



Dr. Reddy's Laboratories Ltd.
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January 30, 2024

National Stock Exchange of India Ltd. (Scrip Code: DRREDDY-EQ)
BSE Limited. (Scrip Code: 500124)
New York Stock Exchange Inc. (Stock Code: RDY)
NSE IFSC Ltd. (Stock Code: DRREDDY)

Dear Sir/Madam,

Sub: Outcome of Board Meeting – Unaudited Financial Results for the quarter and nine months ended December 31, 2023

In furtherance to our letter dated December 21, 2023, we would like to inform you that the Board of Directors of the Company, at its meeting held on January 30, 2024, has *inter alia* approved the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2023.

In terms of the above, we are enclosing herewith the following:

1. Unaudited Consolidated Financial Results of the Company and its subsidiaries for the quarter and nine months ended December 31, 2023, prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).
2. Press Release on Financial Results of the Company for the above period.
3. Unaudited Consolidated Financial Results of the Company and its subsidiaries for the quarter and nine months ended December 31, 2023, as per Indian Accounting Standards.
4. Unaudited Standalone Financial Results of the Company for the quarter and nine months ended December 31, 2023, as per Indian Accounting Standards.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Limited Review Reports of the Statutory Auditors on the Unaudited Standalone and Consolidated Financial Results as mentioned at serial nos. 3 and 4 are also enclosed.

The Board Meeting commenced at 11.54 a.m. IST and concluded at 3.45 p.m. IST.

This is for your information and records.

Thanking you.

Yours faithfully,
For **Dr. Reddy's Laboratories Limited**

K Randhir Singh
Company Secretary, Compliance Officer & Head-CSR

Encl: as above

DR. REDDY'S LABORATORIES LIMITED

Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and nine months ended 31 December 2023 prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenues	72,148	68,802	67,700	208,334	182,911	245,879
2	Cost of revenues	29,945	28,434	27,607	86,210	79,565	106,536
3	Gross profit (1 - 2)	42,203	40,368	40,093	122,124	103,346	139,343
4	Selling, general and administrative expenses	20,228	18,795	17,981	56,725	50,034	68,026
5	Research and development expenses	5,565	5,447	4,821	15,996	14,015	19,381
6	Impairment of non-current assets	110	55	134	176	159	699
7	Other (income)/expense, net	(967)	(1,796)	732	(3,543)	(5,626)	(5,907)
	Total operating expenses	24,936	22,501	23,668	69,354	58,582	82,199
8	Results from operating activities [(3) - (4 + 5 + 6 + 7)]	17,267	17,867	16,425	52,770	44,764	57,144
	Finance income	1,357	1,578	279	4,090	3,128	4,281
	Finance expense	(394)	(353)	(418)	(1,118)	(1,074)	(1,428)
9	Finance income/(expense), net	963	1,225	(139)	2,972	2,054	2,853
10	Share of profit of equity accounted investees, net of tax	27	42	60	112	294	370
11	Profit before tax (8 + 9 + 10)	18,257	19,134	16,346	55,854	47,112	60,367
12	Tax expense, net	4,468	4,334	3,875	13,240	11,637	15,300
13	Profit for the period/year (11 -12)	13,789	14,800	12,471	42,614	35,475	45,067
14	Earnings per share:						
	Basic earnings per share of Rs.5/- each	82.81	88.96	75.09	256.17	213.69	271.43
	Diluted earnings per share of Rs.5/- each	82.68	88.78	74.95	255.68	213.24	270.85
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	



Segment information

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment wise revenue and results:						
	Segment revenue:						
	a) Pharmaceutical Services and Active Ingredients	10,390	9,446	10,142	29,054	26,385	36,646
	b) Global Generics	63,095	61,084	59,241	184,262	159,511	213,768
	c) Others	1,214	684	701	2,490	2,118	3,042
	Total	74,699	71,214	70,084	215,806	188,014	253,456
	Less: Inter-segment revenues	2,551	2,412	2,384	7,472	5,103	7,577
	Net revenues	72,148	68,802	67,700	208,334	182,911	245,879
2	Segment results:						
	Gross profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	2,306	1,254	1,409	4,569	2,752	4,715
	b) Global Generics	39,075	38,873	38,255	116,335	99,221	132,719
	c) Others	822	241	429	1,220	1,373	1,909
	Total	42,203	40,368	40,093	122,124	103,346	139,343
	Less: Selling and other un-allocable expenditure, net of other	23,946	21,234	23,747	66,270	56,234	78,976
	Total profit before tax	18,257	19,134	16,346	55,854	47,112	60,367

Global Generics segment includes operations of Biologics business. Inter-segment revenues represent sale from Pharmaceutical Services and Active Ingredients to Global Generics and Others at cost.

Notes:

- The above statement of unaudited consolidated financial results of Dr.Reddy's Laboratories Limited ("the Company"), which have been prepared in accordance with recognition and measurement principles of IAS 34 as issued by the International Accounting Standards Board (IASB) and were reviewed and recommended by Audit Committee and approved by the Board of Directors at their meetings held on 30 January 2024. The Auditors have carried out a limited review on the unaudited consolidated financial results and issued an unmodified report thereon.
- Revenues for the year ended 31 March 2023 includes:
 - Rs.2,640 million from sale of certain non-core dermatology brands to Eris Lifesciences Limited;
 - Rs.1,399 million from sale of brands Styptovit-E, Finast, Finast-T and Dynapres to Torrent Pharmaceuticals Limited; and
 - Rs.902 million from sale of brands Z&D, Pedicloryl, Pecef and Ezinapi to J B Chemicals and Pharmaceuticals Limited.
 The amounts recognised above are adjusted for expected sales returns. These transactions pertain to Company's Global Generics segment.
- During the quarter and nine months ended 31 December 2023, an amount of Rs.1,148 million and Rs.3,422 million, respectively, and during the quarter and nine months ended 31 December 2022, an amount of Rs.435 million and Rs.2,806 million, respectively, representing government grants have been accounted as a reduction from Cost of revenues.
- "Other (income)/expense, net" for the nine months ended 31 December 2023 includes Rs.540 million recognised, in April 2023, pursuant to settlement agreement with Janssen Group in settlement of the claim brought in the Federal Court of Canada by the Company and its affiliates for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of Zytiga®(Abiraterone).This transaction pertains to the Company's Global Generics segment.
- "Other (income)/expense, net" for quarter ended 30 September 2023 includes Rs.984 million recognised pursuant to settlement of product related litigation by the Company and its affiliates in the United Kingdom. This transaction pertains to the Company's Global Generics segment.
- Included in "Other (income)/expense, net" for the year ended 31 March 2023, is an amount of Rs.991 million representing the Loss on sale of Assets recognised in December 2022, pursuant to agreement dated 16 December 2022 with Delpharm Development Leiden B.V (Delpharm) for transfer of its certain assets, liabilities and employees at its site at Leiden, Netherlands.This transaction pertains to Company's Global Generics segment.
- "Other (income)/expense, net" for the nine months ended 31 December 2022 includes an amount of Rs.5,638 million (U.S.\$71.39 million discounted to present value) recognised in June 2022 towards the settlement of an ongoing litigation relating to launch of a product with Indivior Inc., Indivior UK Limited and Aquestive Therapeutics, Inc.
- The Company has considered the impact of recent tax regulations and developments, including updates to its estimate on the impact of adoption of the Taxation Laws (Amendment) Act 2019, in determining its "Tax expense/(benefit)" for the nine months ended 31 December 2023 and year ended 31 March 2023.
- The Company considered the uncertainties relating to the military conflict between Russia and Ukraine, in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. Based on its judgments, estimates and assumptions, including sensitivity analysis, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets. The Company will continue to closely monitor any material changes to future economic conditions.
- The Company received an anonymous complaint in September 2020, alleging that healthcare professionals in Ukraine and potentially in other countries were provided with improper payments by or on behalf of the Company in violation of U.S. anti-corruption laws, specifically the U.S. Foreign Corrupt Practices Act. The Company disclosed the matter to the U.S. Department of Justice ("DOJ"), Securities and Exchange Commission ("SEC") and Securities Exchange Board of India. The Company engaged a U.S. law firm to conduct the investigation at the instruction of a committee of the Company's Board of Directors. On 06 July 2021 the Company received a subpoena from the SEC for the production of related documents, which were provided to the SEC.

The Company made presentations to the SEC and the DOJ in relation to the investigation with respect to certain countries during the previous fiscal years. The Company also made a presentation to the SEC and the DOJ in relation to its Global Compliance Framework, including the ongoing enhancement initiatives, during the year ended 31 March 2023. The Company is complying with its listing obligations as it relates to updating the regulatory agencies. While the findings from the aforesaid investigations could result in government or regulatory enforcement actions against the Company in the United States and/or foreign jurisdictions, which can lead to civil and criminal sanctions under relevant laws, the outcomes including liabilities are not reasonably ascertainable at this time.

By order of the Board
For Dr. Reddy's Laboratories Limited



G V Prasad
Co-Chairman & Managing Director

DR. REDDY'S LABORATORIES LTD.
8-2-337, Road No. 3, Banjara Hills,
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Dr. Reddy's Q3 & 9M FY24 Financial Results

Hyderabad, India, January 30, 2024: Dr. Reddy's Laboratories Ltd. (BSE: 500124 | NSE: DRREDDY | NYSE: RDY | NSEIFSC: DRREDDY) today announced its consolidated financial results for the quarter and nine months ended December 31, 2023. The information mentioned in this release is based on consolidated financial statements under International Financial Reporting Standards (IFRS).

	Q3FY24	9MFY24
Revenues	Rs. 72,148 Mn [Up: 7% YoY; Up: 5% QoQ]	Rs. 208,334 Mn [Up: 14% YoY; Up]
Gross Margin	58.5% [Q3FY23: 59.2%; Q2FY24: 58.7%]	58.6% [9M FY23: 56.5%]
SG&A Expenses	Rs. 20,228 Mn [Up: 12% YoY; 8% QoQ]	Rs. 56,725 Mn [Up: 13% YoY]
R&D Expenses	Rs. 5,565 Mn [7.7% of Revenues]	Rs. 15,996 Mn [7.7% of Revenues]
EBITDA	Rs. 21,107 Mn [29.3% of Revenues]	Rs. 64,278 Mn [30.9% of Revenues]
Profit before Tax	Rs. 18,257 Mn [Up: 12% YoY; Down: 5% QoQ]	Rs. 55,854 Mn [Up: 19% YoY]
Profit after Tax	Rs. 13,789 Mn [Up: 11% YoY; Down: 7% QoQ]	Rs. 42,614 Mn [Up: 20% YoY]

Commenting on the results, Co-Chairman & MD, G V Prasad said: "We delivered another quarter of highest-ever sales and robust financial performance aided by new products performance and base business market share gain in the U.S., new products launch momentum and strong performance in Europe. We continue to strengthen our core businesses and invest in innovative products including strategic collaborations for novel molecules to meet unmet needs of patients."




Dr. Reddy's Laboratories Limited & Subsidiaries

Revenue Mix by Segment [Q3FY24]

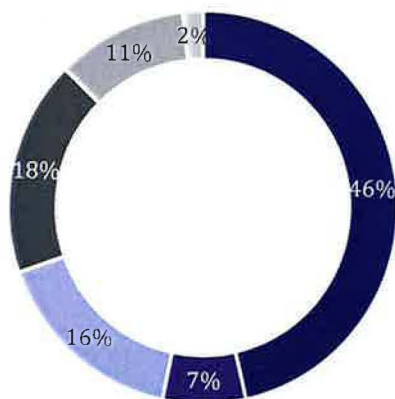
Particulars	Q3FY24	Q3FY23	YoY Gr %	Q2FY24	QoQ Gr%
	(Rs.)	(Rs.)		(Rs.)	
Global Generics	63,095	59,241	7%	61,084	3%
North America	33,492	30,567	9%	31,700	5%
Europe	4,970	4,303	15%	5,286	-6%
India	11,800	11,274	5%	11,860	-1%
Emerging Markets	12,833	13,097	-2%	12,163	6%
Pharmaceutical Services and Active Ingredients (PSAI)	7,839	7,758	1%	7,034	11%
Others	1,214	701	73%	684	78%
Total	72,148	67,700	7%	68,802	5%

Revenue Mix by Segment [9M FY24]

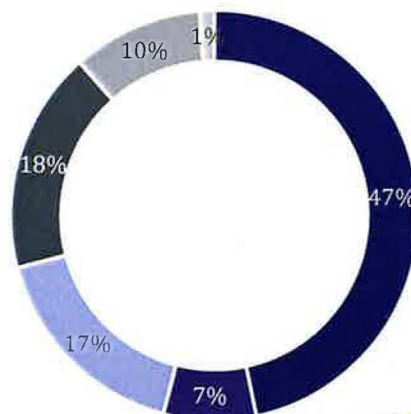
Particulars	9MFY24	9MFY23	YoY Gr%
	(Rs.)	(Rs.)	
Global Generics	184,262	159,511	16%
North America	97,245	76,383	27%
Europe	15,326	12,644	21%
India	35,141	36,113 [^]	-3%
Emerging Markets	36,550	34,371	6%
Pharmaceutical Services and Active Ingredients (PSAI)	21,582	21,282	1%
Others	2,490	2,119	18%
Total	208,334	182,911	14%

[^] includes divestment income in India in Q1FY23, excluding which India YoY growth is at 4% and total company growth is at 15%

Q3FY24 Revenue Mix



9MFY24 Revenue Mix



■ North America Generics ■ Europe Generics ■ India Generics ■ Emerging Markets Generics ■ PSAI ■ Others

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Consolidated Income Statement [Q3FY24]

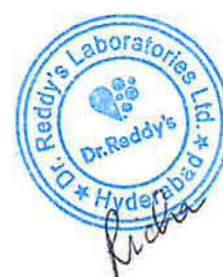
Particulars	Q3FY24		Q3FY23		YoY Gr %	Q2FY24		QoQ Gr%
	(\$)	(Rs.)	(\$)	(Rs.)		(\$)	(Rs.)	
Revenues	867	72,148	814	67,700	7	827	68,802	5
Cost of Revenues	360	29,945	332	27,607	8	342	28,434	5
Gross Profit	507	42,203	482	40,093	5	485	40,368	5
% of revenues		58.5%		59.2%			58.7%	
Operating Expenses								
Selling, General & Administrative expenses	243	20,228	216	17,981	12	226	18,795	8
% of revenues		28.0%		26.6%			27.3%	
Research & Development expenses	67	5,565	58	4,821	15	65	5,447	2
% of revenues		7.7%		7.1%			7.9%	
Impairment of non-current assets	1	110	2	134	(18)	1	55	100
Other operating (income)/expense	(12)	(967)	9	732	(232)	(22)	(1796)	(46)
Results from operating activities	208	17,267	197	16,425	5	215	17,867	(3)
Net finance (income)/expense	(12)	(963)	2	139	(793)	(15)	(1225)	(21)
Share of profit of equity accounted investees, net of tax	(0)	(27)	(1)	(60)	(55)	(1)	(42)	(36)
Profit before income tax	219	18,257	196	16,346	12	230	19,134	(5)
% of revenues		25.3%		24.1%			27.8%	
Income tax expense	54	4,468	47	3875	15	52	4,334	3
Profit for the period	166	13,789	150	12,471	11	178	14,800	(7)
% of revenues		19.1%		18.4%			21.5%	
Diluted Earnings Per Share (EPS)	0.99	82.68	0.90	74.95	10	1.07	88.78	(7)

EBITDA Computation [Q3FY24]

*Includes income from Investments

Particulars	Q3FY24		Q3FY23		Q2FY24	
	(\$)	(Rs.)	(\$)	(Rs.)	(\$)	(Rs.)
Profit before Income Tax	219	18,257	196	16,346	230	19,134
Interest (income) / expense - Net*	(12)	(1,030)	(1)	(93)	(14)	(1,166)
Depreciation	29	2,437	27	2,245	29	2,437
Amortization	16	1,333	12	1,026	16	1,353
Impairment	1	110	2	134	1	55
EBITDA	254	21,107	236	19,658	262	21,813
% of revenues		29.3%		29.0%		31.7%

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Consolidated Income Statement [9MFY24]

Particulars	9MFY24		9MFY23		YoY
	(\$)	(Rs.)	(\$)	(Rs.)	Gr %
Revenues	2,504	208,334	2,199	182,911	14
Cost of Revenues	1,036	86,210	956	79,565	8
Gross Profit	1,468	122,124	1,242	103,346	18
% of revenues		58.6%		56.5%	
Operating Expenses					
Selling, General & Administrative expenses	682	56,725	601	50,034	13
% of revenues		27.2%		27.4%	
Research & Development expenses	192	15,996	168	14,015	14
% of revenues		7.7%		7.7%	
Impairment of non-current assets	2	176	2	159	11
Other operating (income)/expense	(43)	(3,543)	(68)	(5,626)	(37)
Results from operating activities	634	52,770	538	44,764	18
Net finance (income)/expense	(36)	(2,972)	(25)	(2,054)	45
Share of profit of equity accounted investees	(1)	(112)	(4)	(294)	(62)
Profit before income tax	671	55,854	566	47,112	19
% of revenues		26.8%		25.8%	
Income tax expense	159	13,240	140	11,637	14
Profit for the period	512	42,614	426	35,475	20
% of revenues		20.5%		19.4%	
Diluted Earnings Per Share (EPS)	3.07	255.68	2.56	213.24	20

EBITDA Computation [9MFY24]

*Includes income from Investments

Particulars	9MFY24		9MFY23	
	(\$)	(Rs.)	(\$)	(Rs.)
Profit before Income Tax	671	55,854	566	47,112
Interest (income) / expense - Net*	-35	-2,881	1	52
Depreciation	86	7,155	77	6,402
Amortization	48	3,974	37	3,045
Impairment	2	176	2	159
EBITDA	773	64,278	682	56,769
% of revenues		30.9%		31.0%

Key Balance Sheet Items

Particulars	As on 31 st Dec 2023		As on 30 th Sep 2023		As on 31 st Dec 2022	
	(\$)	(Rs.)	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents and other investments	922	76,665	839	69,784	603	50,164
Trade receivables	943	78,417	838	69,722	902	75,046
Inventories	731	60,796	680	56,592	593	49,326
Property, plant, and equipment	875	72,795	847	70,478	781	64,996
Goodwill and Other Intangible assets	495	41,192	496	41,278	426	35,401
Loans and borrowings (current & non-current)	239	19,851	159	13,230	212	17,663
Trade payables	374	31,113	366	30,485	313	26,023
Equity	3,220	267,850	3,042	253,086	2,648	220,273

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Key Business Highlights [Q3FY24]

- **Acquired the MenoLabs branded portfolio** of women's health focused supplements in the U.S.
- **Exclusive collaboration with Coya Therapeutics** for development and commercialization of **COYA 302**, an Investigational Combination Therapy for treatment of Amyotrophic Lateral Sclerosis (ALS)
- **Inspections** completed by **U.S. FDA** at Bachupally facility. The response to the observations were submitted within stipulated timelines.
 - Product specific **Pre-Approval Inspection (PAI)** at **biologics** manufacturing facility in October 2023, post which a Form 483 with 9 observations was issued,
 - Routine **cGMP inspection** at formulations manufacturing facility (**FTO-3**) in October 2023, post which a Form 483 with 10 observations was issued and
 - **GMP and Pre-Approval Inspection (PAI)** at **R&D** unit in December 2023, post which a Form 483 with 3 observations was issued.

ESG & other Highlights [Q3FY24]

- **1st Indian pharma company** to be featured in the **Dow Jones Sustainability World Index** for 2023 and retaining our place in the **Emerging Markets Index** for the 8th year in a row.
- **Awarded 'Gold Medal' status by EcoVadis.**
- **MSCI ESG ratings** upgraded from **BB to BBB**
- **Awarded Golden Peacock awards** for Corporate Social Responsibility, 2023 and Excellence in Corporate Governance, 2023
- **Received ICSI Corporate Social Responsibility Excellence award - 2023**, in recognition of our contribution to society through our CSR initiatives.
- **1st Indian pharma company** to pledge towards a plantation initiative covering 2,900 hectares by 2028 as part of the **World Economic Forum's 1t.org.**



Revenue Analysis [Q3FY24]

- **Q3FY24 consolidated revenue** at Rs. 72.1 billion, YoY growth of 7% and QoQ growth of 5%. The YoY growth was primarily driven by market share gains for our existing products in North America and continuation of our growth journey in Europe.

Global Generics (GG)

- **Q3FY24 revenue** at Rs. 63.1 billion, YoY growth of 7% and QoQ growth of 3%. YoY growth was primarily driven by increase in volumes of our base business, new product launches, partially offset by price erosion in certain markets. Sequential growth was driven by increase in volumes of our base business, offset partially due to price erosion in certain markets.

North America

- **Q3FY24 revenue** at Rs. 33.5 billion, YoY growth of 9% and QoQ growth of 5%. YoY growth was on account of market share expansion in certain existing key products and revenues from new product launches, partly offset by price erosion. Sequential growth was driven by net increase in volumes of our base business.
- During the quarter, we **launched 4 new products** in the region, of which 2 were launched in the U.S.
- During the quarter, we **filed 2 new Abbreviated New Drug Applications (ANDAs)** with the US Food and Drug Administration (USFDA). As of 31st December 2023, cumulatively **79 generic filings are pending for approval** with the USFDA (75 ANDAs and 4 NDAs under 505(b)(2) route). Out of the pending 79 generic filings, 41 are Para IVs, and we believe 21 have 'First to File' status.

Europe

- **Q3FY24 revenue** at Rs. 5.0 billion, YoY growth of 15% and QoQ decline of 6%. YoY growth was primarily on account of contribution from new product launches, improvement in base business volumes and favourable currency exchange rate movements, partly offset by price erosion. QoQ decline was primarily on account of price erosion in certain countries, partly offset by increase in volumes of our base business.
 - **Germany** at Rs. 2.7 billion, YoY growth of 21% and QoQ growth of 0.1%.
 - **UK/OL** at Rs. 1.4 billion, YoY growth of 9% and QoQ decline of 22%.
 - **Rest of Europe** at Rs. 0.9 billion, YoY growth of 11% and QoQ growth of 7%.
- During the quarter, we **launched 6 new products** in the region.

India

- **Q3FY24 revenue** at Rs. 11.8 billion, YoY growth of 5% and QoQ decline of 1%. YoY growth was largely attributable to revenues from new products launches while QoQ decline was largely on lower volumes in base business.
- During the quarter, we **launched 3 new brands** in the country.



Emerging Markets

- **Q3FY24 revenue** at Rs. 12.8 billion, YoY decline of 2% and QoQ growth of 6%. YoY decline is attributable to unfavorable forex movement, while QoQ growth was driven by volume gains for few existing products and partially offset by unfavorable currency exchange rate movements.
 - **Revenue from Russia** at Rs. 5.9 billion, YoY decline of 14% and QoQ growth of 2%.

YoY decline was majorly due to unfavorable currency exchange rate movements & high base business.

QoQ growth was largely on account of improved volumes and increase in certain brand prices, partially offset by unfavorable currency exchange rate movements.
 - **Revenue from other CIS countries and Romania** at Rs. 2.3 billion, YoY growth of 4% and QoQ growth of 7%.

YoY growth was primarily on account of increase in price of certain brands, new product launches and favorable forex.

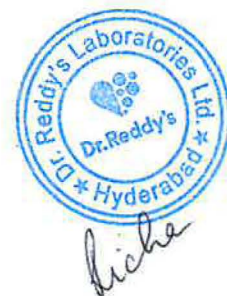
QoQ growth was driven by increase in base business volumes and new launches.
 - **Revenue from Rest of World (RoW) territories** at Rs. 4.6 billion, YoY growth of 16% and QoQ growth of 10%.

YoY growth was largely attributable to contribution from new products.

QoQ growth was primarily driven by increase in base business volumes and new product launches.

Pharmaceutical Services and Active Ingredients (PSAI)

- **Q3FY24 revenue** at Rs. 7.8 billion, with a growth of 1% YoY and 11% QoQ. YoY growth was mainly driven by revenues from new products, favourable forex, partially offset by price decline and low business volumes. QoQ growth was driven by improved volumes in base business and contributions from new product launches. Excluding revenue in base period from COVID-19 products, PSAI business grew in double-digit.
- During the quarter, we filed **38 Drug Master Files (DMFs) globally**.

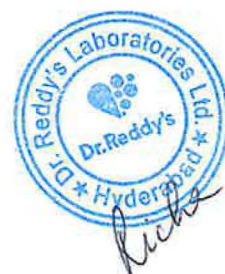


Income Statement Highlights:

- **Q3FY24 gross margin** at 58.5% (GG: 61.9%, PSAI: 29.4%). Gross margin decreased by ~73 bps YoY and 18 bps sequentially. The decline in margin was primarily driven by lower prices for certain products in generic markets, partly offset by improvement in product mix and productivity.
- **Selling, general & administrative (SG&A) expenses for Q3FY24** at Rs. 20.2 billion, YoY increase of 12% and by 8% QoQ. The YoY SG&A spend increase is largely on account of investments in sales & marketing activities, digitalization capabilities, and new business initiatives.
- **Research & development (R&D) expenses in Q3FY24** at Rs. 5.6 billion. As % to Revenues – Q3FY24: 7.7% | Q2FY24: 7.9% | Q3FY23: 7.1%. R&D investments are driven by ongoing clinical trials on differentiated assets, as well as other developmental efforts to build a healthy pipeline of new products across our markets for both small molecules and biosimilars.
- **Other operating income for Q3FY24** at Rs. 0.9 billion compared to other operating expenses of Rs. 0.7 billion in Q3FY23. Other operating income was largely on account of sale of non-current assets.
- **Net Finance income for Q3FY24** at Rs.0.9 billion compared to net finance expense of Rs. 0.1 billion in Q3FY23. The higher income was primarily on account of profit on sale of units of mutual funds and other investments.
- **Profit before Tax for Q3FY24** at Rs. 18.3 billion, YoY growth of 12%. QoQ decline of 5%.
- **Profit after Tax for Q3FY24** at Rs. 13.8 billion, YoY growth of 11%. QoQ decline of 7%. The effective tax rate for the quarter has been 24.5% as compared to 23.7% in Q3FY23. The higher tax rate is mainly due to increase in the proportion of the Company's profits coming from higher tax jurisdictions, partly offset by adoption of corporate tax rate under section 115BAA of the Income Tax Act of India.
- **Diluted earnings per share for Q3FY24** is Rs. 82.68

Other Highlights:

- **EBITDA for Q3FY24** at Rs. 21.1 billion and the EBITDA margin is 29.3%.
- **Operating Working Capital** at Rs. 108.1 billion.
- **Capital expenditure for Q3FY24** at Rs. 3.1 billion.
- **Free cash-flow for Q3FY24** at Rs. 0.2 billion.
- **Net cash surplus** at Rs. 59.1 billion as on December 31, 2023.
- **Debt to Equity** is (0.21).
- **ROCE** for the company is 37% (annualized).



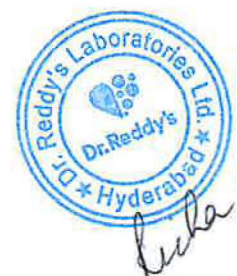
About key metrics and non-GAAP Financial Measures

This press release contains non-GAAP financial measures within the meaning of Regulation G and Item 10(e) of Regulation S-K. Such non-GAAP financial measures are measures of our historical performance, financial position or cash flows that are adjusted to exclude or include amounts from the most directly comparable financial measure calculated and presented in accordance with IFRS.

The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with IFRS. Our non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. These measures may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes.

We believe these non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating our business.

For more information on our non-GAAP financial measures and a reconciliation of GAAP to non-GAAP measures, please refer to "Reconciliation of GAAP to Non-GAAP Results" table in this press release.



Reconciliation of GAAP measures to non-GAAP measures

Free Cash Flow

Particulars	Three months ended Dec. 31, 2023
	(Rs.)
Net cash generated from operating activities	10,762
Less:	
Taxes	6027
Investments in PPE and Intangibles	4518
Free Cash Flow	217

Operating working capital

Particulars	As on 31 st Dec 2023
	(Rs.)
Inventories	60,796
Trade Receivables	78,417
Less:	
Trade Payables	31,113
Operating Working Capital	108,100

Net cash surplus

Particulars	As on 31 st Dec 2023
	(Rs.)
Cash and cash equivalents	7,535
Investments	69,130
Short-term borrowings	(12,343)
Long-term borrowings, non-current	(6,152)
Less:	
Restricted cash balance – Unclaimed dividend	122
Lease liabilities (included in Long-term borrowings, non-current)	(2,352)
Equity Investments (Included in Investments)	1328
Net Cash Surplus	59,072



Computation of Return on Capital Employed

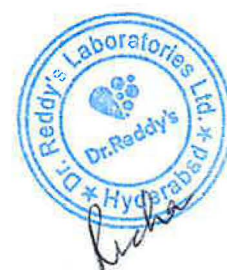
Particulars	As on 31 st Dec 2023
	(Rs.)
Profit before tax	18,257
Less:	
Interest and Investment Income (Excluding forex gain/loss)	1,030
Earnings Before Interest and taxes [A]	17,227
Average Capital Employed [B]	191,125
Annualized Return on Capital Employed (A/B) (Ratio)	37%

Computation of capital employed

Particulars	Year Ended	
	Dec 31, 2023	Mar 31, 2023
Property Plant and Equipment	72,795	66,462
Intangibles	36,905	30,849
Goodwill	4,287	4,245
Investment in equity accounted associates	4,218	4,702
Other Current Assets	23,512	20,069
Other investments	4,115	660
Other non-current assets	1,128	800
Inventories	60,796	48,670
Trade Receivables	78,417	72,485
Derivative Financial Instruments	-16	1,095
Less:		
Other Liabilities	43,159	42,320
Provisions	5,394	5,513
Trade payables	31,113	26,444
Operating Capital Employed	206,491	175,760
Average Capital Employed	191,125	

Computation of EBITDA

Refer page no. 3 & 4.



Earnings Call Details

The management of the Company will host an Earnings call to discuss the Company's financial performance and answer any questions from the participants.

Date: January 30, 2024

Time: 19:30 pm IST / 10:00 am EDT

Conference Joining Information

Option 1: Pre-register with the below link and join without waiting for the operator

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=1745002&linkSecurityString=a262ce748>

Option 2: Join through below Dial-In Numbers

Universal Access Number:	+91 22 6280 1219 +91 22 7115 8120
International Toll-Free Number:	USA: 1 866 746 2133 UK: 0 808 101 1573 Singapore: 800 101 2045 Hong Kong: 800 964 448

No password/pin number is necessary to dial in to any of the above numbers. The operator will provide instructions on asking questions before and during the call.

Play Back: The play back will be available after the earnings call, till February 6th, 2024. For play back dial in phone No: +91 22 7194 5757, and Playback Code is 61003.

Transcript: Transcript of the Earnings call will be available on the Company's website: www.drreddys.com

About Dr. Reddy's: Dr. Reddy's Laboratories Ltd. (BSE: 500124, NSE: DRREDDY, NYSE: RDY, NSEIFSC: DRREDDY) is a global pharmaceutical company headquartered in Hyderabad, India. Established in 1984, we are committed to providing access to affordable and innovative medicines. Driven by our purpose of 'Good Health Can't Wait', we offer a portfolio of products and services including APIs, generics, branded generics, biosimilars and OTC. Our major therapeutic areas of focus are gastrointestinal, cardiovascular, diabetology, oncology, pain management and dermatology. Our major markets include – USA, India, Russia & CIS countries, China, Brazil, and Europe. As a company with a history of deep science that has led to several industry firsts, we continue to plan and invest in businesses of the future. As an early adopter of sustainability and ESG actions, we released our first Sustainability Report in 2004. Our current ESG goals aim to set the bar high in environmental stewardship; access and affordability for patients; diversity; and governance. For more information, log on to: www.drreddys.com.

Disclaimer: This press release may include statements of future expectations and other forward-looking statements that are based on the management's current views and assumptions and involve known or unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to without limitation, (i) general economic conditions such as performance of financial markets, credit defaults, currency exchange rates, interest rates, persistency levels and frequency / severity of insured loss events (ii) mortality and morbidity levels and trends, (iii) changing levels of competition and general competitive factors, (iv) changes in laws and regulations and in the policies of central banks and/or governments, (v) the impact of acquisitions or reorganization, including related integration issues, and (vi) the susceptibility of our industry and the markets addressed by our, and our customers', products and services to economic downturns as a result of natural disasters, epidemics, pandemics or other widespread illness, including coronavirus (or COVID-19), and (vii) other risks and uncertainties identified in our public filings with the Securities and Exchange Commission, including those listed under the "Risk Factors" and "Forward-Looking Statements" sections of our Annual Report on Form 20-F for the year ended March 31, 2023. The company assumes no obligation to update any information contained herein." The company assumes no obligation to update any information contained herein.

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Dr. Reddy's Laboratories Limited**

1. We have reviewed the accompanying 'Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2023' (the "Statement") of Dr. Reddy's Laboratories Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint ventures attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Holding Company:
Dr. Reddy's Laboratories Limited

Subsidiaries

1. Aurigene Oncology limited (Formerly, Aurigene Discovery Technologies Limited)
2. Cheminor Investments Limited
3. Dr. Reddy's Bio-Sciences Limited
4. Dr. Reddy's Formulations Limited
5. Dr. Reddy's Farmaceutica Do Brasil Ltda.
6. Dr. Reddy's Laboratories SA
7. Idea2Enterprises (India) Private Limited
8. Imperial Owners and Land Possessions Private Limited (Formerly, Imperial Credit Private Limited)
9. Industrias Quimicas Falcon de Mexico, S.A.de C.V.
10. Svaas Wellness Limited
11. Aurigene Discovery Technologies (Malaysia) Sdn. Bhd.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

12. Aurigene Pharmaceutical Services Limited
13. beta Institut gemeinnützige GmbH
14. betapharm Arzneimittel GmbH
15. Chirotech Technology Limited (Under the process of liquidation)
16. DRL Impex Limited
17. Dr. Reddy's Laboratories (Australia) Pty. Limited
18. Dr. Reddy's (Beijing) Pharmaceutical Co. Limited
19. Dr. Reddy's Laboratories Canada, Inc.
20. Dr. Reddy's Laboratories Chile SPA.
21. Dr. Reddy's Laboratories (EU) Limited
22. Dr. Reddy's Laboratories Inc.
23. Dr. Reddy's Laboratories Japan KK
24. Dr. Reddy's Laboratories Kazakhstan LLP
25. Dr. Reddy's Laboratories LLC, Ukraine
26. Dr. Reddy's Laboratories Louisiana LLC
27. Dr. Reddy's Laboratories Malaysia Sdn. Bhd.
28. Dr. Reddy's Laboratories New York, LLC
29. Dr. Reddy's Laboratories Philippines Inc.
30. Dr. Reddy's Laboratories (Proprietary) Limited
31. Dr. Reddy's Laboratories Romania S.R.L.
32. Dr. Reddy's Laboratories SAS
33. Dr. Reddy's Laboratories Taiwan Limited
34. Dr. Reddy's Laboratories (Thailand) Limited
35. Dr. Reddy's Laboratories (UK) Limited
36. Dr. Reddy's New Zealand Limited
37. Dr. Reddy's Research and Development B.V.
38. Dr. Reddy's Srl
39. Dr. Reddy's Venezuela, C.A.
40. Dr. Reddy's Laboratories LLC
41. Lacock Holdings Limited
42. Promius Pharma LLC
43. Reddy Holding GmbH
44. Reddy Netherlands B.V.
45. Reddy Pharma Iberia SAU
46. Reddy Pharma Italia S.R.L.
47. Reddy Pharma SAS
48. Nimbus Health GmbH
49. Dr. Reddy's Laboratories Jamaica Limited (From 25 September 2023)

Associate

1. O2 Renewable Energy IX Private Limited (From November 10, 2023)

Joint ventures

1. DRES Energy Private Limited
2. Kunshan Rotam Reddy Pharmaceutical Company Limited

Other consolidating entities

1. Cheminor Employees Welfare Trust
2. Dr. Reddy's Employees ESOS Trust
Dr. Reddy's Research Foundation



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per **Shankar Srinivasan**

Partner

Membership No.: 213271



UDIN: 24213271BK EKYH6989

Place: Vishakhapatnam

Date : January 30, 2024

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2023

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations						
	a) Net sales/income from operations	69,647	67,348	66,353	203,138	176,165	234,595
	b) License fees and service income	2,501	1,454	1,346	5,196	6,745	11,284
	c) Other operating income	220	224	199	639	635	818
	Total revenue from operations	72,368	69,026	67,898	208,973	183,545	246,697
2	Other income	2,162	3,150	587	6,984	9,170	10,555
3	Total income (1 + 2)	74,530	72,176	68,485	215,957	192,715	257,252
4	Expenses						
	a) Cost of materials consumed	11,412	9,559	12,891	33,939	31,470	42,198
	b) Purchase of stock-in-trade	12,083	11,378	9,160	32,232	26,004	33,670
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,735)	(907)	(2,037)	(5,005)	123	709
	d) Employee benefits expense	12,764	12,803	11,732	37,464	33,706	46,466
	e) Depreciation and amortisation expense	3,735	3,755	3,237	11,023	9,347	12,502
	f) Impairment of non-current assets	110	55	134	176	159	699
	g) Finance costs	394	353	418	1,118	1,074	1,428
	h) Selling and other expenses	17,503	16,055	16,633	49,164	43,933	59,465
	Total expenses	56,266	53,051	52,168	160,111	145,816	197,137
5	Profit before tax and before share of equity accounted investees(3 - 4)	18,264	19,125	16,317	55,846	46,899	60,115
6	Share of profit of equity accounted investees, net of tax	27	42	60	112	294	370
7	Profit before tax (5+6)	18,291	19,167	16,377	55,958	47,193	60,485
8	Tax expense/(benefit):						
	a) Current tax	3,538	5,901	3,096	16,636	3,865	8,144
	b) Deferred tax	944	(1,556)	842	(3,359)	7,857	7,268
9	Net profit after taxes and share of profit of associates (7 - 8)	13,809	14,822	12,439	42,681	35,471	45,073
10	Other comprehensive income						
	a) (i) Items that will not be reclassified subsequently to profit or loss	132	(222)	(69)	16	(743)	(660)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	(31)	-	(31)	(43)
	b) (i) Items that will be reclassified subsequently to profit or loss	782	(1,113)	2,404	(184)	(920)	276
	(ii) Income tax relating to items that will be reclassified to profit or loss	78	201	(600)	69	648	306
	Total other comprehensive income	992	(1,134)	1,704	(99)	(1,046)	(121)
11	Total comprehensive income (9 + 10)	14,801	13,688	14,143	42,582	34,425	44,952
12	Paid-up equity share capital (face value Rs. 5/- each)	834	834	833	834	833	833
13	Other equity						232,028
14	Earnings per equity share (face value Rs. 5/- each)						
	Basic	82.94	89.09	74.91	256.57	213.68	271.47
	Diluted	82.81	88.91	74.76	256.08	213.23	270.90
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	

See accompanying notes to the financial results



Segment information

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Segment wise revenue and results:						
1	Segment revenue :						
	a) Pharmaceutical Services and Active Ingredients	10,580	9,625	10,304	29,570	26,797	37,195
	b) Global Generics	63,124	61,130	59,276	184,384	159,656	213,953
	c) Others	1,215	683	702	2,491	2,195	3,126
	Total	74,919	71,438	70,282	216,445	188,648	254,274
	Less: Inter-segment revenue	2,551	2,412	2,384	7,472	5,103	7,577
	Total revenue from operations	72,368	69,026	67,898	208,973	183,545	246,697
2	Segment results:						
	Gross profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	2,307	1,260	1,413	4,580	2,763	4,733
	b) Global Generics	39,077	38,872	38,254	116,335	99,221	132,719
	c) Others	823	242	430	1,221	1,374	1,909
	Total	42,207	40,374	40,097	122,136	103,358	139,361
	Less: Selling and other un-allocable expenditure/(income), net	23,916	21,207	23,721	66,178	56,166	78,876
	Total profit before tax	18,291	19,167	16,377	55,958	47,193	60,485

Global Generics includes operations of Biologics business. Inter-segment revenue represents sales from Pharmaceutical Services and Active Ingredients to Global Generics and Others at cost.

Segmental capital employed

As certain assets of the Company including manufacturing facilities, development facilities and treasury assets and liabilities are often deployed interchangeably across segments, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for capital employed have not been disclosed in the above table.

Notes:

- The above statement of unaudited consolidated financial results of Dr. Reddy's Laboratories Limited ("the Company"), which have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of Companies Act, 2013 ("the Act") read with relevant rules issues thereunder, other accounting principles generally accepted in India and guidelines issues by the Securities and Exchange Board of India ("SEBI") were reviewed and recommended by Audit Committee and approved by the Board of Directors at their meetings held on 30 January 2024. The Statutory Auditors have carried out a limited review on the unaudited consolidated financial results and issued an unmodified report thereon.
- License fee and service income for the year ended 31 March 2023 includes:
 - Rs. 2,640 million from sale of certain non-core dermatology brands to Eris Lifesciences Limited;
 - Rs. 1,399 million from sale of brands Styptovit-E, Finast, Finast-T and Dynapres to Torrent Pharmaceuticals Limited; and
 - Rs. 902 million from sale of brands Z&D, Pedicloryl, Pecef and Ezinapi to J B Chemicals and Pharmaceuticals Limited.
 The amounts recognised above are adjusted for expected sales returns. These transactions pertain to Company's Global Generics segment.
- "Other income" for the nine months ended 31 December 2023 includes Rs.540 million recognised in April 2023, pursuant to settlement agreement with Janssen Group, in settlement of the claim brought in the Federal Court of Canada by the Company and its affiliates for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of Zytiga®(Abiraterone). This transaction pertains to the Company's Global Generics segment.
- "Other income" for quarter ended 30 September 2023 includes Rs.984 million recognised pursuant to settlement of product related litigation by the Company and its affiliates in the United Kingdom. This transaction pertains to the Company's Global Generics segment.
- "Other income" for the year ended 31 March 2023 includes an amount of Rs.5,638 million (U.S.\$71.39 discounted to present value), recognised in June 2022 towards the settlement of an ongoing litigation relating to launch of a product with Indivior Inc., Indivior UK Limited and Aquestive Therapeutics, Inc.
- During the quarter and nine months ended 31 December 2023, an amount of Rs.1,148 million and Rs.3,422 million, respectively and during quarter and nine months ended 31 December 2022, an amount of Rs.435 million and Rs.2,806 million, respectively, representing government grants has been accounted as a reduction from Cost of materials consumed.
- Included in "Selling and other expenses" for the year ended 31 March 2023, is an amount of Rs. 991 million representing the Loss on sale of Assets recognised in December 2022, pursuant to agreement with Delpharm Development Leiden B.V (Delpharm) for transfer of its certain assets, liabilities and employees at its site at Leiden, Netherlands. This transaction pertains to Company's Global Generics segment.
- The Company has considered the impact of recent tax regulations and developments, including updates to its estimate on the impact of adoption of the Taxation Laws (Amendment) Act 2019, in determining its "Tax expense/(benefit)" for the nine months ended 31 December 2023 and year ended 31 March 2023.



DR. REDDY'S LABORATORIES LIMITED

- 9 The Company received an anonymous complaint in September 2020, alleging that healthcare professionals in Ukraine and potentially in other countries were provided with improper payments by or on behalf of the Company in violation of U.S. anti-corruption laws, specifically the U.S. Foreign Corrupt Practices Act. The Company disclosed the matter to the U.S. Department of Justice ("DOJ"), Securities and Exchange Commission ("SEC") and Securities Exchange Board of India. The Company engaged a U.S. law firm to conduct the investigation at the instruction of a committee of the Company's Board of Directors. On 06 July 2021 the Company received a subpoena from the SEC for the production of related documents, which were provided to the SEC.
- The Company made presentations to the SEC and the DOJ in relation to the investigation with respect to certain countries during the previous fiscal years. The Company also made a presentation to the SEC and the DOJ in relation to its Global Compliance Framework, including the ongoing enhancement initiatives, during the year ended 31 March 2023. The Company is complying with its listing obligations as it relates to updating the regulatory agencies. While the findings from the aforesaid investigations could result in government or regulatory enforcement actions against the Company in the United States and/or foreign jurisdictions, which can lead to civil and criminal sanctions under relevant laws, the outcomes including liabilities are not reasonably ascertainable at this time.
- 10 The Company considered the uncertainties relating to the military conflict between Russia and Ukraine, in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. Based on its judgments, estimates and assumptions, including sensitivity analysis, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets. The Company will continue to closely monitor any material changes to future economic conditions.

Place: Hyderabad
Date: 30 January 2024

By order of the Board
For Dr. Reddy's Laboratories Limited





G V Prasad
Co-Chairman & Managing Director



Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Dr. Reddy's Laboratories Limited**

1. We have reviewed the accompanying 'Statement of Unaudited Standalone Financial Results for the quarter and nine months ended 31 December 2023' (the "Statement") of Dr. Reddy's Laboratories Limited (the "Company") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership No.: 213271UDIN:
24213271BKEKYI4480
Place: Visakhapatnam
Date: January 30, 2024

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2023

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations						
	a) Net sales/income from operations	40,389	48,037	38,624	142,460	120,498	162,989
	b) License fees and service income	442	154	172	763	3,115	6,002
	c) Other operating income	199	196	180	567	472	634
	Total revenue from operations	41,030	48,387	38,976	143,790	124,085	169,625
2	Other income	2,276	2,231	514	6,651	5,343	5,913
	Total income (1 + 2)	43,306	50,618	39,490	150,441	129,428	175,538
3	Expenses						
	a) Cost of materials consumed	8,187	7,512	8,659	23,838	23,073	31,614
	b) Purchase of stock-in-trade	5,569	4,992	4,874	14,403	14,101	17,793
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(651)	(1,054)	(1,281)	(1,868)	227	1,295
	d) Employee benefits expense	7,823	7,837	7,084	23,062	20,675	28,326
	e) Depreciation and amortisation expense	2,464	2,458	2,388	7,294	6,865	9,232
	f) Impairment of non-current assets	-	-	10	-	10	51
	g) Finance costs	56	58	28	159	143	169
	h) Selling and other expenses	13,539	12,809	12,879	39,032	35,040	48,398
	Total expenses	36,987	34,612	34,641	105,920	100,134	136,878
4	Profit before tax (1 + 2 - 3)	6,319	16,006	4,849	44,521	29,294	38,660
5	Tax expense/(benefit)						
	a) Current tax	1,569	3,960	1,988	10,916	6,322	8,641
	b) Deferred tax	(2)	120	(385)	533	3,568	3,891
6	Net profit for the period/year (4 - 5)	4,752	11,926	3,246	33,072	19,404	26,128
7	Other comprehensive income						
	a) (i) Items that will not be reclassified to profit or loss	(8)	1	2	(6)	3	89
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	(31)	-	(31)	(53)
	b) (i) Items that will be reclassified to profit or loss	24	(802)	1,296	(257)	(2,278)	(928)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(6)	201	(551)	65	697	358
	Total other comprehensive income	10	(600)	716	(198)	(1,609)	(534)
8	Total comprehensive income (6 + 7)	4,762	11,326	3,962	32,874	17,795	25,594
9	Paid-up equity share capital (face value Rs. 5/- each)	834	834	833	834	833	833
10	Other equity						203,909
11	Earnings per equity share (face value Rs. 5/- each)						
	Basic	28.55	71.68	19.54	198.81	116.88	157.37
	Diluted	28.50	71.54	19.50	198.43	116.63	157.03
		<i>(Not annualised)</i>	<i>(Not annualised)</i>	<i>(Not annualised)</i>	<i>(Not annualised)</i>	<i>(Not annualised)</i>	

See accompanying notes to the financial results.



Segment information

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Segment wise revenue and results						
1	Segment revenue						
	a) Pharmaceutical Services and Active Ingredients	7,658	6,357	6,357	20,900	18,785	27,896
	b) Global Generics	35,726	43,995	34,298	129,399	109,348	147,999
	c) Others	66	128	110	325	368	497
	Total	43,450	50,480	40,765	150,624	128,501	176,392
	Less: Inter-segment revenue	2,420	2,093	1,789	6,834	4,416	6,767
	Total revenue from operations	41,030	48,387	38,976	143,790	124,085	169,625
2	Segment results						
	Profit/(loss) before tax and interest from each segment						
	a) Pharmaceutical Services and Active Ingredients	(397)	(540)	(671)	(1,533)	(1,822)	(1,336)
	b) Global Generics	6,832	16,174	7,498	45,498	37,662	46,716
	c) Others	198	108	(97)	297	(103)	(154)
	Total	6,633	15,742	6,730	44,262	35,737	45,226
	Less: (i) Finance costs	56	58	28	159	143	169
	(ii) Other un-allocable expenditure/(income), net	258	(322)	1,853	(418)	6,300	6,397
	Total profit before tax	6,319	16,006	4,849	44,521	29,294	38,660

Global Generics includes operations of Biologics business. Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics at cost.

Segmental capital employed

As certain assets of the Company including manufacturing facilities, development facilities and treasury assets and liabilities are often deployed interchangeably across segments, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for capital employed have not been disclosed in the above table.

Notes:

- The above statement of unaudited standalone financial results of Dr. Reddy's Laboratories Limited ("the Company"), which have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI") were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on 30 January 2024. The Statutory Auditors have carried out a limited review on the unaudited standalone financial results and issued unmodified report thereon.
- License fee and service income for the year ended 31 March 2023 includes:
 - Rs. 2,640 million from sale of certain non-core dermatology brands in India to Eris Lifesciences Limited;
 - Rs. 1,399 million from sale of brands Styptovit-E, Finast, Finast-T and Dynapres to Torrent Pharmaceuticals Limited; and
 - Rs. 902 million from sale of brands Z&D, Pedicloryl, Pecef and Ezinapi to J B Chemicals and Pharmaceuticals Limited;
 The amounts recognised above are adjusted for expected sales returns. These transactions pertain to the Company's Global Generics segment.
- "Other income" for the nine months ended 31 December 2023 includes Rs.540 million recognised in April 2023, pursuant to settlement agreement with Janssen Group, in settlement of the claim brought in the Federal Court of Canada by the Company and its affiliates for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of Zytiga®(Abiraterone).This transaction pertains to the Company's Global Generics segment.
- "Other income" for the nine months ended 31 December 2023 includes dividend income of Rs. 443 million declared by Kunshan Rotan Reddy Pharmaceutical Company Limited.
- During the quarter and nine months ended 31 December 2023, an amount of Rs. 1,142 million and Rs. 3,405 million respectively and during the quarter and nine months ended 31 December 2022, an amount of Rs. 435 million and Rs. 2,806 million respectively, representing government grants has been accounted as a reduction from cost of material consumed.
- The Company has considered the impact of recent tax regulations and developments, including updates to its estimate on the impact of adoption of the Taxation Laws (Amendment) Act 2019, in determining its "Tax expense/(benefit)" for the nine months ended 31 December 2023 and year ended 31 March 2023.
- The Company received an anonymous complaint in September 2020, alleging that healthcare professionals in Ukraine and potentially in other countries were provided with improper payments by or on behalf of the Company in violation of U.S. anti-corruption laws, specifically the U.S. Foreign Corrupt Practices Act. The Company disclosed the matter to the U.S. Department of Justice ("DOJ"), Securities and Exchange Commission ("SEC") and Securities Exchange Board of India. The Company engaged a U.S. law firm to conduct the investigation at the instruction of a committee of the Company's Board of Directors. On 06 July 2021 the Company received a subpoena from the SEC for the production of related documents, which were provided to the SEC. The Company made presentations to the SEC and the DOJ in relation to the investigation with respect to certain countries during the previous fiscal years. The Company also made a presentation to the SEC and the DOJ in relation to its Global Compliance Framework, including the ongoing enhancement initiatives, during the year ended 31 March 2023. The Company is complying with its listing obligations as it relates to updating the regulatory agencies. While the findings from the aforesaid investigations could result in government or regulatory enforcement actions against the Company in the United States and/or foreign jurisdictions, which can lead to civil and criminal sanctions under relevant laws, the outcomes including liabilities are not reasonably ascertainable at this time.

Place: Hyderabad
Date: 30 January 2024



By order of the Board
For Dr. Reddy's Laboratories Limited


G.V. Prasad
Co-Chairman & Managing Director