Divi's Laboratories Limited

LEADING WITH PURPOSE.

Innovating Today,
Shaping Tomorrow.



35th Annual Report
2024-25

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For more details, visit
https://www.divislabs.com

Forward-looking statements

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.

Innovating Today, Shaping Tomorrow.

At Divi's, Leading with Purpose is about creating meaningful impact—for all our stakeholders, customers, our people, and the communities around us. We are committed to scientific excellence and innovation, leveraging our expertise in API development and manufacturing to deliver complex chemistry solutions that advance global healthcare.

As medicine evolves, we continue to push the boundaries of process innovation. Whether it's strengthening our generics portfolio and contrast media capabilities, or deepening our custom synthesis partnerships with new offerings such as peptides, we are strategically positioned to deliver cutting-edge technologies that shape the future of medicine.

With enhanced manufacturing capacity, deeper backward integration, world-class R&D, and an unwavering commitment to quality, we are reinforcing our leadership. Our focus on green chemistry, process excellence, and resource efficiency ensures that sustainability remains at the core of our operations, creating a more resilient pharmaceutical ecosystem.

Beyond business, we are committed to building a greener planet, promoting ecological balance, strengthening communities, and empowering our employees. By fostering a culture of responsibility, we ensure that our growth is both sustainable and inclusive.

AS WE INNOVATE TODAY, WE SHAPE TOMORROW—NOT JUST FOR DIVI'S, BUT FOR ALL OUR STAKEHOLDERS. WITH PURPOSE AS OUR GUIDE AND INNOVATION AS OUR DRIVER, WE ARE FORGING A FUTURE OF PROGRESS, SUSTAINABILITY, AND IMPACT.



FY 2024–25 PERFORMANCE HIGHLIGHTS

A YEAR OF PURPOSE AND PERFORMANCE

FINANCIAL

₹9,550 crores
Total income

₹2,929 crores
Profit before tax

₹2,209 crores
Profit after tax

₹83.20
Earnings per share

OPERATIONAL

Commenced commercial operations from a section of Phase 1, Unit 3 Greenfield project at Kakinada, Andhra Pradesh.

Established infrastructure dedicated to Solid Phase Peptide Synthesis and Liquid Phase Peptide Synthesis.

Successful US FDA inspection at Unit 2 manufacturing facility, reinforcing our commitment to high regulatory standards and compliance.

ENVIRONMENTAL

~34,870 GJ
Energy conserved

~92,130 KL
Water conserved

~35 MT
Plastic waste reduced

~6,350 TCO_2e
GHG emissions reduced

SOCIAL

~9%
Female employees

~21
Average EHS training hours per employee

~38 million
Safe man-hours achieved

₹54.24 crores
CSR commitment

GOVERNANCE

2/10
Women Directors

50%
Independent Directors on the Board

100%
Average Board meeting attendance

100%
Shareholder grievances resolved

UNDERSTANDING DIVI'S LABORATORIES

At Divi's, we operate with purpose, precision, and a deep commitment to progress. From pioneering chemistry to delivering world-class manufacturing solutions, every step we take is rooted in science, shaped by innovation, and guided by responsibility.

This section offers a closer look at the foundation of our leadership—our business model, growth segments, global reach, and what sets us apart. It also reflects on our journey so far, the year's key highlights, and the philosophy that continues to drive us forward.

100+ Countries

Trusted global supplier to pharmaceutical companies across more than 100 countries

COMPANY SNAPSHOT

LEADING WITH PURPOSE, CREATING IMPACT

Divi's Laboratories is among the world's leading Active Pharmaceutical Ingredient (API) manufacturers, specialising in Generic APIs, Custom Synthesis, and Nutraceuticals. As a reliable partner for complex, highly technical, and sustainable chemistry, we collaborate with global pharmaceutical companies to deliver quality-driven and technically advanced APIs/ intermediates.

With state-of-the-art facilities, advanced R&D and cutting-edge technology, we drive continuous innovation. Our collaborative approach, operational excellence and backward integration have fostered long-standing customer relationships.

At Divi's, sustainability is embedded in our ethos—from green chemistry and responsible manufacturing to empowering people and uplifting communities. This deep commitment to environmental, social, and governance principles is enabling us to shape a stronger tomorrow for all.



We are headquartered in Hyderabad, India.

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



KEY NUMBERS

Among the top 3 API manufacturers globally

35
Years of experience

3
Manufacturing facilities

16,550 M³/KL
Manufacturing capacity

3
R&D centers

160
Products across diverse therapeutic areas

100+
Country reach

88%
Revenue from exports

~18,300
Employees

OPERATING ENVIRONMENT

NAVIGATING TRENDS, SHAPING TOMORROW

The macro environment influencing our industry presents both challenges and opportunities. At Divi's, our focussed investments, operational excellence, customer-focussed approach and strategic foresight position us to navigate industry shifts while driving sustainable growth.

Growing API CDMO market

50%

Share of global API consumption currently met through outsourced production, projected to grow at 7% CAGR through 2030—nearly double the 4% growth expected for captive production.
(IQVIA; Bain & Company)

The global API and CDMO market is experiencing significant growth, driven by the expansion of the pharmaceutical industry and increased outsourcing by innovators seeking cost efficiency, risk mitigation and a stronger focus on core competencies. Additionally, stricter regulatory and quality standards are reinforcing the importance of established CDMOs with advanced manufacturing capabilities and strong compliance expertise.

Our strategic approach

- Strengthening our leadership in API and Custom Synthesis (CS) through world-class manufacturing and deep domain expertise
- Building long-term customer partnerships, fostering trust and delivering tailored solutions
- Enhancing backward integration and manufacturing capacity, ensuring cost efficiency, supply security, and seamless regulatory compliance



Expanding peptide API market

US$117 billion

Estimated size of the global peptide therapeutics market in 2024, projected to grow at a CAGR of ~11% through 2030. (Grand View Research)

Advances in peptide synthesis are fuelling market growth, driven by the need for safer, more specific, and more effective therapies for complex disorders. In particular, developments in GLP-1, GLP-2, and GIP drugs—combined with rising global consumption—are significantly boosting demand for peptide APIs. India's lower capex and faster execution offer a clear edge amid capacity constraints and high costs in the US and EU.

Our strategic approach

- Deploying advanced technologies and specialised facilities to meet the high-purity requirements of peptides
- Investing in Solid Phase Peptide Synthesis (SPPS) and Liquid Phase Peptide Synthesis (LPPS) to strengthen capabilities in complex peptide manufacturing
- Enhancing speed-to-market through integrated execution models and backward integration

Supply chain diversification

Global pharmaceutical companies are actively diversifying supply chains to reduce dependency on a single geography. While the future of the US Biosecure Act remains uncertain, its potential implications are already prompting companies to seek alternative API and intermediate suppliers to enhance supply chain resilience.

Our strategic approach

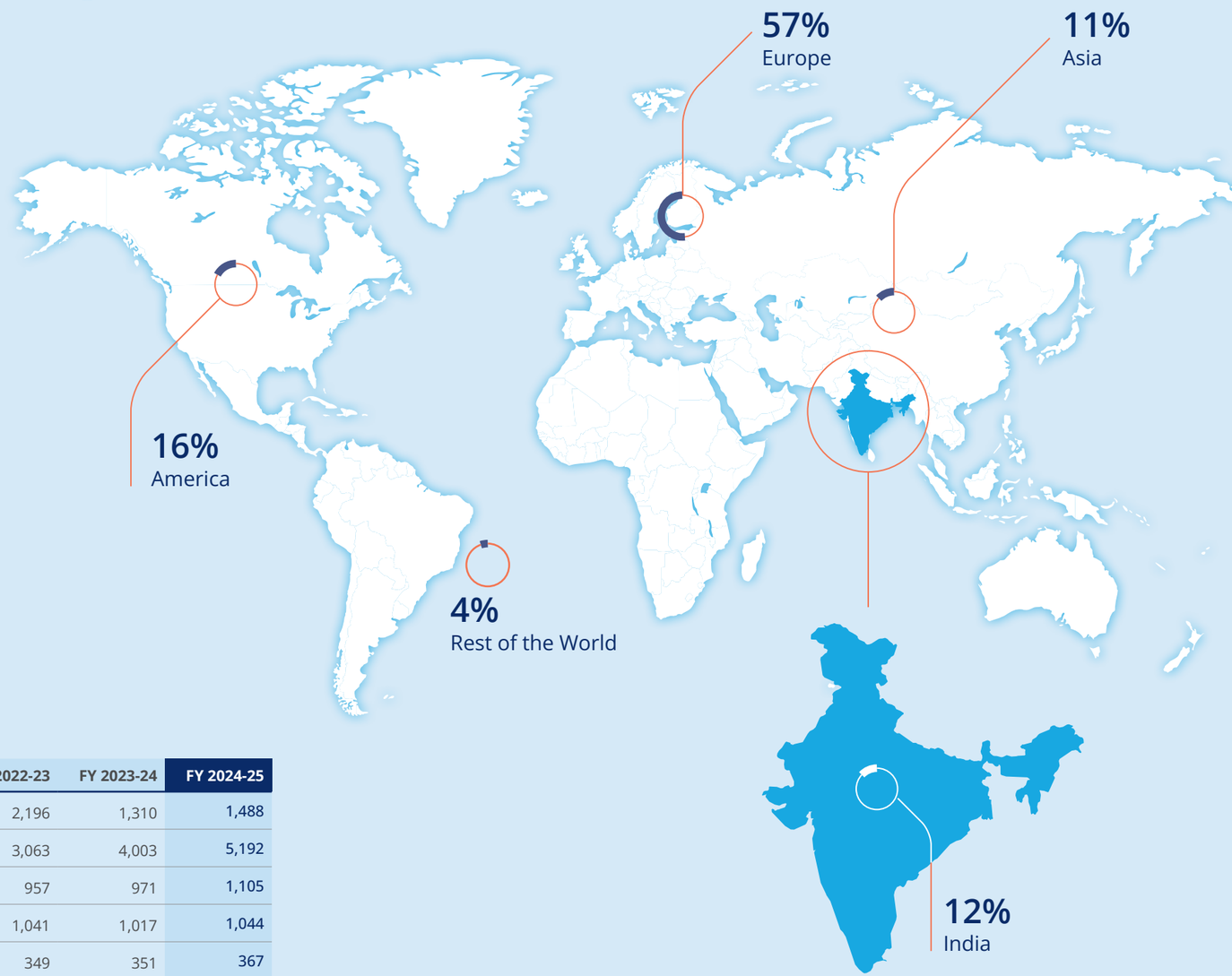
- Evaluating and pursuing new opportunities, with a surge in RFPs and business enquiries, particularly in custom synthesis
- Secured contracts as a second-source supplier for multiple Phase II and Phase III molecules
- Strengthened backward integration, ensuring self-reliance in key starting materials and supply security



GEOGRAPHIC PRESENCE

SHAPING TOMORROW WITH GLOBAL REACH

We have established a strong global presence with a well-diversified revenue base across key pharmaceutical markets. Supported by a robust manufacturing and R&D infrastructure, along with strategically positioned international offices, we enhance operational agility and customer engagement, reinforcing our commitment to excellence on a global scale.



Map not to scale. For illustrative purposes only.

Sales by geography (₹ in crores)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
America	1,587	3,833	2,196	1,310	1,488
Europe	3,174	2,865	3,063	4,003	5,192
India	912	1,038	957	971	1,105
Asia	827	798	1,041	1,017	1,044
Rest of the World	299	346	349	351	367

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 centers

- B-34, Industrial Estate Sanath Nagar, Hyderabad
- Lingojigudem Village, Choutuppal Mandal, Yadadri Bhuvanagiri Dist.
- Chippada Village, Bheemunipatnam Mandal, Visakhapatnam Dist.

Headquarters

Hyderabad

Subsidiaries

1. New Jersey, USA
2. Basel, Switzerland

BUSINESS DIFFERENTIATORS

STRENGTHS THAT SHAPE OUR TOMORROW

At Divi's Laboratories, we are driven by purpose and innovation, constantly advancing solutions that make a difference. Through state-of-the-art manufacturing, backward integration, and strong R&D, we ensure efficiency, sustainability, and quality while shaping the future of healthcare.

API-centric business model

We are an API-exclusive manufacturer, focussing entirely on generic APIs, custom synthesis, and nutraceutical ingredients—without marketing dosage forms or competing with customers.

- ~160 products across diverse therapeutic areas
- World's largest API manufacturer for 10 generic APIs

By maintaining an API-only focus, we ensure unmatched expertise, process efficiencies, and play a complementary role with our customers.

Backward integrated

Our backward-integrated model allows us to manufacture most of the key starting materials in-house. This approach:

- Controls impurity profiles, ensuring regulatory compliance
- Optimises costs, enhancing pricing competitiveness
- Ensures supply chain continuity, reducing dependency on external suppliers, wherever possible

With strategic investments in backward integration, we are strengthening supply resilience—especially with the Kakinada Unit 3 facility, a section of which started commercial operations in January 2025.

Unique attributes of Divi's

Complementary
An API-exclusive manufacturer that doesn't market dosage forms or compete with customers.

Reliable supply partner
With significant capacities, dedicated production blocks, and backward integration to basic starting materials.

Quality
Ensures uniform quality worldwide and complies with global regulatory standards.

Robust R&D capabilities
Focusses on continuous process innovation to increase process efficiency while adhering to the Principles of Green Chemistry.

Sustainability and safety
Committed to our efforts in reducing carbon footprint, conserving energy and water.

Large-scale manufacturing facilities

We operate some of the largest API manufacturing facilities in the world, ensuring capacity to meet global demand at scale.

- Two cGMP-compliant manufacturing units, with a third facility under phased expansion
- Production range: From tens of kilos to thousands of metric tonnes annually
- Commencement of operations in Phase 1 of Unit 3 in Kakinada from January 2025 with an investment of ₹1,200-₹1,500 crores

Our scalable manufacturing approach ensures that capacity expansions are aligned with demand visibility, maximising efficiency and minimising idle assets.

Robust R&D capabilities

With a science-driven approach, we are at the forefront of process innovation, green chemistry, and continuous efficiency improvements. Our focus is on developing non-infringing, commercially viable processes that remain efficient throughout the product lifecycle.

- ~700 scientists working across three R&D centers & Process Development and Support Centers
- Process Development and Support Centers design process by incorporating green chemistry principles and enable seamless scale-up
- Multiple process patents granted, reinforcing our technological leadership

Our R&D capabilities enable us to enhance product quality, optimise costs, and support sustainability.



BUSINESS DIFFERENTIATORS



Strong customer relationships

We have cultivated deep, long-standing customer relationships built on a foundation of trust, reliability, and technological expertise. These strong partnerships enable us to navigate industry challenges while maximising opportunities in a dynamic market.

- Over 20 years of partnerships with numerous global customers
- A 100% secure environment where customers trust us with their proprietary processes
- Proven expertise in complex chemistry and sustainable manufacturing, enabling tailored solutions to meet diverse customer needs

Our commitment to on-time supply, intellectual property protection, and process integrity continues to strengthen customer confidence and long-term collaborations.

Quality excellence

We uphold strict global quality standards, ensuring uniform product quality across markets. Our manufacturing facilities are approved by leading regulatory authorities, and we operate state-of-the-art quality control labs and analytical testing facilities.

- USFDA, EU GMP (UK, Slovenia, Germany, Ireland), HEALTH CANADA, TGA, ANVISA, COFEPRIS, PMDA, and MFDS-approved manufacturing facilities
- ~2,200 employees dedicated to Quality Assurance (QA) and Quality Control (QC)

Our commitment to regulatory excellence and compliance reinforces our reputation as a globally reliable API manufacturer.

Strong ESG focus

We continuously refine our processes and methodologies to ensure a sustainable and responsible future. Beyond environmental sustainability, we prioritise the well-being of our employees, communities, and stakeholders, ensuring a safe, responsible, and ethical approach to business.

- Lowering carbon footprint through energy-efficient manufacturing and sustainable supply chain practices
- Conserving energy and water by implementing advanced recycling and waste reduction initiatives across all facilities
- Advancing green chemistry by adopting eco-friendly processes that minimise environmental impact

Our ESG-driven initiatives reinforce our commitment to growing with responsibility, contributing to a sustainable future.

Expert team

Our success is driven by a highly skilled and diverse workforce, dedicated to delivering world-class products and solutions. We are guided by an experienced leadership team with decades of expertise in pharmaceutical manufacturing, R&D, and strategic business growth.

- ~18,300 employees across the Company
- Leadership team's visionary approach driving industry leadership

Our commitment to employee empowerment and continuous learning ensures that we remain at the forefront of industry advancements.



OUR JOURNEY

MILESTONES OF PROGRESS

1990s: Foundation & Early Growth

1990
Established as **Divi's Research Centre (DRC)**

1995
Set up **first manufacturing facility (Unit 1)** near Hyderabad

2000
Successfully completed first **USFDA inspection**

2000s: Expansion & Public Listing

2002
Commenced operations at **second manufacturing facility (Unit 2)** near Visakhapatnam.

2003
Listed on the Indian stock exchange

2007
Set up a **nutraceuticals facility** at Unit 2

2008
Successfully completed first **MFDS (Korea) inspection**

2010s: Strengthening Capabilities & Market Leadership

2010
Established a **new research center** in Hyderabad

2011
Successfully completed first **EU GMP and Japan PMDA** inspection

2012
Successfully completed first **TGA (Australia) inspection**

2013
Recognised as a **"Premier Trading House"** by the **Ministry of Commerce & Industry, Government of India**

2014
Surpassed **₹2,500 crore** in revenue, achieving **18% growth**

2015
- Inaugurated **new corporate office** in Hyderabad.
- Commissioned a **new pilot block** with **160 reactors and a kilo lab**

2016
Successfully completed **first ANVISA (Brazil) inspection**

2017
- Workforce reached **11,000 employees**, making Divi's one of the **largest employers in Telangana & Andhra Pradesh**.
- Ranked among the top **3 API manufacturers globally** and a **leading API company in India**

2018
- **Market capitalisation reached US$ 5 billion**
- Commissioned **10 new production blocks**
- Expanded **generic product portfolio** to over **30 products**

2019
Announced an **additional US$ 250 million investment** for expansion at **Unit 1 & Unit 2**

2020s: Capacity Expansion & Growth Acceleration

2020
Commissioned **new SEZ units** at **Unit 1 & Unit 2**.

2021
Groundbreaking of the Greenfield manufacturing facility (Unit 3) near Kakinada, Andhra Pradesh

2025
Commenced commercial operations of Phase 1 at Unit 3, Kakinada

MANAGING DIRECTOR'S LETTER



"With a clear vision, Divi's stands firm, leading with purpose, expanding strategically, and driving sustained growth.

Dear Shareholders,

It is with great pride and sincere gratitude that I present the Annual Report for the financial year 2024–25. Over the past year, we have reinforced our commitment to strategic clarity, disciplined execution, and operational resilience—cornerstones that have enabled us to navigate a complex landscape while continuing to deliver exceptional value to all our stakeholders.

Steadily advancing in a dynamic environment

Throughout the year, we encountered a dynamic external environment marked by geopolitical volatility and persistent supply chain challenges. Extended transit times and elevated freight costs—driven by sea shipment rerouting and rising air cargo demand—tested our operational agility. Nevertheless, our robust supply chain management, characterised by advanced shipment schedules, maintaining safety stocks, strong backward integration, and a diversified supplier base, ensured uninterrupted service to our customers without compromising on quality or timelines.

While many Western manufacturers face capacity constraints—with extended lead times and new capacity setups requiring three to four years—we have consistently expanded our production capacities within 18 months. Additionally, quality and regulatory compliance have been the cornerstones of our operations for years, along with strong commitment to data integrity. We are confident that our agility and efficiency will continue to solidify our standing.

Progress through strategic portfolio diversification

Building on our core strengths, our efforts to diversify across business portfolios and embrace high-growth innovations are yielding encouraging results.

In our **Generics portfolio**, we have established a resilient market presence and we continue to maintain our market leadership supported by extensive backward integration and deep-rooted customer relationships. We are committed to maintaining our product leaderships and pursue new opportunities, enabling us to expand our portfolio for sustained growth.

In Contrast Media segment, continue to strengthen our position as we leverage our expertise in manufacturing Iodine-based compounds and Gadolinium-based MRI contrast agents.

Our **Custom Synthesis portfolio** has gained momentum, with several major Big Pharma projects now transitioning into full-scale production. Expanded capacities for both large- and small-volume products, along with a robust project pipeline across various clinical stages, underscore our operational excellence and agility in addressing market needs.

Equally, our focus on the Peptide segment is poised to be our next breakthrough. Driven by promising clinical evidence for GLP-1 and GLP-2 therapies in chronic and metabolic disorders, global demand in this area is rising sharply. By expanding our capabilities in both solid- and liquid-phase peptide synthesis, increasing our capacity and moving into peptide fragment manufacturing, we are well positioned to capture this growing opportunity.

These portfolio advancements are further reinforced by broader industry trends. The global CDMO-CRO market, valued at approximately US$ 140 billion in 2024, is forecast to nearly double to US$ 270 billion by 2030. This growth is driven by pharmaceutical companies diversifying their supply chains to reduce over-reliance on any single source. Together with our portfolio advancements, we are seeing increased customer engagement, a growing RFP pipeline, and expanding collaboration opportunities.

Strengthening capabilities and embracing innovation

A landmark achievement this year was the commencement of commercial production in the Phase 1 of our Greenfield Unit 3 facility near Kakinada. This facility not only enhances our production capabilities but also supports our backward integration strategy by manufacturing basic starting materials—thereby unlocking additional capacity for regulated market growth. Moreover, our ongoing investments in continuous flow chemistry are set to further elevate process efficiency and drive future innovation.
The successful USFDA inspection at our Unit 2 facility in Visakhapatnam stands as a clear testament to our steadfast adherence to the highest global regulatory standards.

Purpose-driven progress and sustainable commitment

At Divi's Laboratories, our commitment to environmental, social, and governance principles is deeply integrated into our operations. We continue to embed green chemistry, process excellence, and resource efficiency across our value chain—reducing our environmental footprint and advancing our sustainability goals. Our community initiatives, spanning educational support, healthcare, and rural empowerment, demonstrate our belief that truly inclusive growth is the only pathway to meaningful, long-term development.

Looking ahead with optimism

As we look to the future, our strategy remains clear: enhance operational excellence, pursue strategic investments, and deepen customer partnerships. With increasing engagement in Custom Synthesis, early signs of stabilisation in our Generics portfolio, and momentum in our Peptide segment, we are well-positioned to drive the next phase of sustainable, long-term growth.

I extend my sincere appreciation to all our stakeholders. Your unwavering trust and support have been pivotal as we build on our progress.

Warm regards,

Dr. Murali K. Divi
Managing Director

BUSINESS PORTFOLIO

INNOVATING TODAY, DELIVERING ACROSS PORTFOLIOS

Our strategic focus is centred on three core business portfolios: Generic APIs, Custom Synthesis, and Nutraceuticals. These portfolios enable us to cater to diverse market demands, ensuring agility and responsiveness in a rapidly evolving pharmaceutical landscape. Through cutting-edge research, process optimisation, and capacity expansion, we continue to strengthen our market leadership across these portfolios.

Generic APIs



We offer a selective portfolio of 30 generic APIs, manufacturing them at a scale of tens to thousands of metric tonnes annually. Our R&D-driven approach enables us to develop innovative, cost-efficient processes, reinforcing our leadership position.

- The world's largest API manufacturer for 10 of our generic APIs
- Supplying to more than 100 countries, ensuring a global reach with a robust supply chain

FY2025 Highlights

Despite ongoing pricing pressures in the generics industry, we maintained stability by leveraging process efficiencies and operational excellence.

Future Prospects

We are committed to maintaining our product leadership and pursue new opportunities, enabling us to expand our portfolio for sustained growth.

Custom Synthesis



We provide contract manufacturing services for APIs and intermediates to leading global pharmaceutical innovators across diverse therapeutic areas. Our specialised expertise in handling high-potency and high-energy reactions allows us to address unmet requirements for Big Pharma customers. We also offer tailored technical solutions for late lifecycle APIs, registered starting materials, and advanced intermediates.

- Ranked among the top 10 custom API manufacturers in the pharmaceutical industry
- Trusted partner for 12 of the top 20 global pharmaceutical companies

FY2025 Highlights

Under custom synthesis, we expanded our engagement across all clinical phases, strengthened partnerships with global innovators, and enhanced capabilities in peptide synthesis.

Future Prospects

The custom synthesis portfolio continues to evolve, presenting exciting opportunities for expansion. With growing demand for supply chain resilience and backward integration, we are well-positioned to support our partners with advanced manufacturing capabilities.

Nutraceuticals



Our Nutraceutical division, housed at Unit 2, is an integrated facility dedicated to producing active ingredients and finished formulations of carotenoids. As a major global supplier, we serve leading food, dietary supplement, and feed manufacturers worldwide.

- One of the few nutraceutical ingredient manufacturers offering a full range of carotenoids at a competitive scale
- Portfolio includes Beta Carotene, Astaxanthin, Lycopene, Canthaxanthin, Lutein, and vitamins (A, D3, D2, E Acetate, A Palmitate)

FY2025 Highlights

Our nutraceutical portfolio continues to grow and we are gaining market share.

Future Prospects

With the Unit 3 Phase 1 expansion, we are significantly enhancing capacity and backward integration, enabling us to serve more markets and add more products.

FINANCIAL PERFORMANCE

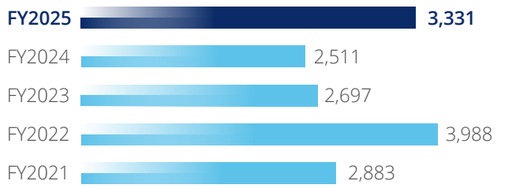
Total income

(₹ in crores)



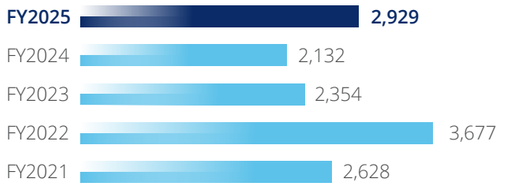
EBITDA

(₹ in crores)



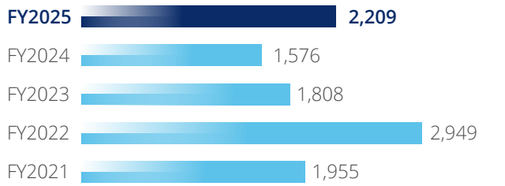
PBT

(₹ in crores)



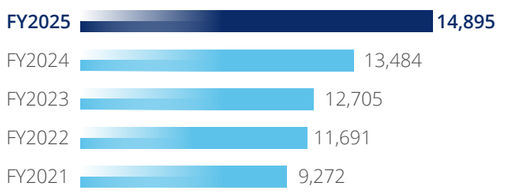
PAT

(₹ in crores)



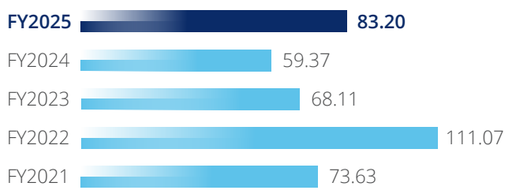
Net worth

(₹ in crores)



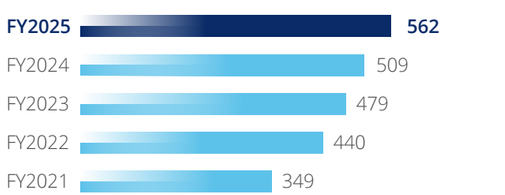
Earnings per share

(₹)



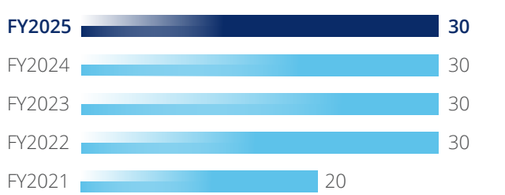
Book value per share

(₹)



Dividend per share

(₹)



(₹ in crores)

	2020-21	2021-22	2022-23	2023-24	2024-25
Income and Profit					
Revenue	6,799	8,880	7,625	7,665	9,198
Revenue growth %	28.04%	30.61%	-14.13%	0.52%	20.00%
Other income	62	111	349	337	352
Total income	6,861	8,991	7,974	8,002	9,550
Total income growth %	24.75%	31.05%	-11.31%	0.35%	19.35%
Profit before interest, depreciation and tax (EBITDA)	2,883	3,988	2,697	2,511	3,331
EBITDA to total income	42.02%	44.36%	33.82%	31.38%	34.88%
EBITDA growth %	43.79%	38.33%	-32.37%	-6.90%	32.66%
Interest	1	1	1	3	1
Depreciation	255	311	342	376	401
Profit before tax (PBT)	2,628	3,677	2,354	2,132	2,929
PBT growth %	44.95%	39.92%	-35.98%	-9.43%	37.38%
Tax expense	673	728	546	556	720
Profit after tax (PAT)	1,955	2,949	1,808	1,576	2,209
PAT growth %	42.49%	50.84%	-38.69%	-12.83%	40.16%
Dividend, share capital and capital employed					
Dividend per share %	1000%	1500%	1500%	1500%	1500%
Dividend payout	531	796	796	796	796
Dividend payout to PAT (%)	27.16%	26.99%	44.03%	50.51%	36.03%
Equity share capital	53	53	53	53	53
Other equity	9,219	11,638	12,652	13,431	14,842
Net worth	9,272	11,691	12,705	13,484	14,895
Net worth growth %	26.72%	26.09%	8.67%	6.13%	10.46%
Gross fixed assets	5,151	6,101	6,832	7,234	8,331
Net fixed assets	3,699	4,321	4,719	4,737	5,440
Total assets (balance sheet total)	10,724	13,308	14,352	15,362	16,824
Key financial indicators					
Earnings per share (₹2/- each)	73.63	111.07	68.11	59.37	83.20
Cash earnings per share (₹2/- each)	83.23	122.77	81.00	73.53	98.30
Total income per share (₹2/- each)	258	339	300	302	360
Book value per share (₹2/- each)	349	440	479	509	562
Total debt to equity	0	0	0	0	0
EBITDA / total income %	42.02%	44.36%	33.82%	31.38%	34.88%
Net profit margin % (PAT/total income)	28.49%	32.80%	22.67%	19.70%	23.13%
RONW % (PAT/net worth)	21.08%	25.22%	14.23%	11.69%	14.83%

OUR VALUE CREATION APPROACH

Value creation is not a one-time pursuit at Divi's—it is a continuous cycle of understanding, adapting, and advancing. In a dynamic global landscape, we remain focussed on long-term fundamentals: strategic clarity, operational agility, and sustainable growth.

This section explores how we structure our business model. It offers a window into how Divi's continues to deliver differentiated value to all stakeholders—today and into the future.

₹1,118 crores

Capital investment in capacity expansion, backward integration, and technology during FY 2024–25—driving long-term value creation

BUSINESS MODEL

SHAPING TOMORROW WITH SUSTAINABLE 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 mutual growth.

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

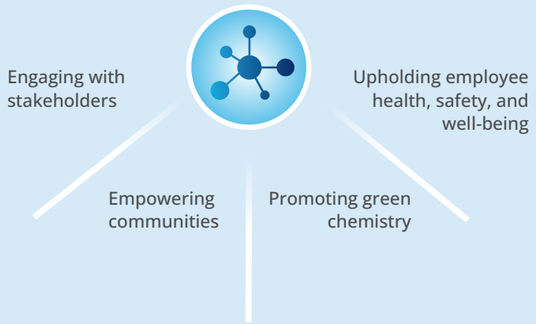
Business Activities

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



Value Created for Stakeholders

Customers & 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 programmes 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
- CDP Score "B" (Climate and Water Security)

Key Outcomes

160+
Products across diverse therapeutic areas

₹9,550 crores
Income

₹3,331 crores
EBITDA

~38 million
Safe man-hours achieved

90%
Employee retention rate

13,06,713
CSR beneficiaries

~34,870 GJ
Energy conserved

11,02,997 KL
Water recycled and reused

BUSINESS SUSTAINABILITY

Sustainability is embedded in the way we think, operate, and grow. From green chemistry and resource efficiency to empowering people and upholding strong governance, we are building a resilient and responsible business for the long term.



This section highlights how we translate our commitment into measurable actions across environmental, social, and governance pillars—ensuring our progress benefits not just our business, but the world around us.

~13
lakh lives

Positively impacted through healthcare, education, rural development and other CSR initiatives around our manufacturing locations

ENVIRONMENT

SHAPING A GREENER TOMORROW

At Divi's, environmental responsibility is integral to our operations. We are committed to minimising our carbon footprint and enhancing lives through efficient water and energy conservation, waste management, and sustainable manufacturing practices, ensuring a healthier planet for future generations.



Categorisation of Completed Initiatives

Conservation of natural resources

FY2025	**45**
FY2024	78
FY2023	63

Energy conservation

FY2025	**71**
FY2024	92
FY2023	86

Environment protection

FY2025	**77**
FY2024	92
FY2023	90

Ergonomics

FY2025	**59**
FY2024	39
FY2023	71

General improvements

FY2025	**77**
FY2024	114
FY2023	185

Safety enhancements

FY2025	**486**
FY2024	405
FY2023	246

Sustainable Development Goals (SDGs) Impacted

CDP Score "B"
(Climate and Water Security)

Our Sustainability Goals 2030*

Carbon Footprint



- Reduce absolute-based GHG (Scope 1 and Scope 2) emissions by 5%
- Reduce intensity-based GHG (Scope 1 and Scope 2) emissions by 25%

FY2025 Performance

~6,350 TCO_2e

emissions were reduced with the initiatives taken during the reporting period

Water Conservation



- Reduce groundwater and surface water intake by 30%
- Reduce water consumption by 25%
- Reduce intensity-based water consumption by 25%

FY2025 Performance

~92,130 KL

of water was conserved with the initiatives taken during the reporting period

Energy Conservation



- Decrease intensity-based energy consumption by 25%
- Rely on renewable energy sources to the extent possible, where applicable

FY2025 Performance

~34,870 GJ

of energy was conserved with the initiatives taken during the reporting period

Waste Management



- Reduce intensity-based waste disposal by 25%
- Reduce plastic waste usage for packaging

FY2025 Performance

~35 MT

of plastic waste was reduced during the reporting period

We are committed to conducting our business responsibly across all operations, actively implementing initiatives that support ecological balance and nature conservation. In line with this commitment, we prioritise environmental sustainability by enhancing resource efficiency throughout our value chain.

Reducing carbon footprint

- Replaced screw-type air compressors with centrifugal variants and conventional purge-type Air Dryer Units (ADUs) with Heat of Compression (HOC) ADUs, reducing emissions by ~3,170 TCO_2e
- Replaced steam ejectors with dry vacuum pumps, leading to a reduction of ~380 TCO_2e
- Recovered and reused steam condensate water in boiler operations, resulting in ~280 TCO_2e reduction
- Optimised utility usage by replacing brine with reverse-treated water in heat exchangers, saving ~110 TCO_2e

Managing energy usage

- Compressor and ADU upgrades contributed to energy savings of ~16,090 GJ
- Replaced reciprocating brine chilling systems with screw-type chilling plants, saving ~3,760 GJ of energy
- Installed LT capacitor panels with Automatic Power Factor Controllers (APFC), conserving ~780 GJ of energy
- Implemented Dissolved Oxygen (DO) analysers in biological aeration tanks to optimise blower operations, reducing energy use by ~360 GJ

Conserving water

- By using RO treated water as feed for cooling tower, bleed-off quantity reduction aided in conservation of ~64,300 KL of fresh water
- Recovered and reused steam condensate for boiler operations, conserving ~11,970 KL of water
- Design modification and validation of scrubber system aided in conserving ~6,700 KL of water
- Reused steam condensate unsuitable for boilers for cleaning purposes, conserving ~1,400 KL of water

Reducing waste

- Implemented process improvements guided by the Principles of Green Chemistry, enhancing the recovery and reuse potential across operations
- Established dedicated solvent recovery stations to enable the efficient reuse of solvents and minimise waste
- Adopted conventional slurry transfer methods in place of container off-loading, tailored to material properties, process parameters, and facility design
- Reused final wash/rinse water for initial rinse steps in production processes, reducing fresh water consumption and overall waste

**Considering 2019-20 as base year*

SOCIAL – OUR PEOPLE

SHAPING TOMORROW WITH EMPOWERMENT

Our people are the true drivers of our progress. Behind every molecule, process, and breakthrough stands a team of passionate individuals committed to excellence. Their expertise, dedication, and shared purpose propel us forward.

We are proud to cultivate an inclusive and enabling workplace—where diverse talent thrives, ideas are valued, and every individual has the opportunity to learn, grow, and lead. Our focus remains on fostering a culture rooted in collaboration, integrity, and continuous development.



Empowering through ownership and values

We cultivate a sense of belonging by encouraging participation, decision-making, and innovation at every level. Our leaders act as role models, reinforcing our values of accountability, transparency, and integrity.

Compensation that reflects contribution

For over three decades, we have followed a market-leading compensation strategy that far exceeds statutory standards. Our structured approach to salary increments ensures our employees are rewarded for their contributions while staying competitive across geographies.

Fostering a purpose-driven culture

Our commitment to sustainable chemistry and responsible innovation resonates deeply with our people. As employees increasingly seek alignment with purposeful organisations, our focus on making a positive impact—on human health, the environment, and society—has fostered a strong sense of connection and pride. This purpose-driven culture not only motivates our teams but also supports industry-leading retention by offering more than just careers —a chance to contribute meaningfully.

90%

employee retention rate



Championing equality and inclusion

We are committed to fostering a workplace where every individual has equal access to growth and opportunity. Our approach is rooted in inclusive hiring practices, equal pay for equal roles, and transparent promotion pathways. We ensure that career advancement is based on merit—irrespective of background, identity, or personal circumstances. From standardised selection processes to leadership development and training programmes, we actively support diverse talent at every level.

~18,300
total employees

~9%
female employees



Enabling women to thrive

We are committed to building a workplace where women feel supported through every stage of their careers. During pregnancy, departmental heads ensure roles are adapted to minimise physical strain and exposure to occupational risks. For new mothers, a structured return-to-work plan allows a smooth transition—helping them balance personal and professional responsibilities. This focussed support has contributed to high continuity and satisfaction among our female workforce.

~100%
return-to-work rate for new mothers

>90%
retention of female employees post-maternity

Supporting work-life balance

We prioritise employee well-being by discouraging extended work hours and implementing thoughtful manpower planning. The result: a highly satisfied workforce, with most new hires coming through employee referrals.

Encouraging learning and development

We empower employees to reach their full potential by investing in their development. We provide well-defined career paths and tailor learning programmes to enhance both technical and leadership capabilities. Our training modules span GMP and quality systems, safety, soft skills, and more.

Inclusive, transparent hiring

We prioritise diversity and inclusivity in our recruitment efforts, reaching out to underrepresented groups—including individuals with disabilities and experienced retirees. Our standardised, merit-based hiring process ensures fairness at every stage. As a result, our workforce reflects a balanced mix of age groups and experience levels, enabling fresh ideas and perspectives to thrive alongside deep institutional knowledge.

~32 years
average employee age

Safety and well-being

We are committed to ensuring a safe, healthy, and supportive work environment. Our Environment, Health, and Safety (EHS) management system is certified under ISO 45001 (Occupational Health & Safety) and ISO 14001 (Environmental Management), reinforcing our strong governance and operational standards. We conduct comprehensive risk assessments—including HIRA, HAZOP, and LOPA—supported by a rigorous change management system and ongoing internal audits by multi-disciplinary teams.

In addition, we promote physical and mental well-being through ergonomic workplace design, dedicated health and wellness programmes, and continuous safety training across all levels. EHS targets are clearly defined and tracked periodically to ensure consistent performance and accountability across teams.





EHS Highlights (FY2025)

~38 million
safe man-hours recorded

0.03
LTI severity rate
(including first-aid cases)

0 major
incidents (fire, gas leak, or fatality)

~1,39,100
EHS training sessions conducted

~12,23,200
participations in EHS sessions

SOCIAL – OUR COMMUNITIES

SHAPING TOMORROW BY ENRICHING LIVES

Beyond our operations, our commitment to corporate social responsibility runs deep. We believe in making a meaningful difference in the lives of the communities we serve—particularly in Andhra Pradesh and Telangana, where our manufacturing units are located.

Promoting Education

Our commitment to education is rooted in the belief that quality learning should be accessible and inclusive for all. We focus on upgrading school facilities in rural and remote areas to ensure safe, supportive learning environments. Through partnerships with schools and local organisations, we have constructed classrooms, science laboratories, libraries, and other critical infrastructure.

We also support technology-driven education, helping students and teachers embrace digital tools and e-learning resources. Our scholarship programmes help bridge socio-economic gaps, enabling deserving students to pursue higher education. By working closely with local communities, we align our efforts to their specific educational needs—reinforcing our mission to build a more inclusive, equitable, and empowered society.



Key initiatives in FY2025

- Distributed notebooks, school bags, shoes, and water bottles to students
- Provided additional teachers in schools based on specific needs
- Offered scholarships to meritorious students for higher education
- Conducted health check-up camps in schools
- Constructed additional classrooms and improved school infrastructure
- Provided books and coaching for IIT and JEE Mains at Telangana State Residential School (Girls), Choutuppal
- Supplied SSC study material to students
- Enabled access to potable drinking water in schools
- Donated science laboratory equipment to ZPH and Telangana Residential Schools
- Provided drinking water facilities at Andhra University
- Constructed compound walls for schools and Anganwadi buildings in villages
- Developed an analytical chemistry laboratory at Andhra University
- Donated bicycles to girl students in ZPH schools
- Supplied play equipment to schools
- Constructed library buildings in rural villages



Impact

~82,000
students benefited across

977 schools
in Andhra Pradesh and Telangana

Safe Drinking Water

Access to clean and safe drinking water is fundamental to community health and well-being. Our CSR initiatives in this area are aimed at reducing waterborne illnesses, improving quality of life, and fostering sustainable community development. Through the installation of water purification systems, borewells, and RO plants, we are enabling healthier, more resilient communities across Andhra Pradesh and Telangana.

These initiatives go beyond infrastructure—they promote hygiene awareness, encourage community participation, and strengthen the sense of ownership in maintaining shared resources. By reducing illness and improving access to clean water, we are also helping reduce school and work absenteeism, thereby contributing to overall socio-economic stability.





Key initiatives in FY2025

- Installed RO plants in villages across Andhra Pradesh and Telangana
- Installed Jalaprasadam RO plants at major temples to serve public visitors
- Maintained existing RO plants in villages and temple premises
- Constructed underground water sumps in rural areas to ensure water availability
- Installed RO plants in public parks and high-access community areas
- Arranged Chalivendrams (public water stations) during peak summer months

Impact

~8,00,000
people benefited daily across
230 locations
including temples and villages in Andhra Pradesh and Telangana

Project Jalaprasadam

We have installed 112 RO plants across various temple premises, ensuring thousands of devotees have access to fresh, purified water every day. Each plant is equipped with water refilling taps and stainless-steel tumblers, eliminating the need for plastic bottles and promoting sustainable water consumption.

2,76,793 litres of clean water provided daily, equivalent to avoiding the use of 2,76,793 one-litre PET bottles daily.

~5,200 MT of plastic waste prevented each year, along with a reduction of ~22,500 MT of CO_2 emissions, lowering the environmental impact of PET bottle production, transportation, and disposal.



Public Health

Good health is the foundation of strong communities. Our CSR initiatives in public health are focussed on addressing healthcare gaps, building critical infrastructure, and improving access to quality medical services. By supporting health education, facilitating mobile clinics, and providing essential medical equipment, we aim to promote early intervention, improve health outcomes, and ensure that no one is left behind due to lack of access.

Our approach is holistic—bridging immediate medical needs while building long-term health resilience through awareness, infrastructure, and sustained support. We also address specific needs such as malnutrition, maternal and child health, and infectious diseases through targeted programmes designed to meet these critical challenges.







Key initiatives in FY2025

- Conducted eye screening camps in remote villages
- Strengthened infrastructure in village health clinics
- Donated wheelchairs and essential medical equipment to government hospitals
- Supported infrastructure development in public hospitals
- Provided financial assistance to underprivileged individuals for critical health needs
- Establishment of community health centre and supported a mobile health check-up vehicle

Impact

~1,10,000
beneficiaries across
66 villages
in Andhra Pradesh and Telangana benefited from our healthcare initiatives during FY 2024–25

Village Development

At Divi's, we believe sustainable progress begins at the grassroots. Our village development initiatives focus on transforming rural communities by improving quality of life, enabling access to basic infrastructure, and supporting long-term socio-economic well-being. Through these initiatives, we continue to promote dignity, opportunity, and resilience across the villages near our manufacturing units.

We work hand-in-hand with local communities—listening, engaging, and understanding their priorities. This collaborative approach fosters inclusion, builds trust, and ensures that development is both need-based and impactful. From improving roads and drainage systems to supporting sustainable farming and ensuring access to water and lighting, our efforts are rooted in creating infrastructure that empowers.





Key initiatives in FY2025

- Laid cement concrete (CC) and blacktop (BT) roads in rural areas
- Constructed drainage systems and culverts for better sanitation and connectivity
- Developed canals to promote sustainable farming practices
- Facilitated installation of street lights in villages
- Supported digging of borewells for water access
- Upgraded burial grounds to improve community facilities



Impact

~1,02,000
beneficiaries across

75 villages
in Andhra Pradesh and Telangana benefited from our rural development initiatives in FY 2024–25

Swachh Bharat

We are proud to contribute to the Swachh Bharat Mission through focussed efforts that promote cleanliness, hygiene, and public health in the rural communities surrounding our operations. We believe that a clean environment is the foundation of a healthy society—and our initiatives aim to drive sustainable sanitation practices at the grassroots.

Our CSR teams work closely with local authorities and communities in Choutuppal and Bheemili Mandals, conducting cleanliness drives, maintaining sanitation infrastructure, and raising awareness on hygiene. Through continuous engagement, we are fostering a culture of cleanliness and civic responsibility, while directly addressing key sanitation gaps in underserved areas.





Key initiatives in FY2025

- Maintained Swachh bins across multiple villages
- Distributed bleaching powder to ensure hygienic public spaces
- Constructed drainage systems to improve sanitation infrastructure



Impact

~1,30,000
beneficiaries across

72 villages
in Andhra Pradesh and Telangana benefited from our Swachh Bharat initiatives during FY 2024–25

GOVERNANCE

LEADING WITH INTEGRITY, SHAPING WITH ACCOUNTABILITY

We recognise our duty to balance stakeholder interests while driving long-term value creation. By fostering a culture of strong governance and ethical leadership, we ensure that our business operates with responsibility, sustainability, and unwavering commitment to excellence.



Governance structure

Our Board of Directors plays a pivotal role in overseeing the Company's operations, providing strategic direction, and ensuring effective management oversight. The Board regularly reviews key business updates, operational performance, risk management frameworks, and compliance with all applicable laws, ensuring robust governance practices. By staying well-informed and proactive, the Board is equipped to make sound, strategic decisions that safeguard the Company's long-term interests and create value for all stakeholders.

Governance philosophy

Our corporate governance framework is built on the core values of integrity, fairness, accountability, and ethical business conduct. We are committed to maintaining transparency, regulatory compliance, and responsible decision-making, ensuring that we uphold the trust and confidence of our stakeholders.

Board composition

Our Board consists of a balanced mix of Executive and Non-Executive Directors, each contributing diverse expertise and perspectives. This diversity strengthens decision-making, promotes innovation and collaboration, and enables the Board to provide comprehensive oversight and strategic guidance to the management team.

5
Executive Directors

5
Non-Executive Independent Directors

Board diversity

Ensuring a diverse and well-rounded Board remains a key priority. Member nominations are evaluated based on industry expertise, leadership experience, financial and governance acumen, legal and regulatory knowledge, ESG and IT proficiency, and diversity factors, including gender representation. This approach strengthens decision-making and strategic direction.

Gender diversity

2
Women Directors

Expertise

No. of directors with developed skillsets

8/10
Global business

10/10
Strategy, planning, and marketing

10/10
Governance

10/10
Leadership

7/10
Technology

7/10
Legal, commercial, and financial

10/10
Sustainability and risk management

Board committees

The Board is supported by specialised committees, each with delegated authority to enhance role clarity and ensure effective execution of responsibilities across the organisation. These committees oversee key governance matters and regularly report to the Board on their activities. To maintain effectiveness, each committee periodically reviews its performance against defined mandates, ensuring alignment with its delegated powers and responsibilities.

Board members



Dr. Murali K. Divi
Managing Director

M



N. V. Ramana
Executive Director



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

M C M C



Prof. S. Ganapaty
Independent Director

M M C



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

C



Nilima Prasad Divi
Whole-time Director (Commercial)

M M



K. V. Chowdary
Independent Director

C M M



Dr. Rajendra Kumar Premchand
Independent Director

M



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

M M



Prof. Sunaina Singh
Independent Director

M M

- 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 Dist. (Telangana)
PIN - 508252

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

Unit 2: Visakhapatnam

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

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

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

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

Unit 3: Kakinada

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

R&D Centres

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

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

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

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 - 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

Cost Auditors

EVS & Associates
Cost Accountants,
205 Raghava Ratna Towers,
Chirag Ali Lane,
Hyderabad - 500001

Secretarial Auditors

V. Bhaskara Rao & Co.
Company Secretaries,
6-2-1085/B Flat No.-105,
Badam Sohana Apts, Raj Bhavan Road,
Somajiguda, 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 AGM

August 11, 2025 at 10.00 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, 2024, to March 31, 2025
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 BRSR is on a standalone basis unless otherwise stated.
14.	Name of assurance provider	Bureau Veritas (India) Private Limited
15.	Type of 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)	18
International (No. of countries)	80

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

88%

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)	10,485	8,903	84.91	1,582	15.09
2.	Other than permanent (E)	791	680	85.97	111	14.03
3.	**Total employees (D + E)**	**11,276**	**9,583**	**84.99**	**1,693**	**15.01**
Workers						
4.	Permanent (F)	57	57	100	0	0
5.	Other than permanent (G)	6,972	6,966	99.91	6	0.09
6.	**Total workers (F + G)**	**7,029**	**7,023**	**99.91**	**6**	**0.09**

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)	1	1	100	0	0
5.	Other than permanent (G)	10	10	100	0	0
6.	**Total differently abled workers (F + G)**	**11**	**11**	**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	14.29

** Including 5 Executive Directors.*

22. Turnover rate for permanent employees and workers:

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	7.37%	13.28%	8.26%	8.11%	14.64%	9.05%	17.69%	23.70%	18.52%
Permanent workers	1.74%	0	1.74%	0	0	0	1.72%	0	1.72%

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 (in ₹ crores): ₹9,550

(iii) Net worth (in ₹ crores): ₹14,895

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 2024-25			FY 2023-24		
		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				-	-	-
Shareholders	Yes*	79	0		23	0	-
Employees and workers	Yes*	0	0	-	0	0	-
Customers	Yes*	49	5	-	42	7	-
Value chain partners	Yes*	0	0	-	0	0	-
Other (pleasespecify)	-	-	-	-	-	-	-

** 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 The Factories Act, The 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.
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 also committed to SBTi for both near term and net zero targets. In line with our commitment, we are working on developing targets. Our GHG footprint is being verified by external agency as per ISO 14064-1 on annual basis.	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)								
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 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.	The Company has set specific Sustainability targets, which lays down the key aspects of the sustainability including timelines for the same and yearly EHS (Environment, Health and Safety) targets as detailed below: **Sustainability targets for 2030:** **Carbon footprint** • Reduce absolute based GHG (Scope-1 & Scope-2) emissions by 5%. • Reduce intensity based GHG (Scope-1 & Scope-2) emissions by 25%. **Water conservation** • Reduce ground water & surface water intake by 30%. • Reduce water consumption by 25%. • Reduce intensity-based water consumption by 25%. **Energy conservation** • Decrease intensity-based energy consumption by 25%. • Rely on renewable energy sources to the extent possible, where applicable. **Waste management** • Reduce intensity-based waste disposal by 25%. • Reduce plastic waste using for packing. **EHS targets for 2024-25** • No major fire, explosion, toxic gas leak; No fatality & reportable injury. • Lost time injury severity (LTIs) rate of not more than 0.3. • Minimum 16 EHS training hours per employee per year. We are committed to Science Based Targets initiative (SBTi) for both Near term and Net-Zero targets. Inline to our commitment, we are working on developing targets.								

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.	The performance against specific commitments, goals achieved during the year is as follows: **Carbon footprint** • ~6,350 TCO_2e emissions were reduced with the initiatives taken during 2024-25. **Water conservation** • ~92,130 KL of water was conserved with the initiatives taken during 2024-25. **Energy conservation** • ~34,870 GJ of energy was conserved with the initiatives taken during 2024-25. **Waste management** • ~ 35 MT of plastic waste was reduced. **Achievement of EHS targets in FY 2024-25** • No major fire, explosion, toxic gas leak, fatality and reportable injuries have occurred during 2024-25. • Lost time injury severity (LTIs) rate for FY 2024-25 is 0.03 that is well below the target of 0.3. • Average EHS training hours per employee for FY 2024-25 is ~21 Hr 30 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 line with our commitment, we have set sustainability targets for 2030 and signed the Science Based Targets initiative (SBTi) for both Near term and Net-Zero targets. Dr. S. Devendra Rao, Whole-time Director (Manufacturing)								
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.

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.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No	Yes, Bureau Veritas (India) Private Limited	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	2,536	In addition to on-the-job training programmes, all the employees including workers underwent trainings which include topics covering principles P1-6, P8, P9.	99.35%
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 ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable disclosures are made to the stock exchanges. The same is available on the website of the stock exchanges as well as on the Company's website at https://www.divislabs.com/investor-relations/statutory-communication/				
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.**

Applicable disclosures are made at the web-link provided above.

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/2022/02/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 2024-25	FY 2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	FY 2024-25		FY 2023-24	
	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 2024-25	FY 2023-24
Number of days of accounts payables	84	92

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 2024-25	FY 2023-24
Concentration of purchases	a. Purchases from trading houses as % of total purchases	20.54%	21.91%
	b. Number of trading houses where purchases are made from	731	728
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	46.86%	44.15%
Concentration of sales	a. Sales to dealers / distributors as % of total sales	4.39%	4.42%
	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)	4.39%	4.42%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	10.12%	8.22%

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/2022/02/Code-of-Ethics-and-Business-Conduct-of-Divis-Laboratories-Limited.pdf

   Policy on Related Party Transactions: https://www.divislabs.com/wp-content/uploads/2025/04/RPT_Policy_V4.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.**

	March 31, 2025	March 31, 2024	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	4.68%	24.60%	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 ~6,350 TCO_2e emissions, conserve ~92,130 KL of water and ~ 34,870 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 65.16% 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.**

   We have a well-established waste management system in place to collect the waste generated from our operations. Certain types of waste are being sent to authorised recyclers/ vendors for recovery and disposal. Plastic waste generated from our operations is either recycled or reused. E-waste is sent to authorised recyclers. Majority of hazardous waste is sent for co-processing at cement industries for value recovery.

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	5.20%	Cradle to Gate	No	No
210	Valsartan	6.37%	Cradle to Gate	No	No

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 2024-25	FY 2023-24
Toluene	~87.3%	~95%
Nitrobenzene	~92.6%	~93%

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	8,903	8,903	100	8,903	100	NA	NA	0	0	8,903	100
Female	1,582	1,582	100	1,582	100	1,582	100	NA	NA	1,582	100
Total	**10,485**	**10,485**	**100**	**10,485**	**100**	**1,582**	**100**	**0**	**0**	**10,485**	**100**
Other than permanent employees											
Male	680	680	100	680	100	NA	NA	0	0	680	100
Female	111	111	100	111	100	111	100	NA	NA	111	100
Total	**791**	**791**	**100**	**791**	**100**	**111**	**100**	**0**	**0**	**791**	**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	57	57	100	57	100	NA	NA	0	0	57	100
Female	0	0	0	0	0	0	0	NA	NA	0	0
Total	**57**	**57**	**100**	**57**	**100**	**0**	**0**	**0**	**0**	**57**	**100**
Other than permanent workers											
Male	6,966	6,966	100	6,966	100	NA	NA	0	0	6,966	100
Female	6	6	100	6	100	6	100	NA	NA	6	100
Total	**6,972**	**6,972**	**100**	**6,972**	**100**	**6**	**100**	**0**	**0**	**6,972**	**100**

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

	FY 2024-25	FY 2023-24
Cost incurred on well-being measures as a % of total revenue of the company	0.19%	0.13%

2. Details of retirement benefits, for current financial year and previous financial year.

Benefits	FY 2024-25			FY 2023-24		
	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	25.50	81.80	Y	34.90	81.90	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/2022/02/Code-of-Ethics-and-Business-Conduct-of-Divis-Laboratories-Limited.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	98.31 %	82.57%	NA	NA
Total	**98.31%**	**82.57%**	**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/2020/06/WhistleBlowerPolicy.pdf
Permanent employees	Yes	
Other than permanent workers	Yes	
Other than permanent employees		

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

Category	FY 2024-25			FY 2023-24		
	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	**10,485**	**Nil**	**0**	**9,683**	**Nil**	**0**
Male	8,903	Nil	0	8,239	Nil	0
Female	1,582	Nil	0	1,444	Nil	0
Total permanent workers	**57**	**Nil**	**0**	**58**	**Nil**	**0**
Male	57	Nil	0	58	Nil	0
Female	0	Nil	0	0	Nil	0

8. **Details of training given to employees and workers:**

Category	FY 2024-25					FY 2023-24				
	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	9,583	9,583	100	9,583	100	9,397	9,397	100	9,397	100
Female	1,693	1,693	100	1,693	100	1,710	1,710	100	1,710	100
Total	**11,276**	**11,276**	**100**	**11,276**	**100**	**11,107**	**11,107**	**100**	**11,107**	**100**
Workers										
Male	7,023	7,023	100	7,023	100	6,411	6,411	100	6,411	100
Female	06	06	100	06	100	6	6	100	6	100
Total	**7,029**	**7,029**	**100**	**7,029**	**100**	**6,417**	**6,417**	**100**	**6,417**	**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 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	8,903	8,903	100	8,239	8,239	100
Female	1,582	1,582	100	1,444	1,444	100
Total	**10,485**	**10,485**	**100**	**9,683**	**9,683**	**100**
Workers						
Male	57	57	100	58	58	100
Female	0	0	100	0	0	100
Total	**57**	**57**	**100**	**58**	**58**	**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 of such system?**

Yes, occupational health and safety management system has been implemented at all our manufacturing sites and supporting centers.

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

Divi's has well established procedures in place to identify work-related hazards and assess risks on a routine and non-routine basis. Robust management of change is implemented in the organization, which ensures the compliance of all the required assessments prior start-up of work. These assessments include various hazard & risk identification strategies like Hazard Identification and Risk Assessment (HIRA), Hazard and Operability Study (HAZOP), Chemical workplace risk assessments, Layers of Protection Analysis (LOPA), Process safety risk assessments, Process safety testing for materials chaired by a team of experts with remarkable industrial experience. The identified hazards are re-examined, to establish the level of risk reduction, after implementation of safeguards. It covers routine and non-routine works with an executed action plan that minimizes risks to acceptable levels.

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

Yes. Procedures that enables the workers to report work related hazards are in place. As a regular practice, worker is nominated as one of the team members for all Hazard Identifications and Risk Assessments where he can share his expertise for effective risk reduction. In addition, a well-established procedure for employee /worker suggestions on all work-related improvements is in place.

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

Yes. All Employees and worker of the entity have access to non-occupational medical and healthcare services.

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

Safety incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.12	0.18
	Workers	0.73	0.66
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.**

Divi's established a strong and self-sustaining culture of health and safety in the organisation. This is monitored and implemented through well-established ISO 45001 certified management system to oversee all the health and safety activities that are required to ensure a safe and healthy workplace according to the Plan-Do-Check-Act (PDCA) cycle. Divi's has Committees (Safety, Health) in place at different levels in the organization, to guide employees on EHS aspects and to monitor the implementation of health and safety practices. As part of our commitment to consciously promote safe and healthy workplace practices, we encourage our employees, supervisors and managers to take direct ownership of their safety, and the safety of their colleagues.

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

	FY 2024-25			FY 2023-24		
	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 were no safety-related incidents during the year and no significant corrective actions were required. As part of improving the safe working environment, the hazards associated with routine and non-routine activities were identified and effective control measures are in place.

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 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
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 ~65.16 % 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 departmental heads are empowered to engage and address the concerns of vulnerable/ marginalized stakeholder groups as needed.

Our CSR initiatives are implemented with an objective to reach out to the vulnerable and marginalized stakeholder groups. Based on the engagement with stakeholder groups, needs are identified, and efforts are put in to address the concerns.

Some of the areas in which the organization is working are:

- Promoting Education by strengthening infrastructure through science labs, digital class rooms, sports facilities, libraries and an initiative to eradicate malnutrition by providing Horlicks sachets to all the schools surrounding the manufacturing facilities.
- Providing pure drinking water to people residing in the surrounding communities through which approx. 3,20,000 people are benefitted.
- Empowering women by providing required support by encouraging them to get educated to earning a livelihood.
- Plantation around the company's manufacturing facilities and organizing clean and green programme.
- To empower the youth with right skills for their future employment and self-employment needs livelihood training programs like Tailoring, Beautician course, Hospitality, basic computer skills etc. in Divi's Skill Development Centre.
- Other key initiatives include, animal welfare, preventive healthcare, Swachh Bharat, rural development, support to differently abled, etc.

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 2024-25			FY 2023-24		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	10,485	10,485	100	9,683	9,683	100
Other than permanent	791	791	100	1,424	1,424	100
Total employees	**11,276**	**11,276**	**100**	**11,107**	**11,107**	**100**
Workers						
Permanent	57	57	100	58	58	100
Other than permanent	6,972	6,972	100	6,359	6,359	100
Total workers	**7,029**	**7,029**	**100**	**6,417**	**6,417**	**100**

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

Category	FY 2024-25					FY 2023-24				
	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	**10,485**	**0**	**0**	**10,485**	**100**	**9,683**	**0**	**0**	**9,683**	**100**
Male	8,903	0	0	8,903	100	8,239	0	0	8,239	100
Female	1,582	0	0	1,582	100	1,444	0	0	1,444	100
Other than permanent	**791**	**0**	**0**	**791**	**100**	**1,424**	**0**	**0**	**1,424**	**100**
Male	680	0	0	680	100	1,158	0	0	1,158	100
Female	111	0	0	111	100	266	0	0	266	100

Category	FY 2024-25					FY 2023-24				
	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	**57**	**0**	**0**	**57**	**100**	**58**	**0**	**0**	**58**	**100**
Male	57	0	0	57	100	58	0	0	58	100
Female	0	0	0	0	100	0	0	0	0	100
Other than permanent	**6,972**	**0**	**0**	**6,972**	**100**	**6,359**	**0**	**0**	**6,359**	**100**
Male	6,966	0	0	6,966	100	6,353	0	0	6,353	100
Female	6	0	0	6	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	3,797.50	1	3,070.00
Independent Directors*	4	31.50	1	27.00
Key Managerial Personnel#	2	219.93	0	0
Employees other than BoD and KMP	8,897	5.30	1,581	3.97
Workers	57	10.10	0	NA

*Note: *Independent directors are paid by way of sitting fees and annual remuneration equal to 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 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	9.30%	8.90%

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 2024-25			FY 2023-24		
	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 2024-25	FY 2023-24
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 9 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 ~65.16% 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 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)	23,267 GJ	7,441 GJ
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	23,267 GJ	7,441 GJ
From non-renewable sources		
Total electricity consumption (D)	17,48,555 GJ	16,31,524 GJ
Total fuel consumption (E)	31,88,224 GJ	34,49,936 GJ
Energy consumption through other sources (F)	2,081 GJ	2,397 GJ
Total energy consumed from non-renewable sources (D+E+F)	49,38,860 GJ	50,83,857 GJ
Total energy consumed (A+B+C+D+E+F)	49,62,127 GJ	50,91,298 GJ
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0000539	0.0000664
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)#	0.0011147	0.0013572
Energy intensity in terms of physical output	78.32 GJ/MT	77.58 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 2024-25	FY 2023-24
Water withdrawal by source (in kiloliters)		
(i) Surface water	9,55,439	10,97,058
(ii) Groundwater	8,92,831	7,65,261
(iii) Third party water	27,470	28,299
(iv) Seawater / desalinated water	9,19,563	9,18,955
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**27,95,303**	**28,09,573**
Total volume of water consumption (in kiloliters)	**34,83,162**	**35,50,556**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0000379	0.0000463
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)#	0.0007824	0.0009465
Water intensity in terms of physical output	54.98 Kl/MT	54.10 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 2024-25	FY 2023-24
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	4,08,910	4,24,705
- No treatment	0	0
- With treatment – Secondary treatment	4,08,910	4,24,705
(iv) Sent to third-parties	1,608	120
- No treatment - Sent to common effluent treatment plant (CETP)	1,608	120
- With treatment – please specify level of treatment	0	0
(v) Others	4,297	4,447
- No treatment	0	0
- With treatment – Primary Treatment	4,297	4,447
Total water discharged (in kiloliters)	**4,14,815**	**4,29,272**

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 installed Zero Liquid Discharge (ZLD) for effluent treatment at Unit-I operating in Telangana state. All kind of effluents are managed under ZLD system installed with various kinds of advance technologies and adequate standby systems. The RO permeates collected from final treatment of effluents are re-used / recycled within the industry. The domestic wastewater is treated in STP and the treated water is re-used for toilet flushing and gardening. Complete ETP of ZLD system is monitored through online monitoring system. The real time data of online monitoring system is connected to official websites of PCB.

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

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx#	Tons	79.09	92.88
SOx#	Tons	60.75	71.16
Particulate matter (PM)#	mg/m^3 (average)	32.12	36.44
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

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 2024-25	FY 2023-24
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	3,39,941	3,63,246
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	3,57,810	3,25,972
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	0.0000076	0.0000090
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	0.0001567	0.0001837
Total Scope 1 and Scope 2 emission intensity in terms of physical output	MT CO_2e/MT	11.01	10.50

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, various initiatives are implemented to reduce the Green House Gas emissions (GHG).

Key initiatives taken to reduce GHG emissions are:

- Replacing Reciprocating brine chilling plant with screw brine chilling plant.
- Replacing screw type air compressors with centrifugal type air compressors and purge type ADU with HOC (Heat of Compression) type ADU (Air Dryer Unit).
- Recovering and re-using of steam condensate for boiler operations.
- Recovering and re-using of heat energy from flash steam letting out to atmospheres.
- Installed LT capacitor bank panel with automatic power factor controller.
- Replacing of steam ejectors with dry vacuum pumps.
- Installing Dissolved Oxygen (DO) analyzer for biological aeration tank to optimize operation of the blowers.
- Installation of add-on system for brine secondary pumps.
- Optimized utility usage by replacing brine with RT water for Heat Exchangers.
- Implementing green chemistry principles in process operation.

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

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	539.68	655.26
E-waste **(B)**	8.67	3.25
Bio-medical waste **(C)**	0.48	0.48
Construction and demolition waste **(D)**	3,626.24	3,547.35
Battery waste **(E)**	39.60	24.45
Radioactive waste **(F)**	0	0
Other Hazardous waste. Please specify, if any. **(G)**	1,34,821.12	88,471.01
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	26,401.11	22,144.29
Total (A+B + C + D + E + F + G+ H)	**1,65,436.90**	**1,14,846.09**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	**0.0000018**	0.0000015
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)# (Total waste generated / Revenue from operations adjusted for PPP)	0.0000372	0.0000306
Waste intensity in terms of physical output	2.61 MT/MT	1.75 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	76,957.43	31,166.74
(ii) Re-used	41,855.60	33,536.31
(iii) Other recovery operations	32,319.05	31,830.38
Total	**1,51,132.08**	**96,533.43**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	31.74	36.03
(ii) Landfilling	14,960.43	17,909.68
(iii) Other disposal operations	0.045	0
Total	**14,992.22**	**17,945.71**

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.

Hazardous & Other Waste, most of the waste is Co-processed as alternative fuel instead of incineration which shall cutdown the incinerated ash sent for Landfill. Organic / distillation bottom residues which possess calorific value are sent to cement industries as alternate fuel in the kilns. Inorganic solid wastes are disposed to TSDF (An authorized Govt. secure land fill) and or to authorized re-processor.

~88% of our hazardous waste is sent to cement industries and recyclers for co-processing and recycling. The remaining ~12% of hazardous waste is sent to landfilling and incineration. Other non-hazardous waste such as glass, MS scrap, wood waste, boiler ash etc. is sent to recyclers, cement industries for co-processing or to brick manufacturers.

The plastic waste (packaging and other type) generated from our operations is collected, segregated at source and sent to authorised recyclers by following all applicable local regulations. E-waste generated from our operations is collected and transferred to authorised recyclers / dismantling agencies by following all applicable local regulations.

We treat all our waste as a value stream and 3R's strategy is effectively implementing to reduce its impact on Environment. We reduce waste through technological interventions and by implementing green chemistry principles. Ongoing initiatives increasing usage time cycles, segregation of waste at point of generation, process optimization, packaging optimization / changes in packaging types, multistage scrubbers etc. We have shifted to jumbo bags from small size packaging, getting RMs in bulk tankers instead of in plastic drums.

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 kilolitres):**

   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 2024-25	FY 2023-24
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	8,96,952	8,32,196
Total Scope 3 emissions per rupee of turnover	MT CO_2e/ Rupees	0.00000975	0.0000109
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	MT CO_2e/ MT	14.16	12.68

   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.

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: • Replacing screw type air compressors with centrifugal type air compressors and purge type ADU with HOC (Heat of Compression) type ADU (Air Dryer Unit). • Replacing of steam ejectors with dry vacuum pumps. • Recovering and reusing of steam condensate water for boiler operations. • Optimized utility usage by replacing brine with RT water for Heat Exchangers.	~6,350 TCO_2e emissions were reduced with the initiatives taken during the reporting period
02	Water management	Key initiatives: • Using of RO water as feed in cooling towers. • Recovering and reusing of steam condensate water for boiler operations. • Design modifications and validation of scrubber systems. • Re-using of steam condensate for cleaning purpose which is unsuitable for boiler operations.	~92,130 KL of water was conserved with the initiatives taken during the reporting period
03	Energy management	Key initiatives: • Replacing screw type air compressors with centrifugal type air compressors and purge type ADU with HOC (Heat of Compression) type ADU (Air Dryer Unit). • Replacing of reciprocating brine chilling system with screw-type chilling system. • Installed LT capacitor panels with Automatic Power Factor Controllers (APFC). • Installing Dissolved Oxygen (DO) analyzer for biological aeration tank to optimize operation of the blowers.	~34,870 GJ of energy was conserved with the initiatives taken during the reporting period
04	Waste management	Key initiatives: • Implemented process improvements guided by the Principles of Green Chemistry, enhancing the recovery and reuse potential across operations. • Established dedicated solvent recovery stations to enable the efficient reuse of solvents and minimize waste. • Adopted conventional slurry transfer methods in place of container off-loading, tailored to material properties, process parameters, and facility design. • Reused final wash/rinse water for initial rinse steps in production processes, reducing fresh water consumption and overall waste.	~35 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, the Company has developed business continuity and disaster management plan. The plans are developed keeping in view of various risks which could be mitigated / minimized. However, despite the plans and comprehensive standard operating procedures (SOPs) for various situations, unforeseen events/risks may cause interruption to the Company's operations. The plans are aimed at continuing Company's operations with the least possible interruptions.

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 ~65.16% 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 9 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.	Indian Chemical Council	National
3.	Confederation of Indian Industry	National
4.	Pharmaceuticals Export Promotion Council of India	National
5.	Bulk Drug Manufacturers Association	National
6.	National Fire Protection Association	National
7.	Swiss-India Chamber of Commerce	International
8.	American Industrial Hygiene Association (AIHA)	International
9.	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 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	16.82 %	18.36 %
Sourced directly from within the district and neighboring districts (India)	63.78 %	64.37 %

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 2024-25	FY 2023-34
Rural	72.08%	71.72%
Semi-urban	21.31%	21.55%
Urban	6.61%	6.73%
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	Visakhapatnam	11.22
2	Andhra Pradesh	Vizianagaram	0.40

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	Promoting education	82,201	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	Preventive healthcare	1,08,953	
3	Village development	1,02,480	
4	Empowering women	10,085	
5	Animal welfare	5,400	
6	Support to differently abled	60	
7	Livelihood enhancement projects	1,641	
8	Safe drinking water	8,20,585	
9	Environment sustainability	37,948	
10	Promoting rural sports	3,557	
11	Swachh bharat	1,33,803	

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 2024-25		Remarks	FY 2023-24		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
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, 2025 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) circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July12, 2023 & SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated December 20, 2024 and clarifications thereto, read with applicable SEBI Regulations and prescribed format, as amended.

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, 2024 to March 31, 2025 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, 2024 to March 31, 2025 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, 2025.

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 had 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 2024-25.
- 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, 2025.

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, 2024 to March 31, 2025 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 196 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

Date: May 17, 2025
Place: Hyderabad

Rupam Baruah
Technical Reviewer
Bureau Veritas India Private Limited

Date: May 17, 2025
Place: Mumbai

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

Global pharmaceutical market: Numbers and trends

Overview: In 2024, the global pharmaceutical industry demonstrated significant dynamism amid evolving regulatory mandates, rapid technological adoption, and a heightened focus on personalised therapies. Despite challenges such as pricing pressures and intermittent supply chain disruptions, the sector recorded robust growth in key segments, with pharmerging economies showing notable market expansion (IQVIA). Transitioning into FY 2025-26, opportunities in targeted therapeutics, requiring greater process innovation strength, specialised technical capabilities, and agile regulatory responsiveness, continue to emerge. Divi's Laboratories Limited (Divi's) remains at the forefront by supplying high-quality APIs that underpin these innovative therapeutic modalities.

Key pharma trends:

- **Market size and growth:** Global markets have experienced steady expansion, driven by both traditional small molecule and large molecule segments. According to Grand View Research, the global pharmaceutical market reached approximately US$1,646 billion size in 2024 and is projected to expand at a CAGR of ~6% from 2025 to 2030. Within this, conventional drugs (small molecules) held a dominant share of ~55% in 2024 and large molecules (biologics and biosimilars) are projected to grow at a significant CAGR over the forecast period (2025–30).
- **Key therapeutics:** Enhanced R&D investments have led to a 60% increase in Phase I drug candidates over the past decade, indicating intensified development activity across critical therapeutic segments (McKinsey Report). Chronic conditions, particularly in cardiology and oncology, remain high priorities—with a reported increase in relevant clinical trials—driving targeted R&D investments where Divi's APIs serve as critical enablers. Moreover, 65 novel active substances (NAS) were launched globally in 2024 alone, a figure well above pre-pandemic averages (IQVIA).
- **GLP surge:** According to Grand View Research, the global GLP-1 receptor agonists market, catalysed by highly effective treatments targeting obesity and metabolic syndromes, reached ~US$53 billion in 2024 and is projected to grow at a CAGR of ~17% to ~US$157 billion by 2030. The market for anti-obesity medications (AOMs) alone reached a major milestone in 2024 with global spend exceeding US$30 billion for the first time, an increase of more than tenfold since 2020 (IQVIA). This surge in prevalence-led demand for advanced treatments has unlocked one of the most significant pharmaceutical opportunities in decades.
- **Peptide therapeutics:** Advances in peptide synthesis are fuelling market growth, driven by the need for safer, specific, and more effective therapies for complex disorders. Consequently, the global peptide therapeutics market of ~US$117 billion in 2024, is projected to expand at a CAGR of ~11% through 2030. Of this, the metabolic disorders segment accounted for the largest revenue share of ~62% in 2024 (Grand View Research).
- **Regional insights:** Healthcare awareness has surged globally, amplified by widespread digital access to medical information, leading to increased consumption and out-of-pocket spending. This trend is mirrored globally, with emerging economies investing in broader access, while developed markets lead in complex therapies and innovation. Mature regions such as North America and Europe continue to show stable demand, whereas Asia Pacific and Latin America present significant expansion opportunities due to infrastructure upgrades and evolving regulatory frameworks.
- **Geopolitical & market dynamics:** Strategic influences—including the "China+1" approach, initiatives in the Red Sea region, policy reforms under the Biosecure Act, and systemic changes under US tariff adjustments—are reshaping market conditions on a global scale.

Propelled by the growing global demand for pharmaceutical drugs and advances in process innovation, the global API market reached ~US$255 billion in 2024, reflecting rising production volumes coupled with operational efficiency.

Global API industry

Overview: Active Pharmaceutical Ingredients (APIs) remain foundational to the pharmaceutical value chain. Propelled by the growing global demand for pharmaceutical drugs and advances in process innovation, the global API market reached ~US$255 billion in 2024, reflecting rising production volumes coupled with operational efficiency. Innovations in synthetic methodologies have enhanced efficiency, ensuring compliance with stringent regulatory standards and reducing production costs (Grand View Research). Divi's continues to leverage its state-of-the-art manufacturing capabilities to meet global demand with consistent quality and reliability.

Key points:

- **Market growth and numbers:** The API industry experienced robust growth in both volume and value and is expected to expand at a CAGR of ~6% from 2025 to 2030 (Grand View Research).
- **Synthetic molecules:** The synthetic segment led the market with the largest revenue share of over 70% in 2024, primarily driven by sustained demand for generic drugs (Grand View Research). Additionally, the application of continuous flow chemistry (a green technology), process automation, mechanisation, and back-integration for process and supply security creates a significant commercial edge. This approach enables cost optimisation and reduced timelines and are areas where Divi's excels.
- **Key drivers:**
  - *Patent Expiries:* The upcoming 2030 patent cliff offers strategic opportunities for generic formulations and reformulations. With nearly 200 originator molecules set to lose exclusivity, this trend has spurred an increase in investment and demand for APIs, particularly in oncology, where more than 60 high-revenue molecules are expected face generic competition (Grand View Research).
  - *Outsourcing Trends:* There is a growing preference for outsourcing API production to Contract Development and Manufacturing Organisations (CDMOs), allowing manufacturers to focus on core competencies (IQVIA). Currently, outsourced APIs account for half of global API consumption and are projected to grow at 7% from 2023 to 2030, compared to 4% projected growth for captive production (Bain & Company).
  - *Peptide APIs:* Advancements in GLP-1, GLP-2, and GIP drugs, coupled with their rising consumption, are significantly boosting the demand for peptide APIs. Limited capacity, long lead times, and high capex for peptide API manufacturing in the US and EU give India a distinct advantage. With substantially lower capex requirements and proven ability to reduce project execution timelines, India is well positioned to capitalise on this opportunity. Divi's, with its specialised technical capabilities and scalability, is particularly well-suited to meet the growing demand efficiently.

US$1,646 billion

Global pharmaceutical market reached this size in 2024.

- **Divi's overall performance:** Continuous investments in process innovation and capacity expansion have resulted in enhanced operations and efficiency throughout the Company's timeline.

Global CDMO industry

Overview: The Contract Development and Manufacturing Organisation (CDMO) market has emerged as a vital extension of the pharmaceutical ecosystem. Demand for CDMO services has soared as innovators seek trusted partners for end-to-end manufacturing, regulatory expertise, and quality assurance. In FY 2024–25, rising R&D funding and the need for scalable, technology-enabled drug development contributed to accelerated growth in the CDMO space (IQVIA and McKinsey). Divi's, in particular, has leveraged strategic partnerships to enhance service offerings, reinforcing its leadership in API synthesis and allied CDMO services.

Key points:

- **Market and growth:** Recent estimates indicate that the global CRDMO market stood at ~US$140 billion in 2024, growing at a CAGR of 7–8% from 2019 to 2024, and is projected to reach US$270 billion by 2030. To this, the small molecule CDMO market contributed ~US$85-90 billion in 2024. Region-wise, in 2024, the cumulative US-EU CRDMO market stood at US$90–100 billion, while China accounted for US$25–30 billion and India contributed US$3 billion to the total global market (BCG Report).
- **Key drivers:**
  - *Increased Demand for Outsourced Services:* Outsourcing drug development and manufacturing enhances operational efficiency (McKinsey).
  - *Rising Drug Development Costs:* Outsourcing helps mitigate escalating R&D and infrastructure investment costs (McKinsey).
  - *Technological Advancements:* Digital tools and automation are driving superior product quality and more efficient production processes (McKinsey).
  - *Specialisation:* A strategic shift toward specialised advanced therapies, which are highly regulated and technically demanding, has made CDMOs "indispensable partners" globally (Bourne Partners and McKinsey).

Indian pharma industry: Market overview

Overview: India's pharmaceutical industry continues to solidify its position as a global powerhouse, with strong leadership in generic medicines and API production. India uniquely offers end-to-end support with capacity, capability, and cost advantages to global clients. In FY 2024-25, India demonstrated robust growth driven by cost-effective manufacturing, expansive R&D capabilities, and favourable government initiatives. Divi's, as a leading API manufacturer, has significantly contributed to enhancing India's global export performance.

Key points:

India's pharmaceutical ascent is shaped by a convergence of structural strengths and proactive policy support:

- **Market growth and size:** The domestic market has shown consistent growth, with rising exports contributing substantially to overall industry revenues.
  - *Overall market:* According to Department of Pharmaceuticals (DoP), the Indian Pharmaceutical Market (IPM) reached ~₹4,17,345 crore (over US$50 billion) in FY2024, growing at more than 10% over the prior five years. The domestic market is projected to more than double, reaching US$130 billion by 2030, thereby increasing India's global market share from the current 3% to nearly 5% by 2030. Furthermore, the market is expected to approach US$450 billion by 2047 (Bain & Company, IPA, Pharmexcil).
- **Global leadership and export dynamics:** India exported ~US$30 billion worth of pharmaceuticals in FY2025, marking an increase of over 9% from the previous year's ~US$27 billion. Notably, these exports fulfil ~40% of the US generic demand and ~25% of all UK prescriptions, underscoring India's status as a major global manufacturing hub (Pharmexcil, IBEF).
  - *Generics:* Indian generics represent 20% of the global supply by volume and have become a critical pharmaceutical lifeline (IBEF).
  - *API sector:* APIs are a major export category and serve as key enablers for vertical integration across the industry. India's API exports are projected to expand from nearly US$5 billion in 2023 to reach US$12 billion by 2030, growing at a 14% CAGR during this period. The API exports are further poised to reach US$80-90 billion with a 12% CAGR from 2030 to 2047, matching China's expected penetration by 2047 (Bain & Company Report; Pharmexcil 2023 Data).
- **Healthcare expenditure & government initiatives:** Increased public and private healthcare spending, along with progressive regulatory reforms, has fuelled continued sector growth, accelerating the move toward a more self-reliant and value-added pharmaceutical economy (IBEF).
- **Investments and FDIs:** Ongoing domestic and foreign investments are catalysing innovation and capacity enhancement across the industry (IBEF).
- **Divi's commitment:** Building on the successes of FY2025, the Company remains focussed on leveraging India's dynamic market environment to consolidate its leadership in the global API industry.

Contract development manufacturing organisation: India's next growth frontier

Overview: The contract manufacturing market is India's next growth frontier. India's CRDMO market stood at US$3 billion in 2024, after growing at a CAGR of 15%, double the global growth, during 2019–2024. While currently holding only 2–3% of the global market share, India has the potential to grow this to US$22–25 billion

US$5B (2023) **- US$12B** (2030) **| 14%** CAGR

India's API exports projected to expand, supporting vertical integration across the industry.

by 2035. Within this, the CDMO market is poised to expand from ~US$2 billion in 2024 to US$10–12 billion by 2035 (BCG Report).

Several macro and micro factors are fuelling this CDMO momentum:

- **Global supply chain realignment:** As developed economies actively reduce overdependence on single sources like China, Indian CRDMOs are stepping up as reliable partners, offering quality at scale and global-standard services. The "China +1" strategy further strengthens India's case as a friendshoring destination. Consequently, this diversification is likely to realign US$10–15 billion in CRDMO demand, with ~US$5 billion projected to flow into the Indian market by 2030 (BCG Report).
- **Manufacturing environment:** Indian CDMOs offer cost-effective development and manufacturing under globally accredited stringent regulatory frameworks (e.g., USFDA, EMA, PMDA, TGA), making them preferred partners for innovators seeking to accelerate timelines and reduce cost-to-market barriers. A vast scientific talent pool further strengthens India's competitive edge (Bain & Company, IPA, Pharmexcil).

  Advancement: India's pharmaceutical industry is entering a phase of therapeutic and technological sophistication, with active investments in new-generation, hard-to-develop modalities such as peptides (BCG Report). Specialty and complex drugs are emerging as key growth segments. In parallel, specialty medicines are projected to account for over 40% of total global pharmaceutical spending by 2027, presenting a significant upside for the industry (IQVIA).

Conclusion: Future market scenario

Overview: The outlook for the pharmaceutical industry in FY 2025-26 is promising, albeit with its share of challenges. Driven by technological innovation, digital transformation, and strategic realignments, the market is poised for sustained growth. Divi's is well positioned to benefit from emerging trends across both API and CDMO domains through ongoing process innovation, capacity expansion, and strategic investments. While regulatory shifts and global supply chain challenges persist, lessons learned from FY 2024-25 will continue to guide the Company's efforts in delivering long-term value to stakeholders and strengthening its global leadership.

With a presence in over 100 countries, our Generic APIs division has been instrumental in our overall success and positioned us as the world's largest API manufacturer in 10 of the 30 generic APIs we manufacture.

2. Company overview

Divi's Laboratories Limited is a prominent manufacturer and supplier of high-quality Active Pharmaceutical Ingredients (APIs) and intermediates for global innovator companies. We have established ourselves as a reliable partner to several of the world's leading pharma companies, including 12 of the top 20 Big Pharma.

With a presence in over 100 countries, our Generic APIs division has been instrumental in our overall success and positioned us as the world's largest API manufacturer in 10 of the 30 generic APIs we manufacture. Our product portfolio includes a diverse range of APIs used in the manufacture of drugs for therapeutic areas such as cardiovascular, anti-inflammatory, anti-cancer, and central nervous system drugs.

Our nutraceutical facility located at Visakhapatnam is a global, technology-driven manufacturer of high-quality Carotenoid, Lutein and Vitamin ingredients used in the food, beverage, dietary supplement, pet food and feed industries. Our carotenoid and vitamin product forms are designed specifically for dietary supplements, while others are suitable for the fortification of a broad range of food and beverage applications.

Divi's is headquartered in Hyderabad, India, and operates three manufacturing facilities equipped with state-of-the-art utilities, environment management, and safety systems.

The manufacturing facilities at Hyderabad and Visakhapatnam have been inspected multiple times by USFDA, EU GMP (UK, Slovenia, German, Irish authorities), HEALTH CANADA, TGA, ANVISA, COFEPRIS, PMDA and MFDS health authorities.

The new manufacturing facility near Kakinada has commenced commercial operations from January 01, 2025 in a phased manner.

We have been consistently recognised for our excellence in quality, research and development, and occupational health and safety.

In line with our commitment to sustainability, we continuously strive to expand our production capacity while maintaining compliance with environmental and safety regulations, as well as upholding our social responsibility initiatives.

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
  - 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

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

2.2 Research and development centres

The Company has Research Centre called as DRC at Sanath Nagar, Hyderabad and Process Development & Support Centres (PDSCs) at the existing two manufacturing facilities at Hyderabad and at Visakhapatnam. These centres are involved in development of processes for both new compounds and improvement of processes for compounds on the market.

PDSCs work on process development and scale up from gram scale further through various stages of development, process optimisation, impurity profile, pilot studies, pre-validation batches, validation of process and transfer of technology to Plant. PDSCs also review improvement of processes and give process support to the Plants from time to time.

2.3 Subsidiaries

The company has two subsidiaries M/s. Divi's Laboratories (USA) Inc., at New Jersey in the United States of America and M/s. Divi's Laboratories Europe AG at Basel in Switzerland for marketing its nutraceutical products and to provide a greater reach to customers within these regions.

3. Internal control systems

The Company has an adequate system of internal controls commensurate with the nature, size and complexity of its manufacturing, finance and marketing operations, including controls over financial reporting.

The company has adopted well laid down processes and procedures, encapsulating all its operations, financial and compliance functions, for efficient and orderly conduct of its business, adherence to the company policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information and compliance with applicable statutes and rules and regulations thereunder.

Appropriate review and control mechanisms are in place for ensuring that the internal control systems operates effectively. 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, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. For this purpose, a yearly audit plan is made with the approval of the Audit Committee of the Board of Directors.

The internal audit function reports directly to the Audit Committee, maintaining independence and objectivity in its function. Based on the reports of internal audit

function, respective process owner's carryout corrective action in their areas. The Audit Committee reviews the significant audit observations and status of rectification measures thereon regularly.

The Audit committee also reviews internal controls over financial reporting and ascertains with the statutory auditors about its adequacy and effective operation. Based on Committee's review and report of the statutory auditors, the internal financial controls during the year are adequate and operating effectively. The Company also encourages and recognises improvements in work practices. The Management duly considers and takes appropriate action on the recommendations made by the internal auditors, statutory auditors, and the Audit Committee.

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 Indian companies and it is becoming very difficult to accurately predict currency movements. In the long run, we realise 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, 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), IISO 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 42 drug master files (DMFs) with US-FDA, 28 CoSs (Certificates of Suitability) filed with EDQM, 25 DMFs with Health Canada and 8 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 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 2024-25	FY2023-24
Exports	88%	87%
Imports, including supplies from SEZ units	49%	46%
Top 5 products	43%	41%
Top 5 customers	49%	37%
Exports in US$ terms	86%	84%
Exports in Pounds	9%	10%
Exports in Euro	5%	6%

7. Performance and operations review

Analysis of profitability (on standalone basis) for the current and the last financial year is given hereunder:

(₹ in crores)

Particulars	FY 2024-25	FY2023-24
Revenue from operations	9,198	7,665
Other income	352	337
Total income	9,550	8,002
Expenditure before depreciation & finance cost	6,219	5,491
PBDIT	3,331	2,511
Finance cost	1	3
Depreciation	401	376
Profit before tax (PBT)	2,929	2,132
Tax expense:		
Current tax	793	511
Deferred tax	(73)	45
Profit after tax (PAT)	2,209	1,576
Other comprehensive income (net of tax)	(2)	(1)
Total comprehensive income	2,207	1,575
Earnings per share (EPS) Basic & Diluted (₹)	83.20	59.37

This financial year, the Company has earned revenue from operations of ₹9,198 crores, witnessed a growth of 20% over previous financial year. The total income for the year is ₹9,550 crores against ₹8,002 crores for previous year.

Our net material consumption for the year remains about 40% of the revenue from operations for the year. Our profit before tax for the year is higher at ₹2,929 crores as against ₹2,132 crores during the last financial year primarily due to more contribution from revenue from operations, stable overheads.

Tax expense for the year amounted to ₹720 crores as against a tax expense of ₹556 crores during the last financial year. The effective tax rate for the year is at 24.6% of PBT as against 26.1% for previous year, as the Company decided to opt for new tax regime as per the provisions of Section 115BAA of the Income Tax Act, 1961.

Profit after tax for the year amounted to ₹2,209 crores as against ₹1,576 crores during the previous year.

7.1 Exports

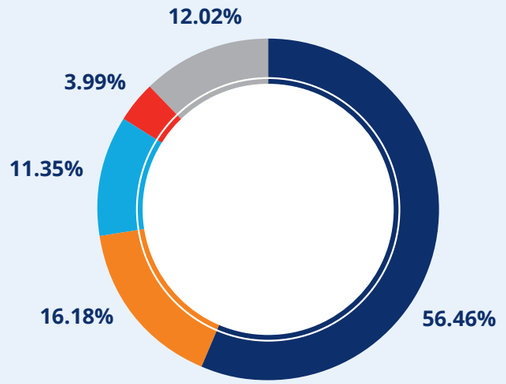
Exports constituted 88% of sales revenue during the year. Exports to advanced markets comprising Europe and America accounted for 73% of sales revenue.

7.2 Region-wise sales revenue

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

(₹ in crores)

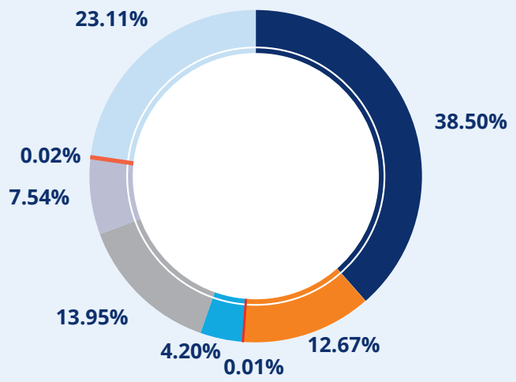
Particulars	FY 2024-25		FY2023-24	
	Amount	%	Amount	%
Europe	5,192	56.46	4,003	52.31
North America	1,488	16.18	1,310	17.12
Asia	1,044	11.35	1,017	13.29
India	1,105	12.02	971	12.69
Rest of the World	367	3.99	351	4.59
Total	**9,196**	**100.00**	**7,652**	**100.00**



7.3 Other income

Other income mainly comprises 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 ₹352 crores as against ₹337 crores of last year. This year, we have a gain on forex transactions and translations amounting to ₹48 crores against a gain of ₹28 crores in last year.

7.4 Distribution of total income



7.5 Material costs

(₹ in crores)

Particulars	FY 2024-25	FY 2023-24
Material consumption	3,760	3,210
Changes in inventories of finished goods and work-in-progress	(83)	(127)
Net material consumption	3,677	3,083
Revenue from operations	9,198	7,665
% of consumption to revenue	39.98%	40.22%

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 increase in stocks is about 39.98% of revenue from operations during the year as compared to 40.22% 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 ₹1,210 crores against ₹1,067 crores for the previous year. Of this, remuneration to Whole-time Directors accounted to ₹198 crores during the year as against ₹144 crores of the previous year.

Employee cost for the year works out to about 12.67% as against 13.33% of total income earned for the respective years.

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, sales commission, environment management expenses, political contributions and CSR expenses.

Other expenses for the year accounted for ₹1,332 crores as against ₹1,341 crores for the previous year. Other expenses account for 13.95% of total income for the year against 16.76% for the previous year.

7.8.1 Capital expenditure

During the year, we have capitalised property, plant and equipment (PPE) and intangible assets valuing ₹1,118 crores. Total capital WIP at all locations as at the year end is ₹1,022 crores against ₹778 crores as at the previous year end.

7.8.2 New project near Kakinada

Unit-3 greenfield project at Ontimamidi Village (Kona), Thondangi Mandal, Kakinada District, Andhra Pradesh has commenced commercial operations during the year. We have spent an amount of ₹1,497 crores including advances given for capital items and capital work in progress till March 31, 2025 on this project, of which property, plant and equipment valuing ₹885 crores was capitalised.

7.9 Non-current investments

Non-current investments as at the end of the current year amounted to ₹72 crores as against ₹89 crores for previous year. There is a partial redemption of optionally convertible debentures of ₹18 crores at a redemption value of ₹22 crores.

7.10 Current Income-tax assets

Income tax assets as at the end of the year is ₹12 crores, which includes excess payment of tax over estimated current tax for the current financial year of ₹11 crores.

7.11 Other non-current assets

Other non-current assets at the year end of ₹248 crores includes advances for capex programmes of ₹237 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, 2025	As on March 31, 2024
Raw materials	1,022	1,067
Work-in-progress	1,698	1,620
Finished goods	148	143
Packing materials	9	8
Stores and spares	156	147
Total	3,033	2,985

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, 2025	As on March 31, 2024
Outstanding receivables	2,856	2,274
Less: Allowances for doubtful debts	1	1
Net receivables	2,855	2,273
Receivables (days)	113	108

Trade receivables at the year end came to ₹2,855 crores as against ₹2,273 crores last year. Trade receivables include an amount of ₹300 crores as against (last year: ₹260 crores) due from subsidiaries.

7.14 Other current assets

(₹ in crores)

Particulars	As on March 31, 2025	As on March 31, 2024
Indirect taxes - Input tax credits	245	202
Prepaid expenses	34	35
Advances to suppliers	87	80
Other receivables	1	1
Total	367	318

These assets are monitored and reviewed periodically.

7.15 Other financial assets

Other financial assets at the year end are ₹78 crores against ₹63 crores of last 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, 2025 amounted to ₹509 crores as against ₹582 crores as of March 31, 2024. Exercising option to pay taxes under Section 115BAA of the Income Tax Act,1961 resulted in reduction of deferred tax liability by ₹29 crores.

7.17 Trade payables

Trade payables for raw materials/services amounted to ₹880 crores as at the end of the year as against ₹807 crores as at the end of last year. Of the trade payables, an amount of ₹37 crores (last year: ₹35 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 and current liabilities

Other financial liabilities at the yearend of ₹134 crores consist of capital creditors of ₹133 crores. All obligations are discharged as per the terms agreed with the vendors.

Other current liabilities for the current year amounted to ₹350 crores as against ₹303 crores as at the end of the last year. Employee benefits and all statutory dues are paid well within the due dates. Liability for CSR activities of ₹19 crores will be discharged within the statutory times lines specified in the Companies Act, 2013.

7.19 Key financial ratios

Particulars	March 31, 2025	March 31, 2024	Change
Return on net worth / equity (%)	15.57%	12.04%	29.32%**
Return on capital employed (%)	19.88%	15.62%	27.28%**
Basic EPS (₹)	83.20	59.37	40.14%**
Trade receivables turnover	3.59	3.61	(0.55%)
Inventory turnover	3.05	2.65	15.07%
Current ratio	7.03	7.60	(7.50%)
Debt equity ratio*	0.00	0.00	-
Operating profit margin (%)	36.21%	32.76%	10.53%
Net profit margin (%)	**23.13%**	**19.70%**	**17.45%**

**There is no net debt outstanding as on March 31, 2025 and as on March 31, 2024.*

*** The variance is on account of increase in profits for the year ended 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.

(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 revenue for the year.

7.20 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 estimates and judgements relating to the financial statements have been made on a prudent and reasonable basis, in order that the statements reflect, in a true and fair manner, the state of affairs and profits for the year. Actual results may differ materially from those expressed or implied. Significant factors that could influence the Company's operations include government regulations, tax regimes, market access related regulatory compliances, patent laws and domestic and international fiscal policies.

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 is the set of processes, customs, policies, laws and institutions for managing the affairs of the Company in a manner ensuring accountability, transparency and fairness. Our corporate governance framework is built on the core values of integrity, fairness, accountability, and ethical business conduct. We are committed to maintaining transparency, regulatory compliance, and responsible decision-making, ensuring that we uphold the trust and confidence of our stakeholders.

We recognize our duty to balance stakeholder interests while driving long-term value creation. By fostering a culture of strong governance and ethical leadership, we ensure that our business operates with responsibility, sustainability, and unwavering commitment to excellence.

With core competencies in sustainable chemistry and decades of mutual trust developed with our stakeholders, we consider them as partners of our success journey and we are committed to maximising value creation for all the stakeholders, namely our shareholders, employees, suppliers, customers, investors, communities or policy makers. Our relentless efforts to serve the immediate community and society at large through diverse social initiatives have establish a strong foundation for a better tomorrow for all stakeholders.

The ever-evolving Corporate Governance is a journey, which we endure with passion for meeting the stakeholders' aspirations of sustainable value creation. This is evident from various social upliftment initiatives undertaken by the Company for the communities surrounding the manufacturing plants, the enormous wealth creation for the shareholders, high quality APIs, Intermediates and Nutraceutical Ingredients delivered to the global pharmaceutical & nutraceutical industry following all applicable laws.

Board of directors

The Board of Directors plays a pivotal role in overseeing the Company's operations, providing strategic direction, and ensuring effective management oversight. The Board regularly reviews key business updates, operational performance, risk management frameworks, and compliance with all applicable laws, ensuring robust governance practices. By staying well-informed and proactive, the Board is equipped to make sound, strategic decisions that safeguard the Company's long-term interests and create value for all stakeholders in a transparent manner adhering to high standards of ethics.

The Company's Board consists of a balanced mix of Executive and Non-Executive Directors, each contributing diverse expertise and perspectives. This diversity strengthens decision-making, promotes innovation and collaboration, and enables the Board to provide comprehensive oversight and strategic guidance to the Management.

The Board exercises due care and independent judgement and is aligned with the long-term goal of the Company in the interest of the stakeholders. The Company has an established framework for meetings of the Board and its Committees, thereby systematising the decision-making process at the meetings in an informed and efficient manner.

Composition

As on March 31, 2025, five out of the total ten Directors on the Board are Independent Directors, with a non-executive independent director acting as the Chairperson. The brief profiles of the Directors are available at https://www.divislabs.com/api-manufacturing-company/leadership1/#board-of-directors.

The composition of the Board is in line with the requirements stipulated in Regulation 17 of SEBI Listing Regulations read together with Section 149 and 152 of the Companies Act, 2013 and rules framed thereunder. The composition of the Board and changes during the year 2024-25 is as follows:

Category	Name of the Director	Designation	Date of joining the Board	Changes during the year
Executive Directors	Dr. Murali K. Divi*	Managing Director	October 12, 1990	Reappointed for 5 years w.e.f. October 10, 2024.
	Mr. N. V. Ramana	Executive Director	October 01, 1994	Reappointed for 5 years w.e.f. December 26, 2024.
	Dr. Kiran S. Divi*	Whole-time Director and Chief Executive Officer	August 10, 2001	Reappointed for 5 years w.e.f. April 01, 2025.
	Ms. Nilima Prasad Divi*	Whole-time Director (Commercial)	June 27, 2017	-
	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	-
	Prof. S. Ganapaty	Independent Director	July 22, 2017	-
	Prof. Sunaina Singh	Independent Director	March 28, 2019	
	Mr. K.V. Chowdary	Independent Director	January 04, 2020	Reappointed for a second term of 5 years w.e.f. January 04, 2025.
	Dr. Rajendra Kumar Premchand	Independent Director	May 25, 2024	Appointed for a term of 5 years w.e.f. May 25, 2024.
	Mr. K. V. K. Seshavataram	Independent Director	June 23, 2014	Completed second term of 5 years and ceased to be the Director on June 22, 2024.

** Dr. Murali K. Divi, Dr. Kiran S. Divi and Ms. Nilima Prasad Divi are members of Promoter/Promoter group of the Company.*

Board meetings and attendance

The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. Additional meetings are held whenever necessary. All the directors are expected to attend at least four quarterly Board meetings and the Annual General Meeting (AGM). On request by the Board members, we provide video conferencing facilities to enable their participation, if they are not able to physically attend.

The Board meeting date is mutually agreed as per the availability of Board Members and agenda for the meetings along with all the necessary notes, prepared in consultation with Managing Director and Chief Executive Officer and as approved by the Chairman is circulated to the Board members within the statutory timelines. Every director can suggest inclusion of additional items in the agenda for discussion at the meeting.

During the FY 2024-25, four Board meetings were held. The details of Board meetings and attendance of Directors at these meetings and attendance at last Annual General Meeting of the Company are given below:

Name of the director	Board meetings held on				Attendance %	Last AGM held on August 12, 2024
	May 25, 2024	August 03, 2024	November 09, 2024	February 03, 2025		
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%	√
Prof. S. Ganapaty	√	√	√	√	100%	√
Prof. Sunaina Singh	√	√	√	√	100%	√
Mr. K.V. Chowdary	√	√	√	√	100%	√
Dr. Rajendra Kumar Premchand	√	√	√	√	100%	√
Mr. K. V. K. Seshavataram[1]	√	-	-	-	100%	-
% Attendance at meeting	100%	100%	100%	100%	100%	100%

Attendance: √ Present; X Absent; - Not Applicable.

[1] Mr. K.V.K Seshavataram completed his term as an Independent Director of the Company on June 22, 2024, and accordingly ceased to be the Director of the Company and Member of the Audit Committee.

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

All the Board members disclose about their Board and Committee positions held in other companies annually and notify of any changes thereafter during the year. The number of directorship(s) and committee membership(s) / chairmanship(s) of all the Directors is / are within the respective limits as prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

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	8	5	4 (Refer note 4 below).	None	-
Dr. Rajendra Kumar Premchand	1	3	1	-	-	None	-

[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, 2025.

[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, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he / she meets the criteria of independence as provided under the law and that he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence.

In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

The Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

Meeting of Independent Directors

During the year, one meeting of the Independent Directors was held on February 03, 2025. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

Board familiarisation and induction programme

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. The Board members are periodically updated in its meetings about the industry overview, business operations, Company's performance, compliance procedures and practices in place, roles and responsibilities of the Board/various Committees, various statutory amendments, etc.

To familiarise a new director with the Company, an induction kit containing documents about the Company is provided containing various codes, policies adopted by the Company and summary of roles and responsibilities of Board as well as of each Board Committee. Visits to the plant locations are organised depending on the convenience and requests of the Directors.

Details of familiarisation programme for the Independent Directors are available on the website of the Company at: https://www.divislabs.com/wp-content/uploads/2025/04/Familiarisation-Programs-for-Independent-Directors-2025.pdf

Succession planning

The Company has in place an orderly succession planning process, where the Management in consultation with the Nomination and Remuneration Committee recommends to the Board for leadership roles at the Board and Senior Management level.

Key skills / expertise / competencies available with the Board

The Board consists of qualified and experienced members with required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Skills	Description
Global business	Understanding the dynamics of global business relating to the operations of the Company and regulatory requirements in the geographical markets.
Strategy, planning & marketing	Appreciation of long-term trends and understanding the competitive environment for Company's business globally, customer relationships and strategies for continuity and growth of business for its product range.
Governance	Knowledge of governance processes and compliance to applicable laws and regulations to service best interests of all stakeholders, maintaining Board and Management accountability and corporate ethics and values.
Leadership and human resource	Experience in significant enterprise, distinct roles and responsibilities through organization structure, talent development and succession planning.
Technology	Knowledge of technology related to Company's current and future products and business opportunities, of evolving trends of usage of its product range and of developing cost-efficient processes.
Legal, commercial, financial	Knowledge about legal, commercial, financial skills for the Company's governance, accounting and financial management.
Sustainability and risk management	Experience in ESG (Environmental, Social and Governance) and Risk Management framework for integrating the same to Company's business strategy and operations.

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
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's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is available on the Company's website at: https://www.divislabs.com/NominationRemunerationPolicy.pdf.

Remuneration to Executive Directors for FY 2024-25

(₹ in crores)

Name	Salary	PF	Perquisites and allowances	Remuneration based on net profits	Total
Dr. Murali K. Divi	0	0	0.29	87.86	88.15
Mr. N. V. Ramana	0.92	0.11	0.22	43.93	45.18
Dr. Kiran S. Divi	0.92	0.11	0.45	29.29	30.77
Ms. Nilima Prasad Divi	0.92	0.11	0.38	29.29	30.70
Dr. S. Devendra Rao	0.61	0.07	2.43	0	3.11
Total	**3.37**	**0.40**	**3.77**	**190.37**	**197.91**

Remuneration of Executive Directors comprises a fixed salary and annual remuneration based on net profits of the Company as per their respective terms of appointment. The tenure of office of the Managing Director and Whole-time Directors is for five years from their respective dates of appointment / re-appointment. Further, they are eligible for re-appointment, subject to approval of the shareholders. The Executive Directors may be terminated by either party by giving three months' notice as per Company's policy. There is no separate provision for payment of severance fees.

Remuneration to Non-executive Directors for FY 2024-25

(₹ in crores)

Name of the Non-executive Director	Sitting fees	Annual remuneration	Total
Dr. Ramesh B. V. Nimmagadda	0.15	0.20	0.35
Prof. S. Ganapaty	0.12	0.20	0.32
Prof. Sunaina Singh	0.07	0.20	0.27
Mr. K.V. Chowdary	0.11	0.20	0.31
Dr. Rajendra Kumar Premchand (From May 25, 2024)	0.07	0.17	0.24
Mr. K. V. K. Seshavataram (Upto June 22, 2024)	0.02	0.05	0.07
Total	**0.54**	**1.02**	**1.56**

Non-executive Directors are paid sitting fees of ₹1 lakh for attending every meeting of the Board or Committee thereof. In addition to the sitting fee, each Non-executive Director is entitled to an annual remuneration of ₹20 lakhs per annum on pro-rata basis. The Company also reimburses the out-of-pocket expenses, if any, incurred by the Non-executive Directors for attending the meetings.

Other than the sitting fees, annual remuneration and reimbursements mentioned above, Non-executive Directors had no pecuniary relationship or transactions with the Company. The Company has not granted any stock options to any of its Non-executive Directors.

Directors and Officers insurance

The Company has in place a Directors and Officers liability insurance policy as stipulated under Regulation 25(10) of SEBI Listing Regulations.

Performance evaluation criteria of directors

The Board of Directors carried out an annual evaluation of its own performance, of the Committees of the Board and of the individual directors including Independent Directors, pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Performance evaluation criteria is determined by the Nomination and Remuneration Committee. Performance evaluation of Independent Directors shall be done by the entire Board of Directors (excluding the director being evaluated). On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

Independent Directors are expected to provide an effective monitoring role and to provide help and advice to the Executive Directors. The broad issues considered in evaluating Independent Directors are:

- Providing necessary guidance using their knowledge and experience in development of corporate strategy, major plan of action, risk policy, and setting performance objectives.
- Independence exercised in taking decisions, listening to views of others and maintaining their views with resolute attitude.
- Ability in assisting the Company in implementing the best corporate governance practices.
- Capability in exercising independent judgement to tasks where there is a potential for conflict of interest.
- Commitment in fulfilling the director's obligations fiduciary responsibilities.

Board committees

As per the statutory requirement, the Board has constituted 5 Committees, namely – Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management & Sustainability Committee and Corporate Social Responsibility Committee. The Board has communicated the terms of reference of each Committee as stipulated under the Companies Act, 2013 and SEBI Listing Regulations. The Committees meet at periodic intervals or on need basis to address the function assigned to it. The Board has accepted all the recommendations of the Committees during the financial year.

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

Audit Committee

Composition and the terms of reference of the Audit Committee are in compliance with the requirements under Section 177 of the Companies Act, 2013 and of 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 25, 2024	August 03, 2024	November 09, 2024	February 03, 2025	
Mr. K.V. Chowdary	Chairman[1]	√	√	√	√	100%
Dr. Ramesh B. V. Nimmagadda	Member	√	√	√	√	100%
Prof. S. Ganapaty	Member	√	√	√	√	100%
Dr. Rajendra Kumar Premchand	Member[2]	-	√	√	√	100%
Mr. K. V. K. Seshavataram	Chairman[3]	√	-	-	-	100%
% Attendance at meeting		100%	100%	100%	100%	100%

Attendance: √ Present; X Absent; - Not Applicable.

[1] Mr. K.V. Chowdary was designated as Chairman of the Committee with effect from June 23, 2024.

[2] Dr. Rajendra Kumar Premchand was admitted as member of the Committee with effect from May 25, 2024.

[3] Mr. K.V.K Seshavataram completed his term as an Independent Director of the Company on June 22, 2024, and accordingly ceased as Director of the Company and Member of the Audit Committee.

The meetings of Audit Committee are also attended by the Whole-time Director (Commercial), Chief Financial Officer, General Manager (Finance and Accounts), Internal Auditor and representatives of Statutory Auditors as invitees.

Mr. K. V. Chowdary, Chairman of the Audit Committee attended the AGM of the Company held on August 12, 2024.

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 the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Scrutiny and review of all financial transactions, inter corporate loans, investments, funds utilization, related party transactions and the general financial condition of the Company.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and approval of remuneration of auditors for other services.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Reviewing, with the management, the periodic financial statements and auditor's report thereon before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Evaluation of internal financial controls and risk management systems.
- To review the functioning of the Whistle Blower mechanism.
- To review statement of deviations in reporting to monitoring agencies.
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.
- Approval or any subsequent modifications of transactions with related parties.
- Evaluation of internal financial controls and risk management systems.

Nomination and Remuneration Committee (NRC)

Composition and the terms of reference of the NRC are in compliance with the requirements under Section 178 of the Companies Act, 2013 and of Regulation 19 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 NRC member	Designation	NRC Meetings held on		Attendance %
		May 25, 2024	February 03, 2025	
Prof. S. Ganapaty	Chairman	√	√	100%
Dr. Ramesh B.V. Nimmagadda	Member	√	√	100%
Prof. Sunaina Singh	Member	√	√	100%
Mr. K.V. Chowdary	Member	√	√	100%
% Attendance at meeting		100%	100%	100%

Attendance: √ Present; X Absent.

Prof. S. Ganapaty, Chairman of the Nomination and Remuneration Committee attended the AGM of the company held on August 12, 2024.

Terms of reference:

The terms of reference of the NRC, inter-alia, include the following:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

- To formulate the criteria for evaluation of performance of Independent Directors and the Board; and evolve and review the policy on Board diversity.
- To identify/ evaluate persons for appointment to the Board or in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- Support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- To administer, monitor and formulate Employees' Stock Option Scheme with terms and conditions relating to quantum, exercise, granting, vesting etc and evolve a procedure for making a fair and reasonable adjustment to the scheme in case of any corporate actions.
- To carry out any other function as is mandated by the Board from time to time and/ or required by any statutory notification, amendment or modification, as may be applicable.

Stakeholders Relationship Committee (SRC)

Composition and the terms of reference of the SRC are in compliance with the requirements under Section 178 of the Companies Act, 2013 and of 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 %
		November 09, 2024	
Dr. Ramesh B.V. Nimmagadda	Chairman	√	100%
Prof. Sunaina Singh	Member	√	100%
Mr. K.V. Chowdary	Member	√	100%
Dr. S. Devendra Rao	Member	√	100%
Mr. K.V.K. Seshavataram	Member[1]	-	-
% Attendance at meeting		100%	100%

Attendance: √ Present; X Absent; - Not Applicable

[1] Mr. K.V.K. Seshavataram have completed his term as an Independent Director of the Company on June 22, 2024, and accordingly ceased as Director of the Company and Member of the SRC.

Dr. Ramesh B. V. Nimmagadda, Chairman of the Stakeholders Relationship Committee attended the AGM of the Company held on August 12, 2024.

Terms of reference:

The terms of reference of the SRC, inter-alia, include the following:

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

Investor grievance redressal:

During the year under review, the Company has received 79 complaints from shareholders/investors. All were replied/ resolved to the satisfaction of the investors and no complaints were outstanding.

Compliance Officer:

Mr. M. Satish Choudhury, Company Secretary is the Compliance Officer of the Company for attending to complaints / grievances of the Members. He is also the Nodal Officer to ensure compliance with the Investor Education and Protection Fund Rules (IEPF Rules).

Corporate Social Responsibility Committee (CSR Committee)

Composition and the terms of reference of the CSR Committee are in compliance with the requirements under Section 135 of the Companies Act, 2013.

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 25, 2024	August 03, 2024	November 09, 2024	February 03, 2025	
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%

Attendance: √ Present; X Absent.

Terms of reference:

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

- To formulate, review and recommend to the Board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- To recommend the amount of expenditure to be incurred on the initiatives as per the CSR policy of the Company.
- To provide guidance on various CSR initiatives undertaken by the Company and monitor implementation and adherence to the CSR programs and policy of the Company from time to time.
- To recommend to the Board an annual CSR action plan for proposed CSR projects or programmes to be undertaken during the financial year.
- To appoint an independent agency/ firm to carry out impact assessment study, if necessary.

Risk Management and Sustainability Committee (RMSC)

The Board renamed the Risk Management Committee as Risk Management and Sustainability Committee on May 25, 2024 by delegating sustainability related references.

Composition and the terms of reference of the RMSC are in compliance with the requirements under 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 %
		August 03, 2024	February 03, 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. Kishore Babu (Chief Financial Officer)	Member	√	√	100%
Mr. L. Ramesh Babu (Vice President -Procurement)	Member	√	√	100%
% Attendance at meeting		100%	100%	100%

Attendance: √ Present; X Absent.

Terms of reference:

The terms of reference of the RMSC, inter-alia, include the following:

- To formulate a detailed risk management policy which shall include a framework for identification of internal and external risks faced by the company in particular including financial operational, sectoral, sustainability, information, cyber security risks and any other risks determined by the committee; measures for risk mitigation including systems and process for internal control of identified risks and business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- Oversee the Company's disclosures and compliances with statutory obligations under applicable laws and regulations relating to ESG including Business Responsibility and Sustainability Report (BRSR) on behalf of the Board, as required.
- To review and monitor sustainability and ESG goals and targets of the Company.
- Review and provide oversight over the Company's programs, practices and strategies, policies related to sustainability and ESG matters.

Senior management

The particulars of Senior Management as defined under the SEBI Listing Regulations as on March 31, 2025 including the changes during the year is as given below:

Sl. No.	Name	Designation
1	Mr. L. Kishore Babu	Chief Financial Officer
2	Mr. Satya Prakash Divi	Vice President - Sales, Marketing and Logistics
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. G. Hemanth Kumar	Vice President – Production (Retired on April 30, 2025)
7	Mr. S. Ramakrishna	Vice President - Production
8	Mr. L. Ramesh Babu	Vice President - Procurement
9	Dr. L.V. Ramana	Vice President - Production
10	Mr. D. Madhu Babu	Vice President - Projects
11	Mr. K. Subba Rao	General Manager - P&A/HR
12	Mr. Y.S. Koteswara Rao	General Manager - P&A/HR
13	Mr. E.S.V.S Rama Kirshna Prasad	General Manager - Engineering
14	Mr. V. Naga Sekhar	General Manager - Engineering
15	Mr. S. Balaji	General Manager – ECD
16	Mr. Manoranjan Jasti	Chief Information Officer (Designated as Senior Management from February 03, 2025)
17	Mr. Ravi Suresh	Deputy General Manager – Engineering (Designated as Senior Management from February 03, 2025)
18	Mr. M. Satish Choudhury	Company Secretary and Compliance Officer
19	Mr. G. Bala Kishore	General Manager – EHS (Retired on March 31, 2025)

Subsidiary companies

The Company does not have any material subsidiaries and the Corporate Governance requirements with respect to subsidiaries other than material subsidiaries as stipulated under Regulation 24 of the SEBI Listing Regulations are complied with. The Audit Committee and Board monitors the two unlisted wholly owned subsidiary companies, namely, Divis Laboratories (USA) Inc., and Divi's Laboratories Europe AG on quarterly basis.

General body meetings

Annual general meetings:

The date, time and venue of the Annual General Meetings (AGMs) held during preceding three years and the special resolution(s) passed thereat, are as follows:

Date and time	Special resolution(s) passed	Venue
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.	The previous three AGMs were held through video conference / other audio-visual means. (Deemed venue was 1-72/23(P)/DIVIS/303, Divi Towers, Cyber Hills, Gachibowli, Hyderabad – 500 032, Telangana, India.)
August 28, 2023 10.00 a.m. IST	No special resolutions were passed	
August 22, 2022 10.00 a.m. IST		

Resolutions through postal ballot during the year:

During FY 2024-25, the Company sought the approval of the shareholders by way of postal ballot, the details of which are given below:

1. Postal ballot vide notice dated February 10, 2024, on the following resolutions:

Sl. No.	Description of the resolution(s)	Resolution type
1	Re-appointment of Prof. Sunaina Singh (DIN: 08397250) as an Independent Director of the Company.	Special resolution
2	Appointment of Dr. S. Devendra Rao (DIN: 10481393) as Whole-time Director, designated as 'Whole-time Director (Manufacturing)' of the Company and approval of the remuneration payable to him.	Ordinary resolution
3	Approval to hold and continue to hold office or place of profit by Mr. S. Swaroop Krishna in the Company.	Ordinary resolution

The voting period for remote e-voting commenced on Wednesday, March 06, 2024 at 9.00 a.m. (IST) and ended on Thursday, April 04, 2024, at 5.00 p.m. (IST). The consolidated report on the result of the postal ballot through remote e-voting approving the aforementioned resolutions was provided by the scrutiniser on Friday, April 05, 2024.

The details of e-voting on the aforementioned Resolution(s) are provided hereunder:

Description of the resolution(s)	Number of votes polled	Votes cast in favour		Votes cast against	
		Number of votes	%	Number of votes	%
Re-appointment of Prof. Sunaina Singh (DIN: 08397250) as an Independent Director of the Company.	22,44,68,302	18,52,58,719	82.53	3,92,09,583	17.47
Appointment of Dr. S. Devendra Rao (DIN: 10481393) as Whole-time Director, designated as 'Whole-time Director (Manufacturing)' of the Company and approval of the remuneration payable to him.	22,45,27,961	22,43,54,952	99.92	1,73,009	0.08
Approval to hold and continue to hold office or place of profit by Mr. S. Swaroop Krishna in the Company.	22,45,27,567	20,09,20,755	89.49	2,36,06,812	10.51

All the resolutions were passed with requisite majority.

2. Postal ballot vide notice dated February 03, 2025, on the following resolution:

Sl. No.	Description of the resolution	Resolution type
1	Re-appointment of Dr. Kiran S. Divi (DIN: 00006503) as Whole-time Director and Chief Executive Officer of the Company.	Special resolution

The voting period for remote e-voting commenced on Wednesday, February 05, 2025, at 9.00 a.m. (IST) and ended on Thursday, March 06, 2025, at 5.00 p.m. (IST). The consolidated report on the result of the postal ballot through remote e-voting approving the aforementioned resolution was provided by the Scrutiniser on Friday, March 07, 2025.

The details of e-voting on the aforementioned Resolution is provided hereunder:

Description of the resolution	Number of votes polled	Votes cast in favour		Votes cast against	
		Number of votes	%	Number of votes	%
Re-appointment of Dr. Kiran S. Divi (DIN: 00006503) as Whole-time Director and Chief Executive Officer of the Company.	23,48,86,705	22,51,82,870	95.87	97,03,835	4.13

The resolution was passed with requisite majority.

In respect of all the above postal ballots conducted by the Company, the Board of Directors had appointed Mr. V. Bhaskara Rao (Membership No. F5939), a Practicing Company Secretary or failing him, Mr. S. Hari Kishore Babu, a Practicing Company Secretary (Membership No. F11462), as the scrutiniser to scrutinise the postal ballot process in a fair and transparent manner.

Procedure for postal ballot:

All the aforesaid postal ballots were conducted by the Company as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the Rules framed thereunder and General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 read with other relevant circulars issued in this regard, the latest being General circular 09/2024 dated September 19, 2024 as applicable, issued by the Ministry of Corporate Affairs. Approval of Members for passing the resolutions as set out in the Postal Ballot Notice was sought only by way of remote e-voting (e-voting). The Company had engaged the services of KFin Technologies Limited as the agency to provide e-voting facility.

Details of special resolution proposed to be conducted through postal ballot:

The Company has no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance with the provisions of the Companies Act, 2013, the SEBI Listing Regulations or any other applicable laws.

Means of communication

Website: The website of the Company www.divislabs.com has a separate section titled 'Investors Relations' containing information as stipulated to be disclosed under the SEBI Listing Regulations and the Companies Act, 2013. The information hosted under the section, inter-alia, includes: Company overview, Board and Board Committee details, various policies and codes adopted by the Company, annual reports, quarterly financial results and other compliance reports, subsidiary financials, transcripts of quarterly earnings calls, details of unclaimed dividends and shares transferred to IEPF, communications sent to shareholders, information about closure of trading window, official news releases, investor presentations (if any) and various submissions filed to the stock exchanges.

Quarterly earnings calls: The Management of the Company interacts with Investors on a quarterly basis to update the Company's operations as well as discuss about the business. The schedule and necessary details of the quarterly calls as well as the audio and transcript of the calls are intimated to stock exchanges and hosted on the website of the Company.

Annual reports: The annual report containing inter alia audited annual accounts, consolidated financial statements, board's report, the management discussion and analysis report, corporate governance report, the business responsibility and sustainability report, auditor's report, notice of annual general meeting and other important information is sent to the registered email addresses of the members and the same is also made available on the website of the Company. The printed annual report is sent to the Members specifically requesting for the same.

Stock exchange filings: The Company on a regular basis submits various periodic and event-based compliance reports and other important information with stock exchanges, i.e. National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The submissions are disseminated by the stock exchange on their website for information of the investors. Requisite information filed with stock exchanges is also made available on website of the Company.

Newspaper publications: Brief quarterly financials, information about sending various communications like notices, intimations and information record dates for corporate actions, date of general meetings, e-voting information, etc, as per the statutory requirement(s) are published in all India editions of Financial Express and Hyderabad edition of Andhra Prabha, from time to time.

Letters / e-mails / SMS to Members: The Company addressed various letters / e-mails / SMS to its shareholders during the year. This includes reminders for claiming unclaimed / unpaid dividend from the Company, dematerialisation of shares, updating e-mail, PAN and bank account details, information regarding deduction of income tax at source on dividend, etc. email / SMS reminders are sent to Members when the e-voting starts on any proposed business for encouraging greater participation.

General shareholder information

Annual General Meeting (AGM) details	Monday, August 11, 2025 at 10.00 a.m. (IST). The 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 recommended a dividend of ₹30/- per equity share of face value ₹2/- each, i.e., 1,500% for the financial year ended March 31, 2025, subject to approval of members at the ensuing Annual General Meeting. Record date for the dividend is July 25, 2025. If approved by the Members, payment will be made on and from August 16, 2025.	
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 FY 2025-26 has been paid to both the Stock Exchanges.	
Registrars & transfer agent (RTA)	KFin Technologies Limited CIN: L72400MH2017PLC444072 Selenium Building, 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 309 4001 E-mail: einward.ris@kfintech.com Website: www.kfintech.com	

Share transfer systems

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be affected only in dematerialized form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be

valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the suspense escrow demat account held by the Company. Shareholders can claim these shares transferred to suspense escrow demat account on submission of necessary documentation.

The Stakeholders Relationship Committee meets as often as required to approve share transfers and to attend to any grievances or complaints received from the Members.

Mandatory furnishing of PAN, KYC details and nomination by holders of physical securities

Pursuant to SEBI circular dated March 16, 2023 and November 17, 2023, the security holders holding securities in physical form, whose folio(s) do not have PAN (AADHAR seeded) or choice of nomination or contact details or mobile number or bank account details or specimen signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024. Meanwhile, upon non-updation of the said information, the unpaid dividend will be kept by the Company in the unpaid dividend account in terms of the Companies Act, 2013.

Further, the RTA shall, suo-moto, generate request to the Company's bankers to pay electronically, all the monies of / payments to the holder that were previously unclaimed / unsuccessful once PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature are updated by the investor.

In this regard, the Shareholders of the Company holding shares in physical form are requested to update their KYC details such as PAN or choice of nomination or contact details or mobile number or bank account details or specimen signature. Individual communication to shareholders holding physical shares has been sent by Company for updating the said details.

Members holding shares in physical form are requested to submit their nomination details by sending a duly filled and signed Form SH-13 and Form SH-14 to the RTA, Kfin Technologies Limited. Further, Form ISR-3 shall be submitted by the Members for opting out/ cancellation of nomination.

Shareholding pattern

Sl No.	Category of shareholder	As on March 31, 2025			As on March 31, 2024			% Change
		Number of shareholders	Number of shares	As % of total shares	Number of shareholders	Number of shares	As % of total shares	
A	Promoter and promoter group							
1	Indian	6*	13,77,55,090	51.89	6	13,78,33,690	51.92	-0.03
B	Public shareholders							
1	Institutions (Domestic)	106	5,49,68,487	20.71	110	5,89,62,628	22.21	-1.5
2	Institutions (Foreign)	813	4,78,12,211	18.01	615	3,89,74,581	14.68	3.33
3	Central Government/ State Government(s)/ President of India	3	2,492	0.00	-	-	-	0.00
4	Non-institutions	2,66,827	2,49,30,300	9.39	3,46,899	2,96,97,681	11.19	-1.8
	Total	**2,67,755**	**26,54,68,580**	**100**	**3,47,630**	**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	2,66,011	1,14,65,170	4.32
5001 – 10000	620	22,20,935	0.84
10001 – 20000	431	31,86,311	1.20
20001 – 30000	163	19,94,289	0.75
30001 – 40000	88	15,88,016	0.60
40001 – 50000	54	12,13,326	0.46
50001 – 100000	149	51,27,541	1.93
100001 & above	239	23,86,72,992	89.90
Total	**2,67,755**	**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. In case a member wants his/her shares to be dematerialized, he/she may send the share certificates along with the request through his depository participant (DP) to the RTA, Kfin Technologies Limited (Kfin). Kfin promptly intimate the DPs in the event of any deficiency and Shareholders are also kept abreast. Pending demat requests in the records of the Depositories, if any, are continually reviewed and appropriate actions are initiated.

The following is the mode of shares held by Members of the Company as on March 31, 2025:

Mode of holding	Number of shares	% of total shares
NSDL	25,72,96,630	96.92
CDSL	80,97,539	3.05
Physical	74,411	0.03
Total	**26,54,68,580**	**100**

To eliminate all risks associated with physical shares and for convenience of Members to monitor holdings or trade/ transfer, Members holding shares in physical form are requested to consider converting their holdings to demat mode.

Liquidity

The Company's equity shares are actively traded shares on the Indian Stock Exchanges i.e. BSE and NSE. Relevant data for the average daily turnover of equity shares for the FY 2024-25 is given below:

Particulars	BSE	NSE	Total
Number of shares	13,024	5,58,306	5,71,330
Value in ₹ crores	6.65	287.66	294.31
Number of trades	2,164	54,312	56,476

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 and 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 - 508 252
DC SEZ Unit Lingojigudem Village, Choutuppal Mandal Yadagiri Bhuvanagiri District, Telangana, Pin Code - 508 252

II) Bheemunipatnam Mandal, Visakhapatnam District, Andhra Pradesh:

Name of plant
Export Oriented Unit Chippada Village, Bheemunipatnam Mandal Visakhapatnam District, Andhra Pradesh, Pin Code - 531 163
Divi's Pharma SEZ Unit Chippada Village, Bheemunipatnam Mandal Visakhapatnam District, Andhra Pradesh, Pin Code - 531 163
DSN SEZ Unit Chippada Village, Bheemunipatnam Mandal Visakhapatnam District, Andhra Pradesh, Pin Code - 531 163
DCV SEZ Unit Chippada Village, Bheemunipatnam Mandal Visakhapatnam District, Andhra Pradesh, Pin Code - 531 163

III) Thondangi Mandal, Kakinada District, Andhra Pradesh:

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

Transfer of unpaid / unclaimed amounts and shares to Investor Education and Protection Fund (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 underlying shares are transferred by the Company to IEPF. The said requirement does not apply to shares in respect of which there is a specific order of court, tribunal or statutory authority, restraining any transfer of the shares.

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

The Company has transferred eligible unclaimed dividend amounts up to FY 2016-17 to IEPF as per the statutory requirement along with such shares which meet the requirement. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on March 31, 2025, on the website of the Company, and on the website of the Ministry of Corporate Affairs.

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

Members are advised to claim their respective unclaimed dividends immediately. Due date for transfer of unclaimed dividends to IEPF for the FY 2017-18 and thereafter, are as under:

Financial year	Date of declaration of dividend	Amount outstanding as on March 31, 2025 (₹)	Due for transfer to IEPF
2017-2018	10.09.2018	6,74,500	09.10.2025
2018-2019	23.08.2019	9,98,496	22.09.2026
2019-2020	12.02.2020 (Interim)	8,57,136	11.03.2027
2020-2021	30.08.2021	7,83,022	07.10.2028
2021-2022	22.08.2022	14,36,506	29.09.2029
2022-2023	28.08.2023	14,12,958	04.10.2030
2023-2024	12.08.2024	17,11,217	18.09.2031

The Company has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority. Members are advised to visit the website of the Company to ascertain the details of shares liable for transfer in the name of IEPF Authority.

Shareholders whose unclaimed dividend/ shares are transferred to the IEPF Authority can claim their unclaimed dividend and shares from the Authority by following the refund procedure as detailed on the website of IEPF Authority (https://www.iepf.gov.in/IEPF/refund.html).

Further, the Board of Directors have appointed Mr. M. Satish Choudhury as Nodal Officer and Ms. Deepa Kumari as Deputy Nodal Officer of the Company for the purposes of verification of claims of shareholders pertaining to shares transferred to IEPF and / or refund of dividend from IEPF Authority and for coordination with IEPF Authority. The details of the Nodal Officer and Deputy Nodal Officer are available on the website of the Company.

Address for correspondence

All correspondences by Member should be sent to Kfin Technologies Limited, the RTA of the Company or to the Company at the Registered Office of the Company at the addresses mentioned below.

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

Credit Rating

CARE Ratings Limited has reaffirmed the credit rating for the Company as CARE AA+ Outlook: Stable for long-term bank facilities and AA+ (Stable) outlook: Stable, A+ for long/short-term bank facilities.

Other disclosures:

Dividend distribution policy

The Board of Directors adopted a Dividend Distribution Policy as per the statutory requirement of SEBI Listing Regulations and the Act. The said Policy is available on the website of the Company at: https://www.divislabs.com/DividendDistributionPolicy.pdf.

Disclosures on materially significant related party transactions

The Company does not have any materially significant related party transactions, which may have potential conflict with the interest of the Company. All transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on arm's length basis. The Company has made full disclosure of transactions with the related parties as set out in Note 31 of standalone financial statement, forming part of the Annual Report.

The Company's Policy on Related Party Transactions is available on website of the Company at https://www.divislabs.com/RPT-Policy.pdf.

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 related to capital markets during the last three years. Hence, the question of imposition of penalties or strictures by SEBI or the stock exchanges does not arise.

Whistle blower policy / Vigil mechanism

To strengthen its policy of corporate transparency, the Company has established an empowering mechanism for employees and accordingly formulated a Whistle Blower Policy to provide a mechanism for directors and employees of the Company to report instances of unethical behavior, actual or suspected fraud, or violation of the Code of Ethics and Business Conduct, in good faith to the Vigilance Officer / Chairman of the Audit Committee. This mechanism also provides for adequate safeguards against victimization of director(s) / employee(s) who avail the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. No personnel have been denied access to the Audit Committee.

The Whistle Blower Policy may be accessed on the Company's website at: https://www.divislabs.com/WhistleBlowerPolicy.pdf.

Material subsidiary companies

The Company has two wholly owned subsidiary companies, which are not material subsidiaries as per the Company's Policy for determining material subsidiaries. The Policy for determining material subsidiaries is available on the website of the Company at https://www.divislabs.com/MaterialSubsidiaryPolicy.pdf.

The Audit Committee and Board reviews 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, 2025	For the year ended March 31, 2024
As Statutory Auditor	0.45	0.45
For quarterly reviews	0.30	0.30
Re-imbursement of expenses	0.03	0.03
Total payments to auditors	**0.78**	**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, 2025, 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

Others:

- 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:

Shareholder rights: Half-yearly and other quarterly financial statements are published in newspapers and uploaded on Company's website www.divislabs.com;

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 FY 2024-25 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 continues to be the Managing Director of the Company.

CEO and CFO Certification

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations. The CEO and CFO certificate for the year ended March 31, 2025, is forming part of this Report.

The CEO and CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations.

Compliance Certificate

A certificate from M/s. V. Bhaskara Rao & Co., Company Secretaries, (CP No. 4182) confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 read with Schedule V of the Listing Regulations, is forming 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") for Directors and Senior Management as well as all employees. The Code is comprehensive in nature and applicable to all the Directors, Senior Management and employees of the Company.

Copy of the said Code is available on the Company's website, www.divislabs.com. The Code has been circulated to all the members of the Board and Senior Management and the compliance of 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 FY 2024-25.

For and on behalf of the Board

Dr. Murali K. Divi
Managing Director
DIN: 00005040

Dr. Kiran S. Divi
Whole-time Director & Chief Executive Officer
DIN: 00006503

Date: May 17, 2025
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, 2025, 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: F005939G000365749

Date: May 17, 2025
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. L. Kishore Babu, 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, 2025 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

L. Kishore Babu
Chief Financial Officer

Date: May 17, 2025
Place: Hyderabad

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, 2025, 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, 2025.

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: F005939G000365738

Date: May 17, 2025
Place: Hyderabad

Board's Report

Dear Members,

The Board of Directors present the 35th Annual Report of Divi's Laboratories Limited (the Company or Divi's), along with the audited financial statements, for the financial year ended March 31, 2025. The consolidated performance of the Company and its subsidiaries (Group) has been referred to wherever required.

Financial highlights and company affairs

The Company's financial performance (standalone and consolidated) for the year ended March 31, 2025, is summarized below:

(₹ in crores)

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from operations	9,198	7,665	9,360	7,845
Other income	352	337	352	339
Total income	9,550	8,002	9,712	8,184
Expenditure before depreciation and finance costs	6,219	5,491	6,392	5,640
Profit before depreciation, finance costs and tax (PBDIT)	3,331	2,511	3,320	2,544
Depreciation	401	376	402	378
Finance costs	1	3	2	3
Profit before tax (PBT)	2,929	2,132	2,916	2,163
Tax expense:				
Current tax	793	511	799	514
Deferred tax	(73)	45	(74)	49
Total tax expense	720	556	725	563
Profit after tax (PAT)	2,209	1,576	2,191	1,600
Other comprehensive income (Net of tax)	(2)	(1)	3	-
Total comprehensive income	2,207	1,575	2,194	1,600
Earnings per share of ₹2/- each (EPS) Basic & Diluted (in ₹)	83.20	59.37	82.53	60.27

Operations for the year:

Standalone

The Company has earned revenue from operations of ₹9,198 crores for the current financial year against ₹7,665 crores for the previous financial year. The Company's initiatives have effectively resulted in earning revenue higher by 20% over the previous financial year.

The total income for the current financial year is ₹9,550 crores against ₹8,002 crores for the previous financial year. Profit before tax for the current financial year is ₹2,929 crores against ₹2,132 crores for the previous financial year.

Tax expense for the current financial year is ₹720 crores against ₹556 crores for the previous financial year. The Company has chosen to exercise the option permitted in the Section 115BAA of Income Tax Act, 1961 from the current financial year. The Deferred Tax Liability as on March 31, 2025 and the Current Tax for the year then ended have been provided accordingly.

Profit after tax for the current financial year is ₹2,209 crores against ₹1,576 crores for the previous financial year.

Consolidated

The Group's consolidated total income for the current year is ₹9,712 crores as against ₹8,184 crore for the previous financial year.

Profit before tax for the current financial year is ₹2,916 crores as against ₹2,163 crores for the previous financial year. The Company earned a Profit after Tax of ₹2,191 crores for the current financial year as against ₹1,600 crores for the previous financial year. The consolidated operations are reflective of standalone operations, as standalone operations are substantial part of our Group's business.

In accordance with the provisions of the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the consolidated financial statements have been prepared by the Company in accordance with the relevant Indian Accounting Standards (Ind AS). The audited consolidated financial statements together with Auditor's Report thereon form part of this Annual Report.

Dividend

The Board of Directors have recommended a dividend of ₹30/- per equity share of face value ₹2/- each, i.e. 1,500%, for the financial year ended March 31, 2025. The dividend recommended is in accordance with the Company's Dividend Distribution Policy. The total dividend payout for the current year amounts to ₹796 crores resulting in a payout of 36% of the standalone profit after tax for the financial year ended March 31, 2025.

Dividend is subject to approval of Members at the ensuing Annual General Meeting (AGM) and shall be subject to deduction of income tax at source. The record date fixed is July 25, 2025 for determining the names of the members eligible for dividend on equity shares, if approved by the members in the AGM.

In terms of Regulation 43A of the SEBI Listing Regulations, the Dividend Distribution Policy, is available on the Company's website and can be accessed at https://www.divislabs.com/DividendDistributionPolicy.pdf.

Transfer to reserves

The Company has not proposed to transfer any amount to the General Reserve on declaration of dividend.

Capital expenditure

Kakinada project

The Unit III greenfield project at Ontimamidi Village, Thondangi Mandal, Kakinada District, Andhra Pradesh has commenced commercial operations during the year. The total capital expenditure incurred on this project upto March 31, 2025 is ₹1,497 crores, of which property, plant and equipment and intangible assets valuing ₹885 crores have been capitalized upto March 31, 2025.

Others

Besides Kakinada project, property, plant and equipment and intangible assets valuing ₹363 crores have been capitalized during the current financial year.

Capital works in progress of all locations as at March 31, 2025 is amounting to ₹1,022 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 and commitments, affecting the financial position of the Company, which 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, Company did not undergo any change in the nature of its business. 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 for the FY 2024-25, in terms of provisions of Regulation 34 of SEBI Listing Regulations is presented in a separate section, which forms part of this Annual Report.

Management Discussion and Analysis

Management Discussion and Analysis report for the year under review, in terms of provisions of Regulation 34(2) of SEBI Listing Regulations is presented in a separate section, which forms part of this Annual Report.

Corporate Governance Report

The Corporate Governance Report as per Regulation 34(3) read with Schedule V of the SEBI Listing Regulations forms part of this Annual Report. The certificate issued by the practicing company secretary confirming the compliance with the conditions of corporate governance is attached to the Corporate Governance Report.

Credit ratings

Details of credit rating ascribed by rating agencies are disclosed in the Corporate Governance Report forming part of this Annual Report. The strong credit rating reaffirmed is a reflection of the Company's strong financial position and discipline.

Subsidiaries

The Company has two wholly owned subsidiaries which are Divis Laboratories (USA) Inc in USA and Divi's Laboratories Europe AG in Switzerland; engaged in marketing/distribution of nutraceutical ingredients used in the food, beverage, dietary supplement, feed and pet food industries providing a greater reach to customers within these regions.

There has been no material change in the nature of the business of the subsidiaries. Further, the Company does not have any material subsidiaries. There are no associates or

joint venture companies within the meaning of Section 2(6) of the Act.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is annexed as **Annexure-I** to this Report.

Further, pursuant to the provisions of Section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements of the Group and separate audited financial statements of the Company's subsidiaries, are made available on the Company's website at https://www.divislabs.com/investor-relations/.

Policy for determining material subsidiaries, is available on the Company's website and can be accessed at: https://www.divislabs.com/MaterialSubsidiaryPolicy.pdf.

Directors and Key Managerial Personnel

Appointment

Dr. Rajendra Kumar Premchand was appointed as an Additional Director (Independent Director) of the Company with effect from May 25, 2024. The Members of the Company at its 34th Annual General Meeting held on August 12, 2024, approved his appointment as an Independent Director of the Company, for a period of 5 years with effect from May 25, 2024.

Re-appointments:

The shareholders, at the 34th AGM held on August 12, 2024, approved the following:

- Re-appointment of Dr. Murali K. Divi as Managing Director of the Company for a period of 5 years with effect from October 10, 2024.
- Re-appointment of Mr. N.V. Ramana as Executive Director of the Company for a period of 5 years with effect from December 26, 2024.
- Re-appointment of Mr. K.V. Chowdary as Independent Director of the Company for a second term of 5 years effective from January 04, 2025.

The shareholders, vide postal ballot concluded on March 06, 2025, approved the following:

- Re-appointment of Dr. Kiran S. Divi as Whole-time Director and Chief Executive Officer of the Company for a period of 5 years with effect from April 01, 2025.

In the opinion of the Board, the Independent Directors appointed during the year possess requisite integrity, expertise, experience and proficiency.

Retirement:

- Mr. K.V.K Seshavataram retired as an independent director of the Company with effect from close of business hours on June 22, 2024, on completion of his second term as Independent Director of the Company.

The Board placed on record its sense of deep appreciation and gratitude for the invaluable contributions rendered by him during his period as Director of the Company.

Retirement by rotation:

- Ms. Nilima Prasad Divi and Dr. S. Devendra Rao retire by rotation at the forthcoming 35th AGM and being eligible, offer themselves for re-appointment.

Key Managerial Personnel:

The details of Key Managerial Personnel as on March 31, 2025 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. L. Kishore Babu	Chief Financial Officer
Mr. M. Satish Choudhury	Company Secretary and Compliance Officer

Declaration by Independent Directors

The Company has received declaration from each Independent Director under Section 149(7) of the Act and Regulation 25 of the SEBI Listing Regulations, confirming that he or she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. Further, each Independent Director has affirmed compliance to the Code of Conduct for Independent Directors as prescribed in Schedule IV of the Act. In the opinion of the Board, the independent directors of the Company possess the necessary expertise, integrity and experience.

Policy on Directors' appointment and remuneration

As of March 31, 2025, the Board had ten members, consisting of five executive directors and five independent directors. There are two women directors on the Board, one being executive and other being an independent director. For appointment of an independent director, the independence criteria defined in Section 149(6) of the Act, and Regulation 16(1)(b) of the SEBI Listing Regulations are considered.

Pursuant to Section 178(3) of the Act, Regulation 19(4) read with Schedule II Part D of the SEBI Listing Regulations and on recommendation of the Company's Nomination and Remuneration Committee, the Board adopted Nomination and Remuneration Policy on appointment and remuneration of directors, key managerial personnel (KMP) and senior management including criteria for determining qualifications, positive attributes and director's independence and which includes:

- To identify persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down.
- To ensure a transparent Board nomination process keeping in view the diversity of thought, experience, knowledge, perspective and gender in the Board.
- To determine remuneration based on the Company's size and financial position, limits prescribed in the Companies Act, and trends and practices on remuneration prevailing in peer companies, in the Pharma industry besides qualifications, experience, skills, capabilities, contributions made by the individual, etc.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them rewards linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Policy on Nomination and Remuneration of Directors, Key / Senior Managerial Personnel may be accessed on the Company's website at:

https://www.divislabs.com/NominationRemunerationPolicy.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 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 such particulars 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 of Directors carried out an annual evaluation of its own performance, of the Committees of the Board and of the individual directors including independent directors, pursuant to the provisions of the Act and SEBI Listing Regulations.

Performance evaluation was carried out based on criteria evolved, as provided by the guidance note on board evaluation issued by Securities and Exchange Board of India, seeking inputs from the Directors individually and the Committees through a structured questionnaire which provides valuable feedback for contribution to the Board, improving Board effectiveness, maximizing strengths and highlighting areas for further improvement, etc.

In a separate meeting of the Independent Directors, performance of the Chairman, non-independent directors and the Board was evaluated taking into account the views of the non-independent directors and the same was discussed in the Board meeting. Performance evaluation of independent directors is done by the entire Board of Directors (excluding the Directors being evaluated).

The meeting details of the independent directors are provided in the Corporate Governance Report that forms part of this Report

Committees of the Board

As on March 31, 2025, the Board has five Committees - Audit Committee, Nomination and Remuneration Committee,

Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management and Sustainability Committee.

On May 25, 2024, the Board delegated sustainability related references to the Risk Management Committee and renamed the Committee as Risk Management and Sustainability Committee.

During the year, all recommendations made by the Committees were approved by the Board. A detailed note on the composition of the Board and its Committees is provided in the Corporate Governance Report, which forms part of this Report.

Public deposit

The Company has not accepted any deposits from the public covered by provisions of Section 73 of the Act, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Loans, guarantees or investments

The Company has not given any loans or guarantees to persons covered under the provisions of Section 186 of the Act. The details of investments made by the Company are given in the notes to the financial statements forming part of this Annual Report.

Related party transactions

In line with the requirements of the Act and the SEBI Listing Regulations, the Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions, as approved by the Board is available on the Company's website at https://www.divislabs.com/wp-content/uploads/2025/04/RPT_Policy_V4.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, in Form AOC-2 is 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 is included in the Management Discussion and Analysis Report, which forms part of this Annual report.

Risk management

The Board of Directors of the Company has a Risk Management and Sustainability Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has an additional oversight in the area of financial risks and controls. The brief of terms of reference, composition and names of members and chairperson are set out in the Corporate Governance Report forming part of this Annual Report.

The Company has an enterprise-wide approach to risk management, which lays emphasis on identifying and managing key operational and strategic risks. The Risk Management and Sustainability Committee constantly evaluates various risks related to business, customer concentration, supplier concentration, regulatory compliances, confidentiality of processes, consistency of cGMP practices, environment, employee health and safety, cyber security and data protection, business continuity, various ESG risks etc. The major risks identified are systematically addressed through mitigating actions on a continuing basis.

Further details on the risk management activities including key risks identified, and their mitigations are covered in 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, confirm 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, 2025 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)

Divi's has been carrying out CSR activities for over the past 3 decades. The CSR initiatives of the Company during the year include promoting education, safe drinking water, preventive healthcare, village development, environmental sustainability, support to differently abled, Swatch Bharat, livelihood enhancement, promotion of rural sports, woman empowerment, etc.

Company's CSR Policy is available on our website at https://www.divislabs.com/wp-content/uploads/2022/12/Divis-CSR-Policy-1.pdf.

The report on our CSR activities as well as summary of the impact assessment report are enclosed as **Annexure – IV** to this Report.

Conservation of energy, technology absorption and foreign exchange earnings & outgo

Particulars as prescribed under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are enclosed as **Annexure – V** to this Report.

Vigil mechanism

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in conformation with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

Employees and other stakeholders are required to report actual or suspected violations of applicable laws and regulations and the Code of Conduct. Such genuine concerns can be raised by a Whistle-blower through an e-mail or dedicated telephone line or a letter to the Chairman of the Audit Committee or to the Vigilance Officer. The Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. This mechanism also provides for adequate safeguards against victimization of director(s)/ employee(s) who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy may be accessed on the Company's website at: https://www.divislabs.com/wp-content/uploads/2020/06/WhistleBlowerPolicy.pdf

Statutory auditors

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/ N500016), Chartered Accountants, were re-appointed as Statutory Auditors of the Company at the 32nd Annual General Meeting held on August 22, 2022, for a period of five years till the conclusion of the 37th AGM to be held in the year 2027.

Secretarial audit and appointment of secretarial auditors

The Board has appointed M/s. V. Bhaskara Rao & Co., Company Secretaries, (CP No. 4182) as the secretarial auditors of the Company to conduct the secretarial audit for the FY 2024-25. The Secretarial Audit Report for the FY 2024-25 is annexed herewith as **Annexure - VI**.

Based on the recommendation of the Audit Committee, the Board at its meeting held on May 17, 2025 has recommended for appointment of M/s. V. Bhaskara Rao & Co., Practicing Company Secretaries, Hyderabad (Unique code number of firm: P2025TS104600 and having Peer Review No.6351/2025), as Secretarial Auditors of the Company to hold office for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30, subject to the approval of shareholders as per the SEBI Listing Regulations read with Section 204 of the Act and Rules thereunder.

Cost audit

Pursuant to Section 148 of the Act and Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 as amended, the Company maintains cost records in its books of account. As per Rule 4 of the said rules, the requirement for cost audit is not applicable to a company which is covered under Rule 3, and whose revenue from exports, in foreign exchange, exceeds seventy-five per cent of its total revenue or which is operating from a special economic zone. Being satisfied with all these criteria, cost audit is not mandatory for the

Company. However, the Company is opting voluntarily for an audit of cost records and appointed M/s. E.V.S & Associates, Cost Accountants as Cost Auditors.

Auditor's report and Secretarial Audit report

The Statutory Auditor's Report and the Secretarial Auditor's Report do not contain any qualifications, reservations, or adverse remarks or disclaimer. During the FY 2024-25, the statutory auditor and the secretarial auditor have not reported any instance of fraud committed as prescribed under Section 143(12) of the Act in the Company by its officers or employees.

Annual return

The Annual return of the Company as on March 31, 2025, in terms 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 on unclaimed dividend and transfer to IEPF is provided in the Corporate Governance Report.
- No Company has become or ceased to be its subsidiary, joint venture or associate company during the year.
- No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
- The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder and during the year under review, there were no complaints received or pending.
- The Company has followed the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.
- There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.
- There was no instance of one-time settlement with any Bank or Financial Institution.

Acknowledgements

Your Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

We are sure you will join our Directors in conveying our sincere appreciation to employees at all levels of the Company and its subsidiaries, for their hard work, dedication and commitment and for their participation in the growth of the Company.

For and on behalf of the Board

Dr. Ramesh B.V. Nimmagadda
Chairman
DIN: 07854042

Dr. Murali K. Divi
Managing Director
DIN: 00005040

Date: May 17, 2025
Place: Hyderabad

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, 2024 to March 31, 2025	April 01, 2024 to March 31, 2025
3	Reporting currency and exchange rate as on the last date of the relevant financial year	1 USD = ₹85.5814 Balance sheet 1 USD = ₹84.5542 for P&L	1 CHF = ₹97.12 Balance sheet 1 CHF = ₹95.4264 for P&L
4	Share capital	1	4
5	Reserves & surplus	105	23
6	Total assets	185	283
7	Total liabilities	79	256
8	Investments	-	-
9	Turnover	268	344
10	Profit before taxation	14	0*
11	Provision for taxation	7	0
12	Profit after taxation	7	0
13	Other comprehensive income after tax for the year	3	1
14	Total comprehensive income for the year	10	1
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 and Chief Executive Officer
DIN: 00006503

Nilima Prasad Divi
Whole-time Director (Commercial)
DIN: 06388001

L. Kishorebabu
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Place: Hyderabad
Date: May 17, 2025

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	1,589	37.61%
2	Mr. N.V. Ramana Executive Director	814	36.38%
3	Dr. Kiran S. Divi Whole-time Director and Chief Executive Officer	555	35.27%
4	Ms. Nilima Prasad Divi Whole-time Director (Commercial)	553	34.99%
5	Dr. S. Devendra Rao Whole-time Director (Manufacturing)	56	8.66%
6	Dr. Ramesh B.V. Nimmagadda Non- Executive Chairman & Independent Director	6	6.06%
7	Prof. S. Ganapaty Independent Director	6	14.29%
8	Prof. Sunaina Singh Independent Director	5	-3.57%
9	Mr. K.V. Chowdary Independent Director	6	-6.06%
10	Dr. Rajendra Kumar Premchand[1] Independent Director	4	-
11	Mr. K.V.K. Seshavataram[2] Independent Director	1	-
12	Mr. L. Kishore Babu Chief Financial Officer	Not applicable	7.32%
13	Mr. M. Satish Choudhury Company Secretary	Not applicable	43.31%

[1] *Dr. Rajendra Kumar Premchand was appointed with effect from May 25, 2024, and remuneration in FY 2025 was paid as director for part of the year. Thus, it is not comparable.*

[2] *Mr. K.V.K. Seshavataram retired as an Independent Director of the Company with effect from close of business hours on June 22, 2024, and remuneration in FY 2025 was paid for part of the year. 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 annual remuneration of ₹20 lakhs per annum.

(ii) The percentage increase in the median remuneration of employees in the financial year was 1.64%.

(iii) As on March 31, 2025, the Company has 9,109 permanent employees on the rolls of Company as defined under said Rule 5(1).

(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year was 16.98% whereas there was increase of 35.33% in the managerial remuneration.

(v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, and other Employees.

For and on behalf of the Board

Dr. Ramesh B.V. Nimmagadda
Chairman
DIN: 07854042

Dr. Murali K. Divi
Managing Director
DIN: 00005040

Date: May 17, 2025
Place: Hyderabad

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, brother of Mr. L. Kishore Babu, Chief Financial Officer	Mr. S. Swaroop Krishna, son of Dr. S. Devendra Rao, Whole-time Director (Manufacturing)
b	Nature of contracts/ arrangements/ transactions	Currently working as Vice President (Procurement)	Currently working as Senior Manager (Engineering)
c	Duration of the contracts/arrangements/ transactions	On going	On going
d	Salient terms of the contracts or arrangements or transactions including the value, if any	During the FY 2024-25, he received remuneration of ₹2.79 crores (including allowances and perks). Terms of employment as applicable to employees occupying similar positions in the said management cadre as per the general policy of the Company	During the FY 2024-25, he received remuneration of ₹0.38 crores (including allowances and perks). Terms of employment as applicable to employees occupying similar positions in the said management cadre as per the general policy of the Company
e	Date of approval by the Board, if any	April 14, 2009 and March 20, 2014	February 10, 2024
f	Amount paid as advances, if any:	Nil	Nil

For and on behalf of the Board

Dr. Ramesh B.V. Nimmagadda
Chairman
DIN: 07854042

Dr. Murali K. Divi
Managing Director
DIN: 00005040

Date: May 17, 2025
Place: Hyderabad

Annexure – IV

Annual Report on Corporate Social Responsibility (CSR) activities undertaken during the FY 2024-25

1. Brief outline on CSR Policy of the Company

Divi's strongly believe that industrial growth must contribute to the upliftment of the society around. Hence, the main focus of CSR is communities or villages around its manufacturing facilities.

The objective of Divi's CSR Policy is:

- To make sure the business remains sustainable and continues to contribute to the welfare of all stakeholders.
- To take up programmes that benefit the neighboring communities in enhancing quality of life and economic well-being of the local populace.
- To facilitate a holistic approach base for a sustainable improvement in the social, economic and environmental situation of the needy and underserved.
- Also embedded in this objective is support to the marginalised cross section of the society by providing opportunities to improve their quality of life.

The CSR projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013.

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/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 for the CSR Projects undertaken. As per the statutory requirement, impact assessment of the following CSR projects was carried out by an independent agency, M/s. Deeksha, a registered non-profit society.

Sl. No	CSR Projects	CSR activity related to	CSR project amount (in ₹ crore)	Year of implementation
1	Development of Mandal Parishad Primary School, Gambhiraopet, Rajanna Siricilla, Telangana	Promoting education	1.00	2021-22
2	Support to facilitate infrastructure in schools (KG–PG Educational Institution) Gambhiraopet, Siricilla, Telangana	Promoting education	1.50	2023-24

Sl. No	CSR Projects	CSR activity related to	CSR project amount (in ₹ crore)	Year of implementation
3	Jala Prasadam – Safe drinking water project at the seven major temples in Andhra Pradesh	Safe drinking water	5.98	2023-24
4	Sri Kalyana Venkateswara Veda Patasala, Tirupati District, Andhra Pradesh	Promoting education	1.00	2021-22
5	Installation of RO plants in government schools of Munugode constituency, Telangana	Promoting education & Safe drinking water	1.65	2023-24
6	Developmental works at Model School, Rajanna Siricilla, Telangana	Promoting Education	1.10	2021-22
7	Support to development of schools in Rajanna Siricilla, Telangana	Promoting education	1.00	2021-22

The executive summary of the impact assessment reports as well as detailed impact CSR impact assessment reports 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)	2,711.92
b)	Two percent of average net profit of the Company as per Section 135(5) (in ₹ crores)	54.24
c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years (in ₹ crores)	1.16
d)	Amount required to be set off for the financial year, if any	-
e)	Total CSR obligation for the financial year [(b)+(c)-(d)] (in ₹ crores)	55.40

6.

a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) (in ₹ crores)	48.10
b)	Amount spent in Administrative Overheads (in ₹ crores)	1.00
c)	Amount spent on Impact Assessment, if applicable. (in ₹ crores)	0.09
d)	Total amount spent for the Financial Year [(a)+(b)+(c)] (in ₹ crores)	49.19

e) CSR amount spent or unspent for the Financial Year

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
49.19	-	6.21	April 29, 2025	-	

(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 2023-24	24.47	24.47	16.11	NA		8.36	NA
2.	FY 2022-23	8.68	7.22	2.06	NA		5.16	NA
3.	FY 2021-22	Nil	NA	NA	NA		NA	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. The Company has transferred the amount unspent to the Unspent CSR account, in terms of Section 135(6) of the Act.

Date: May 17, 2025
Place: Hyderabad

Dr. Murali K. Divi
Managing Director
DIN: 00005040

Dr. Ramesh B.V. Nimmagadda
Chairman of CSR Committee
DIN: 07854042

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 utilisation 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:

- Replacing screw type air compressors with centrifugal type air compressors and purge type ADU with HOC (Heat of Compression) type ADU (Air Dryer Unit).
- Arranging oxygen analysers to process vessels.
- Installing LT capacitor bank panel with automatic power factor controller (APFC).
- Replacing of reciprocating brine chilling plant with screw type brine chilling plant.
- Laying steam condensate collecting lines to reduce load on live steam consumption.
- Installation of Dissolved Oxygen (DO) analyzer for Biological Aeration Tanks.
- Replacing of steam ejectors with dry vacuum pumps.
- Installation of ADD-ON system for brine secondary pumps.
- Recovery and reuse of flash steam letting out to atmosphere.
- Installing advance and energy efficient equipment.

(ii) Steps taken by the Company for utilising alternate sources of energy

- Replacing electrical lights with solar lights in the garden area.
- Arranging transparent roof-top sheets at manufacturing facilities.

(iii) The capital investment on energy conservation equipment is ₹15.58 crores during the year.

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	2024-25	2023-24
Capital	-	-
Recurring	80	70
Total	80	70
Total R&D Expenditure as a % of Sales Revenue	0.86%	0.91%

C. Foreign Exchange Earnings and Outgo

(₹ in crores)

Particulars	2024-25	2023-24
Foreign Exchange earnings	8,154	6,687
Foreign Exchange outgo	1,867	1,916

For and on behalf of the Board

Dr. Ramesh B.V. Nimmagadda
Chairman
DIN: 07854042

Dr. Murali K. Divi
Managing Director
DIN: 00005040

Date: May 17, 2025
Place: Hyderabad

Annexure – VI

FORM NO. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

[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, 2025 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, 2025, 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.

For V. Bhaskara Rao and Co.,
Company Secretaries

V. Bhaskara Rao
Partner
FCS No.5939, CP No.4182
Peer Review No.6351/2025
UDIN: F005939G000365727

Date: May 17, 2025
Place: Hyderabad

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.

For V. Bhaskara Rao and Co.,
Company Secretaries

V. Bhaskara Rao
Partner
FCS No.5939, CP No.4182
Peer Review No.6351/2025
UDIN: F005939G000365727

Date: May 17, 2025
Place: Hyderabad



Financial Statements

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, 2025, 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, 2025, 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 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 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 ₹9,141 crores from sale of products during the year. Revenue in respect of sale of products is recognised when the customer obtains control of the Company's product, which occurs at a point in time.

The Company has many customers operating in various geographies and sale contracts with customers have different international commercial terms (incoterms), which influence the timing of recognition of revenue.

The above was considered to be a key audit matter, since 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:

- Evaluated relevant 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 revenue from sale of products, including sales occurred close to year end period, to their underlying supporting documents like purchase order, invoice, shipping documents, incoterms etc., on sample basis to evaluate whether revenue has been recognised in the correct accounting period.
- Verified 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")

Refer to Note 3 & 4 to the standalone financial statements.

During the year, the company incurred capital expenditure of ₹1,362 crores across various locations and capitalised ₹1,115 crores as Property, Plant and Equipment, mainly comprising Plant and Machinery, Roads and Buildings. This includes ₹755 crores with respect to unit of a greenfield project at Ontimamidi village near Kakinada, Andhra Pradesh, which commenced its commercial production.

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 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 costs meet the recognition criteria under Ind AS 16.
- In respect of internal costs such as employee benefits expense and other direct expenses 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 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 Management Discussion and Analysis, Board's report, Business Responsibility and Sustainability Report and Corporate Governance Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and 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 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 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 judgment 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, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, 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 on reporting under Section 143(3)(b) and paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

(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 to the standalone financial statements.

ii. The Company was not required to recognise a provision as at March 31, 2025 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 derivative contracts as at March 31, 2025.

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 final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

As stated in Note 28(b) to the standalone financial statements, the Board of Directors of the Company have 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 an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail has not been enabled for changes made through one specific access at the application level and at the direct database level.

The audit trail feature for another software application was incrementally enabled and operated from June 29, 2024, except for changes made 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: 25090196BMRJSI9147

Date: May 17, 2025
Place: Hyderabad

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, 2025

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, 2025 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, 2025, 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: 25090196BMRJSI9147

Date: May 17, 2025
Place: Hyderabad

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, 2025

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 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 chosen cost model for its Property, Plant and Equipment and Intangible Assets. 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, 2024, September 30, 2024, December 31, 2024, and audited by us for the year ended March 31, 2025. (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 provision 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.

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 same 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, 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 of income tax, goods and services tax, service tax, entry tax, duty of customs and duty of excise as at March 31, 2025 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
Customs Act, 1962	Penalty	0.02	-	April 2015 to December 2016	Commissioner of Customs (Appeals-II), Chennai
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	-	July 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	FY 2014-15 to 2016-17	High Court of Andhra Pradesh, Amaravati
Income Tax Act, 1961	Interest	0.0041	-	FY 2005-06	Additional Commissioner of Income Tax, Range-I, Hyderabad
CGST Act, 2017	GST, Interest and Penalty	248.91	8.20	FY 2017-18, FY 2018-19	High Court of Telangana, Hyderabad
CGST Act, 2017	GST and Penalty	0.21	0.02	FY 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 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 with the Central Government. 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 them. 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 Core Investment Companies (Reserve Bank) Directions, 2016) 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) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(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: 25090196BMRJSI9147

Date: May 17, 2025
Place: Hyderabad

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, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,436	4,733
Capital work-in-progress	4	1,022	778
Intangible assets	5	4	4
Financial assets			
(i) Investments	6(a)	72	89
(ii) Other financial assets	6(b)(i)	62	56
Income tax assets (net)	7(a)	1	1
Other non-current assets	8	248	129
Total Non-current assets		**6,845**	**5,790**
Current assets			
Inventories	9	3,033	2,985
Financial assets			
(i) Trade receivables	6(c)	2,855	2,273
(ii) Cash and cash equivalents	6(d)	396	344
(iii) Bank balances other than (ii) above	6(e)	3,300	3,617
(iv) Other financial assets	6(b)(ii)	16	7
Income tax assets (net)	7(b)	12	28
Other current assets	10	367	318
Total current assets		**9,979**	**9,572**
TOTAL ASSETS		**16,824**	**15,362**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	53	53
Other equity	11(b)	14,842	13,431
TOTAL EQUITY		**14,895**	**13,484**
Liabilities			
Non-current liabilities			
Provisions	12	-	37
Deferred tax liabilities (net)	13	509	582
Total Non-current liabilities		**509**	**619**
Current liabilities			
Financial liabilities			
(i) Borrowings	14(a)	2	-
(ii) Trade payables	14(b)		
a) Total outstanding dues of micro and small enterprises		37	35
b) Total outstanding dues other than (ii) (a) above		843	772
(iii) Other financial liabilities	14(c)	134	100
Current tax liabilities	7(c)	-	42
Other current liabilities	15	350	303
Provisions	12	54	7
Total current liabilities		**1,420**	**1,259**
TOTAL LIABILITIES		**1,929**	**1,878**
TOTAL EQUITY AND LIABILITIES		**16,824**	**15,362**

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

Date: May 17, 2025
Place: Hyderabad

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

L. Kishorebabu
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: May 17, 2025
Place: Hyderabad

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, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	16	9,198	7,665
Other income	17	352	337
Total Income		**9,550**	**8,002**
Expenses			
Cost of raw materials consumed	18	3,760	3,210
Changes in inventories of finished goods and work-in-progress	19	(83)	(127)
Employee benefits expense	20	1,210	1,067
Finance costs	21	1	3
Depreciation and amortisation expense	22	401	376
Other expenses	23	1,332	1,341
Total Expenses		**6,621**	**5,870**
Profit before tax		**2,929**	**2,132**
Tax expense			
Current tax	24	793	511
Deferred tax		(73)	45
Total tax expense		**720**	**556**
Profit after tax		**2,209**	**1,576**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gain/(loss)on remeasurements of post-employment benefit obligations		(3)	(2)
- Income tax relating to these items		1	1
Other comprehensive income/(loss) after tax		**(2)**	**(1)**
Total comprehensive income		**2,207**	**1,575**
Earnings per share (par value of ₹2 each)			
-Basic and Diluted	36	83.20	59.37

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

Date: May 17, 2025
Place: Hyderabad

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

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M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: May 17, 2025
Place: Hyderabad

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, 2025	For the year ended March 31, 2024
Cash flows from operating activities		
Profit before tax	2,929	2,132
Adjustments for:		
Depreciation and amortisation expense	401	376
Unrealised foreign exchange loss/(gain)	6	(5)
Interest income from financial assets at amortised cost	(295)	(301)
Change in fair value of investments in optionally convertible debentures	(1)	(5)
Gain on redemption of investments	(4)	-
Provision for doubtful debts/ (written back) including bad debts written off/ (recovered)	1	-*
Interest expense	1	3
Loss on disposal / discard of property, plant and equipment and intangible assets	4	4
Amortisation of government grants	-*	-*
	3,042	**2,204**
Change in operating assets and liabilities		
(Increase) / Decrease in trade receivables	(592)	(303)
(Increase) / Decrease in inventories	(48)	(204)
(Increase) / Decrease in other non current assets	-	(8)
(Increase) /Decrease in other current financial assets	(9)	1
(Increase) /Decrease in other non current financial assets	(6)	(4)
(Increase) / Decrease in other current assets	(49)	(119)
Increase / (Decrease) in employee benefit obligation	7	6
Increase / (Decrease) in trade payables	82	64
Increase / (Decrease) in other current financial liabilities	-	(5)
Increase / (Decrease) in other current liabilities	41	7
Cash generated from operations	**2,468**	**1,639**
Income tax paid including withholding tax and net of refunds	(818)	(373)
Net cash inflow from operating activities	**1,650**	**1,266**
Cash flows from investing activities		
Payments for property, plant and equipment	(1,437)	(1,002)
Proceeds from sale of property, plant and equipment	-*	-
Proceeds from redemption of optionally convertible debentures	22	-
Interest received	295	300
Proceeds from withdrawal of deposits	3,541	3,949
Investment in deposits	(3,224)	(3,515)
Net cash outflow from investing activities	**(803)**	**(268)**

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, 2025	For the year ended March 31, 2024
Cash flows from financing activities		
Interest paid	(1)	(2)
Dividend paid to company's shareholders	(796)	(796)
Net cash outflow from financing activities	**(797)**	**(798)**
Net increase in cash and cash equivalents	**50**	**200**
Cash and cash equivalents at the beginning of the year	344	144
Cash and cash equivalents at end of the year	**394**	**344**
Reconciliation of cash and cash equivalents at the end of the year		
Cash and cash equivalents [refer note 6(d)]	396	344
Overdraft facilities from bank [refer note 14(a)]	(2)	-
Balance as per statement of cash flows	**394**	**344**

** 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

Date: May 17, 2025
Place: Hyderabad

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K Divi
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M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: May 17, 2025
Place: Hyderabad

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, 2025	As at March 31, 2024
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, 2025						
i	Balance at the beginning of the 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 year**	**80**	**405**	**1,000**	**13,357**	**14,842**
As at March 31, 2024						
i	Balance at the beginning of the previous year	80	650	1,000	10,922	12,652
ii	Profit after tax	-	-	-	1,576	1,576
iii	Other Comprehensive Income after tax	-	-	-	(1)	(1)
iv	Dividend paid to Company's shareholders -transactions with owners in their capacity as owners	-	-	-	(796)	(796)
v	Transfer from retained earnings / to SEZ reinvestment reserve	-	260	-	(260)	-
vi	Transfer to retained earnings / from SEZ reinvestment reserve	-	(284)	-	284	-
vii	**Balance at the end of the previous year**	**80**	**626**	**1,000**	**11,725**	**13,431**

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

Date: May 17, 2025
Place: Hyderabad

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K Divi
Managing Director
DIN: 00005040

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L. Kishorebabu
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: May 17, 2025
Place: Hyderabad

Notes to the 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 17, 2025.

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] 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 notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(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 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

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 38(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 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, 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**

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, 2024									
Gross carrying amount									
At the beginning of the year	194	4,179	1,560	57	27	44	244	26	6,331
Additions	1	267	107	4	-	7	12	2	400
Disposals	-	(8)	-*	-	-*	-	-	-	(8)
At the end of the year	**195**	**4,438**	**1,667**	**61**	**27**	**51**	**256**	**28**	**6,723**
Accumulated depreciation									
At the beginning of the year	-	1,218	214	27	10	27	103	18	1,617
Depreciation charge	-	286	55	5	3	5	20	3	377
Disposals	-	(4)	-	-	-	-	-	-	(4)
At the end of the year	**-**	**1,500**	**269**	**32**	**13**	**32**	**123**	**21**	**1,990**
Net carrying amount as at March 31, 2024	**195**	**2,938**	**1,398**	**29**	**14**	**19**	**133**	**7**	**4,733**

** 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 ₹75(March 31, 2024: ₹9).

(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. During the year, the Company capitalised ₹755 as Property, plant and equipment with respect to Unit-III greenfield project at Ontimamidi village, near Kakinada, Andhra Pradesh, which commenced its commercial production.

	March 31, 2025	March 31, 2024
Capital work-in-progress		
At the beginning of the year	778	212
Additions	1,362	968
Capitalisations	(1,118)	(402)
At the end of the year	**1,022**	**778**

Note 4(a): Capital work-in-progress ageing (CWIP) schedule

As at March 31, 2025	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	886	127	9	-	1,022
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2024	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	736	34	8	-	778
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, 2025 and March 31, 2024.

Note 4(c): Capital work in progress includes directly attributable cost of ₹59 (March 31, 2024: ₹44) as per details given below:

Particulars	March 31, 2025	March 31, 2024
Opening Balance	44	-
Employee benefits expense	39	15
Other expenses	41	25
Depreciation and amortisation expense	10	4
Total	**134**	**44**
Less: Capitalisations during the year	(75)	-
Closing Balance	**59**	**44**

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 38(b) for accounting policies relevant to intangible assets.

	March 31, 2025	March 31, 2024
Computer software		
Gross carrying amount		
At the beginning of the year	29	27
Additions	3	2
Disposals	-	-
At the end of the year	**32**	**29**
Accumulated amortisation		
At the beginning of the year	25	22
Amortisation charge	3	3
Disposals	-	-
At the end of the year	**28**	**25**
Net carrying amount	**4**	**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.

(a) 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:

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

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.

(b) 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.

(c) 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 recognized 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.

(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 recognized 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 38(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, 2025	March 31, 2024
Unquoted, fully paid up			
(i)	**Investment in equity instruments in subsidiary companies (at cost)**		
	2,000 (March 31, 2024 : 2,000) ordinary shares of US$ 0.01 each of Divis Laboratories (USA) Inc **	3	3
	200 (March 31, 2024 : 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, 2024 : 12,000) equity shares of ₹10/- each of Pattan Cheru Enviro Tech Limited	-*	-*
Total equity instruments		**7**	**7**
(ii)	**Investment in debentures in other companies (at FVPL)**		
	0.25% Redeemable 5,40,00,000 (March 31, 2024:7,20,00,000) optionally convertible debentures (OCDs) of ₹10/- each [refer note below]	65	82
	(Including change in fair value of investments in OCDs ₹11 (March 31, 2024 : ₹10)		
Total debentures		**65**	**82**
Total non-current investments		**72**	**89**
	Aggregate amount of unquoted investments	72	89
	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, 2024: ₹1) included in the cost of investment is on account of fair valuation of interest free loans given to subsidiary.*

**** ₹4 (March 31, 2024: ₹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 year amounting ₹22 including accumulated premium of ₹4 upto the date of redemption.

Note 6(b): Other financial assets

	March 31, 2025	March 31, 2024
6(b)(i): Other financial assets - non-current:		
Security deposits	62	56
Total other financial assets - non-current	**62**	**56**
6(b)(ii): Other financial assets - current:		
Export incentive receivable	-*	1
Rental deposit	3	3
Other deposits	12	3
Insurance claims receivable	1	-*
Total other financial assets - current	**16**	**7**

** 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(c) Trade receivables

	March 31, 2025	March 31, 2024
Trade receivables from others	2,556	2,014
Trade receivables from related parties	300	260
Gross trade receivables	2,856	2,274
Less: Loss allowance	1	1
Net trade receivables	**2,855**	**2,273**
Current portion	2,855	2,273
Non-current portion	-	-

(i) Security wise break-up of trade receivables

	March 31, 2025	March 31, 2024
Trade receivables considered good- secured	-	-
Trade receivables considered good - unsecured	2,855	2,273
Trade receivables - credit impaired	1	1
Total	**2,856**	**2,274**
Less: Loss allowance	1	1
Total trade receivables	**2,855**	**2,273**

(ii) Ageing of trade receivables

Particulars	Unbilled	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**

Particulars	Unbilled	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, 2024								
Undisputed trade receivables								
Considered good	-	1,835	422	16	-	-	-	2,273
Credit impaired	-	-	-	-	1	-	-	1
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-*	-*
Total	**-**	**1,835**	**422**	**16**	**1**	**-**	**-***	**2,274**
Less: Loss allowance	-	-	-	-	1	-	-*	1
Total trade receivables								**2,273**

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 38(d) for accounting policies relevant to Cash and cash equivalents

	March 31, 2025	March 31, 2024
Balances with banks		
- in current accounts	1	3
- in term deposits with original maturity period of less than three months	394	340
Cash on hand	1	1
Total cash and cash equivalents*	**396**	**344**

**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, 2025	March 31, 2024
Balances in earmarked accounts with banks:		
- Unclaimed dividend	1	1
- Unspent CSR account	16	7
Balances in term deposit accounts with remaining maturity period of less than twelve months.		
- pledged towards overdraft facilities with banks	171	274
- pledged towards margin on guarantees issued by bank	-*	-*
- other unencumbered deposits	3,112	3,335
Total bank balances other than cash and cash equivalents	**3,300**	**3,617**

** Amount is below the rounding off norm adopted by the Company.*

Note 7: Income tax assets (net)

Refer note 38(e) for accounting policies relevant to Current taxes

	March 31, 2025	March 31, 2024
7(a) Income tax asset - Non-Current		
Prepaid income taxes	1	1
	1	**1**
7(b) Income tax asset - Current		
Prepaid income taxes	804	28
Provision for income tax	792	-
	12	**28**
Total Income tax asset 7(a)+7(b)	**13**	**29**
7(c) Current tax liability		
Provision for income tax	-	513
Prepaid income taxes	-	(471)
Total Income tax liability	**-**	**42**

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, 2025	March 31, 2024
Income tax asset/(liability) - at the beginning of the year	(13)	127
Add: Taxes paid during the year	846	471
Less: Refund received	(28)	(101)
Add: Adjustments of current tax for prior years	-*	3
Less: Current tax provision	(792)	(513)
Net Income tax asset/(liability) - at the end of the year	**13**	**(13)**

Note 8: Other non-current assets

	March 31, 2025	March 31, 2024
Capital advances	238	119
Pre-paid expenses	1	1
Other receivables*	9	9
Total other non-current assets	**248**	**129**

**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 38(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, 2025	March 31, 2024
Raw materials	1,022	1,067
Work-in-progress	1,698	1,620
Finished goods	148	143
Packing material	9	8
Stores and spares	156	147
Total Inventories	**3,033**	**2,985**

Raw materials and finished goods consists of goods in transit of ₹101 (March 31, 2024: ₹127) and ₹146 (March 31, 2024: ₹139) respectively.

Amounts recognised in Profit and loss

Write-down of inventories to net realisable value and on account of slow moving inventory amounted to ₹5 (March 31, 2024: ₹10). 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

	March 31, 2025	March 31, 2024
Indirect taxes- input credits including refund claims	245	202
Prepaid expenses	34	35
Advances to suppliers	87	80
Other receivables	1	1
Total other current assets	**367**	**318**

Note 11: Equity share capital and other equity

Note11(a): Equity share capital

Refer note 38(g) for other accounting policies relevant to Equity

(i) Authorised equity share capital

Particulars	Number of shares	Amount
As at April 1, 2023	30,00,00,000	60
Movement during the year	-	-
As at March 31, 2024	**30,00,00,000**	**60**
Movement during the year	-	-
As at March 31, 2025	**30,00,00,000**	**60**

(ii) Issued, subscribed and paid-up equity share capital

Particulars	Number of shares	Amount
As at April 1, 2023	26,54,68,580	53
Movement during the year	-	-
As at March 31, 2024	**26,54,68,580**	**53**
Movement during the year	-	-
As at March 31, 2025	**26,54,68,580**	**53**

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, 2025		March 31, 2024	
	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%
SBI Mutual Fund	1,31,91,602	4.97%	2,08,44,087	7.85%
Life Insurance Corporation of India	1,49,52,710	5.63%	1,61,68,110	6.09%

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(iv) Shareholdings of promoters and promoter group:

Promoter Name	March 31, 2025			March 31, 2024		
	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	1,88,090	0.07%	-29.47%	2,66,690	0.10%	-7.91%

Note 11(b): Other Equity

	March 31, 2025	March 31, 2024
Reserves and surplus		
Securities premium reserve	80	80
General reserve	1,000	1,000
Retained earnings	13,357	11,725
Special economic zone re-investment reserve	405	626
Total other equity	**14,842**	**13,431**

(i) There is no movement in securities premium reserve and general reserve during the current year and previous year.

(ii) Retained earnings

	March 31, 2025	March 31, 2024
At the beginning of the year	11,725	10,922
Profit after tax for the year	2,209	1,576
Transfer to special economic zone re-investment reserve	-	(260)
Transfer from special economic zone re-investment reserve	221	284
Dividend paid to company's shareholders	(796)	(796)
Items of other comprehensive income recognised directly in retained earnings:		
- Remeasurements of post employment benefit obligation, net of tax	(2)	(1)
At the end of the year	**13,357**	**11,725**

(iii) Special economic zone re-investment reserve

	March 31, 2025	March 31, 2024
At the beginning of the year	626	650
Transfer from retained earnings	-	260
Transferred to retained earnings	(221)	(284)
At the end of the year	**405**	**626**

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.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

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 and utilisation of such reserve in terms of the provisions of the Income Tax Act, 1961.

Note 12: Provisions - Employee Benefit Obligations

Refer note 38(h) for accounting policies relevant to employee benefits.

	March 31, 2025			March 31, 2024		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	53	-	53	7	37	44
Gratuity	1	-	1	-	-	-
	54	**-**	**54**	**7**	**37**	**44**

(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 recognized in the other comprehensive income.

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 company provides gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity benefit. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days' salary multiplied for the number of years of service. 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, 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	-	-	-

Notes to the Standalone 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
(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**

	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2023	47	(48)	(1)
Current service cost	5	-	5
Interest expense/(income)	4	(4)	-
Amount recognized in Statement of profit and loss	**9**	**(4)**	**5**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	1	1
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	1	-	1
(Gain)/loss from experience adjustments	-*	-	-*
Amount recognized in other comprehensive income	**1**	**1**	**2**
Amount recognized in total comprehensive income	**10**	**(3)**	**7**
Employer contributions	-	(16)	(16)
Benefit payments	(1)	1	-
As at March 31, 2024	**56**	**(66)**	**(10)**

** 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, 2025	March 31, 2024
Present value of funded obligations	71	56
Fair value of plan assets	(70)	(66)
Deficit /(Surplus) of funded plans	1	(10)*

** Included under prepaid expenses in note 10 'Other current assets'*

(ii) Significant estimates: Actuarial assumptions

The significant actuarial assumptions considered are:

	March 31, 2025	March 31, 2024
Discount rate	7.03%	7.24%
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	28.25 Years	28.53 Years
Mortality table	IALM(2012-14)	IALM(2012-14)

Notes to the Standalone 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, 2025	March 31, 2024
Defined benefit obligation under base scenario	71	56
Increase / (Decrease) in defined benefit obligation:		
Discount rate:(% change compared to base due to sensitivity)		
Increase : +1%	(8)	(6)
Decrease: -1%	9	8
Salary growth rate:(% change compared to base due to sensitivity)		
Increase : +1%	9	7
Decrease: -1%	(7)	(5)
Attrition rate:(% change compared to base due to sensitivity)		
Increase : +1%	1	-*
Decrease: -1%	(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, 2025	March 31, 2024
*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, 2026 is expected to be ₹8.

The weighted average duration of the defined benefit obligation is 13 years (March 31, 2024: 13 Years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Between 6-10 years	Over 10 years	Total
March 31, 2025						
Defined benefit obligation-gratuity	8	3	9	23	168	211
March 31, 2024						
Defined benefit obligation-gratuity	7	2	7	19	132	167

Notes to the Standalone 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 at the rate of 12% of the employee's qualifying salary as per regulations. 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 ₹28 (March 31, 2024: ₹28).

Employer's contribution to state insurance scheme: Contributions are made to state insurance scheme for eligible employees at the rate of 3.25%. 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, 2024: ₹3)

Note 13: Deferred tax liabilities (net)

Refer note 38(e) for accounting policies relevant to deferred taxes.

The balance comprises temporary differences attributable to:

Particulars	March 31, 2025	March 31, 2024
Deferred tax liability :		
Property, plant and equipment**	521	599
Others	3	3
Deferred tax asset:		
Employee benefits	15	20
Net deferred tax liabilities	**509**	**582**

***Including liability in respect of SEZ reinvestment utilisation reserve*

Movement in deferred tax liabilities /(asset)

Particulars	April 01, 2024	Changes through Profit and Loss	Changes through other comprehensive income	March 31, 2025
Property, plant and equipment	599	(78)	-	521
Employee benefit expenses	(20)	5	-*	(15)
Others	3	-	-	3
Deferred tax liability (net)	**582**	**(73)**	**-***	**509**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Particulars	April 01, 2023	Changes through Profit and Loss	Changes through other comprehensive income	March 31, 2024
Property, plant and equipment	553	46	-	599
Employee benefit expenses	(17)	(3)	-	(20)
Others	1	2	-	3
Deferred tax liability (net)	**537**	**45**	**-**	**582**

** Amount is below the rounding off norm adopted by the Company.*

Note: During the 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(a): Current borrowings

Refer note 38(i) for accounting policies relevant to borrowings.

Particulars	Maturity date and terms of payment	Interest rate	March 31, 2025	March 31, 2024
Loans payable on demand:				
From banks - secured				
- Working capital loans from banks	Payable on demand	8.30%(March 31, 2024: 8.30%)	-	-
- Overdraft facilities from banks	Payable on demand	8.30%(March 31, 2024: 8.73%)	2	-
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 Company has not been declared as wilful defaulter by any bank or financial institutions or government or any government authority.

Secured borrowings and assets pledged as security

Working capital loans are secured by pari-passu first charge on Inventories, receivables and other current assets of the Company.

Overdraft facilities from banks are secured by pledge of specific term deposits with banks.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(iv) Assets pledged as security

The carrying amounts of Company's assets pledged as security for working capital loans from banks:

	March 31, 2025	March 31, 2024
Current assets*		
Inventory	3,033	2,985
Trade receivables	2,855	2,273
Other current assets	4,091	4,314
	9,979	**9,572**

** Value of letters of credit and guarantees outstanding as at March 31, 2025 is ₹265 (March 31, 2024 is ₹234)*

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, 2025	March 31, 2024
Cash and cash equivalents	396	344
Borrowings outstanding at the year end	(2)	-
Net Surplus	**394**	**344**
Net debt obligations	**-**	**-**

	Liabilities from financing activities	Other assets	Net Surplus
	Current borrowings	Cash and bank overdraft	
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**
Net surplus as at April 01, 2023	-	144	144
Cash flows	-	200	200
Interest expense	1	-	1
Interest paid	(1)	-	(1)
Net surplus as at March 31, 2024	**-**	**344**	**344**

Note 14(b): Trade payables

Refer note 38(j) for accounting policies relevant to trade and other payables

	March 31, 2025	March 31, 2024
Current		
Trade payables -micro and small enterprises (Refer note 35)	37	35
Trade payables -others	843	772
Total trade payables	**880**	**807**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(i) Ageing of trade payables

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**

As at March 31, 2024

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	-	35	-	-*	-*	-	35
Others	238	318	216	-*	-*	-	772
Total trade payables	**238**	**353**	**216**	**-***	**-***	**-**	**807**

** Amount is below the rounding off norm adopted by the Company.*

(ii) There are no disputed trade payables as at March 31, 2025 and March 31, 2024.

Note 14(c): Other financial liabilities

	March 31, 2025	March 31, 2024
Current		
Capital creditors	133	99
Unclaimed dividend	1	1
Accrual for rebates / discounts	-*	-*
Total other financial liabilities	**134**	**100**

** Amount is below the rounding off norm adopted by the Company.*

Note 15: Other current liabilities

	March 31, 2025	March 31, 2024
Statutory dues payable	16	14
Deferred revenue government grants	1	1
Employee benefits payable	274	223
Liability towards corporate social responsibility (Refer note 23(b))	19	31
Advance from customers	40	34
Total other current liabilities	**350**	**303**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 16: Revenue from operations

Accounting policy :

(i) Revenue from Sale of Goods:

Revenue from sale of goods is recognized when the customer obtains control of the Company's product, which occurs at a point in time based on international commercial terms as agreed with the customers with payment terms typically in the range of 60 to 180 days after invoicing.

Revenue from these sales is recognized based on the price specified in the contract, net of the estimated discounts. 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.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

For contracts with multiple performance obligations, the Company allocates the transaction price to each performance obligation based on the relative standalone selling price.

Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and service tax (GST) collections and amounts collected on behalf of third parties.

(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.

(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 38(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, 2025	March 31, 2024
Sale of products	9,141	7,603
Sale of services	22	13
Other operating revenue:		
Sale of scrap out of manufacturing process	33	36
Export incentives	2	13
Total revenue from operations	**9,198**	**7,665**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 16(a): Reconciliation of revenue recognised with contract price:

	March 31, 2025	March 31, 2024
Contract price	9,243	7,698
Rebates / Discounts	(47)	(46)
Revenue from contracts with customers	**9,196**	**7,652**

Note 16(b): Disaggregation of revenue:

The Company derives revenue from operations viz., sale of products and services and export incentives from the following geographical areas (based on where products and services are delivered)

Region	March 31, 2025			March 31, 2024		
	Revenue from contracts with customers	Export incentives	Total revenue from operations	Revenue from contracts with customers	Export incentives	Total revenue from operations
Europe	5,192	-	5,192	4,003	-	4,003
America	1,488	-	1,488	1,310	-	1,310
Asia	1,044	-	1,044	1,017	-	1,017
India	1,105	2	1,107	971	13	984
Rest of the world	367	-	367	351	-	351
	9,196	**2**	**9,198**	**7,652**	**13**	**7,665**

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 38(l) for other accounting policies relevant to foreign currency translations.

	March 31, 2025	March 31, 2024
Interest income from financial assets	295	301
Change in fair value of non-current investments	1	5
Gain on redemption of investments	4	-
Net gain on foreign currency transactions and translations	48	28
Miscellaneous income	4	3
Government grants	-*	-*
Total other income	**352**	**337**

** Amount is below the rounding off norm adopted by the Company.*

Note 18: Cost of raw materials consumed

	March 31, 2025	March 31, 2024
Raw materials at the beginning of the year	1,067	946
Add: Purchases	3,715	3,331
Less: Raw materials at the end of the year	1,022	1,067
Total cost of raw materials consumed	**3,760**	**3,210**

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 19: Changes in inventories of finished goods and work-in-progress

	March 31, 2025	March 31, 2024
At the beginning of the year		
Finished goods	143	110
Work-in-progress	1,620	1,526
	1,763	**1,636**
At the end of the year		
Finished goods	148	143
Work-in-progress	1,698	1,620
	1,846	**1,763**
Changes in inventories of finished goods and work-in-progress	**(83)**	**(127)**

Note 20: Employee benefits expense

	March 31, 2025	March 31, 2024
Salaries, wages, bonus and other allowances	1,163	1,020
Contribution to provident fund and other fund	28	28
Contribution to ESI	2	3
Staff welfare expenses	17	16
Total	**1,210**	**1,067**

Refer note 4(c) for the expense capitalised.

Note 21: Finance costs

Refer note 38(n) for accounting policies relevant to borrowing costs.

	March 31, 2025	March 31, 2024
Interest and finance charges on financial liabilities carried at amortised cost	1	1
Interest on income tax	-	2
Charges for letters of credit / bank guarantees	-*	-*
Total finance costs	**1**	**3**

** Amount is below the rounding off norm adopted by the Company.*

Note 22: Depreciation and amortisation expense

	March 31, 2025	March 31, 2024
Depreciation on property, plant and equipment*	398	373
Amortisation of intangible assets	3	3
Total Depreciation and amortisation expense*	**401**	**376**

**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, 2025	March 31, 2024
Consumption of stores and spares	75	78
Packing materials consumed	67	60
Power and fuel	465	477
Repairs and maintenance- buildings	25	38
Repairs and maintenance- machinery	164	170
Repairs and maintenance- others	2	3
Insurance	35	32
Rates and taxes, excluding taxes on income	21	17
Non-executive directors' remuneration including sitting fees	2	2
Printing and stationery	7	7
Rental charges	15	11
Communication expenses	2	2
Travelling and conveyance	63	53
Vehicle maintenance	2	1
Payments to auditors (Refer note 23(a))	1	1
Legal and professional charges	18	20
Factory upkeep	10	10
Environment compliance expenses	79	63
Advertisement and publication	-*	-*
Research and development (Refer note 23(c))	27	26
Sales commission	7	9
Carriage outward	104	61
General expenses	66	62
Electricity service line charges	-*	-*
Provision for doubtful debts/ (written back) including bad debts written off/ (recovered)	1	-*
Political Contributions (Refer note 23(d))	15	75
Corporate social responsibility activities (CSR) (Refer note 23(b))	54	58
Loss on disposal/ discard of assets	4	4
Bank charges	1	1
Total Other expenses	**1,332**	**1,341**

** 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, 2025	March 31, 2024
As statutory auditor	45	45
For quarterly reviews	30	30
Reimbursement of expenses	3	3
Total payments to auditors	**78**	**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, 2025	March 31, 2024
Amount required to be spent for the year	54	58
Amount of expenditure incurred	48	34
Excess amount of CSR expenditure spent under 135(5) of the act	-	-
Amount of shortfall for the year	6	24
Amount of cumulative shortfall at the end of the year**	19	31
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	48	34
Total amount spent during the year in cash	48	34

** 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 ₹18 (March 31, 2024:₹2).*

Note 23(c): Expenses on research and development**

	March 31, 2025	March 31, 2024
Salaries, wages, bonus and other allowances	49	42
Contribution to provident and other funds	3	1
Contribution to ESI	-*	-*
Staff welfare expenses	1	1
Consumption of stores and spares	12	10
Power and fuel	3	3
Repairs to buildings	1	1
Repairs to machinery	5	4
Repairs to other assets	1	2
Rates and taxes, excluding taxes on income	-*	-*
Printing and stationery	-*	-*
Communication expenses	-*	-*
Travelling and conveyance	-*	-*
Professional and consultancy charges	3	4
Miscellaneous expenses	2	2
Total expenses on research and development	**80**	**70**

*** Expenses on research and development to the extent of ₹53 (March 31, 2024: ₹44) is included under employee benefit expenses and ₹27 (March 31, 2024: ₹26) is included under other expenses.*

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, 2025	March 31, 2024
Through electoral bonds#	-	55
Paid to electoral trust company	15	20
Total political contributions	**15**	**75**

March 31, 2025: Nil (March 31,2024: Bharat Rashtra Samithi - ₹20; Bharatiya Janata Party - ₹30; Indian National Congress - ₹5)

Note 24(a): Tax expense

		March 31, 2025	March 31, 2024
(i)	**Current tax expense**		
	Current tax on profits for the year	793	514
	Current tax charge /(reversals) of earlier years	-*	(3)
	Total current tax expense	**793**	**511**
(ii)	**Deferred tax expense**		
	Decrease /(Increase) in deferred tax assets	5	(3)
	(Decrease) /Increase in deferred tax liabilities	(78)	48
	Total deferred tax expense/(benefit)	**(73)**	**45**
(iii)	**Tax expense recognised in statement of profit and loss (i+ii)**	**720**	**556**
(iv)	**Tax recognised in other comprehensive income**	**(1)**	**(1)**
	Total tax expense (iii+iv)	**719**	**555**

** 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, 2025	March 31, 2024
Profit before tax	2,929	2,132
Tax at the rate of 25.168% (March 31, 2024: 34.944%)**	**737**	**745**
Tax effect of expenses not deductible for tax purpose	18	19
Tax effect of Income includible for tax purpose	-*	-
Tax effect of Income not includible for tax purpose	(7)	(203)
Tax effect of adjustments for current tax of prior periods	-*	(3)
Tax effect of lower tax rate u/s 115BAA**	(29)	-
Others	-*	(3)
Total tax expense	**719**	**555**

** Amount is below the rounding off norm adopted by the Company.*

***During the year, the Company has opted for paying taxes under section 115BAA of The Income Tax Act, 1961. Also refer note 13.*

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

Pariculars	Notes	Level	March 31, 2025 Carrying value /fair value	March 31, 2024 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**			65	82
Measured at amortised cost				
Trade receivables	6(c)		2,855	2,273
Security deposits	6(b)(i)		62	56
Cash and cash equivalents and other bank balances	6(d) and 6(e)		3,696	3,961
Other financial assets	6(b)(ii)		16	7
Total financial assets			**6,694**	**6,379**
B. Financial liabilities				
Measured at amortised cost				
Trade payables	14(b)		880	807
Borrowings	14(a)		2	-
Capital creditors	14(c)		133	99
Other financial liabilities	14(c)		1	1
Total financial liabilities			**1,016**	**907**

** Amount is below the rounding off norm adopted by the Company.*

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.

***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 over the aircraft.*

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 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, 2025			March 31, 2024		
	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	62	-	62	56	-	56
Other Current Financial assets	16	-	16	7	-	7

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Expected credit loss from treasury operations and for trade receivables:

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.

The credit risk related to trade receivables 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 have been negligible in the past three years, hence, provision matrix has not been disclosed.

Following are the expected credit losses for trade receivables:

	March 31, 2025	March 31, 2024
Gross carrying amount of trade receivables	2,856	2,274
Less: Expected credit losses including loss allowance provision	(1)	(1)
Net carrying amount of trade receivables	2,855	2,273

Expected credit loss for trade receivables as at March 31, 2025

Ageing	Not due	Outstanding for less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount of trade receivables	2,299	528	28	-*	1	-*	2,856
Expected credit losses	-	-	-	-*	(1)	-*	(1)
Net carrying amount of trade receivables	**2,299**	**528**	**28**	**-***	**-**	**-***	**2,855**

Expected credit loss for trade receivables as at March 31, 2024

Ageing	Not due	Outstanding for less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Gross carrying amount of trade receivables	1,835	422	16	1	-	-*	2,274
Expected credit losses	-	-	-	(1)	-	-*	(1)
Net carrying amount of trade receivables	**1,835**	**422**	**16**	**-**	**-**	**-***	**2,273**

** 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:

	Total
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**
Loss allowance on April 01, 2023	**1**
Change in loss allowance	
Add: Current year loss allowance provided	-*
Less: Recoveries / Writeback	-*
Less: Bad debts written off	-*
Loss allowance on March 31, 2024	**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, and hence no additional measures are taken to hedge the foreign currency risk exposure. The Company is also cautious towards hedging as it has a cost as well as its related risks. Further, Company continually reassesses the cost structure impact of the currency volatility and engages with customers periodically addressing such risks.

(i) Foreign currency risk exposure:

	Currency	March 31, 2025 Amount in foreign currency	March 31, 2025 Amount in ₹	March 31, 2024 Amount in foreign currency	March 31, 2024 Amount in ₹
Receivables	ACU	-*	1	-*	1
	EUR	3	263	3	232
	GBP	2	265	2	200
	USD	25	2,099	20	1,657
	AED	-*	1	-	-
Payable to suppliers	USD	(6)	(493)	(5)	(438)
	EUR	-*	(23)	(1)	(20)
	CHF	-*	(2)	-*	(3)
Net Foreign currency exposure Asset/(Liability)			2,111		1,629

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, 2025	March 31, 2024
USD Sensitivity:		
INR/USD -Increase by 2% (March 31, 2024: 1%)	(24)	(8)
INR/USD -Decrease by 2% (March 31, 2024:1%)	24	8
ACU Sensitivity:		
INR/ACU -Increase by 1% (March 31, 2024: 1%)	-*	-*
INR/ACU -Decrease by 1% (March 31, 2024: 1%)	-*	-*
EUR Sensitivity:		
INR/EUR -Increase by 3% (March 31, 2024: 1%)	(5)	(1)
INR/EUR -Decrease by 3% (March 31, 2024: 1%)	5	1
GBP Sensitivity:		
INR/GBP -Increase by 6% (March 31, 2024: 3%)	(12)	(4)
INR/GBP -Decrease by 6% (March 31, 2024: 3%)	12	4
CHF Sensitivity:		
INR/CHF -Increase by 3% (March 31, 2024: 3%)	-*	-*
INR/CHF -Decrease by 3% (March 31, 2024: 3%)	-*	-*
AED Sensitivity:		
INR/AED -Increase by 2% (March 31, 2024:6%)	-*	-
INR/AED -Decrease by 2% (March 31, 2024: 6%)	-*	-

** 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:

	March 31, 2025				March 31, 2024			
	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	880	-	-	880	807	-	-	807
Other financial liabilities	134	-	-	134	100	-	-	100
Total	**1,014**	**-**	**-**	**1,014**	**907**	**-**	**-**	**907**

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, 2025	March 31, 2024
Net debt (Refer Note 14(a)(v))	-	-
Total Equity	14,895	13,484
Net debt to equity ratio	**NA**	**NA**

(b) Dividend:

Refer note 38(m) for other accounting policies relevant to dividend.

	March 31, 2025	March 31, 2024
Dividend paid on equity shares	796	796
Final dividend for the year ended March 31, 2024 of ₹30 (March 31, 2023: ₹30) per fully paid share		
Dividend not recognised at the end of the reporting period	796	796
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, 2024: ₹30). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		

Note 29: Segment Information

Refer note 38(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 38(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 ₹13 (March 31, 2024: ₹10).

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)
: Mr. Madhusudana Rao Divi (Whole-time Director-Projects) upto 28.08.2023

(c) Non-Executive Directors
: Mr. K V K Seshavataram (Independent Director) upto 22.06.2024
: Mr. R Ranga Rao (Independent Director) upto 31.03.2024
: Dr. G Suresh Kumar (Independent Director) upto 31.03.2024
: 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

(d) Relative of Key Management personnel
: Mr. Babu Rajendra Prasad Divi
: Mr. Madhusudana Rao Divi
: Mr. Sri Ramachandra Rao Divi
: Mrs. Jhansilakshmi Pendyala
: Mrs. Divi Swarna Latha
: Mrs. Divi Raja Kumari
: Mr. Divi Satyasayee Babu
: Mrs. Shanti Chandra Attaluri
: 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 No. 12 for information on transactions with post employment benefit plan.)
: Divi's Foundation for Gifted Children Trust

(f) Entities in which relatives of key management personnel are interested
: M/s Sri Lakshmi constructions
: M/s Bheema Infra Solutions Private Limited

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(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

(h) Summary of related party transactions and balances:

		March 31, 2025		March 31, 2024	
		Transaction amount	Outstanding balance as at March 31, 2025	Transaction amount	Outstanding balance as at March 31, 2024
(i)	Managerial remuneration and short term employee benefits to Key Management Personnel -refer note 31(i)(i)	198	190	144	138
(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	-	46	-
(v)	Salary and allowances to relatives of key management personnel - Mr. N. Venkata Aniruddh	-*	-*	-*	-
(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	12	-	10	-
(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	4	-	3	-
(xii)	Sales / Receivable - Subsidiary- Divi's Laboratories Europe AG	229	226	217	203
(xiii)	Sales / Receivable - Subsidiary- Divis Laboratories (USA) Inc.	175	74	121	57
(xiv)	Purchase / payable - Subsidiary -Divis Laboratories (USA) Inc.	-	-	-*	-
(xv)	Purchase of goods and services from entities in which the relatives of key management personnel are interested - refer note 31(i)(v)	34	7	6	2
(xvi)	Advance given to entities in which the relatives of key management personnel are interested - refer note 31(i)(vi)	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, 2025	March 31, 2024
(i) Subsidiary- Divis Laboratories (USA) Inc.	-	5
(ii) Subsidiary- Divi's Laboratories Europe AG	20	5

(i) Transactions with Related Parties:

	March 31, 2025		March 31, 2024	
	Transaction amount	Outstanding balance as at March 31, 2025	Transaction amount	Outstanding balance as at March 31, 2024
(i) Managerial Remuneration and short term employee benefits to Key Management Personnel#				
1. Dr. Murali K. Divi	88	88	64	64
2. Mr. N.V. Ramana	45	44	33	32
3. Mr. Madhusudana Rao Divi (upto 28.08.2023)	-	-	1	-
4. Dr. Kiran S. Divi	31	29	23	21
5. Ms. Nilima Prasad Divi	31	29	23	21
6. Dr. Devendra Rao Sureddi	3	-*	-*	-*
	198	**190**	**144**	**138**
(ii) Remuneration including Sitting fees to non-executive directors				
1. Mr. K.V.K. Seshavataram	0.07	-	0.31	-
2. Dr.G Suresh Kumar (upto 31.03.2024)	-	-	0.33	-
3. Mr. R Ranga Rao (upto 31.03.2024)	-	-	0.35	-
4. Dr. S. Ganapaty	0.32	-	0.28	-
5. Dr. Ramesh B V Nimmagadda	0.35	-	0.33	-
6. Prof. Sunaina Singh	0.27	-	0.28	-
7. Mr. K V Chowdary	0.31	-	0.33	-
8. Mr. Rajendra Kumar Premchand	0.24	-	-	-
	1.56	**-**	**2.21**	**-**
(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. Mr. N.V. Ramana	-	-	-*	-
5. Dr. Devendra Rao Sureddi	-*	-	-*	-
	347	**-**	**347**	**-**
(iv) Dividend paid to Relatives of Key Management Personnel				
1. Mr. Babu Rajendra Prasad Divi	-	-	-*	-
2. Mr. Madhusudana Rao Divi (w.e.f. 29.08.2023)	1	-	1	-
3. Mrs. Jhansilakshmi Pendyala	-*	-	-*	-
4. Mrs. Divi Swarna Latha	42	-	42	-
5. Mrs. Divi Raja Kumari (upto 28.08.2023)	NA	-	-*	-
6. Mrs. Shanti Chandra Attaluri (upto 28.08.2023)	NA	-	1	-
7. Mrs. N.Nirmala Kumari	-*	-	-*	-
8. Mrs. N. Chandrika Lakshmi	-*	-	-*	-
9. Mr. N. Venkata Aniruddh	1	-	1	-
10. Mrs. N. Monisha	1	-	1	-
11. Mr. Ravi Teja Meka	-*	-	-*	-
12. Mr. N. Prashanth	-*	-	-*	-
13. Mr. N Nageswara Rao	-*	-	-*	-
14. Mrs. L. Vijaya Lakshmi	-*	-	-*	-
15. Mr. Sureddi Swaroop Krishna	-*	-	-*	-
16. Mr. Venkata Prasada Rao Sureddi	-*	-	-*	-
17. Mrs. Sudha Devendra Sureddi	-*	-	-*	-
18. Mrs. Sree Sowmya Sureddi	-*	-	-*	-
	45	**-**	**46**	**-**
(v) Purchase of goods and Services from Entities in which the relatives of key management personnel are interested				
1. M/s Sri Lakshmi constructions	32	6	5	2
2. M/s Bheema Infra Solutions Private Limited	2	1	1	-
	34	**7**	**6**	**2**
(vi) Advance given to entities in which the relatives of key management personnel are interested				
1. M/s Sri Lakshmi constructions	1	1	-	-
2. M/s Bheema Infra Solutions Private Limited	-*	-*	-	-
	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.

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

	March 31, 2025	March 31, 2024
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	257

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.

b) Other Matter

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.

Note 33: Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

		March 31, 2025	March 31, 2024
(i)	**Property, Plant and Equipment:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of ₹238 (March 31, 2024: ₹119))	553	395
(ii)	**Others:**		
	On account of bonds or legal agreements executed with Central excise/ Customs authorities/ SEZ development commissioners.	1,280	780

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 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, 2025	March 31, 2024
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 38(q) for the other accounting policies relevant to Earnings per share

	March 31, 2025	March 31, 2024
(a) Basic EPS		
Basic earnings per share attributable to the equity holders of the company	83.20	59.37
(b) Diluted EPS		
Diluted earnings per share attributable to the equity holders of the company	83.20	59.37

There are no potential dilutive shares.

(c) Reconciliation of earnings used in calculating earnings per share

	March 31, 2025	March 31, 2024
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	2,209	1,576
Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	2,209	1,576

(d) Weighted average number of shares used as the denominator

	March 31, 2025	March 31, 2024
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: Analytical Ratios

S.No	Description	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance
a	Current Ratio	Total current assets	Total current liabilities	7.03	7.60	-7.50%
b	Debt - Equity Ratio	Borrowings (Refer note 14(a)(v))	Total Equity	**	NA	**
c	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	**	NA	**
d	Return on Equity Ratio*	Profit after tax	Average Total Equity	15.57%	12.04%	29.32%
e	Inventory Turnover Ratio	Revenue from sale of products (Refer note 16)	Average Inventory	3.05	2.65	15.07%
f	Trade Receivables Turnover Ratio	Total Revenue from operations (Refer note 16)	Average trade receivables	3.59	3.61	-0.55%
g	Trade Payables Turnover Ratio	Net credit purchases	Average trade payables	6.00	5.97	0.40%
h	Net Capital Turnover Ratio	Total Revenue from operations (Refer note 16)	Average working capital	1.09	0.93	17.14%

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

S.No	Description	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance
i	Net Profit Ratio	Profit after tax	Total Income	23.13%	19.70%	17.45%
j	Return on Capital Employed*	Earnings before interest and taxes	Average capital employed	19.88%	15.62%	27.28%
k	Return on Investment*	Profit after tax	Average total assets	13.72%	10.60%	29.42%

**The variance is on account of increase in profits during the year.*

*** The Company has utilised the overdraft facilities from banks during the current year and there is no debt obligation(net) to the Company during the previous year. The ratio and the variance computed is below the rounding off norms adopted by the Company.*

Description of numerator and denominator:

a Current Ratio

Current Ratio is computed as a ratio of total current assets to total current liabilities.

b Debt - Equity Ratio

Debt - Equity Ratio is computed as a ratio of borrowings to total equity. The Company has zero debt.

c Debt Service Coverage Ratio

Debt Service Coverage Ratio is computed as a ratio of earnings available for debt service to debt service

i) Earnings available for debt service is sum of profit after tax, finance cost and non cash expenditure

ii) Debt service is sum of finance cost and principal repayments

d Return on Equity Ratio

Return on Equity Ratio is computed as a ratio of profit after tax to average of opening and closing total equity (i.e., Average Total Equity).

e Inventory Turnover Ratio

Inventory Turnover Ratio is computed as a ratio of revenue from sale of products to average of opening and closing inventory (i.e., Average Inventory).

f Trade Receivables Turnover Ratio

Trade Receivables Turnover Ratio is computed as a ratio of revenue from operations to average of opening and closing trade receivables(i.e., Average trade receivables) .

g Trade Payables Turnover Ratio

Trade Payables Turnover Ratio is computed as a ratio of net credit purchases to average of opening and closing trade payables (i.e., Average trade payables).

Net credit purchases consists of purchase of raw material, packing material, stores, spares and other products and services.

h Net Capital Turnover Ratio

Net Capital Turnover Ratio is computed as a ratio of revenue from operations to average of opening and closing working capital (i.e.,Average working capital).

i Net Profit Ratio

Net Profit Ratio is computed as a ratio of profit after tax to total income.

j Return on Capital Employed

Return on Capital Employed is computed as a ratio of profit before interest and taxes to average of opening and closing capital employed (i.e., Average Capital employed). Capital employed consists of total equity and deferred tax liability.

k Return on Investment

Return on investment is computed as ratio of Profit after tax to average of the opening and closing total assets (i.e., Average total assets).

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 38 – 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 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 where 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.

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

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

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 benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the current in which the benefits will be paid, and 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 financial year 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 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.

To determine the incremental borrowing rate, the Company:

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

- 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.

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

Notes to the Standalone Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

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 39. Audit Trail implementation

Due to standard functionality of SAP application, audit trail for a specific access in the application and database functionality of SAP, while changes made are logged, it does not capture 'old value' and 'new 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 incrementally enabled and is fully operational since June 29, 2024.

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

N.K. Varadarajan
Partner
Membership number: 90196

Date: May 17, 2025
Place: Hyderabad

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

L. Kishorebabu
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: May 17, 2025
Place: Hyderabad

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 attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2025, 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, 2025, 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 ₹9,141 crores from sale of products during the year. Revenue in respect of sale of products is recognised when the customer obtains control of the Holding Company's product, which occurs at a point in time.

The Holding Company has many customers operating in various geographies and sale contracts with customers have different international commercial terms (incoterms), which influence the timing of recognition of revenue.

The above was considered to be a key audit matter, since 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:

- Evaluated relevant 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 revenue from sale of products, including sales occurred close to year end period, to their underlying supporting documents like purchase order, invoice, shipping documents, incoterms etc.,

on sample basis to evaluate whether revenue has been recognised in the correct accounting period.

- Verified 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 & 4 to the consolidated financial statements.

During the year, the Holding Company incurred capital expenditure of ₹1,362 crores across various locations and capitalised ₹1,115 crores as Property, Plant and Equipment, mainly comprising Plant and Machinery, Roads and Buildings. This includes ₹755 crores with respect to unit of a greenfield project at Ontimamidi village near Kakinada, Andhra Pradesh, which commenced its commercial production.

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 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 costs meet the recognition criteria under Ind AS 16.
- In respect of internal costs such as employee benefits expense and other direct expenses 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 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 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 Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group 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 Group.

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. This report does not contain a statement on the matter specified in 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 as, in our opinion, and according to the information and explanations given to us, there are no qualifications or adverse remarks included in the CARO 2020 reports issued in respect of the standalone financial statements of the Holding Company which is included in these Consolidated Financial Statements. Further, according to the information and explanations given to us, CARO 2020 is not applicable to any of the other companies included in these 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, 2025 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, 2025 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 on reporting under Section 143(3)(b) and paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (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, 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 to the consolidated financial statements.

        ii. The Group did not require to recognise a provision as at March 31, 2025 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 derivative contracts as at March 31, 2025.

        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 34(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 Notes 34(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) 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 final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

        As stated in Note 28(b) to the 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 an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail has not been enabled for changes made through one specific access at the application level and at the direct database level.

        The audit trail feature for another software application was incrementally enabled and operated from June 29, 2024, except for changes made 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 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: 25090196BMRJSK7342

Date: May 17, 2025
Place: Hyderabad

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, 2025

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. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025 we have audited the internal financial controls with reference to financial statements of Divi's Laboratories Limited (hereinafter referred to as "the Holding Company"), which is a company incorporated in India, as of that date. There are no other companies included in the consolidated financial statements that are 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 controls 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 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 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, which is a company incorporated in India, 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, 2025, 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: 25090196BMRJSK7342

Date: May 17, 2025
Place: Hyderabad

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, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,437	4,733
Right of use assets	3(a)	1	2
Capital work-in-progress	4	1,022	778
Intangible assets	5	4	4
Financial assets			
(i) Investments	6(a)	65	82
(ii) Other financial assets	6(b)(i)	62	56
Income tax assets (net)	7(a)	1	1
Deferred tax asset	13(a)	11	10
Other non-current assets	8	248	129
Total Non-current assets		**6,851**	**5,795**
Current assets			
Inventories	9	3,236	3,184
Financial assets			
(i) Trade receivables	6(c)	2,731	2,156
(ii) Cash and cash equivalents	6(d)	415	363
(iii) Bank balances other than (ii) above	6(e)	3,300	3,617
(iv) Other financial assets	6(b)(ii)	16	7
Income tax assets (net)	7(b)	13	28
Other current assets	10	370	320
Total current assets		**10,081**	**9,675**
TOTAL ASSETS		**16,932**	**15,470**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	53	53
Other equity	11(b)	14,916	13,518
TOTAL EQUITY		**14,969**	**13,571**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	3(b)	2	2
Provisions	12	-	37
Deferred tax liabilities (net)	13(b)	509	582
Total Non-current liabilities		**511**	**621**
Current liabilities			
Financial liabilities			
(i) Borrowings	14(a)	2	-
(ii) Lease liabilities	3(b)	-*	1
(iii) Trade payables	14(b)		
a) Total outstanding dues of micro and small enterprises		37	35
b) Total outstanding dues other than (iii) (a) above		873	789
(iv) Other financial liabilities	14(c)	134	100
Current tax liabilities	7(c)	-	43
Other current liabilities	15	352	303
Provisions	12	54	7
Total current liabilities		**1,452**	**1,278**
TOTAL LIABILITIES		**1,963**	**1,899**
TOTAL EQUITY AND LIABILITIES		**16,932**	**15,470**

** 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

Date: May 17, 2025
Place: Hyderabad

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

L. Kishorebabu
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: May 17, 2025
Place: Hyderabad

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, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	16	9,360	7,845
Other income	17	352	339
Total Income		**9,712**	**8,184**
Expenses			
Cost of raw materials consumed	18	3,821	3,232
Purchase of stock-in-trade		-	6
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(96)	(109)
Employee benefits expense	20	1,243	1,094
Finance costs	21	2	3
Depreciation and amortisation expense	22	402	378
Other expenses	23	1,424	1,417
Total expenses		**6,796**	**6,021**
Profit before tax		**2,916**	**2,163**
Tax expense			
Current tax	24	799	514
Deferred tax		(74)	49
Total tax expense		**725**	**563**
Profit after tax		**2,191**	**1,600**
Profit after tax attributable to:			
Owners of Holding Company		2,191	1,600
Non-controlling interests		-	-
Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
(Loss)/gain on remeasurements of post-employment benefit obligations		(3)	(2)
Income tax relating to these items		1	1
(B) Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		6	2
Income tax relating to these items		(1)	(1)
Other comprehensive income after tax		**3**	**-**
Other comprehensive income attributable to:			
Owners of Holding Company		3	-
Non-controlling interests		-	-
Total comprehensive income		**2,194**	**1,600**
Total comprehensive income attributable to:			
Owners of Holding Company		2,194	1,600
Non-controlling interests		-	-
Earnings per share (par value of ₹2 each)			
- Basic and Diluted	38	82.53	60.27

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

Date: May 17, 2025
Place: Hyderabad

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K Divi
Managing Director
DIN: 00005040

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Dr. Kiran S Divi
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DIN: 00006503

Nilima Prasad Divi
Whole-time Director
(Commercial)
DIN: 06388001

L. Kishorebabu
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: May 17, 2025
Place: Hyderabad

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, 2025	For the year ended March 31, 2024
Cash flows from operating activities		
Profit before tax	2,916	2,163
Adjustments for:		
Depreciation and amortisation expense	402	378
Unrealised foreign exchange loss/(gain)	9	(2)
Interest income from financial assets at amortised cost	(295)	(301)
Change in fair value of investments in optionally convertible debentures	(1)	(5)
Gain on redemption of investments	(4)	-
Provision for doubtful debts/ (written back) including bad debts written off/ (recovered)	(2)	4
Interest expense	2	3
Loss on disposal / discard of property plant and equipment and intangible assets	4	4
Amortisation of government grants	-*	-*
	3,031	**2,244**
Change in operating assets and liabilities		
(Increase) /Decrease in trade receivables	(582)	(361)
(Increase)/Decrease in inventories	(52)	(184)
(Increase) /Decrease in other non current assets	-	(7)
(Increase) /Decrease in other non-current financial assets	(6)	(5)
(Increase) /Decrease in other current financial assets	(9)	(1)
(Increase) /Decrease in other current assets	(50)	(119)
Increase / (Decrease) in employee benefit obligation	7	6
Increase / (Decrease) in trade payables	95	62
Increase/ (Decrease) in other current financial liabilities	-	(5)
Increase/(Decrease) in other current liabilities	43	7
Cash generated from operations	**2,477**	**1,637**
Income tax paid including withholding tax and net of refunds	(824)	(376)
Net cash inflow from operating activities	**1,653**	**1,261**
Cash flows from investing activities		
Payments for property, plant and equipment	(1,438)	(1,003)
Proceeds from sale of property, plant and equipment	-*	-
Proceeds from redemption of optionally convertible debentures	22	-
Interest received	295	300
Proceeds from withdrawal of deposits	3,541	3,949
Investment in deposits	(3,224)	(3,515)
Net cash outflow from investing activities	**(804)**	**(269)**

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, 2025	For the year ended March 31, 2024
Cash flows from financing activities		
Interest paid	(2)	(2)
Principal elements of lease liabilities paid	(1)	(1)
Dividend paid to company's shareholders	(796)	(796)
Net cash outflow from financing activities	**(799)**	**(799)**
Net increase in cash and cash equivalents	**50**	**193**
Cash and cash equivalents at the beginning of the year	363	170
Cash and cash equivalents at end of the year	**413**	**363**
Reconciliation of cash and cash equivalents at the end of the year		
Cash and cash equivalents [refer note 6(d)]	415	363
Overdraft facilities from bank [refer note 14(a)]	(2)	-
Balance as per Statement of cash flows	**413**	**363**

** 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

Date: May 17, 2025
Place: Hyderabad

For and on behalf of the Board of Directors of
Divi's Laboratories Limited

Dr. Murali K Divi
Managing Director
DIN: 00005040

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(Commercial)
DIN: 06388001

L. Kishorebabu
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: May 17, 2025
Place: Hyderabad

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, 2025	As at March 31, 2024
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, 2025							
i	Balance at the beginning of the current reporting period	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	**Total comprehensive income**	-	-	-	2,189	5	**2,194**
v	Dividend paid to Company's shareholders - transactions with owners in their capacity as owners	-	-	-	(796)	-	(796)
vi	Transfer to retained earnings / from SEZ reinvestment reserve	-	(221)	-	221	-	-
vii	**Balance at the end of the current reporting period**	**80**	**405**	**1,000**	**13,400**	**31**	**14,916**
As at March 31, 2024							
i	Balance at the beginning of the previous reporting period	80	650	1,000	10,959	25	12,714
ii	Profit after tax	-	-	-	1,600	-	1,600
iii	Other comprehensive income after tax	-	-	-	(1)	1	-
iv	**Total comprehensive income**	-	-	-	1,599	1	**1,600**
v	Dividend paid to Company's shareholders - transactions with owners in their capacity as owners	-	-	-	(796)	-	(796)
vi	Transfer from retained earnings/ to SEZ reinvestment reserve	-	260	-	(260)	-	-
vii	Transfer to retained earnings / from SEZ reinvestment reserve	-	(284)	-	284	-	-
viii	**Balance at the end of the previous reporting period**	**80**	**626**	**1,000**	**11,786**	**26**	**13,518**

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

Date: May 17, 2025
Place: Hyderabad

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
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Whole-time Director
(Commercial)
DIN: 06388001

L. Kishorebabu
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: May 17, 2025
Place: Hyderabad

Notes to the 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 17, 2025.

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] 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 notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts- Ind AS 117; and
- Lease liability in sale and leaseback- Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(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 give in the relevant notes.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

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

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

(iv) Estimation of deferred tax assets and liabilities – note 13

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 the 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 39(d) for 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 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
Roads and buildings	3 to 60 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 and10 years
Laboratory Equipment	10 years
Computer and data processing units	3 to 6 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, 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**

Notes to the 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, 2024									
Gross carrying amount									
At the beginning of the year	194	4,179	1,560	57	27	44	244	27	6,332
Additions	1	267	107	4	-	7	12	3	401
Disposals	-	(8)	-*	-	-*	-	-	-	(8)
At the end of the year	**195**	**4,438**	**1,667**	**61**	**27**	**51**	**256**	**30**	**6,725**
Accumulated depreciation									
At the beginning of the year	-	1,218	214	27	10	27	103	19	1,618
Depreciation charge	-	286	55	5	3	5	20	4	378
Disposals	-	(4)	-	-	-	-	-	-	(4)
At the end of the year	**-**	**1,500**	**269**	**32**	**13**	**32**	**123**	**23**	**1,992**
Net carrying amount as at March 31, 2024	**195**	**2,938**	**1,398**	**29**	**14**	**19**	**133**	**7**	**4,733**

** 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 ₹75(March31, 2024: ₹9).

(d) The group has not revalued its Property, plant and equipment during the year or in the previous year.

Note 3(a): Right of use assets

Refer note 39(r) for accounting policies relevant to leases

	March 31, 2025	March 31, 2024
Gross carrying amount		
At the beginning of the year	6	6
Additions	-*	-*
Foreign operations translation adjustments	-*	-*
At the end of the year	**6**	**6**
Accumulated Depreciation		
At the beginning of the year	4	3
Depreciation charge during the year	1	1
Foreign operations translation adjustments	-*	-*
At the end of the year	**5**	**4**
Net carrying amount	**1**	**2**

** Amount is below the rounding off norm adopted by the Group.*

Note 3(b): Lease Liabilities

	March 31, 2025	March 31, 2024
Non-current		
Lease liabilities	2	2
Current		
Lease liabilities	-*	1
	2	**3**

Note 3(c): Amounts recognised in the consolidated statement of profit and loss:

	Note	March 31, 2025	March 31, 2024
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. During the year, the Company capitalised ₹755 as Property, plant and equipment with respect to Unit-III greenfield project at Ontimamidi village, near Kakinada, Andhra Pradesh, which commenced its commercial operations.

	March 31, 2025	March 31, 2024
Capital work-in-progress		
At the beginning of the year	778	212
Additions	1,362	968
Capitalisations	(1,118)	(402)
At the end of the year	**1,022**	**778**

Notes to the 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, 2025	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	886	127	9	-	1,022
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2024	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	736	34	8	-	778
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, 2025 and March 31, 2024.

Note 4(c): Capital work in progress includes directly attributable cost of ₹59 (March 31, 2024: ₹44) as per details given below:

Particulars	March 31, 2025	March 31, 2024
Opening Balance	44	-
Employee benefits expense	39	15
Other expenses	41	25
Depreciation and amortisation expense	10	4
Total	**134**	**44**
Less: Capitalisations during the year	(75)	-
Closing Balance	**59**	**44**

Note 5: Intangible assets

Refer note 39(e) for accounting policies relevant to intangible assets

	March 31, 2025	March 31, 2024
Computer software		
Gross carrying amount		
At the beginning of the year	29	27
Additions	3	2
Disposals	-	-
At the end of the year	**32**	**29**
Accumulated amortisation		
At the beginning of the year	25	22
Amortisation charge	3	3
Disposals	-	-
At the end of the year	**28**	**25**
Net carrying amount	**4**	**4**

Note:

The Group has not revalued intangible assets during the year or in the previous year.

Notes to the 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.

(a) 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.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(b) Equity instruments

The Group subsequently measures all equity investments 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 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 recognised 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.

(c) 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 recognized 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.

(iii) Impairment of financial assets

The group assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised 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 recognized 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(g) for other accounting policies relevant to financial assets.

Note 6(a): Non current Investments

	March 31, 2025	March 31, 2024
(Unquoted, fully paid up)		
(a) Investment in equity instruments in other companies (at FVPL)		
12,000 (March 31, 2024: 12,000) Equity Shares of ₹10/- each of Pattan Cheru Enviro Tech Limited	-*	-*
Total equity instrument	**-***	**-***
(b) Investment in debentures in other companies (at FVPL)		
0.25% Redeemable 5,40,00,000 (March 31, 2024:7,20,00,000) optionally convertible debentures (OCDs) of ₹10/- each [refer note below]	65	82
(Including change in fair value of investments in OCDs ₹11 (March 31, 2024: ₹10))		
Total debentures	**65**	**82**
Total Non-current investments	**65**	**82**
Aggregate amount of unquoted investments	65	82
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 year amounting ₹22 including accumulated premium of ₹4 upto the date of redemption.

Notes to the 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, 2025	March 31, 2024
6(b)(i): Other financial assets - non - current		
Security deposits	62	56
Total Other financial assets - non - current	**62**	**56**
6(b)(ii): Other financial assets - current		
Export incentive receivable	-*	1
Rental deposits	3	3
Other deposits	12	3
Insurance claims receivable	1	-*
Total other financial assets - current	**16**	**7**

** Amount is below the rounding off norm adopted by the Group.*

Note 6(c): Trade receivables

	March 31, 2025	March 31, 2024
Trade receivables	2,738	2,166
Less: Loss allowance	7	10
Total Trade receivables	**2,731**	**2,156**
Current portion	2,731	2,156
Non-current portion	-	-

(i) Security wise break-up of trade receivables

	March 31, 2025	March 31, 2024
Trade receivables considered good- secured	-	-
Trade receivables considered good - unsecured	2,731	2,158
Trade receivables - credit impaired	7	8
Total	**2,738**	**2,166**
Less: Loss allowance	7	10
Total trade receivables	**2,731**	**2,156**

(ii) Ageing of trade receivables

Particulars	Unbilled	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**

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Particulars	Unbilled	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, 2024								
Undisputed trade receivables								
Considered good	-	1,807	341	6	2	2	-	2,158
Credit impaired	-	-	-	-	1	1	5	7
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	1	1
Total	**-**	**1,807**	**341**	**6**	**3**	**3**	**6**	**2,166**
Less: Loss allowance	-	-	-	-	1	3	6	10
Total trade receivables								**2,156**

** Amount is below the rounding off norm adopted by the Group.*

Note 6(d): Cash and cash equivalents

Refer note 39(i) for accounting policies relevant to cash and cash equivalents

	March 31, 2025	March 31, 2024
Balances with banks:		
- in current accounts	20	22
- in term deposits with original maturity period of less than three months	394	340
Cash on hand	1	1
Total cash and cash equivalents*	**415**	**363**

**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, 2025	March 31, 2024
Balances in earmarked accounts with banks:		
- Unclaimed dividend	1	1
- Unspent CSR account	16	7
Balances in term deposit accounts with remaining maturity period of less than twelve months.		
- pledged towards overdraft facilities with banks	171	274
- pledged towards margin on guarantees issued by bank	-*	-*
- other unencumbered deposits	3,112	3,335
Total bank balances other than cash and cash equivalents	**3,300**	**3,617**

** Amount is below the rounding off norm adopted by the Group.*

Notes to the 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 39(j) for accounting policies relevant to current taxes.

	March 31, 2025	March 31, 2024
7(a): Income tax assets - Non-current		
Prepaid income taxes	1	1
	1	**1**
7(b). Income tax asset - Current		
Prepaid income taxes	809	28
Provision for income tax	(796)	-
	13	**28**
Total Income tax asset (net) 7(a)+7(b)	**14**	**29**
7(c): Current tax liabilities (net)		
Provision for income tax	-	520
Prepaid income taxes	-	(477)
Total Income tax liability	**-**	**43**

Note 7(d): Movement in income tax asset/(liability)

	March 31, 2025	March 31, 2024
Income tax asset/(liability) - at the beginning of the year	(14)	127
Add: Taxes paid during the year	852	477
Less : Refund received	(28)	(101)
Add: Adjustments of current tax for prior years	3	3
Less: Current tax provision	(799)	(520)
Net income tax asset/ (liability) - at the end of the year	**14**	**(14)**

Note 8: Other non-current assets

	March 31, 2025	March 31, 2024
Capital advances	238	119
Pre-paid expenses	1	1
Other receivables*	9	9
Total other non-current assets	**248**	**129**

**Includes ₹8 deposited on account of disputed GST order. Refer the note 33(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 realisable value.

Refer note 39(k) for other accounting policies relating to inventories.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

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, 2025	March 31, 2024
Raw materials	1,037	1,091
Work-in-progress	1,698	1,620
Finished goods	335	317
Packing material	9	8
Stores and spares	157	148
Total Inventories	**3,236**	**3,184**

Raw materials and finished goods consists of goods in transit of ₹102(March 31, 2024: ₹127) and ₹206 (March 31, 2024: ₹167) respectively.

Amounts recognised in Profit and loss

Write-down of inventories to net realisable value and on account of slow moving inventory amounted to ₹13 (March 31, 2024:₹10). 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, 2025	March 31, 2024
Indirect taxes- input credits including refund claims	245	203
Prepaid expenses	37	36
Advances to suppliers	87	80
Other receivables	1	1
Total other current assets	**370**	**320**

Note 11: Equity share capital and other equity

Note11(a): Equity share capital

Refer note 39(l) for accounting policies relevant to equity

(i) Authorised equity share capital

Particulars	Number of shares	Amount
As at April 1, 2023	30,00,00,000	60
Movement during the year	-	-
As at March 31, 2024	**30,00,00,000**	**60**
Movement during the year	-	-
As at March 31, 2025	**30,00,00,000**	**60**

(ii) Issued, subscribed and paid-up equity share capital

Particulars	Number of shares	Amount
As at April 1, 2023	26,54,68,580	53
Movement during the year	-	-
As at March 31, 2024	**26,54,68,580**	**53**
Movement during the year	-	-
As at March 31, 2025	**26,54,68,580**	**53**

Notes to the Consolidated 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 Group has only one class of equity shares having par value of ₹2 per share. The Group declares and pays dividend 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, 2025		March 31, 2024	
	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%
SBI Mutual Fund	1,31,91,602	4.97%	2,08,44,087	7.85%
Life Insurance Corporation of India	1,49,52,710	5.63%	1,61,68,110	6.09%

(iv) Shareholdings of promoters and promoter group:

Promoter Name	March 31, 2025			March 31, 2024		
	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%
Divi's Biotech Private Limited	80,00,000	3.01%	0.00%	80,00,000	3.01%	0.00%
Mr. Madhusudana Rao Divi	1,88,090	0.07%	-29.47%	2,66,690	0.10%	-7.91%

Note 11 (b): Other equity

	March 31, 2025	March 31, 2024
Reserves and surplus		
Securities premium reserve	80	80
General reserve	1,000	1,000
Retained earnings	13,400	11,786
Special economic zone re-investment reserve	405	626
	14,885	**13,492**
Other comprehensive income		
Exchange differences on translating the financial statements of foreign operations	31	26
Total other equity	**14,916**	**13,518**

(i) There is no movement in securities premium reserve and general reserve during the current year and previous year.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(ii) Retained earnings

	March 31, 2025	March 31, 2024
At the beginning of the year	11,786	10,959
Profit after tax for the year	2,191	1,600
Transfer to special economic zone re-investment reserve	-	(260)
Transfer from special economic zone re-investment reserve	221	284
Dividend paid to company's shareholders	(796)	(796)
Item of other comprehensive income recognised directly in retained earnings:		
- Remeasurement of post employment benefit obligation, net of tax	(2)	(1)
At the end of the year	**13,400**	**11,786**

(iii) Special economic zone re-investment reserve

	March 31, 2025	March 31, 2024
At the beginning of the year	626	650
Transfer from retained earnings	-	260
Transferred to retained earnings	(221)	(284)
At the end of the year	**405**	**626**

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 and utilisation of such reserve in terms of the provisions of the Income Tax Act, 1961.

Note 12: Provisions - Employee benefit obligations

Refer note 39(m) for accounting policies relevant to employee benefits.

	March 31, 2025			March 31, 2024		
	Current	Non-current	Total	Current	Non-current	Total
Compensated absences	53	-	53	7	37	44
Gratuity	1	-	1	-	-	-
	54	**-**	**54**	**7**	**37**	**44**

(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 recognized in the other comprehensive income.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

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 Company provides Gratuity for its employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity benefit. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days' salary multiplied for the number of years of service. 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, 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**

	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2023	47	(48)	(1)
Current service cost	5	-	5
Interest expense/(income)	4	(4)	-
Amount recognized in Statement of profit and loss	**9**	**(4)**	**5**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	1	1
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	1	-	1
(Gain)/loss from experience adjustments	-*	-	-*
Amount recognised in other comprehensive income	**1**	**1**	**2**
Amount recognised in total comprehensive income	**10**	**(3)**	**7**
Employer contributions	-	(16)	(16)
Benefit payments	(1)	1	-
As at March 31, 2024	**56**	**(66)**	**(10)**

** Amount is below the rounding off norm adopted by the Group.*

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

The net liability disclosed above relates to funded plans are as follows:

	March 31, 2025	March 31, 2024
Present value of funded obligations	71	56
Fair value of plan assets	(70)	(66)
Deficit /(Surplus) of funded plans*	1	(10)*

** Included under prepaid expenses in note 10 'Other current assets'*

(ii) Significant estimates: Actuarial assumptions

The significant actuarial assumptions were as follows:

	March 31, 2025	March 31, 2024
Discount rate	7.03%	7.24%
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	28.25 years	28.53 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, 2025	March 31, 2024
Defined benefit obligation under base scenario	71	56
Increase / (Decrease) in Defined benefit obligation:		
Discount rate:(% change compared to base due to sensitivity)		
Increase : +1%	(8)	(6)
Decrease: -1%	9	8
Salary growth rate:(% change compared to base due to sensitivity)		
Increase : +1%	9	7
Decrease: -1%	(7)	(5)
Attrition rate:(% change compared to base due to sensitivity)		
Increase : +1%	1	-*
Decrease: -1%	(1)	-*

The above sensitivity analysis is 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 prior 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.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

The major categories of plan assets are as follows:

	March 31, 2025	March 31, 2024
*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, 2026 is expected to be ₹8.

The weighted average duration of the defined benefit obligation is 13 years (March 31, 2024: 13 Years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Between 6-10 years	Over 10 years	Total
March 31, 2025						
Defined benefit obligation-gratuity	8	3	9	23	168	211
March 31, 2024						
Defined benefit obligation-gratuity	7	2	7	19	132	167

(v) Asset-liability matching strategy

The Holding 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 at the rate of 12% of the employee's qualifying salary as per regulations. The contributions are made to registered provident fund administered by the government. This obligation of the group is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the year towards this defined contribution plan is ₹28 (March 31, 2024- ₹28).

Employer's contribution to state insurance scheme: Contributions are made to state insurance scheme for eligible employees at the rate of 3.25% . The contributions are made to employee state insurance corporation (ESI), a corporation administered by the government. This obligation of the group is limited to the amount contributed and it has no further contractual or any constructive obligation. The expense recognised during the year towards defined contribution plan is ₹2 (March 31, 2024- ₹3).

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 13: Deferred tax:

Refer note 39(j) for accounting policies relevant to deferred taxes.

Note 13(a): Deferred tax asset

The balance comprises temporary differences attributable to:

	March 31, 2025	March 31, 2024
Deferred tax asset:		
Deferred tax on intra group adjustments	11	10
Deferred tax asset	**11**	**10**

Note 13(b): Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

	March 31, 2025	March 31, 2024
Deferred tax liability		
Property, plant and equipment **	521	599
Others	3	3
Deferred tax asset:		
Employee benefits	15	20
Net deferred tax liabilities	**509**	**582**

***Including liability in respect of SEZ reinvestment utilisation reserve.*

Movement in deferred tax liabilities /(asset)

Particulars	April 01, 2024	Changes through profit and loss	Changes through OCI	March 31, 2025
Property, plant and equipment	599	(78)	-	521
Employee benefit expenses	(20)	5	-*	(15)
Others including intra-group adjustments	(7)	(1)	-	(8)
Foreign operations translation adjustment	-*	-	-	-*
Net 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

Particulars	April 01, 2023	Changes through profit and loss	Changes through OCI	March 31, 2024
Property, plant and equipment	553	46	-	599
Employee benefit expenses	(17)	(3)	-	(20)
Others including intra-group adjustments	(13)	6	-	(7)
Foreign operations translation adjustment	-*	-	-	-*
Net Deferred tax liability/(asset)	**523**	**49**	**-**	**572**
Deferred tax asset-refer note 13(a)	14			10
Deferred tax liability- refer note 13(b)	**537**			**582**

** Amount is below the rounding off norm adopted by the group.*

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note: During the year, the group 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 (a): Current borrowings

Refer note 39(n) for accounting policies relevant to borrowings.

Particulars	Maturity date and terms of payment	Interest rate	March 31, 2025	March 31, 2024
Loans payable on demand:				
From banks - secured				
-Working capital loans from banks	Payable on demand	8.30% (March 31, 2024: 8.30%)	-	-
-Overdraft facilities from banks	Payable on demand	8.30% (March 31, 2024: 8.73%)	2	-
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 were 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.

Secured borrowings and assets pledged as security

Working capital loans are secured by pari-passu first charge on inventories, receivables and other current assets of the Company. Overdraft facilities from banks are secured by pledge of specific term deposits with banks.

iv) Assets pledged as security

The carrying amounts of Company's assets pledged as security for working capital loans and overdraft facilities from banks:

	March 31, 2025	March 31, 2024
Current Assets*		
Inventory	3,033	2,985
Trade receivables	2,855	2,273
Other current assets	4,091	4,314
	9,979	**9,572**

**Value of letters of credit and guarantees outstanding as at March 31, 2025 is ₹265 (March 31, 2024 is ₹234)*

There were no delays in registration of satisfication of charges with Registrar of Companies beyond the statutory period.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 14(a)(v): Net debt reconciliation

This section sets out the changes in liabilities arising from financing activities in the statement of cash flows:

	March 31, 2025	March 31, 2024
Cash and cash equivalents	415	363
Borrowings outstanding at the year end	(2)	-
Net surplus	413	363
Net debt obligations	**-**	**-**

	Liabilities from financing activities	Other assets	Net Surplus
	Current borrowings	Cash and bank overdraft	
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**
Net surplus as at April 01,2023	-	170	170
Cash flows	-	193	193
Interest expense	1	-	1
Interest paid	(1)	-	(1)
Net surplus as at March 31, 2024	**-**	**363**	**363**

Note 14(b): Trade payables

Refer note 39(o) for accounting policies relevant to trade payables

	March 31, 2025	March 31, 2024
Current		
Trade payables -micro and small enterprises (Refer note 36)	37	35
Trade payables -others	873	789
Total trade payables	**910**	**824**

(i) Ageing of trade payables

As at March 31, 2025

Particulars	Unbilled	Not due	Outstanding for 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**

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

As at March 31, 2024

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	-	35	-	-	-	-	35
Others	251	319	219	-*	-*	-*	789
Total Trade payables	**251**	**354**	**219**	**-***	**-***	**-***	**824**

** Amount is below the rounding off norm adopted by the Group.*

(ii) There are no disputed trade payables as at March 31, 2025 and March 31, 2024.

Note 14(c): Other financial liabilities

	March 31, 2025	March 31, 2024
Current		
Capital creditors	133	99
Unclaimed dividend	1	1
Accrual for rebates / discounts	-*	-*
Total other financial liabilities	**134**	**100**

** Amount is below the rounding off norm adopted by the group.*

Note 15: Other current liabilities

	March 31, 2025	March 31, 2024
Statutory dues payable	17	14
Deferred revenue government grants	1	1
Employee benefits payable	275	223
Liability towards corporate social responsibility(Refer note 23(b))	19	31
Advances from customers	40	34
Total other current liabilities	**352**	**303**

Note 16: Revenue from operations

Accounting policy

(i) Revenue from sale of goods:

Revenue from sale of goods is recognized when the customer obtains control of the group's product, which occurs at a point in time based on international commercial terms as agreed with the customers with payment terms typically in the range of 60 to 180 days after invoicing.

Revenue from these sales is recognized based on the price specified in the contract, net of the estimated discounts. 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.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

For contracts with multiple performance obligations, the Group allocates the transaction price to each performance obligation based on the relative standalone selling price.

Amounts disclosed as revenue are net of returns, trade allowances, rebates, goods and service tax (GST) collections and amounts collected on behalf of third parties.

(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.

(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(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, 2025	March 31, 2024
Sale of products	9,303	7,783
Sale of services	22	13
Other operating revenue:		
Sale of scrap out of manufacturing process	33	36
Export incentives	2	13
Total revenue from operations	**9,360**	**7,845**

Note 16(a): Reconciliation of revenue recognised with contract price:

	March 31, 2025	March 31, 2024
Contract price	9,405	7,878
Rebates / Discounts	(47)	(46)
Revenue from contracts with customers	**9,358**	**7,832**

Note 16(b):Disaggregation of revenue :

The Group derives revenue from operations viz, sale of products and services and export incentives from following geographical areas (based on where products and services are delivered):

Region	March 31, 2025			March 31, 2024		
	Revenue from contracts with customers	Export incentives	Total revenue from operations	Revenue from contracts with customers	Export incentives	Total revenue from operations
Europe	5,265	-	5,265	4,061	-	4,061
America	1,577	-	1,577	1,432	-	1,432
Asia	1,044	-	1,044	1,017	-	1,017
India	1,105	2	1,107	971	13	984
Rest of the world	367	-	367	351	-	351
	9,358	**2**	**9,360**	**7,832**	**13**	**7,845**

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

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 amortised 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 39(c) for other accounting policies relevant to foreign currency translations.

	March 31, 2025	March 31, 2024
Interest income from financial assets	295	301
Change in fair value of non-current investments	1	5
Gain on redemption of investments	4	-
Net gain on foreign currency transactions and translations	48	30
Miscellaneous income	4	3
Government grants	-*	-*
Total other income	**352**	**339**

** Amount is below the rounding off norm adopted by the Group.*

Note 18: Cost of raw materials consumed

	March 31, 2025	March 31, 2024
Raw materials at the beginning of the year	1,091	972
Add: Purchases	3,767	3,351
Less: Raw materials at the end of the year	1,037	1,091
Total cost of raw materials consumed	**3,821**	**3,232**

Note19: Changes in inventories of finished goods, work-in-progress and stock in trade

	March 31, 2025	March 31, 2024
At the beginning of the year		
Finished goods	317	299
Stock in trade	-	3
Work-in-progress	1,620	1,526
	1,937	**1,828**
At the end of the year		
Finished goods	335	317
Stock in trade	-	-
Work-in-progress	1,698	1,620
	2,033	**1,937**
Total changes in inventories of finished goods, work-in-progress and stock in trade	**(96)**	**(109)**

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 20: Employee benefits expense

	March 31, 2025	March 31, 2024
Salaries, wages, bonus and other allowances	1,191	1,043
Contribution to provident fund and other funds	33	32
Contribution to ESI	2	3
Staff welfare expenses	17	16
Total employee benefits expense	**1,243**	**1,094**

Refer note 4(c) for the expense capitalised.

Note 21 : Finance costs

Refer note 39(u) for accounting policies relevant to borrowing costs.

	March 31, 2025	March 31, 2024
Interest and finance charges on financial liabilities carried at amortised cost	2	1
Interest on lease liabilities	-*	-*
Interest on income tax	-	2
Charges for letters of credit / bank guarantees	-*	-*
Total finance costs	**2**	**3**

** Amount is below the rounding off norm adopted by the Group.*

Note 22: Depreciation and amortisation expense

	March 31, 2025	March 31, 2024
Depreciation on property, plant and equipment *	398	374
Depreciation charge on right -of-use assets	1	1
Amortisation of intangible assets	3	3
Total depreciation and amortisation expense*	**402**	**378**

**Refer note 4(c) for the expense capitalised.*

Note 23: Other expenses

	March 31, 2025	March 31, 2024
Consumption of stores and spares	76	78
Packing materials consumed	69	62
Conversion charges	41	27
Power and fuel	465	477
Repairs and maintenance- buildings	25	38
Repairs and maintenance- machinery	164	170
Repairs and maintenance- others	2	3
Insurance	36	33
Rates and taxes, excluding taxes on income	21	17
Non-executive directors' remuneration including sitting fees	2	2
Printing and stationery	9	8
Rental charges	15	12
Communication expenses	2	3
Travelling and conveyance	66	56

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

	March 31, 2025	March 31, 2024
Vehicle maintenance	2	2
Payments to auditors (refer note 23(a))	1	1
Legal and professional charges	20	22
Factory upkeep	10	10
Environment compliance expenses	79	63
Advertisement and publication	-*	-*
Research and development expenses (refer note 23(c))	27	35
Sales commission	9	11
Carriage outward	127	79
General expenses	84	66
Electricity service line charges	-*	-*
Provision for doubtful debts/ (written back) including bad debts written off/ (recovered)	(2)	4
Political contributions (refer note 23(d))	15	75
Corporate social responsibility activities (refer note 23(b))	54	58
Loss on disposal / discard of assets	4	4
Bank charges	1	1
Total	**1,424**	**1,417**

** Amount is below the rounding off norm adopted by the Group.*

Refer note 4(c) for the expense capitalised.

Note 23(a): Details of payments to auditors of company

(₹ in lakhs)

	March 31, 2025	March 31, 2024
As statutory auditor	45	45
For quarterly reviews	30	30
Reimbursement of expenses	3	3
Total payments to auditors	**78**	**78**

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, 2025	March 31, 2024
Amount required to be spent for the year	54	58
Amount of expenditure incurred	48	34
Excess amount of CSR expenditure spent under 135(5) of the act	-	-
Amount of shortfall for the year	6	24
Amount of cumulative shortfall at the end of the year**	19	31
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.,	

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

	March 31, 2025	March 31, 2024
Amount spent during the year on:		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	48	34
Total amount spent during the year in cash	48	34

** 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 ₹18 (March 31, 2024:₹2).*

Note 23(c): Expenses on Research and development**

	March 31, 2025	March 31, 2024
Salaries, wages, bonus and other allowances	49	42
Contribution to provident and other funds	3	1
Contribution to ESI	-*	-*
Staff welfare expenses	1	1
Consumption of stores and spares	12	10
Power and fuel	3	3
Repairs to buildings	1	1
Repairs to machinery	5	4
Repairs to other assets	1	2
Rates and taxes, excluding taxes on income	-*	-*
Printing and stationery	-*	-*
Communication expenses	-*	-*
Travelling and conveyance	-*	-*
Professional and consultancy charges	3	13
Miscellaneous expenses	2	2
Total research and development expenditure	**80**	**79**

*** Expenses on Research and development to the extent of ₹53 (March 31, 2024: ₹44) is included under employee benefit expenses and ₹27 (March 31, 2024: ₹35) is included under other expenses.*

** Amount is below the rounding off norm adopted by the Group.*

Note 23(d): Political contributions

	March 31, 2025	March 31, 2024
Through Electoral bonds #	-	55
Paid to Electoral trust company	15	20
Total political contributions	**15**	**75**

#March 31, 2025: Nil (March 31, 2024: Bharat Rashtra Samithi - ₹20; Bharatiya Janata Party - ₹30; Indian National Congress - ₹5)

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Note 24 (a): Tax expense

		March 31, 2025	March 31, 2024
(i)	**Current tax expense**		
	Current tax on profits for the year	796	517
	Current tax charge /(reversals) of earlier years	3	(3)
	Total current tax expense	**799**	**514**
(ii)	**Deferred tax expense**		
	Decrease /(Increase) in deferred tax assets	4	1
	(Decrease) /Increase in deferred tax liabilities	(78)	48
	Total deferred tax expense/(benefit)	**(74)**	**49**
(iii)	**Tax expense recognised in statement of profit and loss (i+ii)**	**725**	**563**
(iv)	**Tax recognised in other comprehensive income**	**-**	**-**
Total tax expense (iii+iv)		**725**	**563**

24(b): Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	March 31, 2025	March 31, 2024
Profit from operations before income tax expenses	2,916	2,163
Tax at the rate of 25.168% (March 31, 2024: 34.944%)**	**734**	**756**
Tax effect of expenses not deductible for tax purpose	17	19
Tax effect of Income not includible for tax purpose	(7)	(203)
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	7	(9)
Total tax expense	**725**	**563**

** Amount is below the rounding off norm adopted by the Group.*

***During the year, the Company has opted for paying taxes under section 115BAA of The Income Tax Act, 1961. Also refer note 13.*

Financial instruments and risk management

Note 25: Categories of financial instruments

Pariculars	Notes	Level	March 31, 2025 Carrying value /fair value	March 31, 2024 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**			65	82
Measured at amortised cost				
Trade receivables	6(c)		2,731	2,156
Security deposits	6(b)(i)		62	56
Cash and cash equivalents and other bank balances	6(d) and 6(e)		3,715	3,980
Other financial assets	6(b)(ii)		16	7
Total financial assets			**6,589**	**6,281**

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Pariculars	Notes	Level	March 31, 2025 Carrying value /fair value	March 31, 2024 Carrying value /fair value
B. Financial liabilities				
Measured at amortised cost				
Trade payables	14(b)		910	824
Borrowings	14(a)		2	-
Capital creditors	14(c)		133	99
Other financial liabilities	14(c)		1	1
Total financial liabilities			**1,046**	**924**

** Amount is below the rounding off norm adopted by the Group.*

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.

*** 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, group can opt for conversion to equity shares at mutually agreed terms. These are secured by way of first charge created over the aircraft.*

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.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

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, 2025 Gross carrying amount	March 31, 2025 Expected credit loss	March 31, 2025 Carrying amount (net of provision)	March 31, 2024 Gross carrying amount	March 31, 2024 Expected credit loss	March 31, 2024 Carrying amount (net of provision)
Other Non-current financial assets	62	-	62	56	-	56
Other Current Financial assets	16	-	16	7	-	7

Expected credit loss from treasury operations and for trade receivables:

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 these 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.

The credit risk related to trade receivables 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 pattern of sales 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.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

Following are the expected credit losses for trade receivables under simplified approach:

	March 31, 2025	March 31, 2024
Gross carrying amount of trade receivables	2,738	2,166
Less : Expected credit losses (Loss allowance provision)	(7)	(10)
Net carrying amount of trade receivables	2,731	2,156

Expected credit loss for trade receivables 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
Less: Expected credit losses	-	-	-	-*	(1)	(6)	(7)
Net carrying amount of trade receivables	**2,265**	**456**	**10**	**-***	**-**	**-**	**2,731**

Expected credit loss for trade receivables as at March 31, 2024

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	1,807	341	6	3	3	6	2,166
Less: Expected credit losses	-	-	-	(1)	(3)	(6)	(10)
Net carrying amount of trade receivables	**1,807**	**341**	**6**	**2**	**-**	**-**	**2,156**

** Amount is below the rounding off norm adopted by the Company.*

Reconciliation of loss allowance provision in respect of trade receivables:

	Total
Loss allowance on April 01, 2024	**10**
Change in loss allowance	
Add: Current year loss allowance provided	-
Less: Recoveries / Write back	-*
Less: Bad debts written off	(3)
Loss allowance on March 31, 2025	**7**
Loss allowance on April 01, 2023	**6**
Change in loss allowance	
Add: Current year loss allowance provided	4
Less: Recoveries / Write back	-*
Less: Bad debts written off	-*
Loss allowance on March 31, 2024	**10**

** Amount is below the rounding off norm adopted by the Group.*

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(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 aganist major foreign currencies, and hence no additional measures were taken to hedge the foreign currency risk exposure. The Group is also cautious towards hedging as it has costs as well as its related risks. Further, the Group continually reassesses the cost structure impact of the currency volatility and engages with customers/suppliers periodically addressing such risks.

(i) Foreign currency risk exposure:

	Currency	March 31, 2025		March 31, 2024	
		Amount in foreign currency	Amount in ₹	Amount in foreign currency	Amount in ₹
Receivables	ACU	-*	1	-*	1
	EUR	1	128	2	117
	GBP	2	265	2	200
	USD	25	2,114	20	1,670
	AED	-*	1	-	-
Payable to suppliers	USD	(6)	(492)	(5)	(441)
	EUR	-*	(10)	(1)	(23)
	CHF	-*	(1)	-*	(3)
Net Foreign currency exposure Asset/(Liability)			**2,006**		**1,521**

	Impact on profit after tax (Income) / Expense	
	March 31, 2025	March 31, 2024
USD Sensitivity:		
INR/USD -Increase by 2% (March 31, 2024: 1%)	(28)	(8)
INR/USD -Decrease by 2% (March 31, 2024: 1%)	28	8
ACU Sensitivity:		
INR/ACU -Increase by 1% (March 31, 2024: 1%)	-*	-*
INR/ACU -Decrease by 1% (March 31, 2024: 1%)	-*	-*
CHF Sensitivity:		
INR/CHF -Increase by 3% (March 31, 2024: 3%)	-*	-*
INR/CHF -Decrease by 3% (March 31, 2024: 3%)	-*	-*
EUR Sensitivity:		
INR/EUR -Increase by 3% (March 31, 2024:6%)	7	(1)
INR/EUR -Decrease by 3% (March 31, 2024: 6%)	(7)	1
GBP Sensitivity:		
INR/GBP -Increase by 6% (March 31, 2024: 3%)	(10)	(4)
INR/GBP -Decrease by 6% (March 31, 2024: 3%)	10	4
AED Sensitivity:		
INR/AED -Increase by 2%(March 31, 2024:6%)	-*	-
INR/AED -Decrease by 2% (March 31, 2024: 6%)	-*	-

** Amount is below the rounding off norm adopted by the Group.*

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(ii) Cash Flow and fair value interest rate risk:

Interest rate exposure: The Group does not have 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 working capital loan accounts etc.

(iii) Contractual maturities of financial liabilities:

	March 31, 2025				March 31, 2024			
	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	-*	-*	2	2	-*	-*	2	3
Trade payables	910	-	-	910	824	-	-	824
Other financial liabilities	134	-	-	134	100	-	-	100
Total	**1,044**	**-**	**2**	**1,046**	**924**	**-***	**2**	**927**

** Amount is below the rounding off norm adopted by the Group.*

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, 2025	March 31, 2024
Net debt (Refer note 14(a)(v))	-	-
Total Equity	14,969	13,571
Net debt to equity ratio	**NA**	**NA**

(b) Dividend:

Refer note 39(t) for accounting policies relevant to dividend.

	March 31, 2025	March 31, 2024
Dividend paid on equity shares	796	796
Final dividend for the year ended March 31, 2024 of ₹30 (March 31, 2023: ₹30) per fully paid share		
Dividend not recognised at the end of the reporting period	796	796
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, 2024: ₹30). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		

Notes to the 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, 2025 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, 2025	March 31, 2024	March 31, 2025	March 31, 2024	
Divis Laboratories (USA) Inc	USA	100%	100%	0%	0%	Marketing and distribution of nutraceutical products (Dietary supplements) and pharmaceutical ingredients
Divi's Laboratories Europe AG	Switzerland	100%	100%	0%	0%	Marketing and distribution of nutraceutical products (Dietary supplements) and pharmaceutical ingredients

Note 30: Segment Information

Accounting policy

Refer note 39(b) for accounting policies relevant to segment information

Description of segments and principal activities

The managing director has been identified as the 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) and intermediates, 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, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Revenue	1,107	984	1,306	1,047	1,908	1,025	5,039	4,789
Non-current assets	6,711	5,645	2	2	-*	-*	-	-

No. of external customers with whom the revenue earned exceeded 10% of the revenue from operations for FY 2024-25: 1 (FY 2023-24:1).

** Amount is below the rounding off norm adopted by the Group*

Note 31: Foreign subsidiaries considered for consolidation

Name of the entity	Place of business/ country of incorporation	March 31, 2025	March 31, 2024
Divis Laboratories (USA) Inc	USA	100%	100%
Divi's Laboratories Europe AG	Switzerland	100%	100%

Notes to the 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)
: Mr. Madhusudana Rao Divi (Whole-time Director -Projects) upto 28.08.2023

(b) Non-Executive directors
: Mr. K V K Seshavataram (Independent Director) upto 22.06.2024
: Mr. R Ranga Rao (Independent Director) upto 31.03.2024
: Dr. G Suresh Kumar (Independent Director) upto 31.03.2024
: 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. Babu Rajendra Prasad Divi
: Mr. Madhusudana Rao Divi
: Mr. Sri Ramachandra Rao Divi
: Mrs. Jhansilakshmi Pendyala
: Mrs. Divi Swarna Latha
: Mrs. Divi Raja Kumari
: Mr. Divi Satyasayee Babu
: Mrs. Shanti Chandra Attaluri
: Mrs. N. Nirmala Kumari
: Mrs. N. Chandrika Lakshmi
: Mr. N. Venkata Aniruddh
: Mrs. N. Monisha
: Mr. N. Nageswara Rao
: Mr. Ravi Teja Meka
: Mr. N. Prashanth
: 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 Trust.

(e) Entities in which relatives of key management personnel are interested
: M/s Sri Lakshmi constructions
: M/s Bheema Infra Solutions Private Limited

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(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

(g) Summary of Related party transactions and balances:

		March 31, 2025		March 31, 2024	
		Transaction amount	Outstanding balance as at March 31, 2025	Transaction amount	Outstanding balance as at March 31, 2024
(i)	Managerial remuneration and short term employee benefits to key management personnel - refer note 32(h)(i)	198	190	144	138
(ii)	Remuneration including sitting fees to non-executive directors - refer note 32(h)(ii)	2	-	2	-
(iii)	Dividend paid to key management personnel - refer note 32(h)(iii)	347	-	347	-
(iv)	Dividend paid to relatives of key management personnel - refer note 32(h)(iv)	45	-	46	-
(v)	Salary and allowances to relatives of key management personnel - Mr. N. Venkata Aniruddh	-*	-*	-*	-
(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	12	-	10	-
(ix)	Lease Rent to a company in which key management personnel have significant influence - M/s Divi's Biotech Private Limited	-*	-	-*	-
(x)	Contribution for CSR project implementation-Divi's Foundation for Gifted Children	4	-	3	-
(xi)	Rent deposit to a company in which key management personnel have significant influence - M/s Divi's Properties Private Limited	-	3	-	3
(xii)	Purchase of goods and Services from entities in which the relatives of key management personnel are interested - refer note 32(h)(v)	34	7	6	2
(xiii)	Advance given to entities in which the relatives of key management personnel are interested -refer note 32(h)(vi)	1	1	-	-

** Amount is below the rounding off norm adopted by the Group.*

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

(h) Transactions with related parties:

		March 31, 2025		March 31, 2024	
		Transaction amount	Outstanding balance as at March 31, 2025	Transaction amount	Outstanding balance as at March 31, 2024
(i)	**Managerial Remuneration and short term employee benefits to key management personnel#**				
1.	Dr. Murali K. Divi	88	88	64	64
2.	Mr. N.V. Ramana	45	44	33	32
3.	Mr. Madhusudana Rao Divi (upto 28.08.2023)	-	-	1	-
4.	Dr. Kiran S Divi	31	29	23	21
5.	Ms. Nilima Prasad Divi	31	29	23	21
6.	Dr. Devendra Rao Sureddi	3	-*	-*	-*
		198	**190**	**144**	**138**
(ii)	**Remuneration including sitting fees to non-executive directors**				
1.	Mr. K.V.K. Seshavataram	0.07	-	0.31	-
2.	Dr.G Suresh Kumar (upto 31.03.2024)	-	-	0.33	-
3.	Mr. R Ranga Rao (upto 31.03.2024)	-	-	0.35	-
4.	Dr.S. Ganapaty	0.32	-	0.28	-
5.	Dr. Ramesh B V Nimmagadda	0.35	-	0.33	-
6.	Prof. Sunaina Singh	0.27	-	0.28	-
7.	Mr. K.V.Chowdary	0.31	-	0.33	-
8.	Mr. Rajendra Kumar Premchand	0.24	-	-	-
		1.56	**-**	**2.21**	**-**
(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.	Mr. N.V. Ramana	-	-	-*	-
5.	Dr. Devendra Rao Sureddi	-*	-	-*	-
		347	**-**	**347**	**-**
(iv)	**Dividend paid to Relatives of key management personnel**				
1.	Mr. Babu Rajendra Prasad Divi	-	-	-*	-
2.	Mr. Madhusudana Rao Divi (w.e.f. 29.08.2023)	1	-	1	-
3.	Mrs. Jhansilakshmi Pendyala	-*	-	-*	-
4.	Mrs. Divi Swarna Latha	42	-	42	-
5.	Mrs. Divi Raja Kumari (upto 28.08.2023)	NA	-	-*	-
6.	Mrs. Shanti Chandra Attaluri (upto 28.08.2023)	NA	-	1	-
7.	Mrs. N.Nirmala Kumari	-*	-	-*	-
8 .	Mrs. N. Chandrika Lakshmi	-*	-	-*	-
9.	Mr. N. Venkata Aniruddh	1	-	1	-
10.	Mrs. N. Monisha	1	-	1	-
11.	Mr. Ravi Teja Meka	-*	-	-*	-
12.	Mr. N. Prashanth	-*	-	-*	-
13.	Mr. N Nageswara Rao	-*	-	-*	-
14.	Mrs. L. Vijaya Lakshmi	-*	-	-*	-
15.	Mr. Sureddi Swaroop Krishna	-*	-	-*	-
16.	Mr. Venkata Prasada Rao Sureddi	-*	-	-*	-
17.	Mrs. Sudha Devendra Sureddi	-*	-	-*	-
18.	Mrs. Sree Sowmya Sureddi	-*	-	-*	-
		45	**-**	**46**	**-**
(v)	**Purchase of goods and Services from entities in which the relatives of key management personnel are interested**				
1.	M/s Sri Lakshmi constructions	32	6	5	2
2.	M/s Bheema Infra Solutions Private Limited	2	1	1	-
		34	**7**	**6**	**2**
(vi)	**Advance given to entities in which the relatives of key management personnel are interested**				
1.	M/s Sri Lakshmi constructions	1	1	-	-
2.	M/s Bheema Infra Solutions Private Limited	-*	-*	-	-
		1	**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.

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.

Accounting 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, 2025	March 31, 2024
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	257

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.

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(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

b) Other Matter

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.

Note 34 : Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

		March 31, 2025	March 31, 2024
(i)	**Property, plant and equipment:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for ((Net of advances of ₹238) (March 31,2024:₹119))	553	395
(ii)	**Others:**		
	On account of bonds or legal agreements executed with Central excise/ Customs authorities/ SEZ development commissioners	1,280	780

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.

(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

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

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 group 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, KMPs 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 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, 2025	March 31, 2024
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 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, 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:								
Divi's Laboratories Limited	99.11%	14,895	99.68%	2,209	-100%	(2)	99.50%	2,207
Sub-total (A)		**14,895**		**2,209**		**(2)**		**2,207**
Subsidiaries(Foreign):								
Divis Laboratories (USA) Inc	0.71%	106	0.32%	7	50%	3	0.45%	10
Divi's Laboratories Europe AG	0.18%	27	0.00%	-*	50%	1	0.05%	1
Sub-total of subsidiaries (B)		**133**		**7**		**4**		**11**
Sub-total (A+B)	**100%**	**15,028**	**100%**	**2,216**	**-**	**2**	**100%**	**2,218**
Adjustments arising out of Consolidation (C)		**(59)**		**(25)**		**1**		**(24)**
Total (A+B+C)		**14,969**		**2,191**		**3**		**2,194**

Note 38: Earnings per share (EPS)

Refer note 39(s) for accounting policies relevant to earnings per share

	March 31, 2025	March 31, 2024
(a) Basic EPS		
Basic earnings per share attributable to the equity holders of the group	82.53	60.27
(b) Diluted EPS		
Diluted earnings per share attributable to the equity holders of the group	82.53	60.27

There are no potential dilutive shares.

(c) Reconciliation of earnings used in calculating earnings per share

	March 31, 2025	March 31, 2024
Basic earnings per share		
Profit attributable to the equity holders of the group used in calculating basic earnings per share	2,191	1,600
Diluted earnings per share		
Profit attributable to the equity holders of the group used in calculating diluted earnings per share	2,191	1,600

(d) Weighted average number of shares used as the denominator

	March 31, 2025	March 31, 2024
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

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

NOTE 39: 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.

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

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

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 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.

(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

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

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.

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.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

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.

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 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 benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and 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 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

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

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 financial year 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 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
- 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 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) Audit Trail implementation:

Due to standard functionality of SAP application, audit trail for a specific access in the application and database functionality of SAP, while changes made are logged, it does not capture 'old value' and 'new 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 incrementally enabled and is fully operational since June 29, 2024.

Notes to the Consolidated Financial Statements

(All amounts in Indian Rupees crores, except equity shares and per share data unless otherwise stated)

w) 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.

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

N.K. Varadarajan
Partner
Membership number: 90196

Date: May 17, 2025
Place: Hyderabad

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

L. Kishorebabu
Chief Financial Officer

M. Satish Choudhury
Company Secretary
Membership No: F12493

Date: May 17, 2025
Place: Hyderabad

Notice of the 35th Annual General Meeting

NOTICE is hereby given that the Thirty-Fifth Annual General Meeting (AGM) of the Members of Divi's Laboratories Limited (the Company) will be held on Monday, August 11, 2025, 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, 2025, and the reports of the Board of Directors' and Auditors' thereon.

Item no. 2 - Declaration of dividend for the financial year 2024-25.

To declare dividend of ₹30/- per equity share of face value ₹2/- each (i.e. @ 1,500%) for the financial year ended March 31, 2025.

Item no. 3 - Appointment of Ms. Nilima Prasad Divi (DIN: 06388001), who retires by rotation, as Director of the Company.

To appoint a director in place of Ms. Nilima Prasad Divi (DIN: 06388001), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

Item no. 4 - Appointment of Dr. S. Devendra Rao (DIN: 10481393), who retires by rotation, as Director of the Company.

To appoint a director in place of Dr. S. Devendra Rao (DIN: 10481393), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item no. 5 - Appointment of M/s. V. Bhaskara Rao & Co., Practicing Company Secretaries, as Secretarial Auditors of the Company.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the Sections 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s), amendment(s), or re-enactment(s) thereof, for the time being in force), and subject to receipt of such other approvals, consents and permissions as may be required, M/s. V. Bhaskara Rao & Co., Practicing Company Secretaries, Hyderabad (Unique code number of firm: P2025TS104600 and having Peer Review No.6351/2025) be and are hereby appointed as Secretarial Auditors of the Company for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30, at such fees, plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditors."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committees thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, including filing the requisite forms or submission of documents with any authorities and accepting any modifications to the terms of appointment."

Item no. 6 - Approval for enhancement of remuneration of Mr. Nimmagadda Venkata Anirudh, Head of Nutraceuticals, a related party.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or reenactments thereof) (the Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the approval and recommendation of the Audit Committee and Board of Directors, consent of the Members of the Company, be and is hereby accorded for continuing employment of Mr. Nimmagadda Venkata Anirudh with the Company and approve increase in his monthly remuneration to ₹4,00,000/- (Rupees Four Lakhs Only) effective from September 01, 2025, including allowances as may be structured by the Company from time to time, beside the usual benefits and perquisites such as bonus, ex-gratia, retiring gratuity, provident fund benefits and employee stock options, periodic revisions of designation and/or remuneration, increments, earned leave encashment or any other benefits, as may be conferred by the Company as applicable to employees occupying similar positions in the said management cadre as per the general policy of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committees thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, to give effect to the above resolution."

By Order of the Board of Directors

M. Satish Choudhury
Company Secretary
Membership No. F12493

Date: May 17, 2025
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) vide its General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 read with other relevant circulars issued in this regard, the latest being General circular 09/2024 dated September 19, 2024 (collectively referred to as "MCA Circulars") and SEBI vide its Circular dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 06, 2023 and October 3, 2024, has permitted the holding of the Annual General Meeting (AGM) through video conferencing (VC) / other audio-visual means (OAVM), without the physical presence of the Members at a common venue.

In view of the above, it has been decided to convene the 35th AGM of the Company through VC / OAVM. The deemed venue for the 35th 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. The Explanatory Statement pursuant to Section 102 and 110 of the Act read with applicable Rules setting out all material facts of the businesses specified above is annexed hereto. Brief profiles and other additional information pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (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 is also annexed to the Notice. The Company has received requisite declarations from the Directors seeking re-appointment.

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 11, 2025. 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 17, 2025, has recommended a dividend of ₹30/- per equity share of face value ₹2/- each (i.e. 1,500%) for the FY 2024-25, subject to the approval of the shareholders at the 35th AGM. **The record date for determining the names of the members eligible for dividend on equity shares, if approved, is July 25, 2025.**

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 Saturday, August 16, 2025 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.

Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered addresses of the Members who have not updated their bank account details. We urge members to update their bank account details for receiving dividends by following the process stated in note no. 8 below.

Pursuant to Finance Act, 2020, dividend income is taxable in the hands of shareholders effective April 1, 2020, and the Company is required to deduct tax at source from dividend(s) paid to the Members at the rates prescribed in the Income Tax Act, 1961 (the IT Act). In general, to enable compliance with TDS requirements, Members are requested to complete and/ or 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) by sending documents through e-mail on or before July 25, 2025 to enable the Company to determine the appropriate TDS/ withholding tax rate applicable, verify the documents and provide exemption. For the detailed process, please click here: https://www.divislabs.com/investor-relations/statutory-communication/#2025-2026 and refer 'Information regarding deduction of income tax at source on dividend for FY 2024-25'. The members may also refer to the e-mail being sent to members in this regard.

6. Unclaimed dividends for the year(s) 2017-18, 2018-19, 2019-20 (interim dividend), 2020-21, 2021-22, 2022-23 and 2023-24 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, Kfin Technologies Limited (Kfin).

Process to claim the unclaimed dividend(s) as intimated to Members individually is also made available at https://www.divislabs.com/wp-content/uploads/2025/05/Application-cum-undertaking-for-claiming-unpaid-dividend.pdf

The Company has transferred the unpaid or unclaimed dividends declared up to FY 2016-17, 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, 2025 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.

7. 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 – 500032,
Telangana, India
Phone No: +91 40-67161526, Fax: +91 40-23001153
Toll Free No. 1800-3454-001
e-mail: einward.ris@kfintech.com

8. 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 2024-25 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 as per the aforementioned SEBI Circular:

Type of holder	Process to be followed	
Physical	ISR Form(s) and the supporting documents can be provided to RTA by any one of the following modes: a) Through hard copies which are self-attested, which can be shared on the address mentioned at note no 7 above; or b) Through electronic mode with e-sign by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx# 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.	

9. 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.

10. 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.

11. Dispatch of Annual Report through electronic mode:

In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / the Depositories / RTA. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website 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. The Notice is also available on the website of Company's RTA 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.

12. 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 Kfin 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 Kfin at emeetings@kfintech.com or call on toll free numbers 1800-425-8998 / 1800-345-4001. 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".

13. 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 07, 2025 to August 08, 2025. 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.

14. 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 Kfin. On successful login, select 'Post Your Question' option. This option will be opened from August 07, 2025 to August 08, 2025.

15. 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.

16. 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 herein 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 herein 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 07, 2025**
End of remote e-voting:	**5:00 p.m. (IST) on August 10, 2025**

The remote e-voting will not be allowed beyond the aforesaid date and time and shall be forthwith disabled by Kfin 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 share in the paid-up equity share capital of the Company as on the cut-off date, i.e., August 04, 2025 (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. S. Hari Kishore Babu, Practicing Company Secretary (Membership No.: FCS11462) 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:

a. 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.

b. 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".

c. 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.

d. 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 circular of SEBI on e-voting facility provided by listed entities, dated December 09, 2020, **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. 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.	**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. 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.

Procedure to login through websites of Depositories	
National Securities Depository Limited (NSDL)	**Central Depository Services (India) Limited (CDSL)**
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. 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/Registration/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. iv. On successful authentication, you will enter the e-voting module of NSDL. Click on "Active e-voting Cycles" option under e-voting. 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.	**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 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	Contact details in case of any technical issues CDSL 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.	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 / Kfin 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 Kfin 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 / Kfin / Depository Participant(s), please follow the following steps to generate your login credentials:

i. Members who have not registered / updated their e-mail address, are requested to register the same (i) with the Depository Participant (s) where they maintain their demat accounts, if the shares are held in electronic form, and (ii) 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:

"Kfin Technologies Limited" at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032, Telangana, India.

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 / Kfin 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 Member who has forgotten the User ID and Password, may obtain / generate / retrieve the same from Kfin 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 Kfin'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 Kfins' 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 Kfin 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 www.divislabs.com and on the website of Kfin 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 11, 2025.

Explanatory Statement to the Notice of 35th AGM

Statement pursuant to Section 102 of the Companies Act, 2013, read with the rules made thereunder, as applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and the Secretarial Standards on General Meetings (SS-2).

Item No. 5

Pursuant to the amended provisions of Regulation 24A of the SEBI Listing Regulations vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Companies Act, 2013 (Act) and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors at their respective meetings held on May 17, 2025 have approved and recommended the appointment of M/s. V. Bhaskara Rao & Co., Practicing Company Secretaries, Hyderabad as the Secretarial Auditors of the Company for an audit period of five consecutive years commencing from FY 2025-26 till FY 2029-30.

V. Bhaskara Rao & Co. is a firm of Practicing Company Secretaries specialized in Secretarial Audit and other corporate law matters. The firm is registered with the Institute of Company Secretaries of India; unique code number allotted for the partnership firm is P2025TS104600 and has an experience of more than 23 years in providing various corporate law services. The Firm has been Peer Reviewed and Quality Reviewed by the Institute of Company Secretaries of India (ICSI), ensuing the highest standards in professional practices.

V. Bhaskara Rao & Co. have given their consent to act as Secretarial Auditors of the Company and confirmed that their appointment, if made, would be within the limits specified under the Act & Rules made thereunder and SEBI Listing Regulations. They have further confirmed that they are not disqualified and are eligible to be appointed as Secretarial Auditors of the Company in terms of the provisions of the Act & Rules made thereunder and SEBI Listing Regulations. They have also confirmed their independence and the services to be rendered by them as Secretarial Auditors is within the purview of the said regulation read with SEBI circular no. SEBI/ HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024.

The proposed fee in connection with secretarial audit shall be ₹5,00,000/- (Rupees Five lakhs only) plus applicable taxes and other out-of-pocket expenses for FY 2025-26. For subsequent year(s) of their term, the secretarial audit fees shall be as mutually agreed between the Board of Directors and V. Bhaskara Rao & Co. In addition to the Secretarial Audit, V. Bhaskara Rao & Co. shall provide such other services in the nature of certifications and other permitted professional work(s), as approved by the Board of Directors. The relevant fees will be determined by the Board, as recommended by the Audit Committee in consultation with the Secretarial Auditors.

The proposed recommendation for appointment and fees is based on eligibility, knowledge, expertise, industry experience, time and efforts required to be put in by the Secretarial Auditor for conducting the said Audit, which is in line with the industry benchmark.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the resolutions set forth in Item No. 5 of this Notice for approval of the members by way of an Ordinary Resolution.

Item No. 6

The provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, require prior approval of the Company by way of an Ordinary Resolution for appointment of a related party to any office or place of profit in the Company at a monthly remuneration exceeding ₹2.50 lakhs.

Members may note that Mr. Nimmagadda Venkata Anirudh, aged 36 years, son of Mr. N.V. Ramana, Executive Director of the Company, has been working with the Company since January, 2014, and is currently working as Head of Nutraceuticals.

Mr. Anirudh studied B.E Mechanical degree and has also been trained in Strategic Marketing, Investments, Family Office Management and Business Management through various certification programmes offered by Harvard University in Boston, Indian Institute of Management in Ahmedabad and Jamnalal Bajaj Institute of Management Studies in Mumbai.

He joined the Company in the year 2014 as the Relationship Manager for all the customers in the US & Canada region. Post his role as Relationship Manager – USA, he was tasked with handling the Indian customers manufacturing the finished dose formulations for the Global Markets along with the MNC customers that Divi's was working with on the generic side of the business.

In September 2022, Mr. Anirudh was promoted as Head of Nutraceuticals. In his current role, he is assigned to maximize the sales potential for each of the nutraceutical ingredients, identification of new ingredients to the Company's portfolio, improve operational efficiencies, optimise raw material procurement and handling the subsidiaries operations in USA and Switzerland.

In terms of Section 188 of the Act, Mr. Anirudh is a related party and holds office or place of profit, currently designated as Head of Nutraceuticals and the Company proposes to enhance his remuneration as per the terms as stated in the resolution and disclosed below. The remuneration to him will be determined as per the Company's policy on remuneration as applicable to all the employees. Revision in the remuneration of the Company's employees follows an established industry practice and is reviewed periodically based on relevant market benchmarks and on specific instances such as promotions etc. The remuneration payable to Mr. Anirudh and any changes to it will follow similar standards and practices as is done for all other employees, to establish fair and reasonable pay for him.

Since the proposed remuneration payable to him exceeds ₹2.50 lakhs per month, approval of members is sought to enhance remuneration and continue to hold the office or place of profit in the Company, for Mr. Anirudh, by way of an Ordinary Resolution.

The Audit Committee and the Board of Directors, at their meetings held on May 17, 2025, have accorded approval for the enhancement of remuneration of Mr. Anirudh and to hold the office or place of profit in the Company and other terms and conditions as may be applicable, subject to the approval of Members of the Company.

The relevant details pertaining to the proposed related party transaction as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 issued by the Securities and Exchange Board of India are as follows:

Sl.No.	Particulars	Details
1.	A summary of the information provided by the management of the listed entity to the audit committee as specified in the said Circular issued by the SEBI:	
	a. Name of the Related Party	Mr. Nimmagadda Venkata Anirudh
	b. Name of Director or Key Managerial Personnel who is related, if any	Mr. N.V. Ramana, Executive Director of the Company
	c. Nature of relationship	Mr. Anirudh is son of Mr. N.V. Ramana, Executive Director of the Company.
	d. Nature, material terms, monetary value and particulars of the contract or arrangements.	Mr. Anirudh has been working with the Company for over 10 years. His employment terms are as per the Company's general policy as applicable to employees occupying a similar position and as per Industry benchmark. Particulars of the present monthly salary and allowances paid to Mr. Anirudh is as follows: Present gross monthly pay: ₹2,16,695/- per month. Proposed gross monthly pay: In recognition of his current roles and responsibilities, the Company proposes to enhance his salary to ₹4,00,000/- per month effective from September 01, 2025. The gross monthly pay excludes the PF contribution of employer share and gratuity contribution as per the Company's policy.
2.	Justification for why the proposed transaction is in the interest of the listed entity.	Mr. Anirudh in his current role, is assigned to maximize the sales potential for each of the nutraceutical ingredients, identification of new ingredients to the Company's portfolio, improve operational efficiencies, optimise raw material procurement and handling the subsidiaries operations in USA and Switzerland. The proposed enhancement of remuneration to Mr. Anirudh is commensurate with the role handled by him and is in line with the Company's remuneration framework applicable to employees occupying similar positions within the Company and as per the industry benchmark. It would be in the interest of the Company to avail the services of Mr. Anirudh.

Sl.No.	Particulars	Details
3.	Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point 4(f) of the said Circular issued by the SEBI.	Not Applicable
4.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders.	Not Applicable
5.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis.	Not Applicable
6.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis.	Nil

Mr. N.V. Ramana, Executive Director of the Company, is interested in the resolution set out in Item No. 6 of the Notice, as the same relates to enhancement of remuneration for his son, Mr. Nimmagadda Venkata Anirudh. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise, in the resolution.

In terms of General Circular No. 30 / 2014 dated July 17, 2014 issued by the Ministry of Corporate Affairs, no member of the Company shall vote on this resolution, if such member is a related party in the context of the contract or arrangement for which the resolution is being passed. Accordingly, Mr. Anirudh, Mr. N.V. Ramana and their relatives are deemed to be a related party and shall not vote on this resolution.

The Board recommends the resolution set forth in Item No.6 of this Notice for approval of the members by way of an Ordinary Resolution.

By Order of the Board of Directors

M. Satish Choudhury
Company Secretary
Membership No. F12493

Date: May 17, 2025
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

Annexure

Details of Directors seeking appointment at the 35th AGM as required under Regulation 36 of SEBI Listing Regulations, and the Secretarial Standard - 2 on General Meetings

Item No 3. Appointment of Ms. Nilima Prasad Divi (DIN: 06388001), who retires by rotation, as Director of the Company:

Brief Profile:

Ms. Nilima Prasad Divi has a Master's Degree in International Business from Gitam Institute of Foreign Trade, Visakhapatnam and in International Finance from Glasgow University, U.K. She has significant international exposure in UK and Scotland for over 5 years before joining the Company and acquired commercial acumen and familiarity with international business environment.

Ms. Nilima Prasad Divi joined the Company during 2012 in the management cadre of the Company. She joined the Board as a Whole-time Director on June 27, 2017. She oversees the commercial functions comprising of sourcing, risk mitigation as well as corporate finance, accounting, taxation, secretarial, investor relations, and CSR projects. She is also the Chief Control Officer and works towards control, mainly in matters pertaining to commercial functions as well as projects.

Age: 43 years

Qualification: Master's Degree in International Business from GITAM Institute of Foreign Trade, Visakhapatnam, India & International Finance from Glasgow University, U.K.

Nature of expertise in specific functional areas: Sourcing, risk mitigation, corporate finance, accounting, taxation, secretarial, investor relations and CSR projects.

Terms and Conditions of appointment: In terms of Section 152(6) of the Companies Act, 2013, Ms. Nilima Prasad Divi who was re-appointed as a Whole-time Director (Commercial) for a period of 5 years commencing from June 27, 2022 vide shareholders resolution dated March 26, 2022, is liable to retire by rotation.

Remuneration proposed to be paid: As per the shareholders resolution dated March 26, 2022.

Remuneration (including sitting fees, if any) last drawn (FY 2024-25): ₹30.70 Crores.

Date of first appointment on Board: June 27, 2017

Number of equity shares held in the Company: 5,40,00,000 equity shares.

Relationship between Directors inter-se: Ms. Nilima Prasad Divi is related to Dr. Murali K. Divi, Managing Director and Dr. Kiran S. Divi, Whole-time Director & Chief Executive Officer (CEO) of the Company.

Number of Board meetings attended during the year: Ms. Nilima Prasad Divi attended all 4 Board meetings held during FY 2024-25.

Name of other Companies in which she 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. Other than Divi's Laboratories Limited, she does not hold directorship in any other listed company.

Chairman/ Member of the Committee(s) of Board of Directors:

- Divi's Laboratories Limited: Member of Risk Management and Sustainability Committee, and Corporate Social Responsibility Committee.
- Divi's Properties Private Limited: Member of Corporate Social Responsibility Committee.

Listed entities from which she has resigned in the past three years: Nil

Item No. 4. Appointment of Dr. S. Devendra Rao (DIN: 10481393), who retires by rotation, as Director of the Company:

Brief profile:

Dr. S. Devendra Rao did his Masters in Organic chemistry from Kurukshetra University, Haryana in the year 1985. He holds a doctorate in Organic Chemistry from GITAM (deemed University), Visakhapatnam. Dr. S. Devendra Rao joined the Company in February, 1995 and worked as Vice President (Manufacturing) heading the Unit 2 manufacturing facility. He has about 40 years of experience in pharmaceutical manufacturing. With rich experience in the Active Pharma Ingredient (API) manufacturing, Dr. Devendra has a great understanding of API industry and all related operations, strategic production planning and global business requirements. He is well acquainted with the latest pharma technologies, chemistry processes and emerging global manufacturing practices.

He is responsible for manufacturing operations, production planning, material requirement planning for on-time supplies, equipment allocation for the diverse product portfolio based on the product-specific technical parameters, ensuring consistent compliance to good manufacturing practices, customer interaction, dealing with regulatory agencies and ensuring compliance to all applicable laws and quality standards, managing 12,000+ employees, handling employee health and safe manufacturing operations, new projects planning and execution.

Age: 63 years

Qualification: Masters in Organic Chemistry from Kurukshetra University, Haryana and a doctorate in Organic Chemistry from GITAM (deemed University), Visakhapatnam, India.

Nature of expertise in specific functional areas: With nearly 40 years of rich experience in the Active Pharma Ingredient (API) manufacturing, Dr. S. Devendra Rao has a great understanding of API industry and all related operations, strategic production planning and global business requirements. He is well acquainted with the latest pharma technologies, chemistry processes & emerging global manufacturing practices.

He oversees the manufacturing operations, compliance of applicable laws with respect to manufacturing and quality standards, production planning, new projects planning and execution besides such other duties as may be assigned to him.

Terms and conditions of appointment: In terms of Section 152(6) of the Companies Act, 2013, Dr. S. Devendra Rao who was appointed as a Whole-time Director (Manufacturing) for a period of 5 years commencing from February 10, 2024, vide shareholders resolution dated April 04, 2024, is liable to retire by rotation.

Remuneration proposed to be paid: As per the shareholders' resolution dated April 04, 2024.

Remuneration (including sitting fees, if any) last drawn (FY 2024-25): ₹3.11 Crores.

Date of first appointment on Board: February 10, 2024

Number of equity shares held in the Company: 60,000 equity shares.

Relationship between Directors inter-se: NA

Number of Board meetings attended during the year: Dr. S. Devendra Rao attended all 4 Board Meetings held during FY 2024-25.

Name of other Companies in which he holds Directorship: Nil

Chairman/ Member of the Committee(s) of Board of Directors:

- Divi's Laboratories Limited: Member of Risk Management and Sustainability Committee, and Stakeholders Relationship 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
Membership No. F12493

Date: May 17, 2025
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)