



Divi's Laboratories Limited



Sustainable Chemistry

Striving for leadership through chemistry

27th Annual Report 2016-17

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Divis corporate office at Hyderabad, Telangana

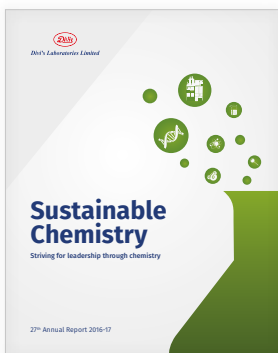
The formula for sustainability revolves around three key elements – innovation, efficiency, and value.

➤ **When innovation is stimulated across every sector, new product processes, chemicals and stewardship practices evolve.**

➤ **When natural resources are efficiently utilised for human needs, a safer and effective environment is created.**

➤ **When the value is put on enhancing human health and protecting the environment, sustainability is always the after effect!**

Divi's has been instrumental in getting this formula of sustainable chemistry right, by committing our business model towards creating environmentally benign chemicals & processes and enhancing the quality of life all around us, thus leading to an all round sustainability – in our financial performance, environmental commitments and societal responsibilities!



Sustainable chemistry operates within the broad framework of sustainable development to maximise resource efficiency and create continuous value for stakeholders. The cover design resonates the broad idea of sustainable chemistry, wherein the infographics represent the elements that effectively contribute towards leadership that we as an organisation strive for.



BOARD OF DIRECTORS

Executive Directors



Dr. Murali K. Divi
Chairman &
Managing Director



N. V. Ramana
Executive Director



Madhusudana Rao Divi
Whole-time Director



Kiran S. Divi
Whole-time Director



Nilima Motaparti
Additional (Whole-time)
Director



Dr. G. Suresh Kumar
Independent Director



R. Ranga Rao
Independent Director



K. V. K Seshavataram
Independent Director



S. Sridevi*
Independent Director



Dr. Ramesh B V Nimmagadda
Additional Independent
Director



Dr. S. Ganapaty
Additional Independent
Director

Independent Directors

* Retired w.e.f 22nd Jun 2017

CORPORATE INFORMATION

Manufacturing Facilities

Choutuppal Unit:

Lingojigudem Village, Choutuppal Mandal,
Yadadri Bhuvanagiri Dist. (TG), Pin - 508252

Export Oriented Unit:

Chippada Village, Bheemunipatnam Mandal
Visakhapatnam Dist. (A.P), Pin - 531163

Divi's Pharma SEZ:

Chippada Village, Bheemunipatnam Mandal
Visakhapatnam Dist. (A.P), Pin - 531163

DSN SEZ Unit:

Chippada Village, Bheemunipatnam Mandal
Visakhapatnam Dist. (A.P), Pin - 531163

R&D Centres

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

Lingojigudem Village, Choutuppal Mandal,
Yadadri Bhuvanagiri Dist. (TG), Pin - 508 252

Chippada Village, Bheemunipatnam Mandal,
Visakhapatnam Dist. (A.P), Pin - 531163

Subsidiaries

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

Registrar & Share Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No. 31-32, Gachibowli,
Financial Dist, Nanakramguda, Hyderabad - 500032.
CIN: U74140TG2003PTC041636

Auditors

Statutory Auditors

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.

Secretarial Auditor

V. Bhaskara Rao & Co
Company Secretaries, 6-2-1085/B, Flat No.203, Badam Sohana
Apts., Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.

Board of Directors

Refer page no. 2

Chief Financial Officer: L. Kishore Babu

Company Secretary: P. V. Lakshmi Rajani

BANKERS

State Bank of Hyderabad
State Bank of India

Registered Office

Divi Towers, 1-72/23(P)/DIVIS/303, Cyber Hills, Gachibowli,
Hyderabad - 500032, Telangana, India
CIN : L24110TG1990PLC011854
Phone : 040-2378 6300; Fax: 040-2378 6460
E-mail : mail@divislabs.com
Website : www.divislabs.com



INTRODUCING DIVIS



Founded in 1990, Divi's Laboratories is among the leading pharmaceutical companies in the world, based out of India, manufacturing Active Pharma Ingredients (APIs) and Intermediates. With four manufacturing facilities, market presence across several countries and a team of 9735 people, Divis continues to innovate to bring better manufacturing processes for facilitating affordable medicines.

Divis is engaged in manufacturing leading generic compounds, Nutraceutical ingredients and custom synthesis of APIs and intermediates for global innovator companies. Divis is among the largest pharmaceutical companies in India with a portfolio of 120 products across diverse therapeutic areas. The continuous innovation in processes is made possible with its three R&D centres comprising a team of well qualified people. It stays committed towards its goal of sustainable chemistry there by innovating processes and practices that protect and enhance human health and the environment.



Snapshot, FY2016-17

4,14,175

Total Revenue
(₹ in Lakhs)

1,51,375

EBIDTA
(₹ in Lakhs)

1,38,823

Profit before Tax
(₹ in Lakhs)

1,05,327

Profit after Tax
(₹ in Lakhs)

16,56,524

Market Capitalisation
as on March 31, 2017
(₹ in Lakhs)

5,40,891

Net Worth as on
March 31, 2017
(₹ in Lakhs)

2,43,724

Gross block as on
March 31, 2017
(₹ in Lakhs)

39.68

Earnings per share
(₹)

Vision



To maintain leadership in custom synthesis of APIs and Intermediates for health care and life sciences industry. To develop generic APIs for the late life cycle needs of the Industry and to be one of the top companies world-wide in this domain.

Mission



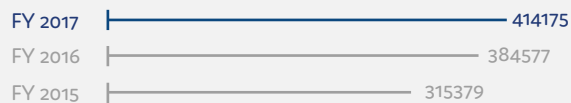
To be a good corporate citizen and not only add value in our core competency area of Pharma, but also serve the community at large through social, educational and environmental initiatives that would establish strong foundations for a better tomorrow.



SUSTAINABLE PERFORMANCE

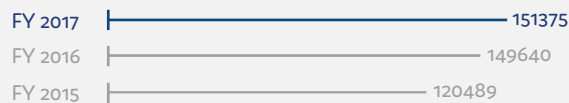
TOTAL REVENUE

[₹ In Lakhs]



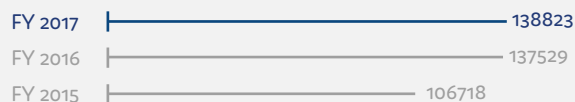
EBDIT

[₹ In Lakhs]



PBT

[₹ In Lakhs]



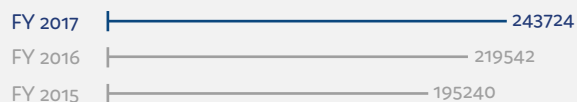
PAT

[₹ In Lakhs]



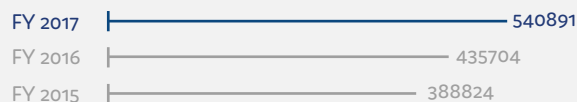
GROSS FIXED ASSETS

[₹ In Lakhs]



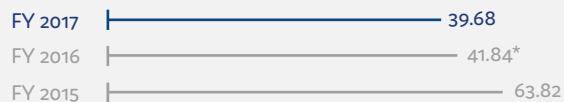
NETWORTH

[₹ In Lakhs]



EPS

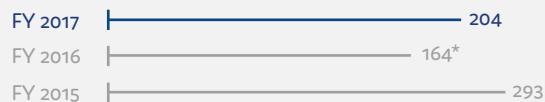
[₹]



* Post bonus issue

BOOK VALUE PER SHARE

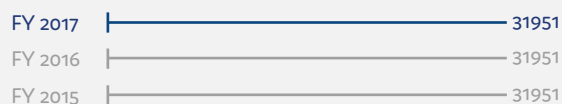
[₹]



* Post bonus issue

DIVIDEND (Incl. of Tax)

[₹ In Lakhs]

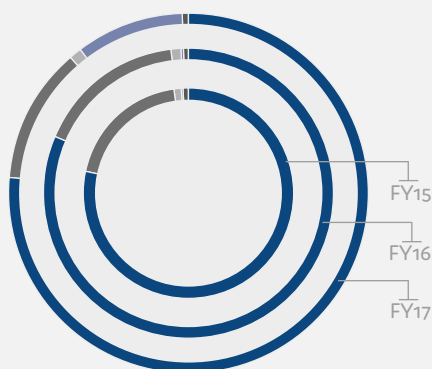


MARKET CAPITALISATION

[₹ In Lakhs]



NATIONAL EXCHEQUER



₹ in Lakhs

	FY2015		FY2016		FY2017	
	₹	%	₹	%	₹	%
■ Tax Expenses	22012	71.67	26516	74.68	33540	76.43
■ Corporate Dividend Tax	5404	17.60	5404	15.22	5404	12.32
■ Other Direct Tax	306	1.00	362	1.02	502	1.14
■ Excise Duty	2776	9.04	3081	8.68	4231	9.64
■ Customs Duty	213	0.69	141	0.40	204	0.47
Total	30711	100	35504	100	43881	100

DIRECT ECONOMIC IMPACT

₹ in Lakhs

	FY2015	FY2016	FY2017
Total Revenue	315379	384577	414175
Exports	265677	325693	353148
Tax Expense	22012	26516	33540
Consumption of Material	121544	149447	154158
Employee Benefit Expenses	28315	35295	45916
Interest	186	301	226
Dividend & Dividend Tax	31951	31951	31951

EMPLOYEES

	FY2015	FY2016	FY2017
Cost towards wages / salaries (₹ in Lakhs)	26834	33730	43988
Other benefit costs (₹ in Lakhs)	1481	1565	1928
Total personnel costs (₹ in Lakhs)	28315	35295	45916
% of Sales Revenue	9.18%	9.60%	11.29%
Number of employees	8721	9481	9735

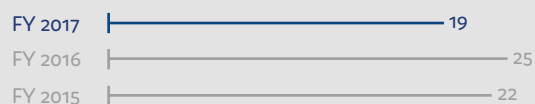
CUSTOMERS

₹ in Lakhs

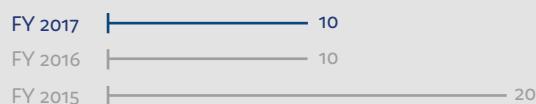
	FY2015	FY2016	FY2017
Total Revenue	315379	384577	414175
Debtors	82303	96612	100042
Payments received during the year	312240	370268	410745
Debtors' outstanding (in average number of days of turnover)	97	94	90

SHAREHOLDERS

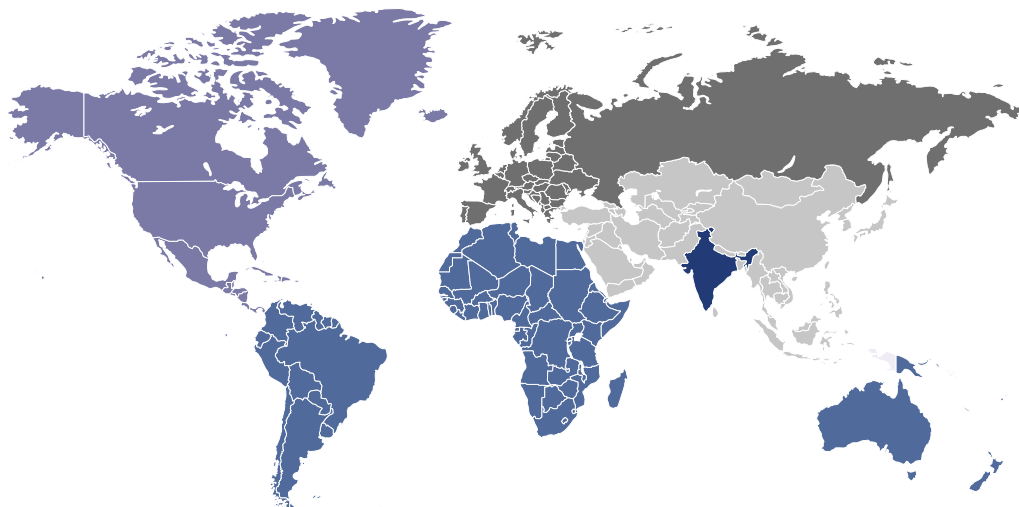
RONW [In %]



DIVIDEND PER SHARE [In ₹]



GEOGRAPHICAL MARKET PRESENCE



AMERICA

	FY2015	FY2016	FY2017
Sales ₹ Lakhs	116716	118581	133808
% Share	38.09%	31.68%	33.00%



EUROPE

	FY2015	FY2016	FY2017
Sales ₹ Lakhs	106880	160349	162825
% Share	34.88%	42.85%	40.16%



INDIA

	FY2015	FY2016	FY2017
Sales ₹ Lakhs	40711	47799	52097
% Share	13.29%	12.77%	12.85%



ASIA

	FY2015	FY2016	FY2017
Sales ₹ Lakhs	30849	39443	47284
% Share	10.07%	10.54%	11.66%



REST OF THE WORLD

	FY2015	FY2016	FY2017
Sales ₹ Lakhs	11231	8078	9460
% Share	3.67%	2.16%	2.33%