15
Net deferred tax liabilities	**469**	**509**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Movement in deferred tax liabilities /(asset)

Particulars	April 01, 2025	Changes through Profit and Loss	Changes through other comprehensive income	March 31, 2026
Property, plant and equipment	419	31	-	450
SEZ reinvestment utilisation reserve	102	(49)	-	53
Employee benefit expenses	(15)	(25)	2	(38)
Others	3	1	-	4
Deferred tax liability (net)	**509**	**(42)**	**2**	**469**

Particulars	April 01, 2024	Changes through Profit and Loss	Changes through other comprehensive income	March 31, 2025
Property, plant and equipment	420	(1)	-	419
SEZ reinvestment utilisation reserve	179	(77)	-	102
Employee benefit expenses	(20)	5	-*	(15)
Others	3	-	-	3
Deferred tax liability (net)	**582**	**(73)**	**-***	**509**

** Amount is below the rounding off norm adopted by the Company.*

Note: During the previous year, the Company has opted for paying taxes under section 115BAA of the Income tax act, 1961 without claiming tax holiday benefits. Accordingly, the deferred taxes have been recognised for all the temporary differences by applying the applicable enacted rates in this period. Refer note 24(b).

Note 14: Financial liabilities

Accounting policy:

(i) Classification:

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value, and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial liabilities and the contractual terms of the cash flows.

(ii) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss (FVTPL), loans and borrowings (including bank overdrafts), payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings (including bank overdrafts) and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, bank overdrafts and derivative financial instruments.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(iii) Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the statement of profit and loss.

(iv) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Note 14(a): Current borrowings

Refer note 39(i) for accounting policies relevant to borrowings.

Particulars	Maturity date and terms of payment	Interest rate	March 31, 2026	March 31, 2025
Loans payable on demand:				
A. From banks - secured				
- Working capital facility from banks	Payable on demand	Nil(March 31, 2025: 8.30%)	-	-
- Overdraft facilities from banks	Payable on demand	6.95%(March 31, 2025: 8.30%)	-	2
			-	**2**
B. From banks - unsecured				
- Working capital facility from banks	Payable on demand	9.80%(March 31, 2025: Nil)	-	-
Total current borrowings			**-**	**2**

i) Utilisation of borrowings availed from banks

The borrowings obtained from banks have been applied for the purposes for which such loans are taken.

ii) Quarterly statements filed with banks

The quarterly statements of current assets filed by the Company in respect of its working capital facilities with banks are in agreement with the books of accounts.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

iii) Wilful defaulter

The Company has not been declared as wilful defaulter by any bank or financial institutions or government or any government authority.

(iv) Secured borrowings and assets pledged as security

Overdraft facilities from banks are secured by pledge of specific term deposits with banks of ₹180 (March 31, 2025: ₹171).

Assets pledged as security

The carrying amounts of Company's assets pledged as security for working capital facility from banks:

	March 31, 2026	March 31, 2025
Current assets*		
Inventory	-	3,033
Trade receivables	-	2,855
Other current assets	-	3,920
	-	**9,808**

**Value of letters of credit and guarantees outstanding as at March 31, 2026 is ₹240 (March 31, 2025 is ₹265)*

There were no delays in registration of satisfaction of charges with Registrar of Companies beyond the statutory period.

(v) Net Debt reconciliation

This section sets out the changes in liabilities arising from financing activities in the statement of cash flows:

	March 31, 2026	March 31, 2025
Cash and cash equivalents	85	396
Borrowings outstanding at the year end	-	(2)
Net Surplus	85	394
Net debt obligations	**-**	**-**

	Liabilities from financing activities	Other assets	Net Surplus
	Current borrowings	Cash and bank overdraft	
Net surplus as at April 01, 2025	-	394	394
Cash flows	-	(309)	(309)
Interest expense	5	-	5
Interest paid	(5)	-	(5)
Net surplus as at March 31, 2026	**-**	**85**	**85**
Net surplus as at April 01, 2024	-	344	344
Cash flows	-	50	50
Interest expense	1	-	1
Interest paid	(1)	-	(1)
Net surplus as at March 31, 2025	**-**	**394**	**394**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 14(b): Trade payables

Refer note 39(j) for accounting policies relevant to trade and other payables

	March 31, 2026	March 31, 2025
Current		
Trade payables -micro and small enterprises (Refer note 35)	62	37
Trade payables -others	1,128	843
Total trade payables	**1,190**	**880**

(i) Ageing of trade payables

As at March 31, 2026

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro and small enterprises	2	60	-	-	-	-	62
Others	67	817	244	-*	-*	-*	1,128
Total trade payables	**69**	**877**	**244**	**-***	**-***	**-***	**1,190**

As at March 31, 2025

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro and small enterprises	-	37	-	-	-	-	37
Others	180	466	197	-*	-*	-	843
Total trade payables	**180**	**503**	**197**	**-***	**-***	**-**	**880**

** Amount is below the rounding off norm adopted by the Company.*

(ii) There are no disputed trade payables as at March 31, 2026 and March 31, 2025.

Note 14(c): Other financial liabilities

	March 31, 2026	March 31, 2025
Non-current		
Refundable advance from customer (at amortised cost)[refer note 16]	456	-
Total other non-current financial liabilities	**456**	**-**
Current		
Capital creditors	145	133
Unclaimed dividend	1	1
Employee benefits payable	312	274
Accrual for rebates / discounts	2	-*
Total other current financial liabilities	**460**	**408**

** Amount is below the rounding off norm adopted by the Company.*

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 15: Other liabilities

Refer note 16 for accounting policies relevant to contract liabilities.

	March 31, 2026	March 31, 2025
15(a): Other liabilities- non-current		
Contract liabilities		
Deferred revenue (Refer note 16)	218	-
Total other non-current liabilities	**218**	**-**
15(b): Other liabilities- current		
Contract liabilities		
- Deferred revenue (Refer note 16)	184	-
- Advance from customers	83	40
	267	40
Statutory dues payable	17	16
Deferred revenue government grants	2	1
Liability towards corporate social responsibility(Refer note 23(b))	12	19
Total other current liabilities	**298**	**76**

Note: Movement in contract liabilities

	March 31, 2026	March 31, 2025
Balance at the beginning of the year	40	34
Add: Advance received during the year	1,207	496
Less: Amount recognised as revenue	(651)	(490)
Balance at the end of the year	**596**	**40**
Less: Contract liability net off against contract asset for the same contract	111	-
Total net contract liabilities	**485**	**40**

Note 16: Revenue from operations

Accounting policy :

(i) Revenue from Sale of Goods:

Revenue is recognised at a point in time or over time based on satisfaction of the performance obligations agreed in the customer contract.

Revenue in respect of sale of products is generally recognised when control of the Company's products is transferred to the customer, which occurs at a point in time. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the shipment, delivery and acceptance terms agreed with the customers.

In certain cases, revenue is recognised over time where the Company's performance does not create an asset with an alternative use for the Company and it has an enforceable right to payment for performance completed to date, which is measured based on the progress towards satisfaction of each identified performance obligation in the contract with customers.

For performance obligation satisfied over time, revenue is recognised by measuring the progress towards complete satisfaction of that performance obligation. The Company has used output method to measure the progress which include methods such as milestones reached and units produced. Output method selected faithfully depicts the entity's

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

performance towards satisfaction of performance obligations as the output generated are directly observable and the information required to apply them are readily available to the Company.

When a performance obligation is satisfied, the revenue is measured at the transaction price which is consideration received or receivable as per the contract, net of returns and allowances, taxes or duties collected on behalf of the government and estimated volume rebates. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

For contracts with multiple performance obligations, the Company allocates the transaction price to each performance obligations based on the relative standalone selling price.

The Company does not expect to have any contracts where the period between the invoicing to the customer and payment by the customer exceeds one year. The payment terms typically ranges from 60 to 180 days after invoicing. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Materials procured from suppliers identified by the customer

The Company entered into a contract with its customer to manufacture goods using certain specialised materials procured from suppliers identified by the customer which does not have alternative use to the Company. The Company recognises revenue, net of such materials consumed. Unused materials at the end of the period is measured at cost and presented under other current assets (refer note 10).

Contract assets

A contract asset represents the Company's right to consideration in exchange for goods or services that the Company has transferred to the customer when that right is conditional, other than the passage of time.

Contract assets are initially recognized when revenue is recognized in accordance with Ind AS 115, but invoicing is contingent upon fulfillment of additional performance obligations or other contractual conditions. Contract assets are reclassified to trade receivables when the right to consideration becomes unconditional. Contract assets disclosed under note 10 represents unbilled revenue. The impairment of contract assets is measured, presented and disclosed on the same basis as trade receivables. The Company does not present both contract asset and contract liability for the same contract.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). In certain cases, the Company receive interest free refundable advances from customers and the difference between the fair value and the gross advance received is recognised as a contract liability on initial recognition. Contract liabilities are recognised as revenue when the Company performs under the contract.

Contribution received from customer towards capacity reservation of a facility are recorded as contract liabilities and recognised as revenue over the estimated period of the contract.

(ii) Revenue from sale of services:

Revenue from sale of services is recognised as per the terms of the contracts with customers when the related services are performed, or the agreed milestones are achieved.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(iii) Export incentives

Export incentives comprise of Duty drawback.

Duty drawback is recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports entitled for this benefit made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Refer note 39(k) for other accounting policies relevant to revenue.

Accounting estimate: The management determines applicable rebate rates based on the volume of transactions to be made with customers considering the orders in hand, anticipated dispatches and previous year's trend.

	March 31, 2026	March 31, 2025
Sale of products	10,178	9,141
Sale of services	126	22
Other operating revenue:		
Sale of scrap out of manufacturing process	72	33
Export incentives	12	2
Total revenue from operations	**10,388**	**9,198**

Note 16(a): Reconciliation of revenue recognised with contract price:

	March 31, 2026	March 31, 2025
Contract price*	10,470	9,243
Adjustments for:		
Rebates / discounts	(47)	(47)
Contract liabilities (Reversal of deferred revenue)	19	-
Consumption of materials procured from identified suppliers (refer note 16)	(66)	-
Revenue from contracts with customers	**10,376**	**9,196**

** Includes revenue recognised over time of ₹236 (March 31, 2025: ₹Nil).*

Note 16(b): Disaggregation of revenue:

The Company derives revenue from transfer of goods and services from the following geographical areas (based on where products and services are delivered).

Region	Revenue from contracts with customers	Export incentives	Total revenue from operations
For the year ended March 31, 2026			
Europe	6,311	-	6,311
America	1,360	-	1,360
Asia	1,079	-	1,079
India	1,147	12	1,159
Rest of the world	479	-	479
	10,376	**12**	**10,388**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Region	Revenue from contracts with customers	Export incentives	Total revenue from operations
For the year ended March 31, 2025			
Europe	5,192	-	5,192
America	1,488	-	1,488
Asia	1,044	-	1,044
India	1,105	2	1,107
Rest of the world	367	-	367
	9,196	**2**	**9,198**

Note 16(c): Contract balances

	March 31, 2026	March 31, 2025
Trade receivables [refer note 6(c)]	3,228	2,855
Contract assets [refer note 10]	125	-
Contract liabilities [refer note 15]	485	40

Note 16(d): The Company has recognised revenue of ₹40 (March 31, 2025: ₹34) from the contract liability balance at the beginning of the year.

Note 16(e): The Company has not recognised any revenue during the year from performance obligations satisfied in previous periods.

Note 17: Other income

Accounting policy :

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortized cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Refer note 39(k) and 39(l) for other accounting policies relevant to foreign currency translations and government grants.

	March 31, 2026	March 31, 2025
Interest income from financial assets	284	295
Change in fair value of non-current investments	4	1
Gain on redemption of investments	-	4
Net gain on foreign currency transactions and translations	210	48
Miscellaneous income	8	4
Government grants	-*	-*
Total other income	**506**	**352**

** Amount is below the rounding off norm adopted by the Company.*

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 18: Cost of raw materials consumed

	March 31, 2026	March 31, 2025
Raw materials at the beginning of the year	1,022	1,067
Add: Purchases	4,661	3,715
Less: Raw materials at the end of the year	1,423	1,022
Total cost of raw materials consumed	**4,260**	**3,760**

Note 19: Changes in inventories of finished goods and work-in-progress

	March 31, 2026	March 31, 2025
At the beginning of the year		
Finished goods	148	143
Work-in-progress	1,698	1,620
	1,846	**1,763**
At the end of the year		
Finished goods	121	148
Work-in-progress	1,969	1,698
	2,090	**1,846**
Changes in inventories of finished goods and work-in-progress	**(244)**	**(83)**

Note 20: Employee benefits expense

	March 31, 2026	March 31, 2025
Salaries, wages, bonus and other allowances	1,349	1,163
Contribution to provident fund and other fund	31	28
Contribution to ESI	2	2
Staff welfare expenses	18	17
Total	**1,400**	**1,210**

Refer note 4(c) for the expense capitalised.

Note 21: Finance costs

Refer note 39(n) for accounting policies relevant to borrowing costs.

	March 31, 2026	March 31, 2025
Interest and finance charges on financial liabilities carried at amortised cost	23	1
Interest others	-*	-*
Charges for letters of credit / bank guarantees	-*	-*
Total finance costs	**23**	**1**

** Amount is below the rounding off norm adopted by the Company.*

Note 22: Depreciation and amortisation expense

	March 31, 2026	March 31, 2025
Depreciation on property, plant and equipment*	459	398
Amortisation of intangible assets	2	3
Total Depreciation and amortisation expense*	**461**	**401**

**Refer note 4(c) for the expense capitalised.*

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 23: Other expenses

	March 31, 2026	March 31, 2025
Consumption of stores and spares	108	75
Packing materials consumed	79	67
Power and fuel	528	465
Repairs and maintenance- buildings	20	25
Repairs and maintenance- machinery	185	164
Repairs and maintenance- others	3	2
Insurance	41	35
Rates and taxes, excluding taxes on income	25	21
Non-executive directors' remuneration including sitting fees	2	2
Printing and stationery	9	7
Rental charges	18	15
Communication expenses	2	2
Travelling and conveyance	61	63
Vehicle maintenance	2	2
Payments to auditors (Refer note 23(a))	1	1
Legal and professional charges	34	18
Factory upkeep	9	10
Environment compliance expenses	83	79
Advertisement and publication	-*	-*
Research and development (Refer note 23(c))	31	27
Sales commission	8	7
Carriage outward	104	104
General expenses	78	66
Electricity service line charges	2	-*
Provision for doubtful debts/ (written back) including bad debts written off/ (recovered)	1	1
Political Contributions (Refer note 23(d))	-	15
Corporate social responsibility activities (CSR) (Refer note 23(b))	49	54
Loss on disposal/ discard of assets	-*	4
Bank charges	1	1
Total Other expenses	**1,484**	**1,332**

** Amount is below the rounding off norm adopted by the Company.*

Refer note 4(c) for the expense capitalised.

Note 23(a): Details of payments to auditors

(₹ in lakhs)

	March 31, 2026	March 31, 2025
As statutory auditor	55	45
For quarterly reviews	30	30
Reimbursement of expenses	4	3
Total payments to auditors	**89**	**78**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 23(b): Expenditure on corporate social responsibility activities (CSR)

The Company has spent amounts as specified below towards various schemes of Corporate Social Responsibility activities as prescribed under Section 135 of the Companies Act, 2013.

	March 31, 2026	March 31, 2025
Amount required to be spent for the year	49	54
Amount of expenditure incurred	37	48
Excess amount of CSR expenditure spent under 135(5) of the act	-	-
Amount of shortfall for the year	12	6
Amount of cumulative shortfall at the end of the year**	12	19
Reason for shortfall	*	*
Nature of CSR activities	Promoting healthcare, education, rural development, empowering women, safe drinking water, environmental sustainability, Rural sports, swacch bharat programme, support to differently abled, livelihood enhancement etc..	
Amount spent during the year on:		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	37	48
Total amount spent during the year in cash	37	48

** The amount of shortfall represents the unspent amount on ongoing projects, which has been deposited in separate bank account within the stipulated timelines and will be spent in accordance with applicable provisions of the Companies Act, 2013.*

*** Net of amount spent on on-going projects of earlier years ₹19 (March 31, 2025:₹18).*

Note 23(c): Expenses on research and development**

	March 31, 2026	March 31, 2025
Salaries, wages, bonus and other allowances	54	49
Contribution to provident and other funds	6	3
Contribution to ESI	-*	-*
Staff welfare expenses	1	1
Consumption of stores and spares	12	12
Power and fuel	4	3
Repairs to buildings	1	1
Repairs to machinery	8	5
Repairs to other assets	1	1
Rates and taxes, excluding taxes on income	-*	-*
Printing and stationery	-*	-*
Communication expenses	-*	-*
Travelling and conveyance	-*	-*
Professional and consultancy charges	3	3
Miscellaneous expenses	2	2
Total expenses on research and development	**92**	**80**

*** Expenses on research and development to the extent of ₹61 (March 31, 2025: ₹53) is included under employee benefit expenses and ₹31 (March 31, 2025: ₹27) is included under other expenses.*

** Amount is below the rounding off norm adopted by the Company.*

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 23(d): Political contributions

	March 31, 2026	March 31, 2025
Paid to electoral trust company	-	15
Total political contributions	**-**	**15**

Note 24(a): Tax expense

	March 31, 2026	March 31, 2025
(i) Current tax expense		
Current tax on profits for the year	869	793
Current tax charge /(reversals) of earlier years	-*	-*
Total current tax expense	**869**	**793**
(ii) Deferred tax expense		
Decrease /(Increase) in deferred tax assets	(23)	5
(Decrease) /Increase in deferred tax liabilities	(17)	(78)
Total deferred tax expense/(benefit)	**(40)**	**(73)**
(iii) Tax expense recognised in statement of profit and loss (i+ii)	**829**	**720**
(iv) Tax recognised in other comprehensive income	2	(1)
Total tax expense (iii+iv)	**831**	**719**

** Amount is below the rounding off norm adopted by the Company.*

Note 24(b): Reconciliation of tax expense and the accounting profit multiplied by tax rate:

	March 31, 2026	March 31, 2025
Profit before tax	3,436	2,929
Tax at the rate of 25.168% (March 31, 2025: 25.168%)**	**865**	**737**
Tax effect of expenses not deductible for tax purpose	12	18
Tax effect of income includible for tax purpose	2	-*
Tax effect of income not includible for tax purpose - Reversal of SEZ reinvestment reserve	(49)	(7)
Tax effect of adjustments for current tax of prior periods	-*	-*
Tax effect of lower tax rate u/s 115BAA**	-	(29)
Others	1	-*
Total tax expense	**831**	**719**

** Amount is below the rounding off norm adopted by the Company.*

***During the previous year, the Company has opted for paying taxes under section 115BAA of The Income Tax Act, 1961. Also refer note 13.*

Note: The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in the jurisdiction in which the Company operates.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Financial instruments and risk management

Note 25: Categories of financial instruments

Particulars		Notes	Level	March 31, 2026 Carrying value / fair value	March 31, 2025 Carrying value / fair value
A.	**Financial assets**				
	Measured at fair value through profit or loss				
	Investment in equity instruments of other companies	6(a)	3 (Refer Note 26)	-*	-*
	Investment in optionally convertible debentures (OCDs) of other companies**			69	65
	Derivatives - Foreign exchange forward contracts	6(b)(ii)	2 (Refer Note 26)	1	-
	Measured at amortised cost				
	Trade receivables	6(c)		3,228	2,855
	Security deposits	6(b)(i)		67	62
	Cash and cash equivalents and other bank balances	6(d) and 6(e)		3,371	3,696
	Other financial assets	6(b)(ii)		7	16
	Total financial assets			**6,743**	**6,694**
B.	**Financial liabilities**				
	Measured at amortised cost				
	Trade payables	14(b)		1,190	880
	Borrowings	14(a)		-	2
	Capital creditors	14(c)		145	133
	Other financial liabilities	14(c)		771	275
	Total financial liabilities			**2,106**	**1,290**

** Amount is below the rounding off norm adopted by the Company.*

***Optionally convertible debentures are redeemable at 10th year at 70% premium, if not converted. In case of an early redemption, either in part or in full, debenture holder is eligible to get prorated premium. At any point of tenure, company can opt for conversion to equity shares at mutually agreed terms. These are secured by way of first charge created on specific asset owned by the issuer.*

Investment in subsidiaries have been accounted at historical cost.

Note 26: Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of remaining financial instruments is determined using discounted cash flow analysis.

Valuation Process:

The Level 3 inputs for investment in equity shares and OCDs are derived using the discounted cash flow analysis.

Fair value of financial assets and liabilities measured at amortised cost:

The carrying amounts of financial assets and liabilities measured at amortised cost are considered to be the same as their fair values, due to their short term nature.

Note 27: Financial Risk Management

The Company's activities expose it to credit risk, market risk, price risk and liquidity risk. The Company emphasizes on risk management and has an enterprise wide approach to risk management. The Company's risk management and control procedures involve prioritization and continuing assessment of these risks and devise appropriate controls, evaluating and reviewing the control mechanism.

(A) Credit Risk:

Credit risk management

I. Credit risk on cash and cash equivalents and other bank balances is limited as the Company generally invests in deposits with banks that are majorly owned by the Government of India thereby minimising its risk.

II. Credit risk on trade receivables, contract assets and other financial assets are evaluated as follows:

Expected credit loss for other financial assets:

Category	Basis for recognition of expected credit loss provision	Asset Group
Financial assets for which credit risk has not increased significantly since initial recognition	Loss allowance measured at 12 month expected credit losses	Other non-current financial assets Other current financial assets

Expected credit loss for other financial assets:

Asset Group	March 31, 2026			March 31, 2025		
	Gross carrying amount	Expected credit loss	Carrying amount net of provision	Gross carrying amount	Expected credit loss	Carrying amount net of provision
Other non-current financial assets	67	-	67	62	-	62
Other current financial assets	8	-	8	16	-	16

Expected credit loss from treasury operations and for trade receivables and contract assets:

Credit risk is the risk of financial loss to the Company if a customer to a financial instrument fails to meet its contractual obligations and arises primarily from trade receivables, treasury operations etc. Credit risk of the Company is managed at the Company level. In the area of treasury operations, the Company is presently exposed to limited risk relating to term deposits as those are made with State Bank of India and other scheduled banks. The Company regularly monitors such deposits and credit ratings of the banks thereby minimising the risk.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

The credit risk related to trade receivables and contract assets is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the Company by establishing credit limits and continuously monitoring the credit worthiness of the customer. The Company also provides for expected credit losses, based on the risk and payment patterns over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables where it believes that there is high probability of default. The Company has considered possible effect on credit risks including forward looking information to develop expected credit losses.

Given that customers of the Company are large pharma players the instances of defaults with respect to the receivables from customers including contract assets have been negligible in the past three years, hence, provision matrix has not been disclosed.

Following are the expected credit losses for trade receivables and contract assets:

	March 31, 2026	March 31, 2025
Gross carrying amount of trade receivables and contract assets	3,355	2,856
Less: Expected credit losses including loss allowance provision	(2)	(1)
Net carrying amount of trade receivables and contract assets	**3,353**	**2,855**

Expected credit loss for trade receivables and contract assets as at March 31, 2026

Ageing	Not due	Outstanding					Total
		for less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Gross carrying amount of trade receivables and contract assets	2,698	559	96	2	-	-*	3,355
Expected credit losses	-	-	-	(2)	-	-*	(2)
Net carrying amount of trade receivables and contract assets	**2,698**	**559**	**96**	**-**	**-**	**-**	**3,353**

Expected credit loss for trade receivables and contract assets as at March 31, 2025

Ageing	Not due	Outstanding					Total
		for less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Gross carrying amount of trade receivables and contract assets	2,299	528	28	-*	1	-*	2,856
Expected credit losses	-	-	-	-*	(1)	-*	(1)
Net carrying amount of trade receivables and contract assets	**2,299**	**528**	**28**	**-***	**-**	**-**	**2,855**

** Amount is below the rounding off norm adopted by the Company.*

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Reconciliation of loss allowance provision in respect of trade receivables and contract assets:

	Total
Loss allowance on April 01, 2025	**1**
Change in loss allowance	
Add: Current year loss allowance provided	1
Less: Recoveries / Writeback	-*
Less: Bad debts written off	-
Loss allowance on March 31, 2026	**2**
Loss allowance on April 01, 2024	**1**
Change in loss allowance	
Add: Current year loss allowance provided	-*
Less: Recoveries / Writeback	-*
Less: Bad debts written off	-*
Loss allowance on March 31, 2025	**1**

** Amount is below the rounding off norm adopted by the Company.*

(B) Market Risk:

The Company has substantial exposure to foreign currency risk due to the significant exports. Sales to overseas customers and purchases from overseas suppliers are exposed to risk associated with fluctuation in the currencies of those countries vis-a-vis the functional currency i.e. Indian rupee. The Company manages currency fluctuations by having a better geographic balance in revenue mix. The Company notes that historically rupee has depreciated against major foreign currencies. On need basis, the Company uses derivative financial instruments such as foreign exchange forward contracts to mitigate its risk of fluctuations in foreign currency exchange rates. Further, Company continually reassesses the cost structure impact of the currency volatility and engages with customers periodically addressing such risks.

For the year ended March 31, 2026, the imports amounting to ₹224 were hedged by entering into foreign exchange forward contracts with the bank.

(i) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	Currency	March 31, 2026		March 31, 2025	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Receivables	EUR	3	378	3	263
	GBP	2	205	2	265
	USD	25	2,369	25	2,099
Derivative liabilities					
Foreign exchange forward contracts (Buy foreign currency)	USD	(2)	(150)	-	-
Payable to suppliers	USD	(6)	(564)	(6)	(493)
	EUR	-*	(46)	-*	(23)
	CHF	-*	(5)	-*	(2)
	JPY	(2)	(1)	-	-
Net Foreign currency exposure Asset/ (Liability)			**2,186**		**2,111**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

	Impact on profit after tax (Income) / Expense	
	March 31, 2026	March 31, 2025
USD Sensitivity:		
INR/USD -Increase by 10% (March 31, 2025: 2%)	(136)	(24)
INR/USD -Decrease by 10% (March 31, 2025:2%)	136	24
EUR Sensitivity:		
INR/EUR -Increase by 16% (March 31, 2025: 3%)	(38)	(5)
INR/EUR -Decrease by 16% (March 31, 2025: 3%)	38	5
GBP Sensitivity:		
INR/GBP -Increase by 12% (March 31, 2025: 6%)	(18)	(12)
INR/GBP -Decrease by 12% (March 31, 2025: 6%)	18	12

** Amount is below the rounding off norm adopted by the Company.*

(ii) Cash flow and fair value interest rate risk:

Interest rate exposure: The Company does not have any long term borrowings and hence no exposure to the interest rate risk.

(C) Price risk:

There are no investments, which are subjected to price risk.

(D) Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due. Company's treasury maintains flexibility in funding by maintaining availability under deposits in banks, adequate limits in the current accounts etc.

(iii) Contractual maturities of financial liabilities:

Particulars	March 31, 2026				March 31, 2025			
	Less than 6 months	6-12 months	More than 12 months	Total	Less than 6 months	6-12 months	More than 12 months	Total
Trade payables	1,190	-	-	1,190	880	-	-	880
Other financial liabilities	460	-	456	916	408	-	-	408
Total	**1,650**	**-**	**456**	**2,106**	**1,288**	**-**	**-**	**1,288**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 28: Capital Management

(a) The Company's financial strategy aims to provide adequate capital for its growth plans for sustained stakeholder value. The Company's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. Depending on the financial market scenario, nature of the funding requirements and cost of such funding, the Company decides the optimum capital structure. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth plans as a going concern.

Net debt to equity ratio

	March 31, 2026	March 31, 2025
Net debt (Refer Note 14(a)(v))	-	-
Total Equity	16,711	14,895
Net debt to equity ratio	**NA**	**NA**

(b) Dividend:

Refer note 39(m) for other accounting policies relevant to dividend.

Dividend paid on equity shares:

	March 31, 2026
Final dividend for the year ended March 31, 2025 of ₹30 (March 31, 2024: ₹30) per fully paid up equity share	797

Dividend not recognised at the end of the reporting period:

	March 31, 2026
In addition to the above dividends, subsequent to the year end the directors have recommended the payment of final dividend of ₹30/- per fully paid up equity share (March 31, 2025: ₹30). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	797

Note 29: Segment Information

Refer note 39(p) for the other accounting policies relevant to segment reporting.

Description of segments and principal activities

The Managing Director has been identified as Chief Operating Decision Maker (CODM). Operating segments are defined as components of an enterprise for which discrete financial information is available. This is evaluated regularly by the CODM, in deciding how to allocate resources and assessing the Company's performance. The Company is engaged in the manufacture of Active Pharmaceutical Ingredients (API's), Intermediates and Nutraceutical Ingredients and operates in a single operating segment.

The other reportable segment has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in this standalone financial statements.

Note 30: Short term lease

Refer note 39(o) for the other accounting policies relevant to leases.

The Company has lease for office and other premise, which is renewable on a periodical basis and cancellable at the option of the lessee and lessor. Rental expenses for short term lease recognised in statement of profit and loss for the year is ₹14 (March 31, 2025: ₹13).

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 31: Related party transactions

(a) Subsidiaries	: Divis Laboratories (USA) Inc.
	: Divi's Laboratories Europe AG.
(b) Key Management personnel (KMP)	: Dr. Murali. K. Divi (Managing Director)
	: Mr. N.V. Ramana (Executive Director)
	: Dr. Kiran S. Divi (Whole-time Director and Chief Executive Officer)
	: Ms. Nilima Prasad Divi (Whole-time Director- Commercial)
	: Dr. Devendra Rao Sureddi (Whole-time Director-Manufacturing)
(c) Non-Executive Directors	: Mr. K V K Seshavataram (Independent Director) upto 22.06.2024
	: Dr. Ramesh B V Nimmagadda (Independent Director)
	: Dr. S Ganapaty (Independent Director)
	: Prof. Sunaina Singh (Independent Director)
	: Mr. K V Chowdary (Independent Director and Chairman)
	: Mr. Rajendra Kumar Premchand (Independent Director) w.e.f. 25.05.2024
(d) Relative of Key Management personnel	: Mr. Madhusudana Rao Divi
	: Mrs. Jhansilakshmi Pendyala
	: Mrs. Divi Swarna Latha
	: Mrs. N. Nirmala Kumari
	: Mrs. N. Chandrika Lakshmi
	: Mr. N. Venkata Aniruddh
	: Mrs. N. Monisha
	: Mr. Ravi Teja Meka
	: Mr. N. Prashanth
	: Mr. N. Nageswara Rao
	: Mrs. L. Vijaya Lakshmi
	: Mr. Swaroop Krishna Sureddi
	: Mr. Venkata Prasada Rao Sureddi
	: Mrs. Sudha Devendra Sureddi
	: Mrs. Sree Sowmya Sureddi
(e) Other related parties	: Divi's Laboratories Employees' Gratuity Trust. (Refer note 12 for information on transactions with post employment benefit plan.)
	: Divi's Foundation for Gifted Children
(f) Entities in which relatives of key management personnel are interested	: M/s Sri Lakshmi constructions
	: M/s Bheema Infra Solutions Private Limited

(g) Entities which are controlled/jointly controlled by the key management personnel with whom the Company has transactions:

- Divi's Properties Private Limited
- Divi's Biotech Private Limited

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(h) Summary of related party transactions and balances:

		March 31, 2026		March 31, 2025	
		Transaction amount	Outstanding balance as at March 31, 2026	Transaction amount	Outstanding balance as at March 31, 2025
(i)	Managerial remuneration and short term employee benefits to Key Management Personnel - refer note 31(i)(i)	224	217	198	190
(ii)	Remuneration and Sitting fees to non-executive directors - refer note 31(i)(ii)	2	-	2	-
(iii)	Dividend paid to key management personnel - refer note 31(i)(iii)	347	-	347	-
(iv)	Dividend paid to relatives of key management personnel - refer note 31(i)(iv)	45	-	45	-
(v)	Salary and allowances to relatives of key management personnel - Mr. N. Venkata Aniruddh	1	-*	-*	-*
(vi)	Salary and allowances to relatives of key management personnel - Mr. Swaroop Krishna Sureddi	-*	-*	-*	-*
(vii)	Dividend paid to Company in which key management personnel exercise control or joint control - M/s Divi's Biotech Private Limited	24	-	24	-
(viii)	Lease rent to a Company in which key management personnel exercise control or joint control - M/s Divi's Properties Private Limited	14	-	12	-
(ix)	Lease rent to a Company in which key management personnel exercise control or joint control - M/s Divi's Biotech Private Limited	-*	-	-*	-
(x)	Rent deposit to a Company in which key management personnel exercise control or joint control - M/s Divi's Properties Private Limited	-	3	-	3
(xi)	Contribution for CSR project implementation- Divi's Foundation for Gifted Children	5	-	4	-
(xii)	Sales / Receivable - Subsidiary- Divi's Laboratories Europe AG	260	344	229	226
(xiii)	Sales / Receivable - Subsidiary- Divis Laboratories (USA) Inc.	250	94	175	74
(xiv)	Purchase of goods and services from entities in which the relatives of key management personnel are interested - refer note 31(i)(v)	50	9	34	7
(xv)	Advance given to entities in which the relatives of key management personnel are interested - refer note 31(i)(vi)	18	-*	1	1

** Amount is below the rounding off norm adopted by the Company.*

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Committed future sales to related parties as at the year end:	March 31, 2026	March 31, 2025
(i) Subsidiary- Divis Laboratories (USA) Inc.	12	-
(ii) Subsidiary- Divi's Laboratories Europe AG	6	20

(i) Transactions with Related Parties:

	March 31, 2026		March 31, 2025	
	Transaction amount	Outstanding balance as at March 31, 2026	Transaction amount	Outstanding balance as at March 31, 2025
(i) Managerial Remuneration and short term employee benefits to Key Management Personnel#				
1. Dr. Murali K. Divi	100	100	88	88
2. Mr. N.V. Ramana	51	51	45	44
3. Dr. Kiran S. Divi	35	33	31	29
4. Ms. Nilima Prasad Divi	35	33	31	29
5. Dr. Devendra Rao Sureddi	3	-*	3	-*
	224	**217**	**198**	**190**
(ii) Remuneration including Sitting fees to non-executive directors				
1. Mr. K.V.K. Seshavataram	-	-	0.07	-
2. Dr. S. Ganapaty	0.34	-	0.32	-
3. Dr. Ramesh B V Nimmagadda	0.37	-	0.35	-
4. Prof. Sunaina Singh	0.29	-	0.27	-
5. Mr. K V Chowdary	0.33	-	0.31	-
6. Mr. Rajendra Kumar Premchand	0.28	-	0.24	-
	1.61	**-**	**1.56**	**-**
(iii) Dividend paid to Key Management Personnel				
1. Dr.Murali K. Divi	23	-	23	-
2. Dr. Kiran S Divi	162	-	162	-
3. Ms. Nilima Prasad Divi	162	-	162	-
4. Dr. Devendra Rao Sureddi	-*	-	-*	-
	347	**-**	**347**	**-**
(iv) Dividend paid to relatives of Key Management Personnel				
1. Mr. Madhusudana Rao Divi	1	-	1	-
2. Mrs. Jhansilakshmi Pendyala	-*	-	-*	-
3. Mrs. Divi Swarna Latha	42	-	42	-
4. Mrs. N.Nirmala Kumari	-*	-	-*	-
5. Mrs. N. Chandrika Lakshmi	-*	-	-*	-
6. Mr. N. Venkata Aniruddh	1	-	1	-
7. Mrs. N. Monisha	1	-	1	-
8. Mr. Ravi Teja Meka	-*	-	-*	-
9. Mr. N. Prashanth	-*	-	-*	-
10. Mr. N Nageswara Rao	-	-	-*	-
11. Mrs. L. Vijaya Lakshmi	-*	-	-*	-
12. Mr. Sureddi Swaroop Krishna	-*	-	-*	-
13. Mr. Venkata Prasada Rao Sureddi	-*	-	-*	-
14. Mrs. Sudha Devendra Sureddi	-*	-	-*	-
15. Mrs. Sree Sowmya Sureddi	-*	-	-*	-
	45	**-**	**45**	**-**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

	March 31, 2026		March 31, 2025	
	Transaction amount	Outstanding balance as at March 31, 2026	Transaction amount	Outstanding balance as at March 31, 2025
(v) Purchase of goods and services from entities in which the relatives of key management personnel are interested				
1. M/s Sri Lakshmi constructions	43	7	32	6
2. M/s Bheema Infra Solutions Private Limited	7	2	2	1
	50	**9**	**34**	**7**
(vi) Advance given to entities in which the relatives of key management personnel are interested				
1. M/s Sri Lakshmi constructions	15	-*	1	1
2. M/s Bheema Infra Solutions Private Limited	3	-	-*	-*
	18	**-***	**1**	**1**

** Amount is below the rounding off norm adopted by the Company.*

 # Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long-term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

(j) Terms and Conditions

Transactions relating to dividends were on the same terms and conditions that applied to other equity shareholders.

Note 32:

(a) Contingent Liabilities:

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate possible;
- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Significant Estimate : Management uses single most likely outcome for estimating the financial impact from litigations. Based on judicial pronouncements in similar cases or from opinions obtained from internal/ external legal counsel, management arrives at the possible outcome of the litigation.

	March 31, 2026	March 31, 2025
Claims against the Company not acknowledged as debts in respect of:		
Disputed demands for excise duty, customs duty, sales tax, service tax and Goods and service tax for various periods	8	8

It is not practicable for the company to estimate the timings of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(b) Other Matters

(i) The Company received a show cause notice dated December 20, 2021 wherein it was alleged that they have erroneously claimed refund of IGST amounting to ₹82 during the period February 21, 2018 to October 8, 2018 on the ground that the Company has incorrectly availed double benefit i.e., exemption on the input materials imported under the Advance Authorization (AA) [Notification No. 79/2017-Cus dated October 13, 2017] and simultaneously filed refund of IGST paid on the goods exported. The Company received a demand order dated October 31, 2023 of ₹82 along with 100% penalty under Section 122(2)(b) of the CGST Act, 2017 and interest under section 50 aggregating to the total of ₹249. The Company has filed a writ petition with High court of Telangana and obtained stay order from collection of demand until final decision has been awarded. Based on the clarification issued by Central Board of Indirect Tax and Customs, revised judgement of Gujarat High Court on a similar matter during the year and legal counsel view, the Company believes that any liability in this regard is remote.

(ii) During the year, Company received a draft order dated March 20, 2026 under section 144C(1), passed by the assessing officer on reference made by the transfer pricing officer in its order issued under section 92CA, proposing a transfer pricing adjustment on " Purchase of raw materials and allocation of inter unit expenses" for specified domestic transactions amounting to ₹571 for the assessment year 2023-24. The Company has filed its objections with Dispute Resolution Panel (DRP), Bengaluru on April 16, 2026 and is awaiting hearing. The Company based on the documentation maintained believes that any liability in this respect is remote.

Note 33: Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

		March 31, 2026	March 31, 2025
(i)	**Property, Plant and Equipment:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of ₹132 (March 31, 2025: ₹238))	353	553
(ii)	**Others:**		
	On account of bonds or legal agreements executed with Central excise/ Customs authorities/ SEZ development commissioners.	1,975	1,280

Note 34: Additional regulatory information required under Schedule III of Companies Act 2013:

(i) Details of Benami Property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iii) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(iv) Compliance with approved scheme of arrangements

The Company has not entered into any scheme of arrangements which has an accounting impact on current and previous financial year.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(v) Utilisation of borrowed funds and share premium

A The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

B The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(vi) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961.

(vii) Loans or advances to specified persons

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMP's and the related parties as defined under Companies Act, 2013.

(viii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note 35: Dues to micro and small enterprises

The disclosures w.r.t dues to micro and small enterprises pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), to the extent the information is available with the Company, are as follows.

			March 31, 2026	March 31, 2025
a	(i)	Principal amounts due to suppliers remaining unpaid as at the year-end	-	-
	(ii)	Interest due to suppliers remaining unpaid as at the year-end	-	-
b.		Principal amounts paid to suppliers beyond the appointed day during the year	-	-
c.		Interest paid to the suppliers beyond the appointed day during the year	-	-
d.		Interest paid, other than section 16 of MSMED Act, to the suppliers beyond the appointed day during the year	-	-
e.		Interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
f.		Amount of interest accrued and remaining unpaid to suppliers at the end of the year	-	-
g.		Amount of further interest remaining due and payable to suppliers in succeeding years, until such date when the interest dues above are actually paid to the suppliers, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 36: Earnings per share

Refer note 39(q) for the other accounting policies relevant to Earnings per share

		March 31, 2026	March 31, 2025
(a)	**Basic EPS**		
	Basic earnings per share attributable to the equity holders of the Company	98.19	83.20
(b)	**Diluted EPS**		
	Diluted earnings per share attributable to the equity holders of the Company	98.19	83.20

There are no potential dilutive shares.

(c) Reconciliation of earnings used in calculating earnings per share

	March 31, 2026	March 31, 2025
Profit attributable to the equity holders of the Company used in calculating basic earnings per share	2,607	2,209
Adjustments for calculation of diluted earnings per share	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	2,607	2,209

(d) Weighted average number of shares used as the denominator

	March 31, 2026	March 31, 2025
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	26,54,68,580	26,54,68,580
Adjustments for calculation of diluted earnings per share:	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	26,54,68,580	26,54,68,580

Note 37: Impact of new labour code

On November 21, 2025, the Government of India notified the four labour codes viz., the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, ('Labour Codes') consolidating twenty-nine existing labour laws. The Ministry of Labour and Employment notified central rules and issued FAQs to enable assessment of the financial impact due to changes in regulations. The Company has assessed the impact based on the best available information and recognised the incremental impact of employee benefits expense of ₹74 crores. The said incremental impact primarily arises due to change in the definition of wages and the same has been accounted in accordance with applicable accounting standards. Considering its non-recurring nature and amount involved, such incremental impact is presented under "Exceptional items" in the Standalone Statement of profit and loss. The Company continues to monitor the developments pertaining to implementation of the Labour Codes and will provide appropriate impact in accordance with applicable accounting standards, if any.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 38: Analytical Ratios

S. No	Description	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance
a	Current Ratio	Total current assets	Total current liabilities	5.47	7.03	-22.19%
b	Debt - Equity Ratio	Borrowings (Refer note 14(a)(v))	Total Equity	#	*	*
c	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	#	*	*
d	Return on Equity Ratio	Profit after tax	Average Total Equity	16.50%	15.57%	5.97%
e	Inventory Turnover Ratio	Revenue from sale of products (Refer note 16)	Average Inventory	3.04	3.05	-0.30%
f	Trade Receivables Turnover Ratio	Total Revenue from operations (Refer note 16)	Average trade receivables and Contract assets	3.28	3.59	-8.64%
g	Trade Payables Turnover Ratio	Net credit purchases	Average trade payables	5.97	6.00	-0.44%
h	Net Capital Turnover Ratio	Total Revenue from operations (Refer note 16)	Average working capital	1.18	1.09	8.42%
i	Net Profit Ratio	Profit after tax	Total Income	23.93%	23.13%	3.46%
j	Return on Capital Employed	Earnings before interest and taxes	Average capital employed	21.23%	19.88%	6.77%
k	Return on Investment	Profit after tax	Average total assets	14.17%	13.72%	3.29%

 # There are no debt obligations at the end of the current reporting period, hence the ratios are not presented.

** The ratio and the variance computed is below the rounding off norms adopted by the Company.*

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 39 – Other accounting policies

a. (i) Property, Plant & Equipment:

Historical cost includes expenditure that is directly attributable to the acquisition of Property, Plant & Equipment (PPE).

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Costs associated with repairs and maintenance of PPE are charged to profit or loss during the reporting period in which they are incurred.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/ other expenses.

An asset's carrying amount will be written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(ii) Impairment of assets:

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

b. Intangible Assets:

(i) Computer software

Computer software is stated at historical cost less amortization. Historical cost of computer software includes expenditure that is directly attributable to the acquisition of the computer software. Costs associated with maintaining computer software are recognized as an expense as incurred.

On transition to Ind AS, the Company had elected to continue with the carrying value of all of intangible assets recognized as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(ii) Research and development

Research and development expenses are fully charged to expense in the period in which they are incurred. The company considers that the uncertainties inherent in development of new products would preclude capitalization of such cost. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(iii) Amortization methods and periods

The Company amortizes computer software over a period of 3 years.

c. Financial assets:

(i) Classification:

For investments in equity instruments that are not held for trading, classification will depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Recognition

Purchase and sale of financial assets are recognized on trade date, the date on which Company commit to purchase or sale the financial assets

(iii) Derecognition of financial assets

A financial asset is derecognized only when

- the Company has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay cash flows to one or more recipients.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset the same is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

d. Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

e. Current and Deferred taxes:

The current tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, based on amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognized for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

For operations carried out in Special Economic Zones which are entitled to tax holiday under the Income tax Act, 1961, no deferred tax is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent of Company's gross taxable income that is allowed as the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which temporary difference originate. Also refer note 13.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries as the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

The subsidiaries of the Company have undistributed earnings which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised since the Company is able to control the timing of distributions from these subsidiaries. These subsidiaries are not expected to distribute these profits in the foreseeable future.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

f. Inventories:

Cost of raw materials and stores comprise of cost of purchases. Cost of work-in-progress and finished goods comprises cost of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Items held for use in the production of inventory are not written below cost if the finished product in which these will be incorporated are expected to be sold at or above the cost.

g. Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

h. Employee benefits:

(i) Short-term obligations

Liabilities for wages and salaries, bonus, ex-gratia etc. that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other Long-term employee benefit obligations

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The liability for compensated absence obligation is presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur, otherwise as non-current liabilities.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans-Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and under other equity in the balance sheet.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

In respect of funded post-employment defined benefit plans, amounts due for payment within 12 months to the fund may be treated as 'current'. Regarding unfunded post-employment benefit plans, settlement obligations which are due within 12 months in respect of employees who have resigned or expected to resign or are due for retirement within the next 12 months is 'current'. The remaining amount attributable to other employees, who are likely to continue in the services for more than a year, is classified as "non-current".

Company uses the work of an actuary in determining the current and non-current liability for unfunded post employee benefit obligations.

(b) Defined contribution plans

The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

Termination benefits in the nature of voluntary retirement benefits are recognized in the Statement of Profit and Loss as and when incurred.

i. Borrowings:

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

j. Trade and Other Payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method. The credit period typically ranges between 60 to 90 days and are recognized initially at the transaction price as they do not contain significant financing components.

k. Revenue:

Taxes and duties collected from customers relating to product sales and remitted to government authorities are excluded from revenues.

Government Grant in the form of export entitlements from government authorities are recognized in the statement of profit and loss as a income, when there

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

is reasonable certainity that the entity will comply with the conditions attaching to them and the grants will be received.

l. Foreign currency translation:

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions at the inception. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in statement of profit and loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non- monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in statement of profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

m. Dividends:

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

n. Borrowing Costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

o. Leases:

As a lessee

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentive receivables
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Short-term leases of equipment and all leases of low-value assets are recognized as expense over the lease term on straight-line basis or another systematic basis if that basis is more representative of the pattern of the benefit. Short-term leases are leases with a lease term of 12 months or less.

p. Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Managing director of the Company has been identified as being the chief operating decision maker.

q. Earnings per share:

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares if any, issued during the year.

ii. The company does not have potential dilutive shares.

r. Provisions:

Provision for legal claims are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense. Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

s. Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

t. Current and non-current classification

An asset / liability is classified as current if:

(a) The amount is expected to be realized or sold or consumed in the company's normal operating cycle; the liability is expected to be settled in normal operating cycle.

(b) Asset / liability is held primarily for the purpose of trading.

(c) Asset / Liability is expected to be realized/settled within twelve months after the reporting period; or

(d) The asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(e) The entity has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets / liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

u. Rounding of Amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

Note 40. Audit Trail implementation

Due to standard functionality of SAP application, audit trail for a specific access in the application and database level of SAP, does not capture 'old value' of changes made for which the Company is working with the vendor for potential resolution. The audit trail feature of the payroll application of the Company was enabled and operated throughout the year.

In terms of our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

N.K. Varadarajan
Partner
Membership number: 90196

Place: Hyderabad
Date: 23-05-2026

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K Divi
Managing Director
DIN: 00005040

N.V. Ramana
Executive Director
DIN: 00005031

Dr. Kiran S Divi
Whole-time Director and
Chief Executive Officer
DIN: 00006503

Nilima Prasad Divi
Whole-time Director
(Commercial)
DIN: 06388001

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: 23-05-2026

Independent Auditor's Report

To the Members of Divi's Laboratories Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Divi's Laboratories Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (refer Note 1 to the consolidated financial statements, which comprise the Consolidated Balance Sheet as at March 31, 2026, the Consolidated Statement of profit and loss (including Other comprehensive income) , the Consolidated statement of changes in equity, the Consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2026, consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A. Appropriateness of recognition of revenue from sale of products in correct period by the Holding Company

Refer to Note 16 to the consolidated financial statements.

The Holding Company has earned revenue of ₹10,178 crores from sale of products during the year. Revenue is recognised at a point in time or over a period of time based on satisfaction of the performance obligations agreed in the customer contract.

Revenue in respect of sale of products is recognised when customer obtains control of the Holding Company's products which occurs at a point in time. The Holding Company has customers operating in various geographies, and sale contracts with customers are based on various international commercial terms (Incoterms), which determines the timing of recognition of revenue.

Revenue is recognised over time when the Holding Company's performance does not create an asset with alternative use for the Holding Company and Holding Company has an enforceable right to payment for performance completed to date, which is measured based on the progress towards satisfaction of each identified performance obligation set out in the contract with customers.

We considered this to be a key audit matter, as revenue is one of the key performance indicators for the Holding Company and there is a risk of recognition of revenue in an incorrect period given the different contractual terms with the customers.

Our procedures included the following:

- Obtained an understanding of the nature of customer contracts on a sample basis, including key terms and evaluated the reasonableness of management's judgments in selection of accounting policies and assessed whether it is in compliance with applicable accounting standards.

- Performed walkthrough and obtained detailed understanding of Holding Company's revenue recognition process.

- Evaluated the design, implementation and tested the operating effectiveness of controls around recognition of revenue from sale of products.

- Tested, on a sample basis, revenue from sale of products recognised at a point in time, including sales recorded close to the year-end, with underlying supporting documents like customer purchase orders, invoices, shipping documents etc., to evaluate whether revenue has been recognised in the correct accounting period.

- Evaluated the computation of revenue recognised over time by examining supporting documents, including contract-specific physical verification and production progress reports to measure work performed up to the year end in line with performance obligations set out in customer contracts, agreeing the price with reference to the customer contract and verifying the mathematical accuracy.

- Evaluated whether the presentation and disclosures are in accordance with applicable accounting standards and reporting framework.

B. Appropriateness of capitalisation of costs as per Ind AS 16, Property, Plant and Equipment ("Ind AS 16") by the Holding Company

Refer to Note 3 and 4 to the consolidated financial statements.

During the year, the Holding Company incurred capital expenditure of ₹2,635 crores across various locations and capitalised ₹1,540 crores as Property, Plant and Equipment, mainly comprising Plant and Machinery, Roads and Buildings.

This has been determined as a key audit matter due to the risk associated with inappropriate allocation of costs to different items of Property, Plant and Equipment having different useful life, and the risk that the elements of costs that are eligible for capitalisation are not appropriately capitalised or that capitalised costs are not in accordance with the recognition criteria of Ind AS 16.

Our procedures included in the following:

- Understood and evaluated the design and tested the operating effectiveness of key controls relating to capitalisation of appropriate costs and process followed for accumulating costs relating to individual items of Property, Plant and Equipment.

- Tested, on a sample basis, the costs capitalised during the year against underlying supporting documents to ascertain the nature of the costs and whether it is specifically attributable to an item of Property, Plant and Equipment and the basis of allocation of costs, where applicable, and evaluated whether these cost meet the recognition criteria under Ind AS 16.

- In respect of internal costs such as employee benefits expense and other direct costs allocated to items of Property, Plant and Equipment, tested on a sample basis whether the costs are directly attributable to the construction of the project.

- Tested, on a sample basis, other costs debited to the Statement of profit and loss to determine whether they meet the criteria for capitalisation.

- Examined the useful life assigned to each significant part of an item of Property, Plant and Equipment capitalised to determine whether it is consistent with the Holding Company's accounting policy.

- Assessed the adequacy of the related disclosures in the consolidated financial statements.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board's Report, Business Responsibility and Sustainability Report and Corporate Governance Report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the additional information excluding those referred earlier that would be included in the annual report which is expected to be made available to us after that date.

   Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

When we read the additional information excluding those referred earlier that would be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the respective companies.

Auditor's responsibilities for the audit of the consolidated financial statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

11. We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

14. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO 2020 report issued by us in respect of the standalone financial statements of the Holding Company. Further, according to the information and explanations given to us, CARO 2020 is not applicable to any companies other than the Holding Company, included in the consolidated financial statements.

15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

(c) The Consolidated Balance Sheet, the Consolidated Statement of profit and loss (including other comprehensive income), the Consolidated statement of changes in equity and the Consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding company is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above and paragraph 15(h)(vi) below.

(g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 33(a) to the consolidated financial statements.

ii. The Group was not required to recognise a provision as at March 31, 2026 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group did not have any long term derivative contracts as at March 31, 2026.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company.

iv. (a) The management of the Holding Company has represented that, to the best of their knowledge and belief, as disclosed in Note 35(v)(A) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management of the Holding Company has represented that, to the best of their knowledge and belief, as disclosed in the Note 35(v)(B) to the consolidated financial statements, no funds have been received by the Holding Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) of Rule 11(e) contain any material misstatement.

Reporting under 11(e) of Companies (Audit and Auditors) Amendment Rules, 2021 is not applicable to the subsidiaries of the Holding Company, as these subsidiaries are not incorporated in India.

v. The dividend declared and paid by the Holding Company during the year in respect of the prior year ended March 31, 2025, is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of dividend.

Further, as stated in Note 28(b) to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

Reporting under 11(f) of Companies (Audit and Auditors) Amendment Rules, 2021 is not applicable to the subsidiaries of the Holding Company, as these subsidiaries are not incorporated in India.

vi. Based on our examination, which included test checks, the Holding Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and that have operated throughout the year for all relevant transactions recorded in the software, except for two accounting softwares where the audit trail has not been enabled for changes made through one specific access at the application level and at the direct database level.

During the course of performing our procedures, we did not notice any instance of the audit trail feature being tampered with or not preserved by the Holding Company as per the statutory requirements for record retention in instances where audit trail facility is enabled and operating.

Reporting under 11(g) of Companies (Audit and Auditors) Amendment Rules, 2021 is not applicable to the subsidiaries of the Holding Company, as these subsidiaries are not incorporated in India.

16. The Holding Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

N.K. Varadarajan
Partner
Membership Number: 90196
UDIN: 26090196QFQCTG2862

Place: Hyderabad
Date: May 23, 2026

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of Divi's Laboratories Limited on the consolidated financial statements as of and for the year ended March 31, 2026

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2026 we have audited the internal financial controls with reference to financial statements of Divi's Laboratories Limited (hereinafter referred to as "the Holding Company") as of that date. There are no subsidiaries incorporated in India.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

N.K. Varadarajan
Partner
Membership Number: 90196
UDIN: 26090196QFQCTG2862

Place : Hyderabad
Date : May 23, 2026

Consolidated Balance Sheet

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3	6,515	5,437
Right of use assets	3(a)	7	1
Capital work-in-progress	4	2,113	1,022
Intangible assets	5	6	4
Financial assets			
(i) Investments	6(a)	69	65
(ii) Other financial assets	6(b)(i)	67	62
Income tax assets (net)	7(a)	3	1
Deferred tax asset	13(a)	14	11
Other non-current assets	8	143	248
Total Non-current assets		**8,937**	**6,851**
Current assets			
Inventories	9	3,954	3,236
Financial assets			
(i) Trade receivables	6(c)	2,984	2,731
(ii) Cash and cash equivalents	6(d)	128	415
(iii) Bank balances other than (ii) above	6(e)	3,286	3,300
(iv) Other financial assets	6(b)(ii)	8	16
Income tax assets (net)	7(b)	15	13
Other current assets	10	721	370
Total current assets		**11,096**	**10,081**
TOTAL ASSETS		**20,033**	**16,932**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	53	53
Other equity	11(b)	16,708	14,916
TOTAL EQUITY		**16,761**	**14,969**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Other financial liabilities	14(c)	456	-
(ii) Lease liabilities	3(b)	5	2
Provisions	12	81	-
Deferred tax liabilities (net)	13(b)	469	509
Other non-current liabilities	15	218	-
Total Non-current liabilities		**1,229**	**511**
Current liabilities			
Financial liabilities			
(i) Borrowings	14(a)	-	2
(ii) Trade payables	14(b)		
a) Total outstanding dues of micro and small enterprises		62	37
b) Total outstanding dues other than (ii) (a) above		1,149	873
(iii) Other financial liabilities	14(c)	460	409
(iv) Lease liabilities	3(b)	2	-*
Provisions	12	60	54
Current tax liabilities (net)	7(c)	12	-
Other current liabilities	15	298	77
Total current liabilities		**2,043**	**1,452**
TOTAL LIABILITIES		**3,272**	**1,963**
TOTAL EQUITY AND LIABILITIES		**20,033**	**16,932**

**Amount is below the rounding off norm adopted by the Group*

The accompanying notes are an integral part of the consolidated financial statements

This is the Consolidated Balance Sheet
referred to in our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

N.K. Varadarajan
Partner
Membership number: 90196

Place: Hyderabad
Date: 23-05-2026

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K Divi
Managing Director
DIN: 00005040

N.V. Ramana
Executive Director
DIN: 00005031

Dr. Kiran S Divi
Whole-time Director and
Chief Executive Officer
DIN: 00006503

Nilima Prasad Divi
Whole-time Director
(Commercial)
DIN: 06388001

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: 23-05-2026

Consolidated Statement of Profit and Loss

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	16	10,560	9,360
Other income	17	507	352
Total Income		**11,067**	**9,712**
Expenses			
Cost of raw materials consumed	18	4,378	3,821
Changes in inventories of finished goods and work-in-progress	19	(285)	(96)
Employee benefits expense	20	1,442	1,243
Finance costs	21	23	2
Depreciation and amortisation expense	22	463	402
Other expenses	23	1,584	1,424
Total Expenses		**7,605**	**6,796**
Profit before exceptional items and tax		**3,462**	**2,916**
Exceptional items Employee benefits expense - Impact of new labour codes	39	74	-
Profit before tax		**3,388**	**2,916**
Tax expense			
Current tax	24	868	799
Deferred tax		(48)	(74)
Total tax expense		820	725
Profit after tax		**2,568**	**2,191**
Profit after tax attributable to:			
Owners of Holding Company		2,568	2,191
Non-controlling interests		-	-
Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
Gain/(loss)on remeasurements of post-employment benefit obligations		8	(3)
Income tax relating to these items		(2)	1
(B) Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		20	6
Income tax relating to these items		(5)	(1)
Other comprehensive income after tax		**21**	**3**
Other comprehensive income attributable to:			
Owners of Holding Company		21	3
Non-controlling interests		-	-
Total comprehensive income		**2,589**	**2,194**
Total comprehensive income attributable to:			
Owners of Holding Company		2,589	2,194
Non-controlling interests		-	-
Earnings per share (par value of ₹2 each)			
- Basic and Diluted	38	96.75	82.53

The accompanying notes are an integral part of the consolidated financial statements
This is the Consolidated Statement of profit and loss
referred to in our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

N.K. Varadarajan
Partner
Membership number: 90196

Place: Hyderabad
Date: 23-05-2026

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K Divi
Managing Director
DIN: 00005040

N.V. Ramana
Executive Director
DIN: 00005031

Dr. Kiran S Divi
Whole-time Director and
Chief Executive Officer
DIN: 00006503

Nilima Prasad Divi
Whole-time Director
(Commercial)
DIN: 06388001

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: 23-05-2026

Consolidated Statement of Cash Flows

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	3,388	2,916
Adjustments for:		
Depreciation and amortisation expense	463	402
Unrealised foreign exchange loss/(gain)	(86)	9
Interest income from financial assets at amortised cost	(284)	(295)
Change in fair value of investments in optionally convertible debentures	(4)	(1)
Gain on redemption of investments	-	(4)
Provision for doubtful debts/ (written back) including bad debts written off/ (recovered)	1	(2)
Interest expense	23	2
Loss on disposal / discard of property, plant and equipment and intangible assets	-*	4
Amortisation of government grants	-*	-*
	3,501	**3,031**
Change in operating assets and liabilities		
(Increase) / Decrease in trade receivables	(141)	(582)
(Increase) / Decrease in inventories	(718)	(52)
(Increase) /Decrease in other financial assets	2	(15)
(Increase) / Decrease in other assets	(350)	(50)
Increase / (Decrease) in employee benefit obligation	95	7
Increase / (Decrease) in trade payables	294	95
Increase / (Decrease) in other financial liabilities	478	-
Increase / (Decrease) in other current liabilities	439	43
Cash generated from operations	**3,600**	**2,477**
Income tax paid including withholding tax and net of refunds	(862)	(824)
Net cash inflow from operating activities	**2,738**	**1,653**
Cash flows from investing activities		
Payments for property, plant and equipment	(2,520)	(1,438)
Proceeds from sale of property, plant and equipment	3	-*
Proceeds from redemption of optionally convertible debentures	-	22
Interest received	284	295
Proceeds from withdrawal of deposits	6,156	3,541
Investment in deposits	(6,142)	(3,224)
Net cash outflow from investing activities	**(2,219)**	**(804)**

Consolidated Statement of Cash Flows

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flows from financing activities		
Interest paid	(5)	(2)
Principal elements of lease liabilities	(2)	(1)
Dividend paid to company's shareholders	(797)	(796)
Net cash outflow from financing activities	**(804)**	**(799)**
Net increase/(decrease) in cash and cash equivalents	**(285)**	**50**
Cash and cash equivalents at the beginning of the year	413	363
Cash and cash equivalents at end of the year	**128**	**413**
Reconciliation of cash and cash equivalents at the end of the year		
Cash and cash equivalents [refer note 6(d)]	128	415
Overdraft facilities from bank [refer note 14(a)]	-	(2)
Balance as per statement of cash flows	**128**	**413**

** Amount is below the rounding off norm adopted by the Group.*

1. The Consolidated statement of cash flows has been prepared under the indirect method as set out in Indian accounting standard Ind AS 7- Statement of Cash Flows.

2. The accompanying notes are an integral part of the consolidated financial statements.

This is the Consolidated statement of cash flows referred to in our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

N.K. Varadarajan
Partner
Membership number: 90196

Place: Hyderabad
Date: 23-05-2026

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K Divi
Managing Director
DIN: 00005040

N.V. Ramana
Executive Director
DIN: 00005031

Dr. Kiran S Divi
Whole-time Director and
Chief Executive Officer
DIN: 00006503

Nilima Prasad Divi
Whole-time Director
(Commercial)
DIN: 06388001

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: 23-05-2026

Consolidated Statement of Changes in Equity

(All amounts in Indian Rupees Crores, except equity shares and per share data unless otherwise stated)

a. Equity Share Capital

S. No	Particulars	As at March 31, 2026	As at March 31, 2025
i	Balance at the beginning of the reporting period	53	53
ii	Balance at the end of the reporting period	53	53

b. Other Equity

S. No	Particulars	Reserves and Surplus				Other comprehensive income	Total
		Securities Premium	SEZ Reinvestment Reserve	General Reserve	Retained Earnings	Exchange differences on translating the financial statements of foreign operations	
As at March 31, 2026							
i	Balance at the beginning of the year	80	405	1,000	13,400	31	14,916
ii	Profit after tax	-	-	-	2,568	-	2,568
iii	Other Comprehensive Income after tax	-	-	-	6	15	21
iv	Dividend paid to Company's shareholders -transactions with owners in their capacity as owners	-	-	-	(797)	-	(797)
v	Transfer to retained earnings / from SEZ reinvestment reserve	-	(193)	-	193	-	-
vi	**Balance at the end of the year**	**80**	**212**	**1,000**	**15,370**	**46**	**16,708**
As at March 31, 2025							
i	Balance at the beginning of the previous year	80	626	1,000	11,786	26	13,518
ii	Profit after tax	-	-	-	2,191	-	2,191
iii	Other Comprehensive Income after tax	-	-	-	(2)	5	3
iv	Dividend paid to Company's shareholders - transactions with owners in their capacity as owners	-	-	-	(796)	-	(796)
v	Transfer to retained earnings / from SEZ reinvestment reserve	-	(221)	-	221	-	-
vi	**Balance at the end of the previous year**	**80**	**405**	**1,000**	**13,400**	**31**	**14,916**

The accompanying notes are an integral part of the consolidated financial statements

This is the Consolidated statement of changes in equity referred to in our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

N.K. Varadarajan
Partner
Membership number: 90196

Place: Hyderabad
Date: 23-05-2026

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K Divi
Managing Director
DIN: 00005040

N.V. Ramana
Executive Director
DIN: 00005031

Dr. Kiran S Divi
Whole-time Director and
Chief Executive Officer
DIN: 00006503

Nilima Prasad Divi
Whole-time Director
(Commercial)
DIN: 06388001

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: 23-05-2026

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

1. Corporate Information:

1.1 Divi's Laboratories Limited ("Divi's or 'Company' or 'Holding Company') is a Company limited by shares, incorporated and domiciled in India. The Company is engaged in the manufacture of Active Pharmaceutical ingredients (API's), Intermediates and Nutraceutical ingredients with predominance in exports. In addition to generics, the company, through its Custom synthesis, supports innovator pharma companies for their patented products business right from gram scale requirements for clinical trials to launch as well as late life cycle management.

The Company is a public limited company and the Company's equity shares are listed in BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in India. The Company has two wholly owned subsidiaries Divis Laboratories USA, Inc., ("Divis USA") incorporated in United States of America and Divi's Laboratories Europe AG ("Divi's Europe") incorporated in Switzerland, for marketing the Nutraceutical products (dietary supplements) and pharmaceutical ingredients of the Company. Divi's Laboratories Limited, Divis Laboratories USA Inc., and Divi's Laboratories Europe AG are hereinafter referred to as 'the Group'. The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries.

1.2 The consolidated financial statements are approved for issue by the Group's Board of Directors on May 23, 2026.

2. Basis of Preparation:

(i) Compliance with Ind AS

The Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value

(iii) New and amended standards adopted by the Group

The Ministry of Corporate Affairs vide notifications dated 7 May 2025 and 13 August 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, amended certain accounting standards listed below, effective from annual reporting periods beginning on or after 1 April 2025:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1
- Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107
- International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12
- Lack of Exchangeability – Amendments to Ind AS 21

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards or amendments not yet adopted

The amendment to Ind AS 1 includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, as outlined below:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1- Lender waivers for breach of material provision of a long-term loan arrangement.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

The Group does not expect this amendment to have an impact on its operations or financial statements.

(iv) Critical estimates and Judgements:

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also need to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Information about the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed is given in the relevant notes.

The areas involving critical estimates or judgements are:

(i) Estimation of defined benefit obligations – note 12

(ii) Estimation of useful lives and residual value of property, plant and equipment and intangible assets –note 3

(iii) Estimation of contingent liabilities- note 33(a)

(iv) Revenue recognition from contracts with customers – note 16

Other areas of accounting estimates are:

(i) Estimation of expected credit loss- note 27

(ii) Estimation of slow-moving inventory items- note 9

(iii) Estimation of accrual for rebate -note 16

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 3: Property, plant and equipment

Accounting policy :

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Refer note 40(d) for the other accounting policies relevant to property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant & equipment is provided on straight-line basis to allocate their cost, net of residual value over the estimated useful lives of the assets. The useful lives and residual values have been determined based on technical evaluation done by management's experts in order to reflect the actual usage of the assets and are consistent with the useful lives prescribed under Schedule II of the Companies Act, 2013.

Following are the estimated useful lives:			
Plant and machinery	7.5 to 25 years	Vehicles	8 and 10 years
Roads and buildings	3 to 60 years	Laboratory equipment	10 years
Furniture and fixtures	10 years	Computer and data processing units	3 to 6 years
Office equipment	5 years		

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each year.

	Freehold Land	Plant and Machinery	Roads and Buildings	Furniture and Fixtures	Vehicles	Office Equipment	Laboratory Equipment	Computer and data processing units	Total
Year ended March 31, 2026									
Gross carrying amount									
At the beginning of the year	202	4,992	2,128	71	34	56	313	34	7,830
Additions	104	956	300	14	11	8	138	10	1,541
Disposals	-	(1)	-	-	(5)	-	-	-	(6)
At the end of the year	**306**	**5,947**	**2,428**	**85**	**40**	**64**	**451**	**44**	**9,365**
Accumulated depreciation									
At the beginning of the year	-	1,797	335	38	16	37	144	26	2,393
Depreciation charge	-	329	83	7	3	6	28	4	460
Disposals	-	(1)	-	-	(2)	-	-	-	(3)
At the end of the year	**-**	**2,125**	**418**	**45**	**17**	**43**	**172**	**30**	**2,850**
Net carrying amount as at March 31, 2026	**306**	**3,822**	**2,010**	**40**	**23**	**21**	**279**	**14**	**6,515**

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

	Freehold Land	Plant and Machinery	Roads and Buildings	Furniture and Fixtures	Vehicles	Office Equipment	Laboratory Equipment	Computer and data processing units	Total
Year ended March 31, 2025									
Gross carrying amount									
At the beginning of the year	195	4,438	1,667	61	27	51	256	30	6,725
Additions	7	565	461	10	7	5	57	4	1,116
Disposals	-	(11)	-*	-	-*	-*	-*	-	(11)
At the end of the year	**202**	**4,992**	**2,128**	**71**	**34**	**56**	**313**	**34**	**7,830**
Accumulated depreciation									
At the beginning of the year	-	1,500	269	32	13	32	123	23	1,992
Depreciation charge	-	304	66	6	3	5	21	3	408
Disposals	-	(7)	-*	-	-*	-*	-*	-	(7)
At the end of the year	**-**	**1,797**	**335**	**38**	**16**	**37**	**144**	**26**	**2,393**
Net carrying amount as at March 31, 2025	**202**	**3,195**	**1,793**	**33**	**18**	**19**	**169**	**8**	**5,437**

** Amount is below the rounding off norm adopted by the Group.*

Notes:

(a) Title deeds of the immovable properties included above are held in the name of the Company, except for the land measuring 33.29 acres with a gross carrying value of ₹4 allotted by Andhra Pradesh Industrial Infrastructure Corporation (APIIC), where the mutation in the name of the Company is currently in process.

(b) Contractual obligations and other commitments: refer note 34(i) for disclosure of contractual and other commitments for the acquisition of property, plant and equipment.

(c) The addition in gross carrying amounts of roads and buildings and plant and machinery includes directly attributable costs of ₹40 (March 31, 2025: ₹75).

(d) The group has not revalued its Property, plant and equipment during the year or in the previous year.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 3(a): Right of use assets

Refer note 40(r) for accounting policies relevant to leases

	March 31, 2026	March 31, 2025
Gross carrying amount		
At the beginning of the year	6	6
Additions	6	-*
Disposals	(1)	-
Foreign operations translation adjustments	1	-*
At the end of the year	**12**	**6**
Accumulated Depreciation		
At the beginning of the year	5	4
Depreciation charge during the year	1	1
Disposals	(1)	-
Foreign operations translation adjustments	-*	-*
At the end of the year	**5**	**5**
Net carrying amount	**7**	**1**

** Amount is below the rounding off norm adopted by the Group*

Note 3(b): Lease Liabilities

	March 31, 2026	March 31, 2025
Non-current		
Lease liabilities	5	2
Current		
Lease liabilities	2	-*
	7	**2**

Note 3(c): Amounts recognised in the consolidated statement of profit and loss:

	Note	March 31, 2026	March 31, 2025
Depreciation on right of use assets	22	1	1
Interest expenses included in finance costs	21	-*	-*

** Amount is below the rounding off norm adopted by the Group*

Note 4: Capital work-in-progress

Capital work-in-progress includes cost of property, plant and equipment under installation / under development at various locations as at the balance sheet date.

	March 31, 2026	March 31, 2025
Capital work-in-progress		
At the beginning of the year	1,022	778
Additions	2,635	1,362
Capitalisations	(1,544)	(1,118)
At the end of the year	**2,113**	**1,022**

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 4(a): Capital work-in-progress (CWIP) ageing schedule

As at March 31, 2026	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,921	162	30	-	2,113
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2025	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	886	127	9	-	1,022
Projects temporarily suspended	-	-	-	-	-

Note 4(b): There are no significant capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 and March 31, 2025.

Note 4(c): Capital work in progress includes directly attributable cost of ₹31 (March 31, 2025: ₹ 59) as per details given below:

Particulars	March 31, 2026	March 31, 2025
At the beginning of the year	59	44
Employee benefits expense	9	39
Other expenses	3	41
Depreciation and amortisation expense	-	10
Total	**71**	**134**
Less: Capitalisations during the year	(40)	(75)
At the end of the year	**31**	**59**

Note 5: Intangible assets

Refer note 40(e) for accounting policies relevant to intangible assets.

	March 31, 2026	March 31, 2025
Computer software		
Gross carrying amount		
At the beginning of the year	32	29
Additions	4	3
Disposals	-	-
At the end of the year	**36**	**32**
Accumulated amortisation		
At the beginning of the year	28	25
Amortisation charge	2	3
Disposals	-	-
At the end of the year	**30**	**28**
Net carrying amount	**6**	**4**

Note:

The Group has not revalued intangible assets during the year or in the previous year.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 6: Financial Assets

Accounting policy :

(i) Classification:

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the group measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in statement of profit and loss.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVOCI) are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other income in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The group subsequently measures all equity investments(other than investments in subsidiaries) at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

of the investment. Dividends from such investments are recognized in profit or loss as other income when the group's right to receive payments is established. Changes in the fair value of equity instruments at fair value through profit or loss are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value are not reported separately from other changes in fair value.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects group's unconditional right to receive consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Derivative financial instruments

The derivative financial instruments in the form of foreign- exchange forward contracts are only used for economic hedging purposes and not as speculative investments. These do not meet the hedge accounting criteria and hence are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit and loss. They are presented as current financial assets or financial liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

(iii) Impairment of financial assets

The group assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27(A) details how the group determines whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Individual trade receivables are written off when management deems them not to be collectible - Note 27(A).

Refer note 40(g) for the other accounting policies relevant to financial assets.

Note 6(a): Non-Current investments

	March 31, 2026	March 31, 2025
Unquoted, fully paid up		
(i) Investment in equity instruments in other companies (at FVPL)		
12,000 (March 31, 2025 : 12,000) equity shares of ₹10/- each of Pattan Cheru Enviro Tech Limited	-*	-*
Total equity instruments	**-***	**-***
Unquoted, fully paid up		
(ii) Investment in debentures in other companies (at FVPL)		
0.25% Redeemable 5,40,00,000 (March 31, 2025:5,40,00,000) optionally convertible debentures (OCDs) of ₹10/- each in Skyjets International Private Limited [refer note below]	69	65
(Including change in fair value of investments in OCDs ₹15 (March 31, 2025 : ₹11)		
Total debentures	**69**	**65**
Total non-current investments	**69**	**65**
Aggregate amount of unquoted investments	**69**	**65**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of impairment in the value of investment	-	-

** Amount is below the rounding off norm adopted by the Group.*

Note: 1,80,00,000 OCDs of ₹10/- each were redeemed during the previous year amounting ₹22 including accumulated premium of ₹4 upto the date of redemption.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 6(b): Other financial assets

	March 31, 2026	March 31, 2025
6(b)(i): Other financial assets - non-current:		
Security deposits	67	62
Total other financial assets - non-current	**67**	**62**
6(b)(ii): Other financial assets - current:		
Derivatives not designated as hedge		
- Foreign exchange forward contracts	1	-
Rental deposit	3	3
Other deposits	3	12
Insurance claims and export incentive receivable	1	1
Total other financial assets - current	**8**	**16**

** Amount is below the rounding off norm adopted by the Group.*

Note 6(c) Trade receivables

	March 31, 2026	March 31, 2025
Trade receivables from others	2,993	2,738
Less: Loss allowance	9	7
Net trade receivables	**2,984**	**2,731**
Current portion	2,984	2,731
Non-current portion	**-**	**-**

(i) Security wise break-up of trade receivables

	March 31, 2026	March 31, 2025
Trade receivables considered good- secured	-	-
Trade receivables considered good - unsecured	2,984	2,731
Trade receivables - credit impaired	9	7
Total	**2,993**	**2,738**
Less: Loss allowance	9	7
Total trade receivables	**2,984**	**2,731**

(ii) Ageing of trade receivables

Particulars		Outstanding for periods from due date of payment					
	Not due	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2026							
Undisputed trade receivables							
Considered good	2,307	576	100	1	-	-	2,984
Credit impaired	-	-	-*	2	-*	7	9
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-*	-*
Total	**2,307**	**576**	**100**	**3**	**-***	**7**	**2,993**
Less: Loss allowance	-	-	-*	2	-*	7	9
Total trade receivables							**2,984**

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Particulars	Not due	Outstanding for periods from due date of payment					Total
		Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2025							
Undisputed trade receivables							
Considered good	2,265	456	10	-*	-	-	2,731
Credit impaired	-	-	-	-	1	6	7
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-*	-*
Total	**2,265**	**456**	**10**	**-***	**1**	**6**	**2,738**
Less: Loss allowance	-	-	-	-*	1	6	7
Total trade receivables							**2,731**

** Amount is below the rounding off norm adopted by the Group.*

Note 6(d): Cash and cash equivalents

Refer note 40(i) for accounting policies relevant to Cash and cash equivalents

	March 31, 2026	March 31, 2025
Balances with banks		
- in current accounts	46	20
- in term deposits with original maturity period of less than three months	81	394
Cash on hand	1	1
Total cash and cash equivalents*	**128**	**415**

**There are no repatriation restrictions on cash and cash equivalents as at the end of the current year and previous year.*

Note 6(e): Bank balances other than cash and cash equivalents

	March 31, 2026	March 31, 2025
Balances in earmarked accounts with banks:		
- Unclaimed dividend	1	1
- Unspent CSR account	-*	16
Balances in term deposit accounts with remaining maturity period of less than twelve months.		
- pledged towards overdraft facilities with banks	180	171
- pledged towards margin on guarantees issued by bank	-*	-*
- other unencumbered deposits	3,105	3,112
Total bank balances other than cash and cash equivalents	**3,286**	**3,300**

** Amount is below the rounding off norm adopted by the Group.*

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 7: Income tax assets (net)

Refer note 40(e) for accounting policies relevant to Current taxes

	March 31, 2026	March 31, 2025
7(a) Income tax asset - Non-Current		
Prepaid income taxes	3	1
	3	1
7(b) Income tax asset - Current		
Prepaid income taxes	15	809
Provision for income tax	-	(796)
	15	**13**
Total Income tax asset (net) 7(a)+7(b)	**18**	**14**
7(c) Current tax liability(net)		
Provision for income tax	871	-
Prepaid income taxes	(859)	-
Total Current tax liability (net)	**12**	-

Note 7(d): Movement in income tax asset/(liability)

	March 31, 2026	March 31, 2025
Income tax asset/(liability) - at the beginning of the year	14	(14)
Add: Taxes paid during the year	860	852
Less: Refund received	-	(28)
Add: Adjustments of current tax for prior years	-*	3
Less: Current tax provision	(868)	(799)
Net Income tax asset/(liability) - at the end of the year	**6**	**14**

Note 8: Other non-current assets

	March 31, 2026	March 31, 2025
Capital advances	134	238
Pre-paid expenses	1	1
Other receivables*	8	9
Total other non-current assets	**143**	**248**

**Includes ₹8 deposited on account of disputed GST order. Refer the note 33(b).*

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 9: Inventories

Accounting policy :

Raw materials, stores and spares, work-in-progress and finished goods are stated at the lower of cost, calculated on weighted average basis, and net realizable value.

Refer note 40(k) for other accounting policies relevant to Inventories.

Accounting Estimates – Management estimates and write down value of slow moving inventory, considering the future usage or marketability of the related finished products.

	March 31, 2026	March 31, 2025
Raw materials	1,436	1,037
Work-in-progress	1,969	1,698
Finished goods	349	335
Packing material	15	9
Stores and spares	185	157
Total Inventories	**3,954**	**3,236**

Raw materials and finished goods consists of goods in transit of ₹153 (March 31, 2025: ₹102) and ₹177 (March 31, 2025: ₹206) respectively.

Amounts recognised in Profit and loss

Write-down of inventories to net realisable value and on account of slow moving inventory amounted to ₹10 (March 31, 2025: ₹13). These were recognised in Consolidated statement of profit and loss and included in 'Changes in inventories of finished goods and work-in-progress ' and 'Cost of raw materials consumed'.

Note 10: Other current assets

	March 31, 2026	March 31, 2025
Indirect taxes- input credits including refund claims	341	245
Prepaid expenses	26	37
Advances to suppliers	115	87
Contract assets- Unsecured, considered good (Refer note 16)*	125	-
Others	114	1
Total other current assets	**721**	**370**

** Net off contract liabilities of ₹111 for the same contract.*

Note 10(a): Movement in contract assets

	March 31, 2026	March 31, 2025
Balance at the beginning of the year	-	-
Add: Revenue recognised during the year	236	-
Less: Amount billed during the year	-	-
Less: Movement in expected credit loss allowance	-	-
Balance at the end of the year	**236**	**-**
Less: Net off contract liabilities for the same contract	111	-
Total net contract asset	**125**	**-**

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 11: Equity share capital and other equity

Note11(a): Equity share capital

Refer note 40(I) for other accounting policies relevant to Equity

(i) Authorised equity share capital

Particulars	Number of shares	Amount
As at April 1, 2024	30,00,00,000	60
Movement during the year	-	-
As at March 31, 2025	**30,00,00,000**	**60**
Movement during the year	-	-
As at March 31, 2026	**30,00,00,000**	**60**

(ii) Issued, subscribed and paid-up equity share capital

Particulars	Number of shares	Amount
As at April 1, 2024	26,54,68,580	53
Movement during the year	-	-
As at March 31, 2025	**26,54,68,580**	**53**
Movement during the year	-	-
As at March 31, 2026	**26,54,68,580**	**53**

Terms and rights attached to equity shares

The group has only one class of equity shares having par value of ₹2 per share. The group declares and pays dividends in Indian rupees. In the event of liquidation of the group, the holders of equity shares will be entitled to receive remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll, each share is entitled to one vote.

(iii) Details of shareholders holding more than 5% shares in the company

	March 31, 2026		March 31, 2025	
	Number of shares	% holding	Number of shares	% holding
Dr. Satchandra Kiran Divi	5,40,00,000	20.34%	5,40,00,000	20.34%
Ms. Nilima Prasad Divi	5,40,00,000	20.34%	5,40,00,000	20.34%
Mrs. Swarnalatha Divi	1,40,00,000	5.27%	1,40,00,000	5.27%
Life Insurance Corporation of India	74,16,288	2.79%	1,49,52,710	5.63%

(iv) Shareholdings of promoters and promoter group:

Promoter Name	March 31, 2026			March 31, 2025		
	Number of shares	% of total shares	% of change during the year	Number of shares	% of total shares	% of change during the year
Dr. Murali Krishna Prasad Divi	75,67,000	2.85%	0.00%	75,67,000	2.85%	0.00%
Dr. Satchandra Kiran Divi	5,40,00,000	20.34%	0.00%	5,40,00,000	20.34%	0.00%
Ms. Nilima Prasad Divi	5,40,00,000	20.34%	0.00%	5,40,00,000	20.34%	0.00%
Mrs. Swarnalatha Divi	1,40,00,000	5.27%	0.00%	1,40,00,000	5.27%	0.00%
Divis Biotech Private Limited	80,00,000	3.01%	0.00%	80,00,000	3.01%	0.00%
Mr. Madhusudana Rao Divi	1,68,090	0.06%	-10.63%	1,88,090	0.07%	-29.47%

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 11(b): Other Equity

	March 31, 2026	March 31, 2025
Reserves and surplus		
Securities premium reserve	80	80
General reserve	1,000	1,000
Retained earnings	15,370	13,400
Special economic zone re-investment reserve	212	405
	16,662	**14,885**
Other comprehensive income		
Exchange differences on translating the financial statements of foreign operations	46	31
Total other equity	**16,708**	**14,916**

(i) There is no movement in securities premium reserve and general reserve during the current year and previous year.

(ii) Retained earnings

	March 31, 2026	March 31, 2025
At the beginning of the year	13,400	11,786
Profit after tax for the year	2,568	2,191
Transfer from special economic zone re-investment reserve	193	221
Dividend paid to company's shareholders	(797)	(796)
Items of other comprehensive income recognised directly in retained earnings:		
- Remeasurements of post employment benefit obligation, net of tax	6	(2)
At the end of the year	**15,370**	**13,400**

(iii) Special economic zone re-investment reserve

	March 31, 2026	March 31, 2025
At the beginning of the year	405	626
Transferred to retained earnings	(193)	(221)
At the end of the year	**212**	**405**

Nature and purpose of reserves:

Securities premium reserve:

Securities premium reserve is used to record the premium on issue of securities. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

General Reserve:

General Reserve represents amounts transferred from retained earnings in earlier years under the provisions of the erstwhile Companies Act, 1956.

Special Economic Zone Re-investment reserve:

The special economic zone re-investment reserve is created out of profits of eligible SEZ unit in earlier years for utilisation of such reserve in terms of the provisions of the Income Tax Act, 1961.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 12: Provisions - Employee Benefit Obligations

Refer note 40(m) for accounting policies relevant to employee benefits.

	March 31, 2026			March 31, 2025		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	60	-	60	53	-	53
Gratuity	-	81	81	1	-	1
	60	**81**	**141**	**54**	**-**	**54**

(a) Compensated absences obligations:

The compensated absences covers the Company's liability for earned leave. The liabilities for earned leave that cannot be availed/settled within 12 months are therefore measured at the present value of expected future availment/payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit is discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

The provision for compensated absences at the end of the current reporting period is presented as current, since the Company does not have an unconditional right, to defer settlement of the obligations beyond 12 months.

(b) Post-employment obligations- Gratuity: (Defined benefit)

The gratuity obligation at the end of the reporting period has been actuarially valued by an independent actuary using the projected unit credit method, as per the applicable provisions of Code on Social Security, 2020, where as the applicable provisions of Payment of Gratuity Act, 1972 were applied for the purpose of valuation in the previous year (Refer note 39 for impact of labour codes). The gratuity plan is a funded plan and the Company makes contributions, through an approved trust, to recognised funds administered by Life Insurance Corporation of India (Insurer).

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2025	**71**	**(70)**	**1**
Current service cost	15	-	15
Past service cost (Also refer note 39)	74	-	74
Interest expense/(income)	5	(5)	-
Amount recognised in Statement of profit and loss	94	(5)	89
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-*	-*
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(17)	-	(17)
(Gain)/loss from experience adjustments	9	-	9
Amount recognised in other comprehensive income	(8)	-*	(8)
Amount recognised in total comprehensive income	**86**	**(5)**	**81**
Employer contributions	-	(1)	(1)
Benefit payments	(3)	3	-
As at March 31, 2026	**154**	**(73)**	**81**

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2024	**56**	**(66)**	**(10)**
Current service cost	7	-	7
Past service cost	1	-	1
Interest expense/(income)	4	(5)	(1)
Amount recognised in Statement of profit and loss	**12**	**(5)**	**7**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-*	-*
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	1	-	1
(Gain)/loss from experience adjustments	3	-	3
Amount recognised in other comprehensive income	**4**	**-***	**4**
Amount recognised in total comprehensive income	**16**	**(5)**	**11**
Employer contributions	-	-	-
Benefit payments	(1)	1	-
As at March 31, 2025	**71**	**(70)**	**1**

** Amount is below the rounding off norm adopted by the Group.*

The net liability disclosed above relates to funded plan is given below:

	March 31, 2026	March 31, 2025
Present value of funded obligations	154	71
Fair value of plan assets	(73)	(70)
Deficit /(Surplus) of funded plans	81	1

(ii) Significant estimates: Actuarial assumptions

The significant actuarial assumptions considered are:

	March 31, 2026	March 31, 2025
Discount rate	7.80%	7.03%
Salary growth rate	6%	6%
Attrition rate depending on age	1% to 3%	1% to 3%
Retirement age	60 years	60 years
Average balance future service	28.45 Years	28.25 Years
Mortality table	IALM (2012-14)	IALM (2012-14)

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	March 31, 2026	March 31, 2025
Defined benefit obligation under base scenario	154	71
Increase / (Decrease) in defined benefit obligation:		
Discount rate:(% change compared to base due to sensitivity)		
Increase : +1%	(18)	(8)
Decrease: -1%	21	9
Salary growth rate:(% change compared to base due to sensitivity)		
Increase : +1%	17	9
Decrease: -1%	(15)	(7)
Attrition rate:(% change compared to base due to sensitivity)		
Increase : +1%	5	1
Decrease: -1%	(5)	(1)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

(iv) Defined benefit liability

The Company has established a trust to administer its obligation for payment of gratuity to employees. The trust in turn contributes to a scheme administered by the Life Insurance Corporation of India (Insurer). Every year, the insurer carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. The trust has not changed the process used to manage the risks from previous years.

The major categories of plan assets are as follows:

	March 31, 2026	March 31, 2025
*Fund managed by Life Insurance Corporation of India (Unquoted)	100%	100%

**Fund is managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available.*

Contributions to post employment benefit plan for the year ending March 31, 2027 is expected to be ₹ Nil

The weighted average duration of the defined benefit obligation is 14 years (March 31, 2025: 13 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	Between 1-2 years	Between 3-5 years	Between 6-10 years	Over 10 years	Total
March 31, 2026						
Defined benefit obligation-gratuity	11	6	21	48	457	543
March 31, 2025						
Defined benefit obligation-gratuity	8	3	9	23	168	211

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(v) Asset-liability matching strategy

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity payables falling due during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

(c) Defined contribution plans

Employer's contribution to provident fund: Contributions are made to a provident fund in India for employees in accordance with the requirements of Employees' Provident Funds and Miscellaneous Provisions act, 1952 and applicable provisions of Code on Social Security, 2020 and rules thereunder. The contributions are made to registered provident fund administered by the government. This obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards this defined contribution plan is ₹31 (March 31, 2025: ₹28).

Employer's contribution to state insurance scheme: Contributions are made to state insurance scheme for eligible employees in accordance with the requirements of Employees' State Insurance Act, 1948 and applicable provisions of Code on Social Security, 2020 and rules thereunder. The contributions are made to employee state Insurance corporation (ESI), a corporation administered by the government. This obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards this defined contribution plan is ₹2 (March 31, 2025: ₹2)

Note 13: Deferred tax:

Refer note 40(j) for accounting policies relevant to deferred taxes.

Note 13(a): Deferred tax asset

The balance comprises temporary differences attributable to:

Particulars	March 31, 2026	March 31, 2025
Deferred tax asset:		
Deferred tax on intra group adjustments	14	11
Deferred tax asset	**14**	**11**

Note 13(b): Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

Particulars	March 31, 2026	March 31, 2025
Deferred tax liability :		
Property, plant and equipment	450	419
SEZ reinvestment utilisation reserve	53	102
Others	4	3
Deferred tax asset:		
Employee benefits	38	15
Net deferred tax liabilities	**469**	**509**

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Movement in deferred tax liabilities /(asset)

Particulars	April 01, 2025	Changes through Profit and Loss	Changes through other comprehensive income	March 31, 2026
Property, plant and equipment	419	31	-	450
SEZ reinvestment utilisation reserve	102	(49)	-	53
Employee benefit expenses	(15)	(25)	2	(38)
Others including intra-group adjustments	(8)	(5)	-	(13)
Foreign operations translation adjustment	-*	3	-	3
Net Deferred tax liability/(asset)	**498**	**(45)**	**2**	**455**
Deferred tax asset-Refer Note 13(a)	11			14
Deferred tax liability- Refer Note 13(b)	509			469

Particulars	April 01, 2024	Changes through Profit and Loss	Changes through other comprehensive income	March 31, 2025
Property, plant and equipment	420	(1)	-	419
SEZ reinvestment utilisation reserve	179	(77)	-	102
Employee benefit expenses	(20)	5	-*	(15)
Others including intra-group adjustments	(7)	(1)	-	(8)
Foreign operations translation adjustment	-*	-	-	-*
Deferred tax liability/(asset)	**572**	**(74)**	**-***	**498**
Deferred tax asset-Refer Note 13(a)	10			11
Deferred tax liability- Refer Note 13(b)	582			509

** Amount is below the rounding off norm adopted by the Group.*

Note: Note: During the previous year, the Company has opted for paying taxes under section 115BAA of the Income tax act, 1961 without claiming tax holiday benefits. Accordingly, the deferred taxes have been recognised for all the temporary differences by applying the applicable enacted rates in this period. Refer note 24(b).

Note 14: Financial liabilities

Accounting policy:

(i) Classification:

The group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value, and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial liabilities and the contractual terms of the cash flows.

(ii) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss (FVTPL), loans and borrowings (including bank overdrafts), payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings (including bank overdrafts) and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, bank overdrafts and derivative financial instruments.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(iii) Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the statement of profit and loss.

(iv) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Note 14(a): Current borrowings

Refer note 40(n) for accounting policies relevant to borrowings.

Particulars	Maturity date and terms of payment	Interest rate	March 31, 2026	March 31, 2025
Loans payable on demand:				
A. From banks - secured				
- Working capital facility from banks	Payable on demand	Nil (March 31, 2025: 8.30%)	-	-
- Overdraft facilities from banks	Payable on demand	6.95% (March 31, 2025: 8.30%)	-	2
			-	**2**
B. From banks - unsecured				
- Working capital facility from banks	Payable on demand	9.80% (March 31, 2025: Nil)	-	-
Total current borrowings			**-**	**2**

i) Utilisation of borrowings availed from banks

The borrowings obtained from banks have been applied for the purposes for which such loans are taken.

ii) Quarterly statements filed with banks

The quarterly statements of current assets filed by the Company in respect of its working capital facilities with banks are in agreement with the books of accounts.

iii) Wilful defaulter

The group has not been declared as wilful defaulter by any bank or financial institutions or government or any government authority.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

iv) Secured borrowings and assets pledged as security

Overdraft facilities from banks are secured by pledge of specific term deposits with banks of ₹180 (March 31, 2025: ₹171)

Assets pledged as security

The carrying amounts of Company's assets pledged as security for working capital facility from banks:

	March 31, 2026	March 31, 2025
Current assets*		
Inventory	-	3,033
Trade receivables	-	2,855
Other current assets	-	3,920
	-	**9,808**

**Value of letters of credit and guarantees outstanding as at March 31, 2026 is ₹240 (March 31, 2025 is ₹265)*

There were no delays in registration of satisfaction of charges with Registrar of Companies beyond the statutory period.

(v) Net Debt reconciliation

This section sets out the changes in liabilities arising from financing activities in the statement of cash flows:

	March 31, 2026	March 31, 2025
Cash and cash equivalents	128	415
Borrowings outstanding at the year end	-	(2)
Net Surplus	128	413
Net debt obligations	**-**	**-**

	Liabilities from financing activities	Other assets	Net Surplus
	Current borrowings	Cash and bank overdraft	
Net surplus as at April 01, 2025	-	413	413
Cash flows	-	(285)	(285)
Interest expense	5	-	5
Interest paid	(5)	-	(5)
Net surplus as at March 31, 2026	**-**	**128**	**128**
Net surplus as at April 01, 2024	-	363	363
Cash flows	-	50	50
Interest expense	2	-	2
Interest paid	(2)	-	(2)
Net surplus as at March 31, 2025	**-**	**413**	**413**

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 14(b): Trade payables

Refer note 40(o) for accounting policies relevant to trade and other payables

	March 31, 2026	March 31, 2025
Current		
Trade payables -micro and small enterprises (Refer note 36)	62	37
Trade payables -others	1,149	873
Total trade payables	**1,211**	**910**

(i) Ageing of trade payables

As at March 31, 2026

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro and small enterprises	2	60	-	-	-	-	62
Others	67	837	245	-*	-*	-*	1,149
Total trade payables	**69**	**897**	**245**	**-***	**-***	**-***	**1,211**

As at March 31, 2025

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro and small enterprises	-	37	-	-	-	-	37
Others	180	489	204	-*	-*	-*	873
Total trade payables	**180**	**526**	**204**	**-***	**-***	**-***	**910**

** Amount is below the rounding off norm adopted by the Group.*

(ii) There are no disputed trade payables as at March 31, 2026 and March 31, 2025.

Note 14(c): Other financial liabilities

	March 31, 2026	March 31, 2025
Non-current		
Refundable advance from customer (at amortised cost)[refer note 16]	456	-
Total other non-current financial liabilities	**456**	**-**
Current		
Capital creditors	145	133
Unclaimed dividend	1	1
Employee benefits payable	312	275
Accrual for rebates / discounts	2	-*
Total other current financial liabilities	**460**	**409**

** Amount is below the rounding off norm adopted by the Group.*

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 15: Other liabilities

Refer note 16 for accounting policies relevant to contract liabilities

	March 31, 2026	March 31, 2025
15(a): Other liabilities- non-current		
Contract liabilities		
Deferred revenue (Refer note 16)	218	-
Total other non-current liabilities	**218**	**-**
15(b): Other liabilities- current		
Contract liabilities		
- Deferred revenue (Refer note 16)	184	-
- Advance from customers	83	40
	267	40
Statutory dues payable	17	17
Deferred revenue government grants	2	1
Liability towards corporate social responsibility(Refer note 23(b))	12	19
Total other current liabilities	**298**	**77**

Note: Movement in contract liabilities

	March 31, 2026	March 31, 2025
Balance at the beginning of the year	40	34
Add: Advance received during the year	1,207	496
Less: Amount recognised as revenue	(651)	(490)
Balance at the end of the year	**596**	**40**
Less: Contract liability net off against contract asset for the same contract	111	-
Total net contract liabilities	**485**	**40**

Note 16: Revenue from operations

Accounting policy :

(i) Revenue from Sale of Goods:

Revenue is recognised at a point in time or over time based on satisfaction of the performance obligations agreed in the customer contract

Revenue in respect of sale of products is generally recognised when control of the group's products is transferred to the customer, which occurs at a point in time. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the shipment, delivery and acceptance terms agreed with the customers.

In certain cases, revenue is recognised over time where the group's performance does not create an asset with an alternative use for the company and it has an enforceable right to payment for performance completed to date.which is measured based on the progress towards satisfaction of each identified performance obligation in the contract with customers.

For performance obligation satisfied over time, revenue is recognised by measuring the progress towards complete satisfaction of that performance obligation. The Company has used output method to measure the progress which include methods such as milestones reached and units produced. Output method selected faithfully depicts the entity's

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

performance towards satisfaction of performance obligations as the output generated are directly observable and the information required to apply them are readily available to the Company

When a performance obligation is satisfied, the revenue is measured at the transaction price which is consideration received or receivable as per the contract, net of returns and allowances, taxes or duties collected on behalf of the government and estimated volume rebates. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

For contracts with multiple performance obligations, the group allocates the transaction price to each performance obligations based on the relative standalone selling price.

The group does not expect to have any contracts where the period between the invoicing to the customer and payment by the customer exceeds one year. The payment terms typically ranges from 60 to 180 days after invoicing. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

Materials procured from suppliers identified by the customer

The Company entered into a contract with its customer to manufacture goods using certain specialised materials procured from suppliers identified by the customer which does not have alternative use to the Company. The Company recognises revenue, net of such materials consumed. Unused materials at the end of the period is measured at cost and presented under other current assets (refer note 10).

Contract assets

A contract asset represents the group’s right to consideration in exchange for goods or services that the group has transferred to the customer when that right is conditional, other than the passage of time.

Contract assets are initially recognized when revenue is recognized in accordance with Ind AS 115, but invoicing is contingent upon fulfillment of additional performance obligations or other contractual conditions. Contract assets are reclassified to trade receivables when the right to consideration becomes unconditional. Contract assets disclosed under note 10 represents unbilled revenue. The impairment of contract asset is measured, presented and disclosed on the same basis as trade receivables. The Company does not present both contract asset and contract liability for the same contract.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or the amount is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). In certain cases, the group receive interest free refundable advances from customers and the difference between the fair value and the gross advance received is recognised as a contract liability on initial recognition. Contract liabilities are recognised as revenue when the group performs under the contract.

Contribution received from customer towards capacity reservation of the facility are recorded as contract liabilities and recognised as revenue over the estimated period of the contract.

(ii) Revenue from sale of services:

Revenue from Sale of services is recognized as per the terms of the contracts with customers when the related services are performed, or the agreed milestones are achieved.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(iii) Export incentives

Export incentives comprise of Duty drawback.

Duty drawback is recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports entitled for this benefit made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Refer note 40(q) for other accounting policies relevant to revenue.

Accounting estimate: The management determines applicable rebate rates based on the volume of transactions to be made with customers considering the orders in hand, anticipated dispatches and previous year's trend.

	March 31, 2026	March 31, 2025
Sale of products	10,350	9,303
Sale of services	126	22
Other operating revenue:		
Sale of scrap out of manufacturing process	72	33
Export incentives	12	2
Total revenue from operations	**10,560**	**9,360**

Note 16(a): Reconciliation of revenue recognised with contract price:

	March 31, 2026	March 31, 2025
Contract price*	10,510	9,405
Adjustments for:		
Rebates / discounts	(47)	(47)
Contract liabilities (Reversal of deferred revenue)	19	-
Consumption of materials procured from identified supplier (refer note 16)	66	-
Revenue from contracts with customers	**10,548**	**9,358**

** Includes revenue recognised over time of ₹236 (March 31, 2025: ₹Nil).*

Note 16(b): Disaggregation of revenue:

The group derives revenue from transfer of goods and services from the following geographical areas (based on where products and services are delivered)

Region	Revenue from contracts with customers	Export incentives	Total revenue from operations
For the year ended March 31, 2026			
Europe	6,446	-	6,446
America	1,397	-	1,397
Asia	1,079	-	1,079
India	1,147	12	1,159
Rest of the world	479	-	479
	10,548	**12**	**10,560**

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Region	Revenue from contracts with customers	Export incentives	Total revenue from operations
For the year ended March 31, 2025			
Europe	5,265	-	5,265
America	1,577	-	1,577
Asia	1,044	-	1,044
India	1,105	2	1,107
Rest of the world	367	-	367
	9,358	**2**	**9,360**

Note 16(c): Contract balances

	March 31, 2026	March 31, 2025
Trade receivables [refer note 6(c)]	2,984	2,731
Contract assets [refer note 10]	125	-
Contract liabilities [refer note 15]	485	40

Note 16(d): The Group has recognised revenue of ₹40 (March 31, 2025: ₹34) from the contract liability balance at the beginning of the year.

Note 16(e): The Company has not recognised any revenue during the year from performance obligations satisfied in previous periods.

Note 17: Other income

Accounting policy :

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortized cost is calculated using the effective interest method is recognized in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Refer note 40(c) and 40(q) for other accounting policies relevant to foreign currency translations and government grants.

	March 31, 2026	March 31, 2025
Interest income from financial assets	284	295
Change in fair value of non-current investments	4	1
Gain on redemption of investments	-	4
Net gain on foreign currency transactions and translations	211	48
Miscellaneous income	8	4
Government grants	-*	-*
Total other income	**507**	**352**

** Amount is below the rounding off norm adopted by the Group.*

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 18: Cost of raw materials consumed

	March 31, 2026	March 31, 2025
Raw materials at the beginning of the year	1,037	1,091
Add: Purchases	4,777	3,767
Less: Raw materials at the end of the year	1,436	1,037
Total cost of raw materials consumed	**4,378**	**3,821**

Note 19: Changes in inventories of finished goods and work-in-progress

	March 31, 2026	March 31, 2025
At the beginning of the year		
Finished goods	335	317
Work-in-progress	1,698	1,620
	2,033	**1,937**
At the end of the year		
Finished goods	349	335
Work-in-progress	1,969	1,698
	2,318	**2,033**
Changes in inventories of finished goods and work-in-progress	**(285)**	**(96)**

Note 20: Employee benefits expense

	March 31, 2026	March 31, 2025
Salaries, wages, bonus and other allowances	1,385	1,191
Contribution to provident fund and other fund	36	33
Contribution to ESI	2	2
Staff welfare expenses	19	17
Total	**1,442**	**1,243**

Refer note 4(c) for the expense capitalised.

Note 21: Finance costs

Refer note 40(u) for accounting policies relevant to borrowing costs.

	March 31, 2026	March 31, 2025
Interest and finance charges on financial liabilities carried at amortised cost	23	2
Interest on lease liabilities	-*	-*
Charges for letters of credit / bank guarantees	-*	-*
Total finance costs	**23**	**2**

** Amount is below the rounding off norm adopted by the Group.*

Note 22: Depreciation and amortisation expense

	March 31, 2026	March 31, 2025
Depreciation on property, plant and equipment*	460	398
Depreciation charge on right-of-use assets	1	1
Amortisation of intangible assets	2	3
Total Depreciation and amortisation expense*	**463**	**402**

**Refer note 4(c) for the expense capitalised.*

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 23: Other expenses

	March 31, 2026	March 31, 2025
Consumption of stores and spares	108	76
Packing materials consumed	80	69
Conversion charges	34	41
Power and fuel	528	465
Repairs and maintenance- buildings	20	25
Repairs and maintenance- machinery	185	164
Repairs and maintenance- others	3	2
Insurance	42	36
Rates and taxes, excluding taxes on income	25	21
Non-executive directors' remuneration including sitting fees	2	2
Printing and stationery	10	9
Rental charges	19	15
Communication expenses	3	2
Travelling and conveyance	66	66
Vehicle maintenance	2	2
Payments to auditors	1	1
Legal and professional charges	37	20
Factory upkeep	10	10
Environment compliance expenses	83	79
Advertisement and publication	-*	-*
Research and development (Refer note 23(b))	40	27
Sales commission	10	9
Carriage outward	135	127
General expenses	88	84
Electricity service line charges	2	-*
Provision for doubtful debts/ (written back) including bad debts written off/ (recovered)	1	(2)
Political Contributions (Refer note 23(c))	-	15
Corporate social responsibility activities (CSR) (Refer note 23(a))	49	54
Loss on disposal/ discard of assets	-*	4
Bank charges	1	1
Total Other expenses	**1,584**	**1,424**

** Amount is below the rounding off norm adopted by the Group.*

Refer note 4(c) for the expense capitalised.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 23(a): Expenditure on corporate social responsibility activities (CSR)

The Company has spent amounts as specified below towards various schemes of Corporate Social Responsibility activities as prescribed under Section 135 of the Companies Act, 2013.

	March 31, 2026	March 31, 2025
Amount required to be spent for the year	49	54
Amount of expenditure incurred	37	48
Excess amount of CSR expenditure spent under 135(5) of the act	-	-
Amount of shortfall for the year	12	6
Amount of cumulative shortfall at the end of the year**	12	19
Reason for shortfall	*	*
Nature of CSR activities	Promoting healthcare, education, rural development, empowering women, safe drinking water, environmental sustainability, Rural sports, swacch bharat programme, support to differently abled, livelihood enhancement etc.,	
Amount spent during the year on:		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	37	48
Total amount spent during the year in cash	37	48

** The amount of shortfall represents the unspent amount on ongoing projects, which has been deposited in separate bank account within the stipulated timelines and will be spent in accordance with applicable provisions of the Companies Act, 2013.*

*** Net of amount spent on on-going projects of earlier years ₹19 (March 31, 2025: ₹18).*

Note 23(b): Expenses on research and development**

	March 31, 2026	March 31, 2025
Salaries, wages, bonus and other allowances	54	49
Contribution to provident and other funds	6	3
Contribution to ESI	-*	-*
Staff welfare expenses	1	1
Consumption of stores and spares	12	12
Power and fuel	4	3
Repairs to buildings	1	1
Repairs to machinery	8	5
Repairs to other assets	1	1
Rates and taxes, excluding taxes on income	-*	-*
Printing and stationery	-*	-*
Communication expenses	-*	-*
Travelling and conveyance	-*	-*
Professional and consultancy charges	12	3
Miscellaneous expenses	2	2
Total expenses on research and development	**101**	**80**

*** Expenses on research and development to the extent of ₹61 (March 31, 2025: ₹53) is included under employee benefit expenses and ₹40 (March 31, 2025: ₹27) is included under other expenses.*

** Amount is below the rounding off norm adopted by the Group.*

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 23(c): Political contributions

	March 31, 2026	March 31, 2025
Paid to electoral trust company	-	15
Total political contributions	**-**	**15**

Note 24(a): Tax expense

	March 31, 2026	March 31, 2025
(i) Current tax expense		
Current tax on profits for the year	868	796
Current tax charge /(reversals) of earlier years	-*	3
Total current tax expense	**868**	**799**
(ii) Deferred tax expense		
Decrease /(Increase) in deferred tax assets	(31)	4
(Decrease) /Increase in deferred tax liabilities	(17)	(78)
Total deferred tax expense/(benefit)	**(48)**	**(74)**
(iii) Tax expense recognised in statement of profit and loss (i+ii)	**820**	**725**
(iv) Tax recognised in other comprehensive income	7	-
Total tax expense (iii+iv)	**827**	**725**

** Amount is below the rounding off norm adopted by the Group.*

Note 24(b): Reconciliation of tax expense and the accounting profit multiplied by tax rate:

	March 31, 2026	March 31, 2025
Profit before tax	3,388	2,916
Tax at the rate of 25.168% (March 31, 2025: 25.168%)**	**853**	**734**
Tax effect of expenses not deductible for tax purpose	12	17
Tax effect of income includible for tax purpose	2	-*
Tax effect of income not includible for tax purpose - Reversal of SEZ reinvestment reserve	(49)	(7)
Tax effect of adjustments for current tax of prior periods	-*	3
Tax effect of lower tax rate u/s 115BAA**	-	(29)
Others including differential tax rates	9	7
Total tax expense	**827**	**725**

** Amount is below the rounding off norm adopted by the Group.*

***During the previous year, the Company has opted for paying taxes under section 115BAA of The Income Tax Act, 1961. Also refer note 13.*

Note: *The Group has no impact of the scope of OECD Pillar Two Model Rules in any of the jurisdictions in which the Group operates.*

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Financial instruments and risk management

Note 25: Categories of financial instruments

Particulars		Notes	Level	March 31, 2026 Carrying value / fair value	March 31, 2025 Carrying value / fair value
A.	**Financial assets**				
	Measured at fair value through profit or loss				
	Investment in equity instruments of other companies	6(a)	3 (Refer Note 26)	-*	-*
	Investment in optionally convertible debentures (OCDs) of other companies**			69	65
	Derivatives - Foreign exchange forward contracts	6(b)(ii)	2 (Refer Note 26)	1	-
	Measured at amortised cost				
	Trade receivables	6(c)		2,984	2,731
	Security deposits	6(b)(i)		67	62
	Cash and cash equivalents and other bank balances	6(d) and 6(e)		3,414	3,715
	Other financial assets	6(b)(ii)		7	16
	Total financial assets			**6,542**	**6,589**
B.	**Financial liabilities**				
	Measured at amortised cost				
	Trade payables	14(b)		1,211	910
	Borrowings	14(a)		-	2
	Capital creditors	14(c)		145	133
	Other financial liabilities	14(c)		771	276
	Total financial liabilities			**2,127**	**1,046**

** Amount is below the rounding off norm adopted by the Group.*

***Optionally convertible debentures are redeemable at 10th year at 70% premium, if not converted. In case of an early redemption, either in part or in full, debenture holder is eligible to get prorated premium. At any point of tenure, company can opt for conversion to equity shares at mutually agreed terms. These are secured by way of first charge created on specific asset owned by the issuer.*

Note 26: Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of remaining financial instruments is determined using discounted cash flow analysis.

Valuation Process:

The Level 3 inputs for investment in equity shares and OCDs are derived using the discounted cash flow analysis.

Fair value of financial assets and liabilities measured at amortised cost:

The carrying amounts of financial assets and liabilities measured at amortised cost are considered to be the same as their fair values, due to their short term nature.

Note 27: Financial Risk Management

The Group's activities expose it to credit risk, market risk, price risk and liquidity risk. The Group emphasizes on risk management and has an enterprise wide approach to risk management. The Group's risk management and control procedures involve prioritization and continuing assessment of these risks and devise appropriate controls, evaluating and reviewing the control mechanism.

(A) Credit Risk:

Credit risk management

I. Credit risk on cash and cash equivalents and other bank balances is limited as the group generally invests in deposits with banks that are majorly owned by the Government of India thereby minimising its risk.

II. Credit risk on security deposits, trade receivables and other financial assets are evaluated as follows:

Expected credit loss for other financial assets:

Category	Basis for recognition of expected credit loss provision	Asset Group
Financial assets for which credit risk has not increased significantly since initial recognition	Loss allowance measured at 12 month expected credit losses	Other Non-Current Financial assets Other Current Financial assets

Expected credit loss for other financial assets:

Asset Group	March 31, 2026			March 31, 2025		
	Gross carrying amount	Expected credit loss	Carrying amount net of provision	Gross carrying amount	Expected credit loss	Carrying amount net of provision
Other non-current financial assets	67	-	67	62	-	62
Other current financial assets	8	-	8	16	-	16

Expected credit loss from treasury operations and for trade receivables and contract assets:

Credit risk is the risk of financial loss to the group if a customer to a financial instrument fails to meet its contractual obligations and arises primarily from trade receivables, treasury operations etc. Credit risk of the group is managed at the group level. In the area of treasury operations, the group is presently exposed to limited risk relating to term deposits as those are made with State Bank of India and other scheduled banks. The group regularly monitors such deposits and credit ratings of the banks thereby minimising the risk.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

The credit risk related to trade receivables and contract assets is influenced mainly by the individual characteristics of each customer. The credit risk is managed by the group by establishing credit limits and continuously monitoring the credit worthiness of the customer. The Group also provides for expected credit losses, based on the risk and payment patterns over a period of 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables where it believes that there is high probability of default. The group has considered possible effect on credit risks including forward looking information to develop expected credit losses.

Given that customers of the group are large pharma players the instances of defaults with respect to the receivables from customers have been negligible in the past three years, hence, provision matrix has not been disclosed.

Following are the expected credit losses for trade receivables and contract assets:

	March 31, 2026	March 31, 2025
Gross carrying amount of trade receivables and contract assets	3,118	2,738
Less: Expected credit losses including loss allowance provision	(9)	(7)
Net carrying amount of trade receivables and contract assets	**3,109**	**2,731**

Expected credit loss for trade receivables and contract assets as at March 31, 2026

Ageing	Not due	Outstanding					Total
		for less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Gross carrying amount of trade receivables	2,432	576	100	3	-*	7	3,118
Expected credit losses	-	-	-*	(2)	-*	(7)	(9)
Net carrying amount of trade receivables	**2,432**	**576**	**100**	**1**	**-***	**-**	**3,109**

Expected credit loss for trade receivables and contract assets as at March 31, 2025

Ageing	Not due	Outstanding					Total
		for less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Gross carrying amount of trade receivables	2,265	456	10	-*	1	6	2,738
Expected credit losses	-	-	-	-*	(1)	(6)	(7)
Net carrying amount of trade receivables	**2,265**	**456**	**10**	**-***	**-**	**-**	**2,731**

** Amount is below the rounding off norm adopted by the Group.*

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Reconciliation of loss allowance provision in respect of trade receivables and contract assets:

	Total
Loss allowance on April 01, 2025	**7**
Change in loss allowance	
Add: Current year loss allowance provided	2
Less: Recoveries / Writeback	-*
Less: Bad debts written off	-
Loss allowance on March 31, 2026	**9**
Loss allowance on April 01, 2024	**10**
Change in loss allowance	
Add: Current year loss allowance provided	-
Less: Recoveries / Writeback	-*
Less: Bad debts written off	(3)
Loss allowance on March 31, 2025	**7**

** Amount is below the rounding off norm adopted by the Group.*

(B) Market Risk:

The Group has substantial exposure to foreign currency risk due to the significant exports. Sales to overseas customers and purchases from overseas suppliers are exposed to risk associated with fluctuation in the currencies of those countries vis-a-vis the functional currency i.e. Indian rupee. The Group manages currency fluctuations by having a better geographic balance in revenue mix. The Group notes that historically rupee has depreciated against major foreign currencies. On need basis, the group uses derivative financial instruments such as foreign exchange forward contracts to mitigate its risk of fluctuations in foreign currency exchange rates. Further, Group continually reassesses the cost structure impact of the currency volatility and engages with customers periodically addressing such risks.

For the year ended March 31, 2026, the imports amounting to ₹224 were hedged by entering into foreign exchange forward contracts with the bank.

(i) Foreign currency risk exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	Currency	March 31, 2026		March 31, 2025	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Receivables	EUR	4	474	1	128
	GBP	2	205	2	265
	USD	25	2,371	25	2,114
Derivative liabilities					
Foreign exchange forward contracts (Buy foreign currency)	USD	(2)	(150)	-	-
Payable to suppliers	USD	(6)	(564)	(6)	(492)
	EUR	-*	(49)	-*	(10)
	CHF	-*	(5)	-*	(1)
	JPY	(2)	(1)	-	-
Net Foreign currency exposure Asset/ (Liability)			**2,281**		**2,004**

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

	Impact on profit after tax (Income) / Expense	
	March 31, 2026	March 31, 2025
USD Sensitivity:		
INR/USD - Increase by 10% (March 31, 2025: 2%)	(134)	(28)
INR/USD - Decrease by 10% (March 31, 2025:2%)	134	28
EUR Sensitivity:		
INR/EUR - Increase by 16% (March 31, 2025: 3%)	57	7
INR/EUR - Decrease by 16% (March 31, 2025: 3%)	(57)	(7)
GBP Sensitivity:		
INR/GBP - Increase by 12% (March 31, 2025: 6%)	(18)	(10)
INR/GBP - Decrease by 12% (March 31, 2025: 6%)	18	10

** Amount is below the rounding off norm adopted by the Group.*

(ii) Cash flow and fair value interest rate risk:

Interest rate exposure: The Group does not have any long term borrowings and hence no exposure to the interest rate risk.

(C) Price risk:

There are no investments, which are subjected to price risk.

(D) Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due. Group's treasury maintains flexibility in funding by maintaining availability under deposits in banks, adequate limits in the current accounts etc.

(iii) Contractual maturities of financial liabilities:

	March 31, 2026				March 31, 2025			
	Less than 6 months	6-12 months	More than 12 months	Total	Less than 6 months	6-12 months	More than 12 months	Total
Lease liabilities	1	1	5	7	-*	-*	2	2
Trade payables	1,211	-	-	1,211	910	-	-	910
Other financial liabilities	460	-	456	916	134	-	-	134
Total	**1,672**	**1**	**461**	**2,134**	**1,044**	**-**	**2**	**1,046**

** Amount is below the rounding off norm adopted by the Group.*

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 28: Capital Management

(a) The Group's financial strategy aims to provide adequate capital for its growth plans for sustained stakeholder value. The group's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. Depending on the financial market scenario, nature of the funding requirements and cost of such funding, the group decides the optimum capital structure. The group aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth plans as a going concern.

Net debt to equity ratio

	March 31, 2026	March 31, 2025
Net debt (Refer Note 14(a)(v))	-	-
Total Equity	16,761	14,969
Net debt to equity ratio	**NA**	**NA**

(b) Dividend:

Refer note 40(t) for other accounting policies relevant to dividend.

Dividend paid on equity shares:

	March 31, 2026
Final dividend for the year ended March 31, 2025 of ₹30 (March 31, 2024: ₹30) per fully paid up equity share	797

Dividend not recognised at the end of the reporting period:

	March 31, 2026
In addition to the above dividends, subsequent to the year end the directors have recommended the payment of final dividend of ₹30/- per fully paid up equity share (March 31, 2025: ₹30). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	797

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 29: Interest in other entities

The Company's subsidiaries as at March 31, 2026 are set out below. They have share capital consisting solely equity that are held directly by the Company.

Name of the entity	Place of Business/ Country of incorporation	Ownership interest held by the Company		Ownership interest held by Non- Controlling interests		Principal activity
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	
Divis Laboratories (USA) Inc	USA	100%	100%	0%	0%	Marketing and distribution of nutraceuticals products (Dietary supplements) and pharmaceuticals ingredients
Divi's Laboratories Europe AG	Switzerland	100%	100%	0%	0%	Marketing and distribution of nutraceuticals products (Dietary supplements) and pharmaceuticals ingredients

Note 30: Segment Information

Accounting policy:

Refer note 40(b) for accounting policies relevant to segment information

Description of segments and principal activities

The managing director has been identified as Chief Operating Decision Maker (CODM). Operating segments are defined as components of an enterprise for which discrete financial information is available. This is evaluated regularly by the CODM, in deciding how to allocate resources and assessing the group's performance. The group is engaged in the manufacture of Active Pharmaceutical Ingredients (API's), Intermediates and Nutraceutical Ingredients and operates in a single operating segment.

The amount of revenue from operations from each country (based on where products and services are delivered) exceeding 10% of total revenue of the group and non-current assets broken down by location of the assets respectively are as follows:

	India		USA		Switzerland		Other Countries	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Revenue	1,159	1,107	1,092	1,306	2,611	1,908	5,698	5,039
Non-current assets	8,776	6,711	1	2	7	-*	-	-

Note 31: Foreign subsidiaries considered for consolidation

Name of the entity	Place of business/ Country of incorporation	March 31, 2026	March 31, 2025
Divis Laboratories (USA) Inc.	USA	100%	100%
Divi's Laboratories Europe AG.	Switzerland	100%	100%

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 32: Related party transactions

(a) Key Management personnel (KMP)	: Dr. Murali. K. Divi (Managing Director)
	: Mr. N.V. Ramana (Executive Director)
	: Dr. Kiran S. Divi (Whole-time Director and Chief Executive Officer)
	: Ms. Nilima Prasad Divi (Whole-time Director- Commercial)
	: Dr. Devendra Rao Sureddi (Whole-time Director-Manufacturing)
(b) Non-Executive Directors	: Mr. K V K Seshavataram (Independent Director) upto 22.06.2024
	: Dr. Ramesh B V Nimmagadda (Independent Director and Chairman)
	: Dr. S Ganapaty (Independent Director)
	: Prof. Sunaina Singh (Independent Director)
	: Mr. K V Chowdary (Independent Director)
	: Mr. Rajendra Kumar Premchand (Independent Director) w.e.f. 25.05.2024
(c) Relative of Key Management personnel	: Mr. Madhusudana Rao Divi
	: Mrs. Jhansilakshmi Pendyala
	: Mrs. Divi Swarna Latha
	: Mrs. N. Nirmala Kumari
	: Mrs. N. Chandrika Lakshmi
	: Mr. N. Venkata Aniruddh
	: Mrs. N. Monisha
	: Mr. Ravi Teja Meka
	: Mr. N. Prashanth
	: Mr. N. Nageswara Rao
	: Mrs. L. Vijaya Lakshmi
	: Mr. Swaroop Krishna Sureddi
	: Mr. Venkata Prasada Rao Sureddi
	: Mrs. Sudha Devendra Sureddi
	: Mrs. Sree Sowmya Sureddi
(d) Other related parties	: Divi's Laboratories Employees' Gratuity Trust. (Refer Note No. 12 for information on transactions with post employment benefit plan.)
	: Divi's Foundation for Gifted Children
(e) Entities in which relatives of key management personnel are interested	: M/s Sri Lakshmi constructions
	: M/s Bheema Infra Solutions Private Limited

(f) Entities which are controlled/jointly controlled by the key management personnel with whom the company has transactions:

- Divi's Properties Private Limited
- Divi's Biotech Private Limited

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(h) Summary of related party transactions and balances:

	March 31, 2026		March 31, 2025	
	Transaction amount	Outstanding balance as at March 31, 2026	Transaction amount	Outstanding balance as at March 31, 2025
(i) Managerial remuneration and short term employee benefits to Key Management Personnel -refer note 32(i)(i)	224	217	198	190
(ii) Remuneration and Sitting fees to non-executive directors - refer note 32(i)(ii)	2	-	2	-
(iii) Dividend paid to key management personnel -refer note 32(i)(iii)	347	-	347	-
(iv) Dividend paid to relatives of key management personnel -refer note 32(i)(iv)	45	-	45	-
(v) Salary and allowances to relatives of key management personnel - Mr. N. Venkata Aniruddh	1	-*	-*	-*
(vi) Salary and allowances to relatives of key management personnel - Mr. Swaroop Krishna Sureddi	-*	-*	-*	-*
(vii) Dividend paid to company in which key management personnel have significant influence - M/s Divi's Biotech Private Limited	24	-	24	-
(viii) Lease Rent to a company in which key management personnel have significant influence - M/s Divi's Properties Private Limited	14	-	12	-
(ix) Lease Rent to a company in which key management personnel have significant influence - M/s Divi's Biotech Private Limited	-*	-	-*	-
(x) Rent deposit to a company in which key management personnel have significant influence - M/s Divi's Properties Private Limited	-	3	-	3
(xi) Contribution for CSR project implementation- Divi's Foundation for Gifted Children	5	-	4	-
(xii) Purchase of goods and services from entities in which the relatives of key management personnel are interested - refer note 32(i)(v)	50	9	34	7
(xiii) Advance given to entities in which the relatives of key management personnel are interested - refer note 32(i)(vi)	18	-*	1	1

** Amount is below the rounding off norm adopted by the Group.*

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(i) Transactions with Related Parties:

		March 31, 2026		March 31, 2025	
		Transaction amount	Outstanding balance as at March 31, 2026	Transaction amount	Outstanding balance as at March 31, 2025
(i)	**Managerial Remuneration and short term employee benefits to Key Management Personnel#**				
1.	Dr. Murali K. Divi	100	100	88	88
2.	Mr. N.V. Ramana	51	51	45	44
3.	Dr. Kiran S. Divi	35	33	31	29
4.	Ms. Nilima Prasad Divi	35	33	31	29
5.	Dr. Devendra Rao Sureddi	3	-*	3	-*
		224	**217**	**198**	**190**
(ii)	**Remuneration including Sitting fees to non-executive directors**				
1.	Mr. K.V.K. Seshavataram	-	-	0.07	-
2.	Dr. S. Ganapaty	0.34	-	0.32	-
3.	Dr. Ramesh B V Nimmagadda	0.37	-	0.35	-
4.	Prof. Sunaina Singh	0.29	-	0.27	-
5.	Mr. K V Chowdary	0.33	-	0.31	-
6.	Mr. Rajendra Kumar Premchand	0.28	-	0.24	-
		1.61	**-**	**1.56**	**-**
(iii)	**Dividend paid to Key Management Personnel**				
1.	Dr.Murali K. Divi	23	-	23	-
2.	Dr. Kiran S Divi	162	-	162	-
3.	Ms. Nilima Prasad Divi	162	-	162	-
4.	Dr. Devendra Rao Sureddi	-*	-	-*	-
		347	**-**	**347**	**-**
(iv)	**Dividend paid to Relatives of Key Management Personnel**				
1.	Mr. Madhusudana Rao Divi	1	-	1	-
2.	Mrs. Jhansilakshmi Pendyala	-*	-	-*	-
3.	Mrs. Divi Swarna Latha	42	-	42	-
4.	Mrs. N.Nirmala Kumari	-*	-	-*	-
5.	Mrs. N. Chandrika Lakshmi	-*	-	-*	-
6.	Mr. N. Venkata Aniruddh	1	-	1	-
7.	Mrs. N. Monisha	1	-	1	-
8.	Mr. Ravi Teja Meka	-*	-	-*	-
9.	Mr. N. Prashanth	-*	-	-*	-
10.	Mr. N Nageswara Rao	-	-	-*	-
11.	Mrs. L. Vijaya Lakshmi	-*	-	-*	-
12.	Mr. Sureddi Swaroop Krishna	-*	-	-*	-
13.	Mr. Venkata Prasada Rao Sureddi	-*	-	-*	-
14.	Mrs. Sudha Devendra Sureddi	-*	-	-*	-
15.	Mrs. Sree Sowmya Sureddi	-*	-	-*	-
		45	**-**	**45**	**-**

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

	March 31, 2026		March 31, 2025	
	Transaction amount	Outstanding balance as at March 31, 2026	Transaction amount	Outstanding balance as at March 31, 2025
(v) Purchase of goods and Services from Entities in which the relatives of key management personnel are interested				
1. M/s Sri Lakshmi constructions	43	7	32	6
2. M/s Bheema Infra Solutions Private Limited	7	2	2	1
	50	**9**	**34**	**7**
(vi) Advance given to entities in which the relatives of key management personnel are interested				
1. M/s Sri Lakshmi constructions	15	-*	-	1
2. M/s Bheema Infra Solutions Private Limited	3	-*	-	-*
	18	**-***	**-**	**1**

** Amount is below the rounding off norm adopted by the Group.*

 # Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long-term employee benefits recognised as per Ind AS 19 - Employee Benefits in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

(j) Terms and Conditions

Transactions relating to dividends were on the same terms and conditions that applied to other equity shareholders

Note 33:

a) Contingent Liabilities:

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate possible;
- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Significant Estimate: Management uses single most likely outcome for estimating the financial impact from litigations. Based on judicial pronouncements in similar cases or from opinions obtained from internal/ external legal counsel, management arrives at the possible outcome of the litigation.

	March 31, 2026	March 31, 2025
Claims against the Group not acknowledged as debts in respect of:		
Disputed demands for excise duty, customs duty, sales tax, service tax and Goods and service tax for various periods	8	8

It is not practicable for the group to estimate the timings of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

b) Other Matter

(i) The Company received a show cause notice dated December 20, 2021 wherein it was alleged that they have erroneously claimed refund of IGST amounting to ₹82 during the period February 21, 2018 to October 8, 2018 on the ground that the Company has incorrectly availed double benefit i.e., exemption on the input materials imported under the Advance Authorization (AA) [Notification No. 79/2017-Cus dated October 13, 2017] and simultaneously filed refund of IGST paid on the goods exported. The Company received a demand order dated October 31, 2023 of ₹82 along with 100% penalty under Section 122(2)(b) of the CGST Act, 2017 and interest under section 50 aggregating to the total of ₹249. The Company has filed a writ petition with High court of Telangana and obtained stay order from collection of demand until final decision has been awarded. Based on the clarification issued by Central Board of Indirect Tax and Customs, revised judgement of Gujarat High Court on a similar matter during the year and legal counsel view, the Company believes that any liability in this regard is remote.

(ii) During the year, Company received a draft order dated March 20, 2026 under section 144C(1), passed by the assessing officer on reference made by the transfer pricing officer in its order issued under section 92CA, proposing a transfer pricing adjustment on "Purchase of raw materials and allocation of inter unit expenses" for specified domestic transactions amounting to ₹571 for the assessment year 2023-24. The Company has filed its objections with Dispute Resolution Panel (DRP), Bengaluru on April 16, 2026 and is awaiting hearing. The Company, based on the documentation maintained believes that any liability in this respect is remote.

Note 34: Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

		March 31, 2026	March 31, 2025
(i)	**Property, Plant and Equipment:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of ₹132 (March 31, 2025: ₹238))	353	553
(ii)	**Others:**		
	On account of bonds or legal agreements executed with Central excise/ Customs authorities/ SEZ development commissioners.	1,975	1,280

Note 35: Additional regulatory information required under Schedule III of Companies Act 2013:

(i) Details of Benami Property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iii) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(iv) Compliance with approved scheme of arrangements

The Group has not entered into any scheme of arrangements which has an accounting impact on current and previous financial year.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(v) Utilisation of borrowed funds and share premium

A The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vi) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961.

(vii) Loans or advances to specified persons

The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMP's and the related parties as defined under Companies Act, 2013.

(viii) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

Note 36: Dues to micro and small enterprises

The disclosures w.r.t dues to micro and small enterprises pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), to the extent the information is available with the Company, are as follows.

		March 31, 2026	March 31, 2025
a	(i) Principal amounts due to suppliers remaining unpaid as at the year-end	-	-
	(ii) Interest due to suppliers remaining unpaid as at the year-end	-	-
b.	Principal amounts paid to suppliers beyond the appointed day during the year	-	-
c.	Interest paid to the suppliers beyond the appointed day during the year	-	-
d.	Interest paid, other than section 16 of MSMED Act, to the suppliers beyond the appointed day during the year	-	-
e.	Interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
f.	Amount of interest accrued and remaining unpaid to suppliers at the end of the year	-	-
g.	Amount of further interest remaining due and payable to suppliers in succeeding years, until such date when the interest dues above are actually paid to the suppliers, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 37: Other disclosures

Additional information required by schedule III of the Act

March 31, 2026	Net assets (Total Assets minus Total Liabilities)		Share in profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
Name of the entity in the group	As % of consolidated net assets	Amount	As % of consolidated profit or (Loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent:								
Divis Laboratories Limited		16,711		2,607		6		2,613
Sub-total (A)	**99.21%**	**16,711**	**100.54%**	**2,607**	**27.27%**	**6**	**99.92%**	**2,613**
Subsidiaries (foreign):								
Divis Laboratories (USA) Inc.	0.69%	116	0.00%	-*	50.00%	11	0.42%	11
Divi's Laboratories Europe AG.	0.10%	17	-0.54%	(14)	22.73%	5	-0.34%	(9)
Sub-total of subsidiaries (B)		**133**		**(14)**		**16**		**2**
Sub-total (A+B)	**100%**	**16,844**	**100%**	**2,593**	**100%**	**22**	**100%**	**2,615**
Adjustments araising out of Consolidation (C)		(83)		(25)		(1)		(26)
Total (A+B+C)		**16,761**		**2,568**		**21**		**2,589**

March 31, 2025	Net assets (Total Assets minus Total Liabilities)		Share in profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
Name of the entity in the group	As % of consolidated net assets	Amount	As % of consolidated profit or (Loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent:								
Divis Laboratories Limited		14,895		2,209		-2		2,207
Sub-total (A)	99.11%	**14,895**	99.68%	**2,209**	-100.00%	**(2)**	99.50%	**2,207**
Subsidiaries (foreign):								
Divis Laboratories (USA) Inc.	0.71%	106	0.32%	7	50.00%	3	0.45%	10
Divi's Laboratories Europe AG.	0.18%	27	0.00%	-*	50.00%	1	0.05%	1
Sub-total of subsidiaries (B)		**133**		**7**		**4**		**11**
Sub-total (A+B)	**100%**	**15,028**	**100%**	**2,216**	**100%**	**2**	**100%**	**2,218**
Adjustments araising out of Consolidation (C)		(59)		(25)		1		(24)
Total (A+B+C)		**14,969**		**2,191**		**3**		**2,194**

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 38: Earnings per share

Refer note 40(s) for the other accounting policies relevant to Earnings per share

		March 31, 2026	March 31, 2025
(a)	**Basic EPS**		
	Basic earnings per share attributable to the equity holders of the group	96.75	82.53
(b)	**Diluted EPS**		
	Diluted earnings per share attributable to the equity holders of the group	96.75	82.53

There are no potential dilutive shares.

(c) Reconciliation of earnings used in calculating earnings per share

	March 31, 2026	March 31, 2025
Profit attributable to the equity holders of the group used in calculating basic earnings per share	2,568	2,191
Adjustments for calculation of diluted earnings per share	-	-
Profit attributable to the equity holders of the group used in calculating diluted earnings per share	2,568	2,191

(d) Weighted average number of shares used as the denominator

	March 31, 2026	March 31, 2025
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	26,54,68,580	26,54,68,580
Adjustments for calculation of diluted earnings per share:	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	26,54,68,580	26,54,68,580

Note 39: Impact of new labour code

On November 21, 2025, the Government of India notified the four labour codes viz., the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, ('Labour Codes') consolidating twenty-nine existing labour laws. The Ministry of Labour and Employment notified central rules and issued FAQs to enable assessment of the financial impact due to changes in regulations. The Holding Company has assessed the impact based on the best available information and recognised the incremental impact of employee benefits expense of ₹74 crores. The said incremental impact primarily arises due to change in the definition of wages and is accounted in accordance with the applicable accounting standards. Considering its non-recurring nature and amount involved, such incremental impact is presented under "Exceptional items" in the Consolidated Statement of profit and loss. The Holding Company continues to monitor the developments pertaining to implementation of Labour Codes and will provide the appropriate impact in accordance with applicable accounting standards, if any.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 40: Other accounting policies

a) Principles of Consolidation

Subsidiaries

Subsidiaries are entities over which Divi's has control. Divi's controls an entity where Divi's is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to Divi's and the same will be deconsolidated from the date the control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income, and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

b) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. Managing director of the group has been identified as being the chief operating decision maker.

c) Foreign currency translation:

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is Divi's (the Company's) functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions at inception. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in statement of profit and loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non- monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in statement of profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as Fair value through other comprehensive income (FVOCI) are recognized in other comprehensive income.

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognized in other comprehensive income.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognized in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

d) Property, Plant & Equipment:

(i) Historical cost includes expenditure that is directly attributable to the acquisition of the items. On transition to Ind AS, the group had elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/ other expenses.

(ii) **Impairment of assets:** Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

e) Intangible Assets:

(i) Computer software

Computer software is stated at historical cost less amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the computer software. Costs associated with maintaining software programmes are recognized as an expense as incurred.

On transition to Ind AS, the group had elected to continue with the carrying value of all of intangible assets recognized as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(ii) Research and development

Research and development expenses are fully charged to expense in the period in which they are incurred. The Group considers that the uncertainties inherent in the development of new products would preclude capitalization of such costs. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(iii) Amortization methods and periods

The group amortizes computer software over a period of 3 years.

f) Current and non-current classification

An asset / liability is classified as current if:

(a) The amount is expected to be realized or sold or consumed in the Group's normal operating cycle; the liability is expected to be settled in normal operating cycle.

(b) Asset / liability is held primarily for the purpose of trading.

(c) Asset / Liability is expected to be realized/settled within twelve months after the reporting period; or

(d) The asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(e) the Group has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets / liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

g) Financial assets:

(i) Classification:

For investments in equity instruments that are not held for trading, classification will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Recognition

Purchase and sale of financial assets are recognized on trade date, the date on which group commit to purchase or sell the financial assets

(iii) Derecognition of financial assets

A financial asset is derecognized only when

- the group has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset the same is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized. Where the group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

h) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

i) Cash and cash equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

j) Current and Deferred taxes:

The current tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period (in the countries where the company and its subsidiaries generate taxable income.) Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, based on amounts expected to be paid to the tax authorities.

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are recognized for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

For operations carried out in Special Economic Zones which are entitled to tax holiday under the Income tax Act, 1961, no deferred tax is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent of Company's gross taxable income that is allowed as the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which temporary difference originate. Also refer note 13.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

The subsidiaries of the group have undistributed earnings which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised since the Holding Company is able to control the timing of distributions from these subsidiaries. These subsidiaries are not expected to distribute these profits in the foreseeable future.

k) Inventories:

Cost of raw materials and stores comprise of cost of purchases. Cost of work-in-progress and finished goods comprises cost of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Items held for use in the production of inventory are not written below cost if the finished product in which these will be incorporated are expected to be sold at or above the cost.

l) Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

m) Employee benefits obligation:

(i) Short-term obligations

Liabilities for wages and salaries, bonus, ex-gratia etc. that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other Long-term employee benefit obligations

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

(iii) Post-employment obligations

The group operates the following post-employment schemes:

(a) Defined benefit plans-Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

In respect of funded post-employment defined benefit plans, amounts due for payment within 12 months to the fund are treated as 'current'. Regarding unfunded post-employment benefit plans, settlement obligations which are due within 12 months in respect of employees who have resigned or expected to resign or are due for retirement within the next 12 months is classified as 'current'. The remaining amount attributable to other employees, who are likely to continue in the services for more than a year, is classified as "non-current".

Group uses the work of an actuary in determining the current and non-current liability for unfunded post employee benefit obligations.

(b) Defined contribution plans

The group pays provident fund contributions to publicly administered funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

Termination benefits in the nature of voluntary retirement benefits are recognized in the Statement of Profit and Loss as and when incurred.

n) Borrowings:

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach

o) Trade and other payables:

These amounts represent liabilities for goods and services provided to the group prior to the end of reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method. The credit period typically ranges between 60 to 90 days and are recognized initially at the transaction price as they do not contain significant financing components.

p) Provisions:

Provision for legal claims are recognized when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense. Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

q) Revenue:

Taxes and duties collected from customers relating to product sales and remitted to government authorities are excluded from revenues.

Government Grant in the form of export entitlements from government authorities are recognized in the statement of profit and loss as a income, when there is reasonable certainity that the entity will comply with the conditions attaching to them and the grants will be received.

r) Leases:

As a lessee

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Short-term leases of equipment and all leases of low-value assets are recognized as expense over the lease term on straight-line basis or another systematic basis if that basis is more representative of the pattern of the benefit. Short-term leases are leases with a lease term of 12 months or less.

s) Earnings per share:

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year,

ii. The Group doesn't have potential dilutive shares

t) Dividend:

Provision for dividend is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

u) Borrowing Costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production

Notes to Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred.

v) Rounding of Amounts:

All amounts disclosed in the consolidated financial statements and notes thereon have been rounded off to the nearest crores as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated.

41 Audit Trail implementation:

Due to standard functionality of SAP application, audit trail for a specific access in the application and database level of SAP, does not capture 'old value' of changes made for which the Holding Company is working with the vendor for potential resolution. The audit trail feature of the payroll application of the Holding Company was enabled and operated throughout the year.

In terms of our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

N.K. Varadarajan
Partner
Membership number: 90196

Place: Hyderabad
Date: 23-05-2026

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K Divi
Managing Director
DIN: 00005040

N.V. Ramana
Executive Director
DIN: 00005031

Dr. Kiran S Divi
Whole-time Director and
Chief Executive Officer
DIN: 00006503

Nilima Prasad Divi
Whole-time Director
(Commercial)
DIN: 06388001

Venkatesa Perumallu Pasumarthy
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: 23-05-2026

Notice of the 36th Annual General Meeting

NOTICE is hereby given that the Thirty-Sixth Annual General Meeting (AGM) of the Members of Divi's Laboratories Limited (the Company) will be held on Monday, August 10, 2026 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, 2026 and the reports of the Board of Directors' and Auditors' thereon.

Item no. 2 – Declaration of dividend for the financial year 2025-26.

To declare dividend of ₹30/- per equity share of face value ₹2/- each (i.e.@ 1,500%) for the financial year ended March 31, 2026.

Item no. 3 – Appointment of Mr. N.V. Ramana (DIN: 00005031), 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 Dr. Kiran S. Divi (DIN: 00006503), who retires by rotation, as Director of the Company.

To appoint a director in place of Dr. Kiran S. Divi (DIN: 00006503), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

By Order of the Board of Directors

M. Satish Choudhury
Company Secretary and Compliance Officer
Membership No. F12493

Date: May 23, 2026
Place: Hyderabad

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

Notes:

1. The Ministry of Corporate Affairs (MCA) has, vide its General Circular dated September 22, 2025 read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022, December 28, 2022, September 25, 2023 and September 19, 2024 (collectively referred to as 'MCA 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 and applicable provisions of the Companies Act, 2013 (Act) read with Rules made thereunder 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. As the AGM is being conducted through VC / OAVM, the facility for appointment of Proxy by the members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

2. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Companies Act, 2013 (the Act).

3. In terms of provisions of Section 152 of the Act, Mr. N.V. Ramana and Dr. Kiran S. Divi, Directors of the Company, retire by rotation at this AGM and, being eligible, offers themselves for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company commend their respective re-appointments.

   Brief profiles and other additional information pursuant to Regulation 36 of SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking re-appointment are provided in the 'Annexure' to this Notice.

4. 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 10, 2026. Members seeking to inspect such documents can send an email to cs@divislabs.com.

5. The Board of Directors at its meeting held on May 23, 2026 has recommended a dividend of ₹30/- per equity share of face value ₹2/- each (i.e. 1,500%) for the financial year 2025-26, subject to the approval of the shareholders at the 36th AGM. **The Company has fixed Friday, July 24, 2026 as the 'Record Date' for the purpose of determining the members eligible to receive dividend for the financial year 2025-26.**

   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 on and from August 14, 2026 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.

   Members are requested to register / update their complete bank details with their DP, if shares are held in dematerialised mode, by submitting forms and documents as may be required by the DP. Payment of dividend shall be made through electronic mode to those members, holding shares in dematerialised mode, who have updated their bank account details.

   As per the Master Circular for Registrars to an Issue and Share Transfer Agents dated February 6, 2026 issued by SEBI, payment of dividend to members holding shares in physical mode shall only be made electronically. Such payment shall be made only after they have furnished their PAN, Contact Details (Postal Address, Mobile Number and E-mail), Bank Account Details, Specimen Signature etc. for their corresponding physical folios with the Company / Company's RTA Kfin Technologies Limited (Kfintech). Please refer to SEBI FAQs by accessing the link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2026/1767611333081.pdf (FAQ No. 47 & 48).

6. In accordance with the provisions of the Income-tax Act, 2025 as amended from time to time (IT Act), and the

Rules framed thereunder, dividend paid or distributed by the Company, shall be taxable at the hands of the Shareholders, and the Company is required to deduct tax at source from dividend paid to the Shareholders at applicable rates.

Members are requested to register / update their residential status, PAN, category as per the IT Act, with their Depository Participants (DP) or in case shares are held in physical form, with the Company/Registrars and Transfer Agents (RTA) on or before July 24, 2026 to enable the Company to determine the appropriate TDS/ withholding tax rate applicable, verify the documents and provide exemption.

Members are requested to note that the income tax declarations/exemption forms have been changed, and the Company is sending a detailed communication to shareholders. The detailed communication can be accessed at https://www.divislabs.com/investor-relations/statutory-communication/#2026-2027 and refer 'Information about TDS deduction on dividend for FY2025-26' or scan the QR to access the communication sent regarding tax deducted at source on dividend:

Members are requested to submit their TDS declarations / necessary documents by uploading at link https://ris.kfintech.com/clientservices/investors/taxforms.aspx or https://ris.kfintech.com/clientservices/isc/ on or before July 24, 2026 to enable the Company to determine the appropriate TDS / withholding tax rate applicable.

Any member facing difficulty in submitting disclosures using the aforementioned link may please seek assistance by sending email to einward.ris@kfintech.com and dividendtds@divislabs.com.

7. Unclaimed dividends for the year (s) 2018-19, 2019-20 (interim dividend), 2020-21, 2021-22, 2022-23, 2023-24 and 2024-25 are held in separate bank accounts and shareholders who have not received the dividend/ encashed the warrants are advised to claim the unclaimed dividend (s) immediately by sending necessary documents to RTA of the Company, Kfintech.

Process to claim the unclaimed dividend(s) as intimated to members individually is also made available at https://www.divislabs.com/investor-relations/reports-and-filings/unclaimed-dividend/#2026.

The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2017-18, from time to time, to Investor Education and Protection Fund Authority (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.

The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2026 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 reminded the members of having unpaid /unclaimed dividends before transfer of such shares to the IEPF. 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 equity shares liable for transfer/transferred in the name of IEPF Authority.

Details of equity shares so far transferred to the IEPF Authority are available on the website of the Company 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.

Members whose unclaimed dividend(s)/ shares were transferred to the IEPF Authority can claim their unclaimed dividend(s) and shares from the IEPF Authority by filing web Form IEPF-5 and following the Refund Procedure as detailed on the website of IEPF Authority i.e. 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.

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

Kfin Technologies Limited
Unit: Divi's Laboratories Limited
Selenium Tower B, Plot No. 31 – 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad – 500 032,
Telangana, India
Phone No: +91 40-67161526, Fax: +91 40-23001153
Toll Free No. 1800-3454-001
e-mail: einward.ris@kfintech.com

9. We encourage members to support our commitment to environmental protection by choosing to receive the Company's communication through e-mail. Members holding equity shares in demat mode, who have not registered their e-mail addresses are requested to register their e-mail addresses with their respective DP, and members holding shares in physical mode are requested to update their e-mail addresses with the Company's RTA, to receive copies of the Annual Report 2025-26 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 equity shares held by them by submitting Form SH-13 to RTA (if holding physical shares) / to their DP (if holding demat shares).

Members may follow the process detailed below for registration of e-mail id to obtain the annual report, updating bank account details for the receipt of dividend and other information:

Type of holder	Process to be followed	
Physical	ISR Form(s) and the supporting documents can be submitted to Company's RTA Kfintech by any one of the following modes: a) Through hard copies which are self-attested, which can be shared at Kfintech's address mentioned above; or b) Through electronic mode with e-sign by following the link: https://kprism.kfintech.com/ Detailed FAQ can be found on the link: https://ris.kfintech.com/faq.html	
	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	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH-13
	Declaration for opting out of nomination	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form ISR-4
	The forms for updating the above details are available at https://www.divislabs.com/investor-relations/shareholders-contact/#downloads	
Demat	Please contact your Depository Participant (DP) and register your e-mail address, bank account details in your demat account and nomination, as per the process advised by your DP, where the demat account is being held.	

10. 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 affected 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 or to the RTA at einward.ris@kfintech.com for any clarifications, if needed.

11. Members may note that a Special Window for transfer and demat of physical shares is open from February 05, 2026 to February 04, 2027 as per SEBI Circular No. HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated January 30, 2026. This facility is available to those investors who had purchased physical shares of Divi's Laboratories Limited ("the Company") prior to April 01, 2019 and:

a) had not lodged the shares for transfer; or

b) had lodged the shares for transfer, but the same were rejected, returned, or not attended to due to deficiencies in documentation.

The requisite documents, complete in all respects, must be lodged with the Company's Registrar and Transfer Agent, KFin Technologies Limited, on or before February 04, 2027. For further details, shareholders may contact KFin Technologies Limited at the toll-free number 1-800-309-4001 or email to einward.ris@kfintech.com or cs@divislabs.com.

12. Non-resident Indian members are requested to inform the RTA (if holding equity 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.

13. Dispatch of Annual Report through electronic mode:

In compliance with the MCA Circulars and Regulation 36(1)(a) of the SEBI Listing Regulations, Notice of the AGM along with the Annual Report for the financial year 2025-26 is being sent only through electronic mode to those members whose e-mail address is registered with the Company / Registrar and Transfer Agent / Depository Participants / Depositories. Further, in compliance with Regulation 36(1)(b) of the SEBI Listing Regulations, a letter providing the web-link, including the exact path, where Annual Report for the financial year 2025-26 is available, is being sent to those members whose e-mail address is not registered with the Company / Registrar and Transfer Agent / Depository Participants / Depositories.

Members may note that the Notice and Annual Report 2025-26 will also be available on the Company's website https://www.divislabs.com/, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Company's Registrar and Transfer Agent, KFin Technologies Limited 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 above. In case of any queries/ difficulties in registering the e-mail address, members may write to cs@divislabs.com or einward.ris@kfintech.com.

14. 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 Kfintech Technologies Limited.

a. 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.

   Members are requested to follow the procedure given below:

   i. Launch internet browser 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 Kfintech at emeetings@kfintech.com or call on toll free numbers 1800-309-4001. 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 on its registered e-mail address to bhaskararaoandco@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name EVEN".

15. 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 logging in. The Speaker Registration will be open from August 06, 2026 to August 07, 2026. 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.

16. 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 Kfintech. On successful login, select 'Post Your Question' option. This option will be opened from August 06, 2026 to August 07, 2026.

17. 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.

18. 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 vote(s) remotely, using an electronic voting system on the dates mentioned below (remote e-voting).

Further, the facility for voting through electronic voting system will also be made available at the Meeting (i.e. 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 the 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 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 August 06, 2026**
End of remote e-voting:	**5:00 p.m. (IST) on August 09, 2026**

The remote e-voting will not be allowed beyond the aforesaid date and time and shall be forthwith disabled by Kfintech 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/its shareholding in the paid-up equity share capital of the Company as on the **cut-off date, i.e., August 03, 2026 (Cut-off date)**.

The Board of Directors of the Company has appointed Mr. V Bhaskara Rao, Practicing Company Secretary (C.P No. 4182) or failing him Mr. K. Nagarjuna, Practicing Company Secretary (C.P. No. 27893), Partners of M/s. V. Bhaskara Rao & Co., Company Secretaries, Hyderabad as Scrutinizer to scrutinize the remote e-voting and insta poll process in a fair and transparent manner and 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 already casted 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(s) again.

- A member can opt for only a single mode of voting per EVEN, i.e., through remote e-voting or insta poll. If 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 at the Meeting through insta poll. A person who is not a member as on the cut-off date, should treat the Notice for information purposes 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 for individual shareholders holding shares of the Company in demat mode:

As per SEBI Master Circular bearing reference no. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, as amended, **all "individual shareholders holding shares of the Company in demat mode" can cast their vote(s), 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)**
1. User already registered for IDeAS e-services facility of NSDL may follow the following procedure: i. Type in the browser / Click on the following e-services link: https://eservices.nsdl.com. ii. Click on the button "Beneficial Owner" available for login under 'IDeAS' section. iii. A new page will open. Enter your User ID and Password for accessing IDeAS. 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.	**1. User already registered for Easi / Easiest facility of CDSL may follow the following procedure:** i. Type in the browser / Click on any of the following links: https://web.cdslindia.com/myeasitoken/home/login or www.cdslindia.com 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). ii. Enter your User ID and Password for accessing Easi / Easiest.

Procedure to login through websites of Depositories	
National Securities Depository Limited (NSDL)	**Central Depository Services (India) Limited (CDSL)**
v. Click on "Active E-voting Cycles" option under E-voting. 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.	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.
2. Users not registered for IDeAS e-services facility of NSDL may follow the following procedure: i. To register, type in the browser / Click on the following e-services link: https://eservices.nsdl.com. ii. Select option "Register Online for IDeAS" available on the left-hand side of the page or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. iii. Proceed to complete registration using your DP ID, Client ID, mobile number etc. iv. After successful registration, please follow steps given under Sl. No. 1 above to cast your vote.	**2. Users not registered for Easi/Easiest facility of CDSL may follow the following procedure:** i. To register, type in the browser / Click on the following link: https://web.cdslindia.com/myeasitoken/Home/EasiRegistration or https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration. ii. Proceed to complete registration using your DP ID-Client ID (BO ID), etc. iii. After successful registration, please follow steps given under Sl. No. 1 above to cast your vote.
3. Users may directly access the e-voting module of NSDL as per the following procedure: i. Type in the browser / Click on the following link: https://www.evoting.nsdl.com/. ii. Click on the button "Login" available under "Shareholder/Member" section. 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.	**3. Users may directly access the e-voting module of CDSL as per the following procedure:** i. Type in the browser / Click on the following links: www.cdslindia.com / https://www.evotingindia.com. ii. Provide demat account number and PAN. iii. System will authenticate user by sending OTP on registered mobile & e-mail as recorded in the demat account. 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.

Procedure to login through websites of Depositories	
National Securities Depository Limited (NSDL)	**Central Depository Services (India) Limited (CDSL)**
As an alternate OTP based login, click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. Enter 8-digit DP ID, 8-digit Client ID, PAN, Verification code as shown on the screen and click on 'Generate OTP' button. Enter the OTP received on your registered email id / mobile number and click on 'Log-in' button. After successful authentication, you will be redirected to NSDL Depository website, wherein you can see e-Voting page. iv. You will be able to 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 redirected to the e-Voting page of Kfintech to cast your vote without any further authentication.	

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 "Kfintech" and you will be re-directed to the e-voting page of Kfintech 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 or call at toll free no.: 1800 1020 990/ 022-4886 7000.
Contact details in case of any technical issues CDSL website	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800-21-09911.

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:**

1. **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. (IST) to 6:00 p.m. (IST) 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 upon logging-in for the first time. 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, e-mail address 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 E-Voting Event Number (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 vote 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(s) 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(s).

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 with a copy marked to evoting@kfintech.com The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Even.".

2. **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:**

   i. Members holding shares in physical mode, who have not registered / updated their e-mail address with the Company, are requested to register / update their e-mail address by submitting Form ISR-1 (available on the website of the Company at https://www.divislabs.com/investor-relations/shareholders-contact/#downloads) duly filled and signed along with requisite supporting documents to RTA by any one of the following modes:

      a) Through hard copies which are self-attested, which can be shared at Kfintech's address Kfin Technologies Limited at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana, India; or

      b) Through electronic mode with e-sign by following the link: https://kprism.kfintech.com/ Detailed FAQ can be found on the link: https://ris.kfintech.com/faq.html.

   ii. Members holding shares in dematerialised mode who have not registered their e-mail address with their Depository Participant(s) are requested to register / update their e-mail address with the Depository Participant(s) with which they maintain their demat accounts.

   iii. After due verification, the Company / Kfintech will forward your login credentials to your registered e-mail address.

   iv. Follow the instructions at III(B)(1) (i) to (xii) to cast your vote.

   v. Members can also update their mobile number and e-mail address in the "user profile details" in their e-voting login on https://evoting.kfintech.com.

C. **Any person who becomes a member of the Company after despatch of this 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 Kfintech 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 and PAN to generate password.

   ii. Member may call on Kfintech's toll-free number 1800 309 4001 (from 9:00 a.m. (IST) to 6:00 p.m. (IST) on all working days).

   iii. Member may send an e-mail request to einward.ris@kfintech.com. After due verification of the request, User ID and password will be sent to the Member.

   iv. If the Member is already registered with Kfintech's e-voting platform, then he / she / it can use his / her / its existing password for logging-in.

D. **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 Kfintech website for e-voting: https://evoting.kfintech.com or contact at the details mentioned below:**

   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,
   Telangana, India
   Phone No. 040 – 67161526
   Toll free No. 1800-309-4001
   (from 9 a.m. (IST) to 6 p.m.
   (IST) on all working days)
   e-mail: einward.ris@kfintech.com or
   evoting@kfintech.com

IV. E-voting at AGM (Insta Poll):

Facility to vote through an 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 (s) using remote e-voting will be able to cast their vote (s) by clicking on this icon. Insta Poll will be kept open for 15 minutes after end of the AGM.

V. E-voting Results:

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 two working days 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 https://www.divislabs.com/ and on the website of Kfintech at: https://evoting.kfintech.com. The results will also 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 10, 2026.

Annexure

Details of Directors seeking appointment at the 36th AGM as required under Regulation 36 of SEBI Listing Regulations, and the Secretarial Standard - 2 on General Meetings

Item No 3. Appointment of Mr. N.V. Ramana (DIN: 00005031), who retires by rotation, as Director of the Company:

Brief Profile:

Mr. N.V. Ramana has been the Executive Director of Divi's Laboratories Limited for the past 32 years. He is a graduate in chemistry from Osmania University, India. He is also a Member of the American Chemical Society.

Mr. N.V. 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. N.V. 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: 68 years

Qualification: Graduate in chemistry from Osmania University, India.

Nature of expertise in specific functional areas: Mr. N.V. Ramana has rich and wide experience in strategic planning, marketing, custom manufacturing, contract research of active ingredients as also the nutraceutical business.

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 for a period of 5 years commencing from December 26, 2024 vide shareholders resolution dated August 12, 2024, is liable to retire by rotation.

Remuneration proposed to be paid: As per the shareholders' resolution dated August 12, 2024.

Remuneration (including sitting fees, if any) last drawn (FY 2025-26): ₹51.20 Crores.

Date of first appointment on Board: October 01, 1994

Number of equity shares held in the Company: Nil

Relationship between Directors inter-se: Mr. N.V. Ramana is not related to any Director or Key Managerial Personnel of the Company.

Number of Board meetings attended during the year: Mr. N.V. Ramana attended all 4 Board meetings held during FY 2025-26.

Name of other Companies in which he holds Directorship: Nil

Chairman/ Member of the Committee (s) of Board of Directors: Nil

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

Item No. 4. Appointment of Dr. Kiran S. Divi (DIN: 00006503), who retires by rotation, as Director of the Company:

Brief profile:

Dr. Kiran S. Divi has been the Director on Board of Divi's Laboratories Limited (Divi's) for over the past 26 years. He officially took on the role of leading the Company as the Chief Executive Officer starting January 2020. He oversees all the corporate functions and operations at the Company's manufacturing facilities. Under his direction, Divi's has been developing business strategies and plans ensuring their alignment with the short term and long-term objectives. He is responsible for overall supervision of business operations, strategy planning, marketing, quality assurance, regulatory affairs and corporate HR of the Company.

Prior to joining Divi's, Dr. Kiran S. Divi has gained extensive knowledge and understanding of the Pharmaceutical Industry with an extra focus on the US Generic Market.

Age: 49 years

Qualification: Post-graduate degree in Pharmacy from Jawaharlal Nehru Technological University (JNTU), Kakinada, Andhra Pradesh and Ph.D. degree from Gandhi Institute of Technology and Management (GITAM), Visakhapatnam, Andhra Pradesh.

Nature of expertise in specific functional areas: Dr. Kiran S. Divi has rich and wide experience in the Company's business, particularly in manufacturing and business operations, marketing, quality assurance, regulatory affairs, and corporate HR.

Terms and conditions of appointment: In terms of Section 152(6) of the Companies Act, 2013, Dr. Kiran S. Divi, who was re-appointed as a Whole-time Director and Chief Executive Officer for a period of 5 years commencing from April 01, 2025 vide shareholders resolution dated March 06, 2025, is liable to retire by rotation.

Remuneration proposed to be paid: As per the shareholders' resolution dated March 06, 2025.

Remuneration (including sitting fees, if any) last drawn (FY 2025-26): ₹34.84 Crores.

Date of first appointment on Board: August 10, 2001

Number of equity shares held in the Company: 5,40,00,000 equity shares.

Relationship between Directors inter-se: Dr. Kiran S. Divi is related to Dr. Murali K. Divi, Managing Director and Ms. Nilima Prasad Divi, Whole time Director (Commercial) of the Company.

Number of Board meetings attended during the year: Dr. Kiran S. Divi attended all 4 Board meetings held during FY 2025-26.

Name of other Companies in which he holds Directorship: (i) Divi's Biotech Private Limited; (ii) Divi's Resorts and Agro Farms Private Limited; (iii) Divi's Properties Private Limited; (iv) Divi's Finvest Private Limited; (v) Divi's Laboratories Europe AG and (vi) Divis Laboratories (USA), Inc. Other than Divi's Laboratories Limited, Dr. Kiran S. Divi does not hold directorship in any other listed company.

Chairman/ Member of the Committee (s) of Board of Directors:

- Divi's Laboratories Limited: Chairperson of Risk Management and Sustainability Committee.
- Divi's Properties Private Limited: Member of Corporate Social Responsibility Committee.
- Divi's Finvest Private Limited: Member of Risk Management Committee.

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

By Order of the Board of Directors

M. Satish Choudhury
Company Secretary and Compliance Officer
Membership No. F12493

Date: May 23, 2026
Place: Hyderabad

Divi's Laboratories Limited

Registered Office
Divi Towers, 1-72/23(P)/DIVIS/303
Cyber Hills, Gachibowli,
Hyderabad - 500032
CIN: L24110TG1990PLC011854
Phone: +91 40 66966300
Fax: +91 40 66966460
E-mail: mail@divislabs.com
Website: www.divislabs.com

Concept, Content & Design
(info@wyatt.co.in)