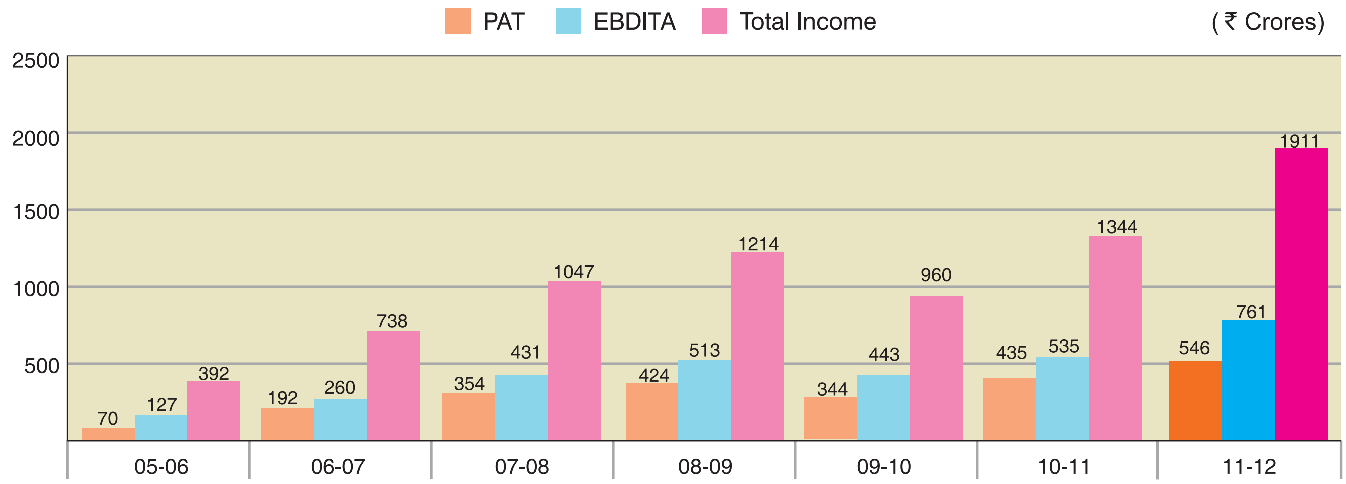
Performance Highlights

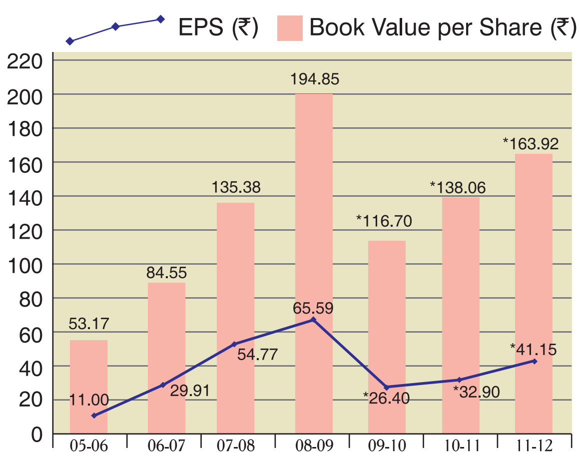
(Rs. in Lakhs)

Turnover and Profit	2007-08	2008-09	2009-10	2010-11	2011-12
Sales	103318	119056	92929	130544	183949
Sales Growth %	43%	15%	(22%)	41%	41%
Other Income	1361	2301	3069	3860	7120
Total Income	104680	121357	95998	134404	191069
Total Income Growth %	42%	16%	(21%)	40%	42%
Profit before Interest Depreciation and Tax (PBDIT)	43051	51339	44255	53459	76063
Finance Charges	1018	723	276	219	374
Depreciation	3565	4782	5145	5335	6203
Profit Before Tax (PBT)	38469	45834	38834	47905	69486
PBT Growth %	70%	19%	(15%)	23%	45%
Provision for Taxation	3113	3389	4414	4348	14889
Profit After Tax (PAT)	35356	42446	34420	43557	54597
PAT Growth %	84%	20%	(19%)	27%	25%
Dividend, Share Capital and Capital Employed					
Dividend	200%	300%	300%	500%	650%
Dividend (and tax thereon) payout	3021	4558	9246	15411	20055
Dividend payout %	8.5%	10.7%	26.9%	35.4%	36.7%
Equity Share Capital	1291	1295	2643	2652	2655
Reserves & Surplus	86107	124884	151565	180153	214825
Networth	87399	126179	154208	182805	217480
Networth growth %	61%	44%	22%	19%	19%
Gross Fixed Assets	64193	78249	83265	88534	109163
Net Fixed Assets	49687	58967	58967	58973	73819
Total Assets	100136	136299	162683	190600	280297
Key Financial Indicators					
Earnings per share (face value of Rs.2/-each) Rs.	54.77	65.59	26.40*	32.90	41.15
Cash Earnings Per Share (face value of Rs.2/-each) Rs.	60.29	72.98	29.94*	36.93	45.83
Gross Turnover Per share (face value of Rs.2/-each) Rs.	162.15	187.40	72.65*	101.51	144.01
Book Value per share (face value of Rs.2/-each) Rs.	135.38	194.85	116.70*	138.06	163.92
Total Debt to Equity	0.10	0.04	0.02	0.01	0.02
PBDIT / Gross Turnover %	41%	42%	46%	40%	40%
Net Profit Margin on sales %	34%	35%	37%	33%	30%
Return On Networth %	40%	34%	22%	24%	25%

* Post Bonus Issue

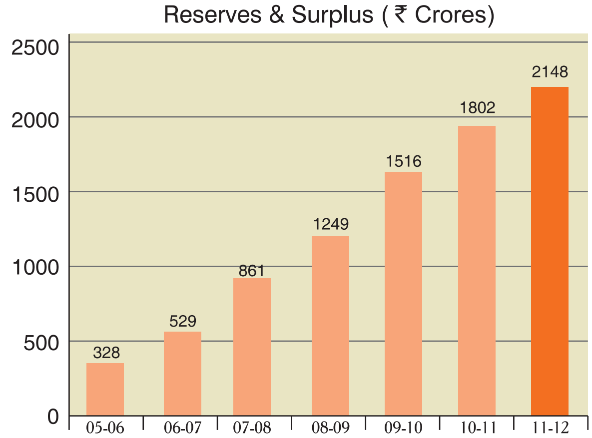
Key Financial Indicators



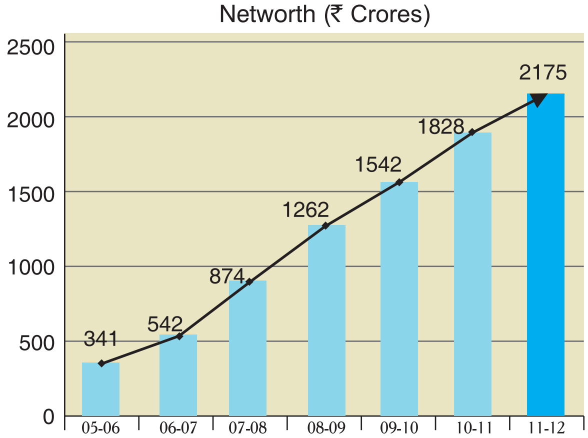


* Post Bonus Issue

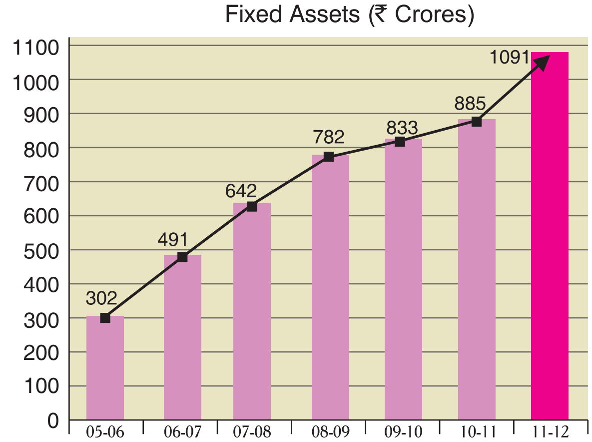
Reserves & Surplus (₹ Crores)



Networth (₹ Crores)



Fixed Assets (₹ Crores)



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Corporate Information

Registered Office :

7-1-77/E/1/303, Divi Towers,
Dharam Karan Road, Ameerpet,
Hyderabad - 500 016
Tel : 91-40-2378 6300
Fax : 91-40-2378 6460
E-mail : mail@divislaboratories.com
URL : www.divislaboratories.com

Manufacturing Facilities :

Choutuppal Unit (DTA)
Lingojigudem Village,
Choutuppal Mandal, Nalgonda Dt.
(A.P.) Pin 508 252

100% Export Oriented Unit - Chippada
Chippada Village,
Bheemunipatnam Mandal,
Visakhapatnam Dist. (A.P.)
Pin 531 163

Divi's Pharma SEZ
Chippada Village,
Bheemunipatnam Mandal,
Visakhapatnam Dist. (A.P.)
Pin 531 163

DSN SEZ Unit
Chippada Village,
Bheemunipatnam Mandal,
Visakhapatnam Dist. (A.P.)
Pin 531 163

R&D Centres :

B-34, Industrial Estate
Sanathnagar,
Hyderabad - 500 018

Lingojigudem Village
Choutuppal Mandal
Nalgonda Dist, (A.P.) - 508 252

Chippada Village
Bheemunipatnam Mandal
Visakhapatnam Dist. (A.P.) -
Pin 531 163

Subsidiaries :

Divis Laboratories (USA) Inc.
New Jersey, USA.

Divi's Laboratories Europe AG
Basel, Switzerland.

Chief Financial Officer :

L. KISHORE BABU

Company Secretary :

P.V. LAKSHMI RAJANI

Registrar & Share Transfer Agent :

Karvy Computershare
Private Limited
Plot No.17-24, Vittal Rao Nagar,
Madhapur,
Hyderabad - 500 081

Auditors :

Statutory Auditor:
M/s. P.V.R.K. Nageswara Rao & Co.
Chartered Accountants
109, Metro Residency
6-3-1247, Rajbhavan Road
Hyderabad - 500 082

Cost Auditor:
EVS & Associates.,
Cost Accountants
206, Raghava Ratna Towers,
Chirag Ali Lane,
Hyderabad – 500 001

Bankers :

State Bank of Hyderabad

State Bank of India

The Lakshmi Vilas Bank Limited

Bank of Nova Scotia

Shares listed at :

National Stock Exchange of India Limited

Bombay Stock Exchange Limited

Management
Discussion And Analysis

Economy

The year 2011 was probably one of the toughest years for the Indian economy in recent times. The adverse performance of all the key economic indicators weighed heavily on the Indian economy throughout the year. Headline and food inflation indices were at high single digit levels and showed no signs of cooling off throughout the year.

Industry Outlook

Pharmaceutical market research firm, IMS Health forecast that the global pharmaceutical market will grow between 3% and 6% annually upto 2015, based on sales of US$ 856 billion in 2010. In the five preceding years, the market grew by an average of 6.2% per year. According to the data, overall market volume should increase by between US$ 210 billion and US$ 240 billion up until 2015, then reaching a total volume of between US$ 1,065 billion and US$ 1,095 billion.

While the U.S. market represented 36% of the global market in 2010, this share is expected to decline to 31% by 2015. The United States will still be the world's largest market (US$ 320 billion to US$ 350 billion). IMS Health sees Japan remaining in second place in 2015 (11% share, US$ 110 billion to US$ 140 billion), followed by China (US$ 115 billion to US$ 125 billion) and Germany (US$ 38 billion to US$ 43 billion).

Future level of global spending on medicines has implications for healthcare systems and policy makers across developed and emerging economies. Unprecedented dynamics are at play – including historically high levels of patent expiry, rapid expansion of demand for medicines in the world's growing economies, fewer new medicines reaching patients, and more moderate uptake of those that do become available. These dynamics are driving rapid shifts in the mix of spending between branded products and generics; and between spending in the major developed countries and those 17 high growth emerging countries referred to as 'pharmerging'.

Pharmaceutical industry is presently facing many challenges and uncertainties. The industry continues to grow modestly, while adapting to unparalleled changes. This is putting pressure on the companies to focus on ways to increase the productivity and streamline the significant overheads.

In order to stay competitive vis-a-vis its peers in Europe and US, the company lays great stress on leveraging its inherent strengths of playing a complementary and non-conflict role building strong customer relationships supported by developing cost competitive and faster delivery structure.

Company infrastructure

Divi operates from its Headquarters and Registered Office at Hyderabad. The company has four multi-purpose manufacturing facilities with all support infrastructure like Utilities, environment management and safety systems.

Unit I : The 1st Facility at village Lingojigudem, Choutuppal Mandal, Nalgonda district, about 60 KM from Hyderabad developed on a 500 acre site and comprises of 13 production buildings, a Pilot Plant and a kilo lab. The plant consists of around 322 reactors totalling a capacity of 1425 m^3 supported with all utility and service units. The production buildings have clearly defined finished product areas for APIs with clean air, purified water systems that operate under full cGMP as per US-FDA guidelines.

Export Oriented Unit : The 2nd Facility is at village Chippada, Bheemunipatnam Mandal, Visakhapatnam Dist. about 30 KM from the port city of Visakhapatnam on the east coast. The Unit has 8 production blocks with around 175 reactors totalling a capacity of 1413 m^3 with all utility and service units.

SEZ Unit : The 3rd facility is at village Chippada, Bheemunipatnam Mandal, Visakhapatnam Dist. An area of 260 acres was approved and notified as Sector Specific Special Economic Zone in Pharma Sector with Divi's Laboratories Limited as a Developer and Divi's (SEZ) as a production unit. The Unit has 9 production blocks with around 253 reactors totalling a capacity of 1820 m^3 with all required utility and infrastructure.

DSN SEZ Unit : This 4th facility has been set up at our Pharma SEZ at village Chippada during the year 2011 at an estimated cost of Rs.200 crores. This facility commenced operations during the first quarter of the year 2011-12. The Unit will have 5 production blocks with around 186 reactors totalling a capacity of 2000 m^3 with all required utility and infrastructure.

Research Centres: The company has 4 Research Centers with the well defined functional focus on custom synthesis, contract research for MNC companies as also future generics involving processes like route design, route selection, establishing gram scale process and structural confirmation, process optimization, impurity profile, pilot studies, pre-validation batches, validation of process and transfer of technology to Plant, review efficiency of processes and ongoing process.

The company has constantly been augmenting capacities to cater to increasing business needs.

Internal Control systems

The Company maintains a system of well established policies and procedures for internal control of operations and activities, and these are continually reviewed for effectiveness. The internal control system is supported by qualified personnel and a continuous program of internal audit. The prime objective of such audits is to test the adequacy and effectiveness of all internal control systems laid down by the management and to suggest improvements.

We believe that the company's overall system of internal control is adequate given the size and nature of operations and effective implementation of internal control self assessment procedures and ensure compliance to policies, plans and statutory requirements.

Divi encourages and recognizes improvements in work practices. The internal control system of the company is also reviewed by the Audit Committee periodically. The Management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee.

Risks and Concerns

Divi 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. Through this approach, the company strives to identify opportunities that enhance organisational values while managing or mitigating risks that can adversely impact its future performance.

Divi is engaged in manufacture of generic APIs, custom synthesis of active ingredients for innovator companies and other specialty chemicals like peptides and nutraceuticals. The company constantly reviews its policies and procedures to adhere to conformity to the various regulatory approvals for its manufacturing facilities and its commitment to IPR. The company is very selective in its product portfolio with a focus on export markets within the domain of its capabilities and does not transgress in unrelated expansions, diversification or acquisitions.

The company continues its initiatives aimed at assessment and avoidance 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 current and fixed assets as well as products are adequately insured against various risks. Over 70% of sales constitute supplies to regulated markets in Europe and USA and the company devotes significant importance to the regulatory compliances.

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 and redesigning it from time to time in the light of its effectiveness.

Regulatory Filings/Approvals

Divi has triple Certifications ISO-9001 (Quality Systems), ISO-14001 (Environment Management Systems) and OHSAS-18001 (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. All the manufacturing sites have been inspected by US-FDA, barring the recently implemented DSN SEZ Unit which expectes an inspection next year.

Divi has a total of 36 drug master files (DMFs) with US-FDA and 190 EDMFs and 13 CoS (Certificates of Suitability) with various European Union authorities. Divi has filed a total number of 22 patents in India and 17 in USA for generic products.

Business distribution

Our product portfolio comprises of two broad segments i) Generic APIs (active pharma ingredients) and Nutraceuticals and ii) Custom Synthesis of APIs, intermediates 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. Business has been growing decently across both these segments and is broadly equal distributed. Among Divi's well distributed products range, some of the components of the business is given below :

Particulars	2011-12	2010-11
Exports	**89%**	92%
Imports (% of material consumption)	**39%**	33%
Largest Product	**19%**	22%
Top 5 Products	**51%**	52%
Top 5 Customers	**46%**	47%
Exports in $ terms	**82%**	74%
Exports in Pounds	**14%**	21%
Exports in Euro	**4%**	5%

Performance and Operations Review

Analysis of profitability for the current and the last financial years is given hereunder :

(Rs. in Crores)

Particulars	2011-12	2010-11	Growth%
Net Sales & Service Income	**1839.49**	1308.66	41%
Other operating income	**5.44**	6.21	
Other income	**65.76**	29.23	
Total Income	**1910.69**	1344.10	42%
Expenditure	**1150.06**	810.18	
PBDIT	**760.63**	533.92	42%
Finance Cost	**3.74**	1.52	
Depreciation	**62.03**	53.35	
Profit before tax (PBT)	**694.86**	479.05	45%
Provision for tax :			
Current Tax	**133.59**	39.20	
MAT Credit Utilisation	**2.92**	1.28	
Deferred Tax Liability	**12.38**	3.00	
Profit after tax (PAT)	**545.97**	435.57	25%
Earnings per Share (EPS)			
a) Basic	**41.15**	32.90	
b) Diluted	**41.15**	32.88	

We have had a very satisfactory business performance this financial year. We achieved a sales growth of 41% over the last year. PBT amounted to Rs.695 crores for the year, reflecting a growth of 45%.

Some of the capex programmes taken up at the existing Units have become operational during the year. The DSN SEZ Unit has also become operational during the year. These capacity additions have contributed to business during the year.

We have made a provision of Rs.136.51 crores towards Income-tax as against Rs.40.48 crores during the last year – as no tax holiday is available to EOU Unit from this financial year and as our first SEZ Unit is eligible only for 50% of tax exemption from this year. Deferred Tax provision for the year amounted to Rs.12.38 crores as against Rs.3.00 crores during last year.

Profit after Tax (PAT) for the year came to Rs.546 crores as against Rs.436 crores during the previous year, a growth of 25%. Earnings Per Share of Rs.2/- each works out to Rs. 41.15 for the year as against Rs. 32.90 last year.

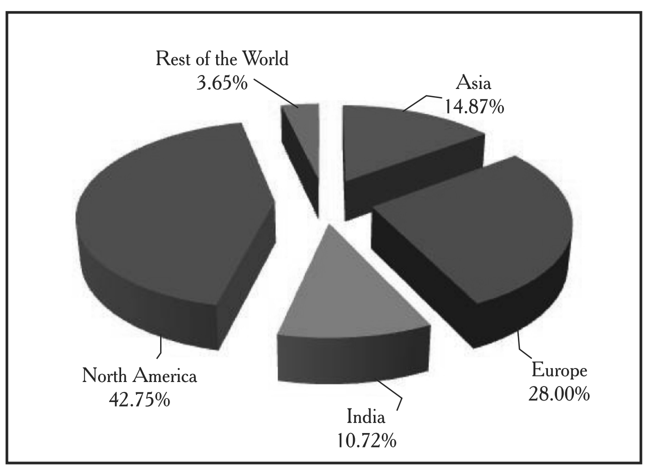
During the year, Divi has added 8 products to its product portfolio of which 3 are generic APIs and intermediates and 5 are custom synthesis APIs and intermediates.

Your company continues to work towards optimizing the capacities created at its multi-purpose manufacturing facilities and also adding additional capacities aimed at the business opportunities available to it in its domain of capability in line with its strategy to work with innovators playing a complementary role and non-compete model with its generic customers.

Exports

Exports constituted around 89% of gross sales during the year as against 92% in the previous year. Exports to advanced markets comprising Europe and America accounted for 71% of business.

Particulars	2011-12		2010-11	
Region	Sales Rs.Crores	% Share	Sales Rs.Crores	% Share
Asia	**274.76**	**14.9%**	168.66	12.9%
Europe	**517.21**	**28.0%**	388.52	29.8%
India	**198.11**	**10.7%**	102.16	7.8%
North America	**789.80**	**42.8%**	586.62	44.9%
Rest of the World	**67.47**	**3.6%**	59.48	4.6%
Total	**1829.56**	**100.0%**	1305.44	100.0%



Other Income

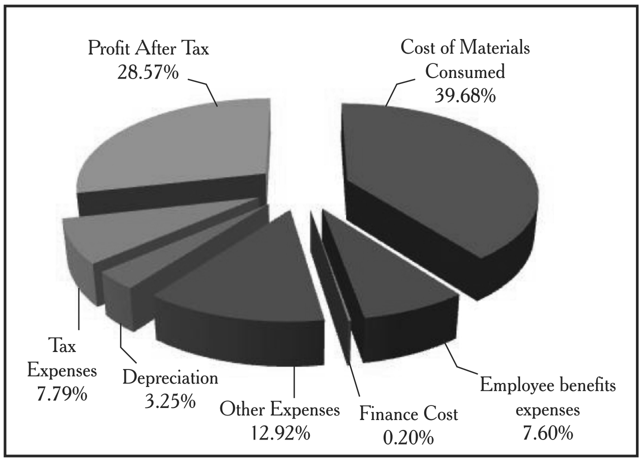
While other operating income comprises duty drawback credits and sale of waste materials from manufacturing process, other income (non-operating) comprises interest income, dividend income on investments, gain on foreign currency transactions and other miscellaneous income.

Other operating income for the year amounted to Rs.5.44 crores as against Rs. 6.21 crores in the previous year.

On other income, we earned a dividend income of Rs.35.52 crores on our investments in liquid funds Income as against a dividend income of Rs. 24.32 crores during last year.

We had a gain of Rs.27.60 crores for the year on foreign currency transactions as against as against a gain of Rs. 3.36 crores last year. This represents translation gains/losses on the outstanding balances as also the MTM gains/losses on the outstanding forex derivative contracts.

Distribution of Total Income



Material Costs

(Rs. in Crores)

Particulars	2011-12	2010-11
Material consumption	**768.68**	486.68
Inc/(Dec) in Stocks	**(10.66)**	34.52
Net Material Consumption	**758.02**	521.20
Net Sales	**1839.49**	1308.66
% of consumption to Sales	**41.2%**	39.8%

Raw material consumption varies from product to product. Manufacture of an active pharma ingredient or intermediate involves stage-wise controlled processing of the product through it chemistry to the specifications under the standard operating practices complying to cGMP conditions.

Material consumption net of increase/decrease in stocks is about 41% of sales during the year as compared to 40% during the last year, variation being the result of product mix as each product will have a different material consumption.

Employee Costs

Employee costs represent salaries and benefits to employees, directors as also commission to Directors.

Costs for the year have amounted to Rs.145.16 crores as against Rs.112.06 crores during the last year. Of this, remuneration to Directors accounted to Rs.43.94 crores during the year as against Rs.31.57 crores last year.

Increase in salaries is on account of the induction of additional staff at the manufacturing facilities and revision in remuneration of employees.

We have added 630 employees during the year for the additional capacities created at the existing units as also the new DSN SEZ Unit.

Employee cost for the year works out to about 8% of sales for the year as against 9% for the previous year.

Research and Development Expenses

R&D Expenses during the year amounted to Rs.18.86 crores as against Rs. 15.98 crores during the last year. Major components are salaries and consumable stores.

Other Expenses

Manufacturing expenses comprising of Power and Fuel, Repairs to Plant and Stores Consumption came to Rs.140.78 crores for the year as against Rs. 102.07 crores for the last year. Increase in the manufacturing expenses is due to increase in the prices of coal and diesel besides higher level of operations. Manufacturing expenses account for about 8% of sales turnover.

Apart from manufacturing expenses, other expenses for the year amounted to Rs.106.00 crores as against Rs. 74.85 crores during the previous year. Major components of other expenses include Carriage outward, R&D expenses, Environment management and General expenses.

Carriage outward expenses for the year have been higher at Rs.45.04 crores as against Rs. 23.21 crores. This is due to steep increase in sea/air freight rates besides increase in the business volume. The company has spent significantly higher amount this year on Environment management expenses at Rs.7.33 crores during the year as against Rs. 5.57 crores spent during the last year. The company has been giving top priority to environment management.

Finance Cost

Finance Cost for the year amounted to Rs.3.74 crores as against Rs. 1.52 crores during the previous year. As the company has generated significant cash surpluses, utilization of working capital has been minimal.

Earnings before Depreciation, Interest and Taxes (EBITA)

EBITA for the year grew by about 42% to Rs.760.63 crores as against Rs. 533.92 crores during the previous year.

EBITA to Net Sales works out to 41% for the year, the same as last year.

Depreciation

Deprecation charge for the current year came to Rs.62.03 crores as compared to Rs. 53.35 crores during the last year.

During the year, addition to Fixed Assets accounted to Rs.211.46 crores as against Rs. 53.60 crores in the previous year.

Taxation

For the current year, our tax liability came to Rs.133.59 crores in addition to MAT credit utilization of Rs.2.92 crores. For the last year, the Tax provision amounted to Rs. 39.20 crores besides a MAT Credit utilisation of Rs. 1.28 crores.

The substantial increase in taxation during the current year is due to the fact that the EOU Unit has lost the tax holiday and has now come under the regular tax provisions and the first SEZ Unit now qualifies only for 50% exemption of export profits. DSN Unit would be eligible for 100% exemption of export profits for 5 years commencing from this year.

Deferred Tax

Divi has also provided for Deferred Tax Liability of Rs.12.38 crores for the year as against Rs. 3.00 crores last year.

Profit after Tax

Profit after Tax for the year accounted for Rs.545.97 crores as against Rs. 435.57 crores during the previous year resulting in a growth of 25% over last year.

Earnings Per Share

Earnings Per Share for the year works out to Rs.41.15 per share of Rs.2 each as against Rs. 32.90 last year on absolute basis and to Rs.41.15 per share as against Rs. 32.88 last year on diluted basis.

Dividend

Your Board has recommended a dividend of Rs.13 per share of face value Rs.2 each or 650% for the year 2011-12. Dividend for the previous year was Rs.10 per share or 500%. Outgo this year accounts for Rs.172.55 crores as against Rs. 132.60 crores last year. Dividend pay-out for the year works out to 32% of profits earned as against 30% last year. An amount of Rs.27.99 crores (Rs.21.51 crores last year) has been provided during the year towards Corporate Dividend Tax.

Transfer to General Reserves

We propose to transfer an amount of Rs.125 crores to General Reserve for facilitating the dividend for the year.

Equity Capital

The company's equity capital has increased by Rs.0.03 crores during the year on allotment of 1,39,180 equity shares of Rs.2 each to employees under the Company's Employee Stock Option Scheme.

Reserves

Total Reserves of your company, including the surplus in the P&L Account, as at the end of the year stand at Rs.2148.25 crores.

Long Term Borrowings

Long-Term borrowings comprise sales tax deferment aggregating to Rs.2.56 crores, repayable over the next 6 years.

Deferred Tax Liabilities

Deferred tax Liabilities at the end of the year amounted to Rs.67.29 crores as against Rs.54.91 crores last year. Addition during the year was Rs.12.38 crores. Deferred Taxes are mainly the result of timing difference between the depreciation allowed under the Income-tax Act vis-à-vis the depreciation under the Companies Act.

Other Long Term Liabilities

(Rs. in Crores)

Particulars	31.03.2012	31.03.2011
Trade Payables	**0.02**	0.02
Advance from Customers	**5.40**	6.08
Retention money	**0.11**	0.73
Creditors for Capital Works	**-**	1.76
Other Creditors	**0.72**	1.03
Total	**6.25**	9.62

Long-term Provisions

We have a long-term provision for leave encashment aggregating to Rs.1.65 crores as against Rs.2.82 crores.

LT Provision for gratuity is Nil as we now have taken a Gratuity policy from LIC and made a payment of Rs.5.18 crores towards the gratuity liability upto 31-3-2012. LT Provision on this account for the last year was Rs.1.21 crores.

Dues on this account within one year have been reported as short-term provisions.

Short Term Borrowings

Working capital loans (secured) as at the end of the year amounted to Rs.50.20 crores as against Rs.13.62 crores.

Major part of the Utilisation at the year-end reflects only a float being cheques issued. Utilisation of Working capital has been minimal, due to significant cash accruals position.

Trade Payables

Trade Payables being Sundry Creditors for Raw Materials/ Services amounted to Rs.157.31 crores as at the end of the year as against Rs.121.24 crores as at the end of last year. Increase in creditors is on account of increased level of operations.

Other Current Liabilities

We had a Foreign currency Loan from SBI, Bahrain taken for the capex programmes about 6 years ago. An amount of $488,035 is outstanding as at the end of the year, which is repayable within the next one year and hence classified as Short-term Liability.

This loan carries an interest rate of 2.181% per annum at the current Libor. (1.60% + Libor of 0.581%)

(Rs. in Crores)

Particulars	31.03.2012	31.03.2011
Secured Long Term loans payable within one year and interest accrued	**2.70**	4.53
Advance from Customers	**10.30**	17.80
Unpaid dividends	**0.40**	0.31
Creditors for Capital Works	**39.99**	24.53
Statutory Liabilities	**1.28**	1.52
Others	**80.00**	56.34
Total	**134.70**	105.04

Short Term Provisions

(Rs. in Crores)

Particulars	31.03.2012	31.03.2011
Provision for employee benefits (leave encashment/gratuity)	**0.59**	4.88
Provision for Mark-to-Market losses on forward contracts	**7.07**	8.94
Proposed Dividend	**172.55**	132.60
Provision for tax on Dividend	**27.99**	21.51
Total	**208.21**	167.92

Capital Expenditure

During the last couple of years, the company has taken up several capex programmes across its Units aimed at enhancing capacities as also upgrading utilities to conform to best environment practices and zero discharge of effluents. Some of the capacities created have become operational and have contributed to business growth.

As you are aware, we have set up DSN SEZ Unit at our Pharma SEZ with an estimated investment of Rs.200 crores. DSN SEZ Unit commenced commercial operations during June, 2011. As at the end of the year, an amount of Rs.213.44 crores has been spent on the DSN SEZ Unit, of which assets have been capitalized to the tune of Rs.78.32 crores. The balance of the Capital Work-in-Progress would be capitalized early next year.

Expenditure pending allocation has been provided conservatively - and mainly comprise of power/fuel and salaries of mangers incurred on the DSN SEZ Project.

As the company has significant accumulation of cash reserves, all capex has been funded with internal accruals.

Fixed Assets

During the year, an amount of Rs.211 crores has been added to the Fixed Assets to enhance/debottleneck capacities at the company's Plants.

Deductions during the year amounted to Rs.4.92 crores representing assets discarded and Rs.0.26 crores representing sale of vehicles.

Non-current Investment

This comprises of investment in subsidiaries :

(Rs. in Crores)

Particulars	31.03.2012	31.03.2011
Divis Laboratories (USA) Inc.	**2.46**	2.46
Divi's Laboratories Europe AG	**0.36**	0.36
Total	**2.82**	2.82

Long-Term Loans and Advances

These advances have been outstanding for more than year and hence classified as Long term :

(Rs. in Crores)

Particulars	31.03.2012	31.03.2011
Capital Advances	**67.39**	24.99
Security Deposits	**7.44**	6.77
Advances to related parties	**43.41**	37.70
Prepaid Expenses	**0.11**	0.08
Other Loans and Advances	**6.34**	4.18
Total	**124.70**	73.72

Security Deposits comprise mainly electricity deposits. No further advances are made to Subsidiaries, other than what was given during the last year. Increase is on account of currency translation.

Other Loans and Advances comprise VAT claims and advances for suppliers other than capital advances.

Other Non-Current Assets

(Rs. in Crores)

Particulars	31.03.2012	31.03.2011
Receivables outstanding for more than one year	**2.42**	2.17
Insurance Claims pending for more than one year	**1.51**	1.51
Total	**3.93**	3.69