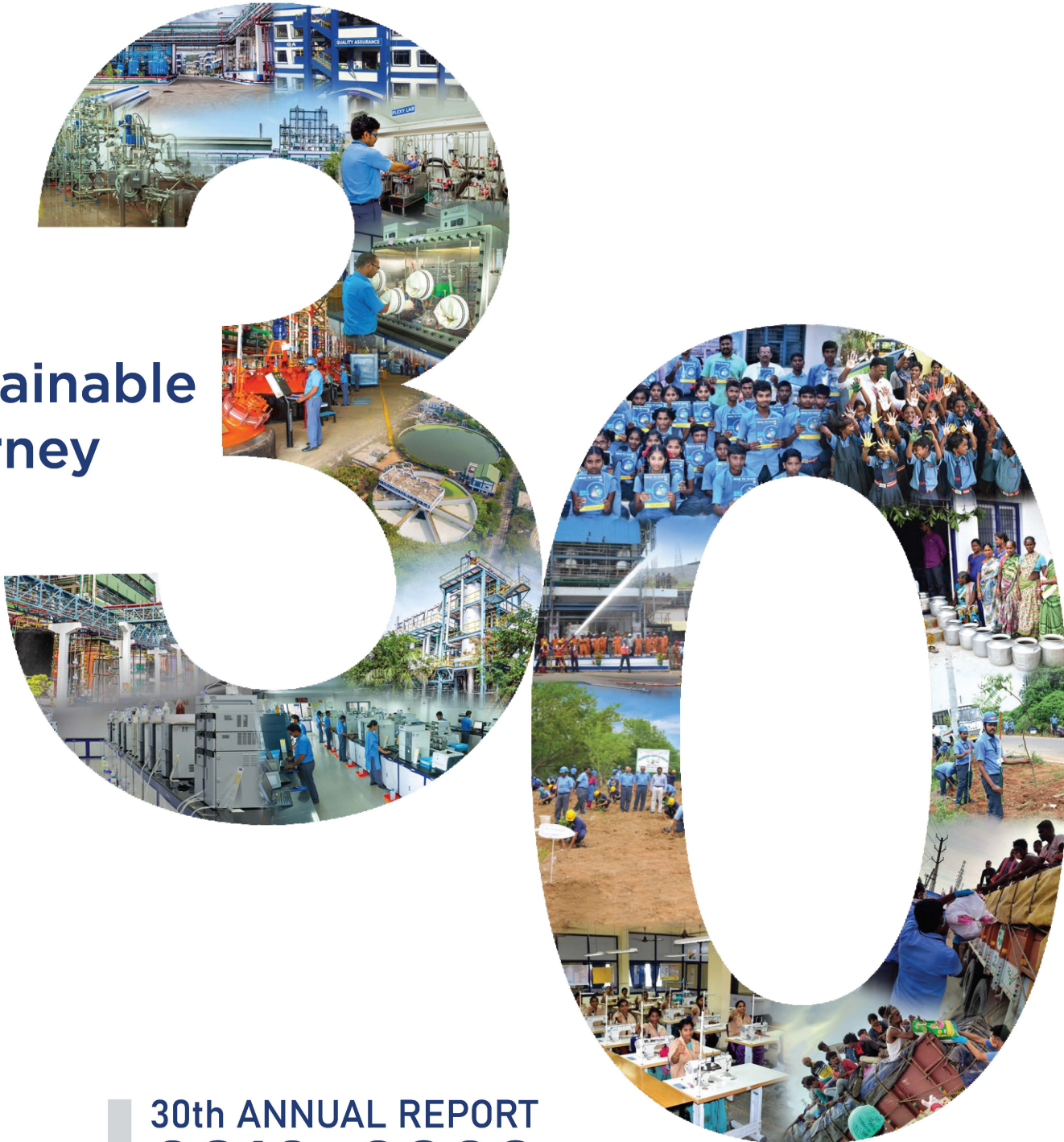




Divi's Laboratories Limited

A Sustainable Journey



30th ANNUAL REPORT
2019-2020

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Three decades of focus on turning our vision into reality

2020 is a landmark year for Divi's. From a small but focused start as a 'reliable supplier of APIs' three decades ago, to a global leadership position through sustainable practices in every area of operations, we have grown from strength to strength. The company has set benchmarks by turning challenges into business success & creating value for all our stakeholders, including shareholders, customers, vendors, employees and communities at large.

Today, Divi's is acknowledged as one of the world's most ethical and future-ready supplier of high quality generic APIs, offering custom manufactured solutions to several global pharma companies and specialized nutraceutical ingredients manufacturers. We are committed to adhering to the mandated quality guidelines of global regulatory authorities, while simultaneously attaining sustainable growth in the journey ahead, as well.



Looking Back and Looking Ahead, with Pride!

Divi's in a nutshell

In September 2020, Divi's will celebrate 30 years of sustainable leadership through chemistry. At every step, this journey has been dotted with successes, accolades and recognition and not to mention challenges.

Sustenance through actions, in the past 3 decades...

In the past three decades, Divi's has earned a global leadership position by continuous organic expansions, establishing robust quality management systems, investments in R&D of cutting-edge technologies, enhancing manufacturing capabilities and capacities and delivering products that meet global standards. As a result, today Divi's is recognized as one of the largest API manufacturers in the world.

Today, Divi's is recognized as a 'Vision-Led- Company'. Our strength lies in our ~14,000 employees who we are proud to say also have grown organically from 350 in the last 30 years,



Aerial view of our manufacturing facility at Chippada, Visakhapatnam

where committed teams collaborate and strive to manufacture high quality APIs, reaching ~100M people worldwide through our partners. Our tryst with innovation to keep improving our responsibility towards our business,

operations, customers, community, and environment will always be at the heart of our sustained success. As the demand for high quality and reliable APIs is growing, we will continue to remain focused on manufacturing generic APIs, offering custom synthesis solutions for innovator companies.

Our three value statements are not mere words but are our actions through which we have proved our sustenance.

Maximizing value for all our stakeholders

We envision a future in which communities around our manufacturing units have a sustainable livelihood and we envision a future where we continue to share our values with all our employees. As a leader in API manufacturing we also see the opportunity to realize a better future for our APIs and promise to serve our customers with utmost transparency.

A collaborative effort

As we step into the next decade, Divi's will leverage all our learnings for delivering increased value to all our stakeholders. We thank all our shareholders for their continued support. Your trust in us which has helped us reach this coveted milestone. We also thank each one of our ~14,000 employees for their dedication, our partners, our suppliers & statutory bodies for their support and guidance. We are confident that together, we will deliver a brighter future.





From acorn to oak: 1990 – 2020

At the heart of quality API lies Divi's, and the heart of Divi's, its research...

Every API developed, manufactured and supplied by Divi's contributes to providing affordable medicine across the globe. Divi's has setup 3 R&D centres comprising a team of competent and qualified people that help us to continuously innovate our processes – the resultant of which, 10's of process patents granted and was able to attain global leadership position in majority of products manufactured.

Establishing infrastructure

- 1990** Divi's Research Centre (DRC) is first established and thus begins our journey of development of commercial processes and supply to pharma companies
- 1995** Our first Manufacturing Facility, commences operations at Choutuppal near Hyderabad
- 2002** Our second Manufacturing Facility, commences operations at Chippada near Visakhapatnam
- 2003** Divi's goes public by filing for an IPO; we are listed in the BSE and NSE
- 2007** We establish a Nutraceutical facility at our Chippada unit
- 2010** We establish a new Research Centre in Hyderabad
- 2015** Our Corporate Office in Hyderabad gets inaugurated
- 2019** Significant Expansion of our manufacturing facilities begin with an 1800 Cr investment



Research & Development, Inspection and Recognition

- 1997** We file our first USDMF
- 1999** We file our first Certificate of Suitability (CoS) in Europe
- 2000** USFDA for the first time inspects our Manufacturing facility
- 2005** Confederation of Indian Industry (CII) bestows us with the National Award for Excellence in Water Management
- 2011** EU GMP and PDMA Japan inspect our manufacturing facilities for the first time
- 2012** CNBC TV18 bestows our MD with the India Business Leader Award
- 2014** Received The Golden Peacock Award for our CSR initiatives
- 2019** Divi's is among the largest API manufacturers in the world

Board of Directors

Executive Directors

Dr. Murali K. Divi
Managing Director



N. V. Ramana
Executive Director



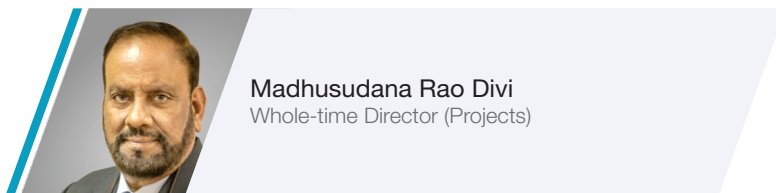
Dr. Kiran S. Divi
Whole-time Director &
Chief Executive Officer



Nilima Motaparti
Whole-time Director
(Commercial)



Madhusudana Rao Divi
Whole-time Director (Projects)



Independent Directors

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



Dr. G. Suresh Kumar
Independent Director



R. Ranga Rao
Independent Director



K.V.K. Seshavataram
Independent Director



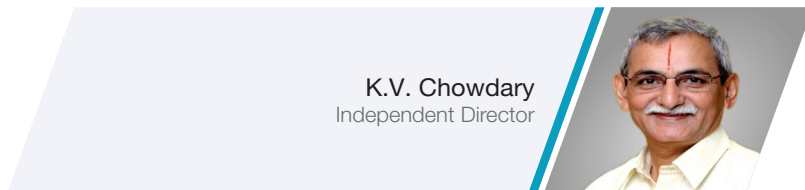
Dr. S. Ganapaty
Independent Director



Prof. Sunaina Singh
Independent Director



K.V. Chowdary
Independent Director



Corporate Information

Manufacturing Facilities

Choutuppal Unit:

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

DC SEZ 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 Unit:

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

DSN SEZ Unit:

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

DCV SEZ Unit:

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

Registrar & Share Transfer Agent

Kfin Technologies Private Limited

(Formerly known as Karvy Fintech Private Limited)

Selenium Tower B, Plot No. 31– 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

CIN: U72400TG2017PTC117649

Phone No: 040-67161526 ;

Fax: 040-23001153

Toll Free No: 1800-4258-998

E-mail: einward.ris@kfintech.com

Date, Time & Mode of AGM -

Monday, 14th September, 2020 at 10,00 a.m. IST

Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

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

Auditors

Statutory Auditors

Price Waterhouse Chartered Accountants LLP, Unit - 2B, 8th Floor, Octave Block, Block E1, Parcel - 4, Salarpuria sattva knowledge city Raidurg, Hyderabad, Telangana - 500081

Cost Auditor

EVS & Associates, Cost Accountants, 205, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001.

Secretarial Auditor

V. Bhaskara Rao & Co, Company Secretaries, 6-2-1085/B, Flat No.- 103, Badam Sohana Apts., Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.

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

Subsidiaries

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

Divi's Laboratories Europe AG, Basel, Switzerland.

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, Telangana – 500034



Divi's in 2020: Rising to meet the challenges of a new dawn

Divi's Laboratories Limited is one of the leading pharmaceutical companies in the world. Established in 1990, we manufacture Active Pharmaceutical Ingredients (APIs) and Intermediates. With Six manufacturing facilities, market presence across 95 countries and team of ~14,000 people, we continue to innovate to bring better manufacturing processes that will facilitate affordable medicines.

We are engaged in the manufacturing of leading generic APIs, Nutraceutical Ingredients and custom synthesis of APIs and Intermediates for global innovator companies. With a portfolio of 122 products across diverse therapeutic areas, we are one of the largest pharmaceutical companies in India. We are committed towards our goal of sustainable chemistry thereby optimizing our processes and practices that not only protect but also enhance human health and the environment.



Snapshot, FY 2019-20

550043

Total Revenue (₹ in lakhs)

9% ↑

200530

EBIDTA (₹ in lakhs)

181329

Profit before tax (₹ in lakhs)

-1% ↓

137271

Profit after tax (₹ in lakhs)

3% ↑