

July 27, 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: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") – Board meeting outcome

We would like to inform that the Board of Directors of the Company at its meeting held on July 27, 2024, has *inter alia* approved the following:

1. Financial results

- a. Unaudited Consolidated Financial Results of the Company and its subsidiaries for the quarter ended June 30, 2024, prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).
- b. Press Release on Unaudited Financial Results of the Company for the above period.
- c. Unaudited Consolidated Financial Results of the Company and its subsidiaries for the quarter ended June 30, 2024, as per Indian Accounting Standards.
- d. Unaudited Standalone Financial Results of the Company for the quarter ended June 30, 2024, as per Indian Accounting Standards.

Pursuant to Regulation 33 of the SEBI Listing Regulations, the Limited Review Reports of the Statutory Auditors on the Unaudited Standalone and Consolidated Financial Results as mentioned at serial nos. (c) & (d) are also enclosed.

2. Sub-division/ split

Sub-division/ split of each equity share of the Company having face value of Rs.5/- (Rupees five only) each, fully paid-up, into 5 (Five) equity shares having face value of Re.1/- (Rupee one only) each, fully paid-up, by alteration of the Capital Clause of the Memorandum of Association of the Company. Further, each American Depositary Share (ADS) of the Company will continue to represent 1 (One) underlying equity share as at present and therefore, the number of ADSs held by an American Depositary Receipt holder would consequently increase in proportion to the increase in number of equity shares. The sub-division/ split will be subject to approval of the members of the Company through postal ballot process. The record date for the said sub-division/ split will be intimated in due course.

The detailed disclosure for said sub-division/ split, in terms of Regulation 30 of the SEBI Listing Regulations, read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 is given in Annexure A, enclosed herewith.

3. Change in Board Composition

a. Retirement of Ms. Kalpana Morparia (DIN: 00046081), Independent Director of the Company

Ms. Kalpana Morparia (DIN: 00046081) will cease to be an Independent Director (Lead Independent Director) of the Company, with effect from close of working hours on July 30, 2024 after completion of her second term of directorship which was from July 31, 2019 to July 30, 2024. Consequently, she will also cease to be the Chairperson of Nomination, Governance and Compensation Committee and the Stakeholders' Relationship Committee, and Member of the Audit Committee and the Sustainability & CSR Committee.

The details as required in terms of Regulation 30 of the SEBI Listing Regulations, read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13,2023 are given in Annexure B, enclosed herewith.

b. Changes with respect to Board and Board Committees of the Company

The Board of Directors has designated Mr. Leo Puri as the Lead Independent Director of the Company with effect from July 31, 2024.

The Board has approved appointment of Mr. Sanjiv Mehta, Independent Director, as Chairman of the Nomination, Governance and Compensation Committee; appointment of Mr. Leo Puri, Independent Director, as Chairman of the Stakeholders' Relationship Committee; the induction of Ms. Penny Wan, Independent Director, as a member of the Audit Committee, and cessation of Ms. Penny Wan, Independent Director, as a member of the Science, Technology and Operations Committee. The revised composition of the Committees of the Board where changes took place, effective from July 31, 2024, are as hereunder:

| Board Committees | Details of members/ chair after changes in the Committee composition effective from July 31, 2024 |
|---|---|
| Audit Committee | Mr. Arun M Kumar, Independent Director – Chairman Ms. Shikha Sharma, Independent Director – Member Dr. K P Krishnan, Independent Director – Member Ms. Penny Wan, Independent Director – Member |
| Nomination, Governance and Compensation Committee | Mr. Sanjiv Mehta, Independent Director – Chairman Dr. K P Krishnan, Independent Director – Member Mr. Arun M Kumar, Independent Director – Member Mr. Leo Puri, Independent Director – Member |
| Stakeholders' Relationship Committee | Mr. Leo Puri, Independent Director – Chairman Mr. G V Prasad, Co-Chairman and Managing Director – Member Mr. Satish Reddy, Chairman – Member |
| Sustainability and CSR Committee | Dr. K P Krishnan, Independent Director – Chairman Mr. Sanjiv Mehta, Independent Director – Member Mr. G V Prasad, Co-Chairman and Managing Director – Member Mr. Satish Reddy, Chairman – Member |
| Science, Technology and Operation Committee | Dr. Claudio Albrecht, Independent Director – Chairman Mr. Leo Puri, Independent Director – Member Dr. Alpna Seth, Independent Director – Member Mr. Sanjiv Mehta, Independent Director – Member |



Further, we would like to inform that post retirement of Ms. Kalpana Morparia as an Independent Director, the composition of Board and its Committees continues to be in compliance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations.

4. Investment in wholly owned subsidiary company

Approval of the fund infusion by way of investment in preference shares of Dr. Reddy's Laboratories SA, Switzerland, a wholly-owned subsidiary of the Company, upto an amount of GBP 500 million. The fund will be used by the said wholly-owned subsidiary for the acquisition of Nicotinell® and related brands by way of acquisition of all of the quotas of Northstar Switzerland SARL ("Northstar Switzerland") incorporated in Switzerland owned by the Haleon Group, as intimated to the stock exchanges *vide* our communication dated June 26, 2024.

The requisite details as required under SEBI Listing Regulations, read with the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, will be disclosed to the stock exchange(s) after approval of the Board of the said wholly-owned subsidiary.

5. Changes in authorization for determination and disclosure of materiality of event or information:

Pursuant to Regulation 30(5) of the SEBI Listing Regulations, following executives of the Company are authorized for determination of the materiality of any event or information and disclosure thereof to the stock exchanges. The Changes will be effective from August 1, 2024.

| Sr. No. | Name | Designation | Email id | Tel No. |
|---------|---------------------|--|----------------------------|------------------|
| 1 | Mr. G V Prasad | Co-Chairman & Managing Director | gvprasad@drreddys.com | +91-40 4900 2900 |
| 2 | Mr. Erez Israeli | Chief Executive Officer | erez@drreddys.com | +91-40 4900 2900 |
| 4 | Mr. M V Narasimham | Chief Financial Officer* | narasimhammv@drreddys.com | +91-40 4900 2900 |
| 5 | Mr. K Randhir Singh | Company Secretary, Compliance Officer and Head-CSR | kumarrandhirs@drreddys.com | +91-40 4900 2900 |

**Chief Financial Officer with effect from August 1, 2024*

The Board Meeting commenced at 9:00 a.m. IST and concluded at 4.00 p.m. IST.

This is for your information and record.

Thanking you.

Yours faithfully,

For **Dr. Reddy's Laboratories Limited**

K Randhir Singh

Company Secretary, Compliance Officer & Head-CSR

Encl: as above

Disclosure in terms of Regulation 30 of the SEBI Listing Regulations, read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023

| Sl. No. | Particulars | Description | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|---|---|---------------------------|--------------------------|------------------|---------------------------|--------------------------|--|--|----------------------|------------------|---------------------------|----------------------|------------------|---------------------------|--------------------------|-------------|---|---------------|---------------|---|---------------|-----------------|-------------|---|-------------|-------------|---|-------------|------------------|-------------|---|-------------|-------------|---|-------------|
| 1. | Split/ consolidation ratio | Each equity share of face value of Rs. 5/- (Rupees five only) each, into 5 (five) equity shares having face value of Re. 1/- (Rupee one only) each, fully paid-up. Further, each American Depositary Share (ADS) of the Company will continue to represent 1 (One) underlying equity share as at present and therefore, the number of ADSs held by an American Depositary Receipt holder would consequently increase in proportion to the increase in number of equity shares. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Rationale behind the split / consolidation | To enhance the liquidity of the Company's equity shares and to widen shareholder base by making equity shares more affordable to retail investors. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | Pre and post share capital – authorized, paid-up and subscribed | <table border="1"> <thead> <tr> <th rowspan="2">Type of Capital</th> <th colspan="3">Pre-Split Share Capital</th> <th colspan="3">Post-Split Share Capital</th> </tr> <tr> <th>No. of equity shares</th> <th>Face value (Rs.)</th> <th>Total Share Capital (Rs.)</th> <th>No. of equity shares</th> <th>Face value (Rs.)</th> <th>Total Share Capital (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Authorised Share Capital</td> <td>290,000,000</td> <td>5</td> <td>1,450,000,000</td> <td>1,450,000,000</td> <td>1</td> <td>1,450,000,000</td> </tr> <tr> <td>Issued Capital*</td> <td>166,829,901</td> <td>5</td> <td>834,149,505</td> <td>834,149,505</td> <td>1</td> <td>834,149,505</td> </tr> <tr> <td>Paid-up Capital*</td> <td>166,829,701</td> <td>5</td> <td>834,148,505</td> <td>834,148,505</td> <td>1</td> <td>834,148,505</td> </tr> </tbody> </table> <p><i>*the difference between issued and paid-up capital is due to forfeiture of 200 shares of Rs.5/- each.</i></p> | Type of Capital | Pre-Split Share Capital | | | Post-Split Share Capital | | | No. of equity shares | Face value (Rs.) | Total Share Capital (Rs.) | No. of equity shares | Face value (Rs.) | Total Share Capital (Rs.) | Authorised Share Capital | 290,000,000 | 5 | 1,450,000,000 | 1,450,000,000 | 1 | 1,450,000,000 | Issued Capital* | 166,829,901 | 5 | 834,149,505 | 834,149,505 | 1 | 834,149,505 | Paid-up Capital* | 166,829,701 | 5 | 834,148,505 | 834,148,505 | 1 | 834,148,505 |
| Type of Capital | Pre-Split Share Capital | | | Post-Split Share Capital | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | No. of equity shares | Face value (Rs.) | Total Share Capital (Rs.) | No. of equity shares | Face value (Rs.) | Total Share Capital (Rs.) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Authorised Share Capital | 290,000,000 | 5 | 1,450,000,000 | 1,450,000,000 | 1 | 1,450,000,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issued Capital* | 166,829,901 | 5 | 834,149,505 | 834,149,505 | 1 | 834,149,505 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Paid-up Capital* | 166,829,701 | 5 | 834,148,505 | 834,148,505 | 1 | 834,148,505 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Expected time of completion | Within 2 months from the date of approval by the members of the Company. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | Class of shares which are consolidated or subdivided | Equity Shares and ADSs underlying equity shares, ranking pari-passu | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | Number of shares of each class pre and post-split or consolidation | Same as in clause 3 above Company has issued only one class of Equity Shares and ADSs underlying equity shares | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. | Number of shareholders who did not get any shares in consolidation and their pre consolidation shareholding | Not Applicable | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



Annexure B

Disclosure in terms of Regulation 30 of the SEBI Listing Regulations, read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023

Details of Ms. Kalpana Morparia (DIN: 00046081)

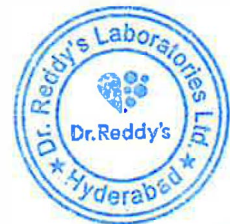
| Sl. No. | Particulars | Details |
|----------------|---|--|
| 1 | Reason for change viz. appointment, resignation, removal, death or otherwise | Retirement on account of end of the second term as an Independent Director of the Company on July 30, 2024 |
| 2 | Date of appointment/cessation (as applicable);-and Term of appointment | With effect from the close of working hours on July 30, 2024 |
| 3 | Brief profile (in case of appointment) | Not applicable |
| 4 | Disclosure of relationships between directors (in case of appointment of a director). | Not applicable |

DR. REDDY'S LABORATORIES LIMITED

Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter ended 30 June 2024 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 | | Year ended | |
|---------|--|------------------|------------------|------------------|----------------|
| | | 30.06.2024 | 31.03.2024 | 30.06.2023 | 31.03.2024 |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| 1 | Revenues | 76,727 | 70,830 | 67,384 | 279,164 |
| 2 | Cost of revenues | 30,383 | 29,347 | 27,831 | 115,557 |
| 3 | Gross profit (1 - 2) | 46,344 | 41,483 | 39,553 | 163,607 |
| 4 | Selling, general and administrative expenses | 22,691 | 20,476 | 17,702 | 77,201 |
| 5 | Research and development expenses | 6,193 | 6,877 | 4,984 | 22,873 |
| 6 | Impairment of non-current assets, net | 5 | (173) | 11 | 3 |
| 7 | Other income, net | (470) | (656) | (780) | (4,199) |
| | Total operating expenses | 28,419 | 26,524 | 21,917 | 95,878 |
| 8 | Results from operating activities [(3) - (4 + 5 + 6 + 7)] | 17,925 | 14,959 | 17,636 | 67,729 |
| | Finance income | 1,435 | 1,615 | 1,155 | 5,705 |
| | Finance expense | (598) | (593) | (371) | (1,711) |
| 9 | Finance income, net | 837 | 1,022 | 784 | 3,994 |
| 10 | Share of profit of equity accounted investees, net of tax | 59 | 35 | 43 | 147 |
| 11 | Profit before tax (8 + 9 + 10) | 18,821 | 16,016 | 18,463 | 71,870 |
| 12 | Tax expense, net | 4,901 | 2,946 | 4,438 | 16,186 |
| 13 | Profit for the period/year (11 -12) | 13,920 | 13,070 | 14,025 | 55,684 |
| 14 | Earnings per share: | | | | |
| | Basic earnings per share of Rs.5/- each | 83.59 | 78.49 | 84.40 | 334.65 |
| | Diluted earnings per share of Rs.5/- each | 83.46 | 78.35 | 84.22 | 334.02 |
| | | (Not annualised) | (Not annualised) | (Not annualised) | |



Segment information

All amounts in Indian Rupees millions

| Sl. No. | Particulars | Quarter ended | | Year ended | |
|---------|--|---------------|---------------|---------------|----------------|
| | | 30.06.2024 | 31.03.2024 | 30.06.2023 | 31.03.2024 |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| | Segment wise revenue and results: | | | | |
| 1 | Segment revenue: | | | | |
| | a) Pharmaceutical Services and Active Ingredients | 10,309 | 11,526 | 9,218 | 40,580 |
| | b) Global Generics | 68,858 | 61,191 | 60,083 | 245,453 |
| | c) Others | 212 | 1,420 | 592 | 3,910 |
| | Total | 79,379 | 74,137 | 69,893 | 289,943 |
| | Less: Inter-segment revenues | 2,652 | 3,307 | 2,509 | 10,779 |
| | Net revenues | 76,727 | 70,830 | 67,384 | 279,164 |
| 2 | Segment results: | | | | |
| | Gross profit from each segment | | | | |
| | a) Pharmaceutical Services and Active Ingredients | 1,768 | 2,350 | 1,009 | 6,919 |
| | b) Global Generics | 44,518 | 37,933 | 38,387 | 154,268 |
| | c) Others | 58 | 1,200 | 157 | 2,420 |
| | Total | 46,344 | 41,483 | 39,553 | 163,607 |
| | Less: Selling and other un-allocable expenditure, net of other | 27,523 | 25,467 | 21,090 | 91,737 |
| | Total profit before tax | 18,821 | 16,016 | 18,463 | 71,870 |

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.

Segmental capital employed

As certain assets of the Company including manufacturing facilities, development facilities, 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 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 27 July 2024. The Auditors have carried out a limited review on the unaudited consolidated financial results and issued an unmodified report thereon.
- During the quarter ended 30 June 2024 and 31 March 2024, an amount of Rs 809 million and Rs.810 million respectively, representing government grants has been accounted for as a reduction from cost of revenues.
- "Other income, net" for the year ended 31 March 2024 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)
 - Rs. 984 million recognised in September 2023 pursuant to settlement of product related litigation by the Company and its affiliates in the United Kingdom. These transactions pertains to the Company's Global Generics segment.
- On 25 April 2024, the Company entered into a definitive agreement with Nestlé India Limited ("Nestlé India"), for manufacturing, developing, promoting, marketing, selling, distributing, and commercializing nutraceutical products and supplements in India and other geographies as may be agreed by the parties. The aforesaid business activities shall be carried out through Dr. Reddy's Nutraceuticals Limited (the "Nutraceuticals subsidiary") which was incorporated on 14 March 2024. Subsequently, the Nutraceutical subsidiary's name was changed to Dr. Reddy's and Nestlé Health Science Limited on 13 June 2024.

The aforesaid definitive agreement is subject to certain closing conditions and is expected to become effective by the quarter ended 30 September 2024, upon infusion of funds and completion of other closing conditions.

As per terms agreed, the Company will hold 51% and the Nestlé India will hold 49% of the paid-up share capital in the Nutraceuticals subsidiary with shareholder rights to voting, dividend distribution and other economic rights as agreed in the aforesaid definitive agreement. As per agreed terms, the Company and Nestlé India will transfer license of its nutraceuticals brands to Nutraceuticals subsidiary.

Further, Nestlé India will have a call option to increase their shareholding up to 60% in the Nutraceuticals subsidiary after six years from subscription date for a payment at fair market value. However, the Company shall continue to hold at least 40% of the shareholding after Nestlé India exercises its call option.



- 5 On 26 June 2024, the Company entered into definitive agreement with Haleon UK Enterprises Limited ("Haleon") to acquire Haleon's Ex-US global portfolio of consumer healthcare brands in the Nicotine Replacement Therapy category ("NRT Business").

The definitive agreement for the acquisition of this NRT Business from Haleon includes the transfer of intellectual property, employees, agreements with commercial manufacturing organization, marketing authorizations and other assets relating to the commercialization of four brands- i.e., Nicotinell, Nicabate, Thrive, and Habitrol. The proposed acquisition will be inclusive of all formats such as lozenge, patch, spray and/or gum in all applicable global markets outside of the United States.

Completion of this transaction is subject to satisfying closing conditions, including the completion of certain reorganization by Haleon Group, and obtaining foreign direct investment approval in Sweden and merger control approvals in Brazil, Saudi Arabia and the United Arab Emirates. The transaction is expected to close during the early part of the quarter ended 31 December 2024.

Upon completion of closing conditions, the Company will acquire this NRT Business by purchasing the shares of Northstar Switzerland S.A. (a Haleon Group Company) for a total consideration of up to GBP 500 million (approximately Rs. 52,739 million as translated based on forex rate as at 30 June 2024), consisting of an upfront cash payment GBP 458 million (approximately Rs. 48,309 million) and performance-based contingent payments of up to GBP 42 million (approximately Rs. 4,430 million), based on attainment of agreed-upon sales targets in calendar year 2024 and 2025, and meeting other parameters.

These NRT Business will transition gradually into the Company in a phased approach between April 2025 and February 2026. During the transition period, Haleon Group will provide distribution and related services in the markets, facilitating successful integration of the business across various geographies into the Company.

- 6 The Company considered the uncertainties relating to the escalation of conflict in the middle east, and duration of 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.

- 7 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 6 July 2021 the Company received a subpoena from the SEC for the production of related documents, which were provided to the SEC.

The Company has continued to make presentations to the SEC and the DOJ in relation to the ongoing investigation and in relation to its Global Compliance Framework, which includes enhancement initiatives undertaken by the Company. The Company continues to respond to requests made by the SEC and the DOJ and 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.

- 8 The Board of Directors of the Company at their meeting held on 27 July 2024, have approved the sub-division/ split of each equity share of face value of Rs.5/- (Rupees five only) each, fully paid-up, into 5 (Five) equity shares having face value of Re.1/- (Rupee one only) each, fully paid-up, by alteration of the Capital Clause of the Memorandum of Association of the Company. Further, each American Depositary Share (ADS) of the Company will continue to represent 1 (One) underlying equity share as at present and therefore, the number of ADSs held by an American Depositary Receipt holder would consequently increase in proportion to the increase in number of equity shares. The sub-division/ split will be subject to approval of the shareholders of the Company through postal ballot process. The record date for the said sub-division/ split will be intimated in due course.

Pending approval of the shareholders, the basic and diluted EPS disclosed above have not been adjusted to give effect to such split in accordance with requirements under IAS 33, *Earnings per share*.

- 9 The figures for the quarter ended 31 March 2024 are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the relevant financial year, which were subject to limited review.

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



G V Prasad
Co-Chairman & Managing Director

Place: Hyderabad
Date: 27 July 2024



DR. REDDY'S LABORATORIES LTD.
8-2-337, Road No. 3, Banjara Hills,
Hyderabad - 500034. Telangana, India.

| CONTACT | | |
|--------------------|--|--|
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| AISHWARYA SITHARAM | aishwarvasitharam@drreddys.com | ushaiyer@drreddys.com |

Dr. Reddy's Q1FY25 Financial Results

Hyderabad, India, July 27, 2024: Dr. Reddy's Laboratories Ltd. (BSE: 500124 | NSE: DRREDDY | NYSE: RDY | NSEIFSC: DRREDDY) today announced its consolidated financial results for the quarter ended June 30, 2024. The information mentioned in this release is based on consolidated financial statements under International Financial Reporting Standards (IFRS).

Q1FY25

Revenues

₹ 76,727 Mn

[Up: 14% YoY; 8% QoQ]

Gross Margin

60.4%

[Q1FY24: 58.7%; Q4FY24: 58.6%]

SG&A Expenses

₹ 22,691 Mn

[Up: 28% YoY; 11% QoQ]

R&D Expenses

₹ 6,193 Mn

[8.1% of Revenues]

EBITDA

₹ 21,599 Mn

[28.2% of Revenues]

Profit before Tax

₹ 18,821 Mn

[Up: 2% YoY; 18% QoQ]

Profit after Tax

₹ 13,920 Mn

[Down: 1% YoY; Up: 7% QoQ]

Commenting on the results, Co-Chairman & MD, G V Prasad said: "We had a good start to the new fiscal year and our growth & profitability was mainly driven by our generics business. We continue to strengthen our core businesses and have made strategic investments in biologics, consumer healthcare and innovation to drive patient impact and value creation."

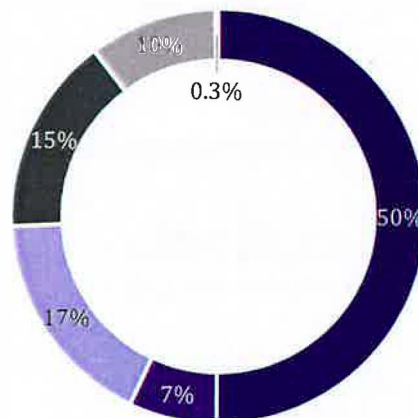
  *Richa*

Dr. Reddy's Laboratories Limited & Subsidiaries

Revenue Mix by Segment for the quarter

| Particulars | Q1FY25 | Q1FY24 | YoY Gr % | Q4FY24 | QoQ |
|--|---------------|---------------|-------------|---------------|--------------|
| | (₹) | (₹) | | (₹) | Gr% |
| Global Generics | 68,858 | 60,083 | 15 | 61,191 | 13% |
| North America | 38,462 | 32,002 | 20 | 32,626 | 18% |
| Europe | 5,265 | 5,047 | 4 | 5,208 | 1% |
| India | 13,252 | 11,482 | 15 | 11,265 | 18% |
| Emerging Markets | 11,878 | 11,552 | 3 | 12,091 | (2%) |
| Pharmaceutical Services and Active Ingredients (PSAI) | 7,657 | 6,709 | 14 | 8,219 | (7%) |
| Others | 212 | 592 | (64) | 1,420 | (85%) |
| Total | 76,727 | 67,384 | 14 | 70,830 | 8% |

Revenue Mix for the quarter



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



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Consolidated Income Statement for the quarter

| Particulars | Q1FY25 | | Q1FY24 | | YoY Gr % | Q4FY24 | | QoQ Gr% |
|---|--------|--------|--------|--------|-------------|--------|--------|------------|
| | (\$) | (₹) | (\$) | (₹) | | (\$) | (₹) | |
| Revenues | 921 | 76,727 | 809 | 67,384 | 14 | 850 | 70,830 | 8 |
| Cost of Revenues | 365 | 30,383 | 334 | 27,831 | 9 | 352 | 29,347 | 4 |
| Gross Profit | 556 | 46,344 | 475 | 39,553 | 17 | 498 | 41,483 | 12 |
| % of Revenues | | 60.4% | | 58.7% | | | 58.6% | |
| Operating Expenses | | | | | | | | |
| Selling, General & Administrative Expenses | 272 | 22,691 | 212 | 17,702 | 28 | 246 | 20,476 | 11 |
| % of Revenues | | 29.6% | | 26.3% | | | 28.9% | |
| Research & Development Expenses | 74 | 6,193 | 60 | 4,984 | 24 | 83 | 6,877 | (10) |
| % of Revenues | | 8.1% | | 7.4% | | | 9.7% | |
| Impairment of Non-Current Assets, net | 0 | 5 | 0 | 11 | (55) | (2) | (173) | (103) |
| Other Operating (Income)/Expense | (6) | (470) | (9) | (780) | (40) | (8) | (656) | (28) |
| Results from Operating Activities | 215 | 17,925 | 212 | 17,636 | 2 | 180 | 14,959 | 20 |
| Finance (Income)/Expense, net | (10) | (837) | (9) | (784) | 7 | (12) | (1022) | (18) |
| Share of Profit of Equity Accounted Investees, net of tax | (1) | (59) | (1) | (43) | 37 | (0) | (35) | 69 |
| Profit before Income Tax | 226 | 18,821 | 222 | 18,463 | 2 | 192 | 16,016 | 18 |
| % of Revenues | | 24.5% | | 27.4% | | | 22.6% | |
| Income Tax Expense | 59 | 4,901 | 53 | 4,438 | 10 | 35 | 2,946 | 66 |
| Profit for the Period | 167 | 13,920 | 168 | 14,025 | (1) | 157 | 13,070 | 7 |
| % of Revenues | | 18.1% | | 20.8% | | | 18.5% | |
| Diluted Earnings per Share (EPS) | 1.00 | 83.46 | 1.01 | 84.22 | (1) | 0.94 | 78.35 | 7 |

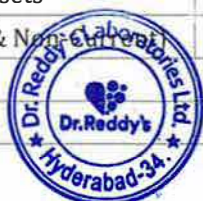
EBITDA Computation for the quarter

| Particulars | Q1FY25 | | Q1FY24 | | Q4FY24 | |
|-----------------------------------|--------|---------|--------|--------|--------|--------|
| | (\$) | (₹) | (\$) | (₹) | (\$) | (₹) |
| Profit before Income Tax | 226 | 18,821 | 222 | 18,463 | 192 | 16,016 |
| Interest (Income) / Expense, net* | (12) | (1,037) | (8) | (685) | (10) | (835) |
| Depreciation | 30 | 2,508 | 27 | 2,281 | 29 | 2,421 |
| Amortization | 16 | 1,302 | 16 | 1,302 | 15 | 1,291 |
| Impairment | 0 | 5 | 0 | 11 | (2) | (173) |
| EBITDA | 259 | 21,599 | 256 | 21,372 | 225 | 18,720 |
| % of Revenues | | 28.2% | | 31.7% | | 26.4% |

*Includes Income from Investment

Key Balance Sheet Items

| Particulars | As on 30 th Jun 2024 | | As on 31 st Mar 2024 | | As on 30 th Jun 2023 | |
|---|---------------------------------|----------|---------------------------------|----------|---------------------------------|----------|
| | (\$) | (₹) | (\$) | (₹) | (\$) | (₹) |
| Cash and Cash Equivalents and Other Investments | 1,147 | 95,599 | 990 | 82,529 | 734 | 61,162 |
| Trade Receivables | 973 | 81,088 | 964 | 80,298 | 925 | 77,095 |
| Inventories | 823 | 68,568 | 763 | 63,552 | 629 | 52,398 |
| Property, Plant, and Equipment | 964 | 80,343 | 923 | 76,886 | 807 | 67,207 |
| Goodwill and Other Intangible Assets | 497 | 41,374 | 494 | 41,204 | 508 | 42,306 |
| Loans and Borrowings (Current & Non-Current) | 368 | 30,675 | 240 | 20,020 | 150 | 12,520 |
| Trade Payables | 409 | 34,109 | 371 | 30,919 | 332 | 27,682 |
| Equity | 3,536 | 2,94,627 | 3,367 | 2,80,550 | 2,943 | 2,45,259 |



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Key Business Highlights

- Acquired **Nicotinell®** and related brands in the Nicotine Replacement Therapy category in markets outside the US from Haleon plc for a total consideration of GBP 500 million, with an upfront cash payment of GBP 458 million and performance-based contingent payments of up to GBP 42 million, payable in 2025 and 2026. The transaction is expected to close in early Q4 of calendar year 2024.
- Entered into a **joint venture** agreement with **Nestlé India** to bring science-backed nutritional portfolio to more consumers in India. The JV is expected to become operational in Q2FY25.
- Partnered with **Novartis Pharma LLC** to distribute two of their leading anti-diabetes brands, **Galvus®** and **Galvus Met®**, in the Russian retail market.
- Received exclusive rights from Ingenus Pharmaceuticals to commercialize **Cyclophosphamide Injection** in the US.
- Collaborated with Alvotech for commercialization of their **denosumab** biosimilar candidate in the US on an exclusive basis, as well as in Europe and UK.
- Launched drug-free migraine management device, **Nerivio®**, in Germany, Spain, UK and South Africa.
- Inaugurated a **70,000 sq.ft.** state-of-the-art **Biologics facility** of Aurigene Pharmaceutical Services in Genome Valley, Hyderabad, India. The process and analytical development laboratories are operational while the commissioning of manufacturing capacity will be completed in 2024.

ESG & other Updates

- **Only Indian Pharma Company** which featured in the 2024 list of **Global 500 Most Sustainable Companies** by **Time Magazine and Statista**.
- Named '**Asia-Pacific Climate Leader**' by Financial Times for the second consecutive year in 2024, scoring the highest amongst Indian Pharma peers.
- Won the '**Masters of Risk**' award in 'Healthcare and Pharma' at the India Risk Management Awards.
- Improved **FTSE Russel's ESG Score** from 3.9 to 4.2 out of 5.
- Received a **Form 483** with two observations after the **USFDA** completed a routine GMP inspection at two of our formulations manufacturing facilities in **Duvvada, Visakhapatnam**.
- Received a **Form 483** with four observations after the **USFDA** completed a GMP inspection at our API manufacturing facility in **Srikakulam, Andhra Pradesh**.



Revenue Analysis

- **Q1FY25 consolidated revenues** at ₹ 76.7 billion, YoY growth of 14% and QoQ growth of 8%. The growth was largely driven by growth in global generics revenues in North America as well as India.

Global Generics (GG)

- **Q1FY25 revenues** at ₹ 68.9 billion, YoY growth of 15% and QoQ growth of 13%. YoY growth was primarily volume led, aided by new launches and integration of recently in-licensed vaccine portfolio in India, partially offset by price erosion. Sequential growth was due to change in product mix partly offset with adverse price erosion.

North America

- **Q1FY25 revenues** at ₹ 38.5 billion, YoY growth of 20% and QoQ growth of 18%. Our growth was largely on account of increase in volumes of our base business, contribution from new launches, partly offset by price erosion.
- During the quarter, we launched 3 new products in the U.S.
- During the quarter, we filed one new Abbreviated New Drug Application (ANDA) with the U.S. FDA. As of June 30, 2024, 80 generic filings were approvals pending from the U.S. FDA. These comprise of 75 ANDAs and five New Drug Applications (NDAs) filed under the Section 505(b)(2) route of the US Federal Food, Drug, and Cosmetic Act. Of the 75 ANDAs, 45 are Paragraph IV applications, and we believe that 23 of these have the 'First to File' status.

Europe

- **Q1FY25 revenues** at ₹ 5.3 billion, YoY growth of 4% and sequential growth of 1%. Growth was primarily on account of improvement in base business volumes, new product launches, partly offset by price erosion.
 - **Germany** at ₹ 2.8 billion, YoY growth of 14% and QoQ decline of 1%.
 - **UK** at ₹ 1.6 billion, YoY decline of 7% and QoQ growth of 5%.
 - **Rest of Europe** at ₹ 0.9 billion, YoY growth of 1% and flat QoQ.
- During the quarter, we launched 12 new products across various countries in the region.

India

- **Q1FY25 revenues** at ₹ 13.3 billion, YoY growth of 15% and QoQ growth of 18%. YoY growth was mainly on account of new product launches including the recently in-licensed vaccine portfolio. As per IQVIA, our IPM rank was at 10 for the quarter.
- During the quarter, we launched 13 new brands in the country, in addition to exclusive rights to promote and distribute Sanofi's vaccine brands.

Emerging Markets

- **Q1FY25 revenues** at ₹ 11.9 billion, YoY growth of 3% and QoQ decline of 2%. YoY growth is attributable to market share expansion and new product launches, partly offset by unfavorable forex and price erosion.



- **Revenues from Russia** at ₹ 5.5 billion, YoY decline of 2% and QoQ growth of 11%.
 - YoY decline was majorly due to unfavorable currency exchange rate movements, partially offset by price increases and higher base business volumes.
 - QoQ growth was driven by increase in base business volumes.
- **Revenues from other Commonwealth of Independent States (CIS) countries and Romania** at ₹ 1.9 billion, decline of 2% YoY and 11% QoQ.
 - YoY decline was primarily on account of decline in base business volumes, partly offset by increase in prices.
 - QoQ decline was driven by decline in base business volumes.
- **Revenues from Rest of World (RoW) territories** at ₹ 4.4 billion, growth of 11% YoY and a decline of 11% QoQ.
 - YoY growth was largely attributable to increase in volumes of base business, contribution from new products, partly offset by price erosion.
 - QoQ decline was primarily driven by decline in base business volumes and erosion.
- During the quarter, we launched 17 new products across various countries in the region.

Pharmaceutical Services and Active Ingredients (PSAI)

- **Q1FY25 revenues** at ₹ 7.7 billion, with a growth of 14% YoY and a decline of 7% QoQ. YoY growth was mainly driven by improved volumes in base business, and contribution from new products, QoQ decline was driven by decrease in volumes of certain existing products.
- During the quarter, we filed 11 Drug Master Files (DMFs) globally.



Income Statement Highlights:

Gross Margin

- **Q1FY25** at 60.4% (GG: 64.7%, PSAI: 23.1%), an increase of 170 basis points (bps) over previous year and 183 bps sequentially. The increase is on account of favourable product mix and overhead leverage, partially offset by price erosion in generics markets.

Selling, General & Administrative (SG&A) Expenses

- **Q1FY25** at ₹ 22.7 billion, YoY increase of 28% and 11% QoQ.

The increase is primarily on account of investment in new business initiatives, higher freight costs, business integration costs, annual merit increases, and building commercial capabilities to enhance operational efficiencies.

Research & Development (R&D) Expenses

- **Q1FY25** at ₹ 6.2 billion. As % to Revenues – Q1FY25: 8.1% | Q1FY24: 7.4% | Q4FY24: 9.7%.

R&D investments is reflecting our biosimilars pipeline, development efforts across generics as well as our novel oncology assets, which will support future growth.

Other Operating Income

- **Q1FY25** at ₹ 0.5 billion as compared to ₹ 0.8 billion in Q1FY24.

Net Finance Income

- **Q1FY25** at ₹0.8 billion compared to ₹ 0.8 billion in Q1FY24.

Profit before Tax

- **Q1FY25** at ₹ 18.8 billion, a YoY growth of 2% and a QoQ growth of 18%.

As % to Revenues – **Q1FY25**: 24.5% | Q1FY24: 27.4% | Q4FY24: 22.6%.

Profit after Tax

- **Q1FY25** at ₹ 13.9 billion, a YoY decline of 1% and a QoQ growth of 7%.

As % to Revenues – **Q1FY25**: 18.1% | Q1FY24: 20.8% | Q4FY24: 18.5%.

The Effective Tax Rate (ETR) for the quarter was 26.0% as compared to 24.0% in Q1FY24.

Diluted Earnings per Share (EPS)

- **Q1FY25** is ₹ 83.5.



Other Highlights:

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

- **Q1FY25** at ₹ 21.6 billion, YoY growth of 1% and QoQ growth of 15%.
As % to Revenues – Q1FY25: 28.2% | Q1FY24: 31.7% | Q4FY24: 26.4%.

Others:

- **Operating Working Capital:** As on 30th June 2024 at ₹ 115.5 billion.
- **Capital Expenditure:** Q1FY25 at ₹ 4.9 billion.
- **Free Cash Flow:** Q1FY25 at ₹ 2.3 billion.
- **Net Cash Surplus:** As on 30th June 2024 at ₹ 67.3 billion
- **Debt to Equity:** As on 30th June 2024 is (0.23)
- **RoCE:** Q1FY25 annualized at 33%.

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

Operating Working Capital

| Particulars | As on |
|----------------------------------|----------------------------------|
| | 30 th Jun 2024 (₹) |
| Inventories | 68,568 |
| Trade Receivables | 81,088 |
| Less: | |
| Trade Payables | 34,109 |
| Operating Working Capital | 115,547 |

Free Cash Flow

| Particulars | Three months ended |
|---|----------------------------------|
| | 30 th Jun 2024 (₹) |
| Net cash generated from operating activities | 10,027 |
| Less: | |
| Taxes | (1,531) |
| Investments in Property, Plant & Equipment, and Intangibles | (6,224) |
| Free Cash Flow | 2,272 |

Net Cash Surplus and Debt to Equity

| Particulars | As on |
|---|----------------------------------|
| | 30 th Jun 2024 (₹) |
| Cash and Cash Equivalents | 4,913 |
| Investments | 90,686 |
| Short-term Borrowings | (23,165) |
| Long-term Borrowings, Non-Current | (6,229) |
| Less: | |
| Restricted Cash Balance – Unclaimed Dividend | 155 |
| Lease liabilities (included in Long-term Borrowings, Non-Current) | (2,429) |
| Equity Investments (Included in Investments) | 1,174 |
| Net Cash Surplus | 67,305 |
| Equity | 2,94,628 |
| Net Debt/Equity | (0.23) |



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Computation of Return on Capital Employed

| Particulars | As on 30 th Jun 2024 |
|--|------------------------------------|
| | (₹) |
| Profit before Tax | 18,821 |
| Less: | |
| Interest and Investment Income (Excluding forex gain/loss) | 1,037 |
| Earnings Before Interest and taxes [A] | 17,784 |
| | |
| Average Capital Employed [B] | 215,327 |
| | |
| Annualised Return on Capital Employed (A/B) | 33% |

Computation of Capital Employed:

| Particulars | As on | |
|---|-------------------------------|-------------------------------|
| | 30 th Jun, 2024 | 31 st Mar, 2024 |
| Property Plant and Equipment | 80,343 | 76,886 |
| Intangibles | 37,131 | 36,951 |
| Goodwill | 4,243 | 4,253 |
| Investment in Equity Accounted Associates | 4,236 | 4,196 |
| Other Current Assets | 24,483 | 22,560 |
| Other Investments | 973 | 1,059 |
| Other Non-Current Assets | 1,659 | 1,632 |
| Inventories | 68,568 | 63,552 |
| Trade Receivables | 81,088 | 80,298 |
| Derivative Financial Instruments | 91 | (299) |
| Less: | | |
| Other Liabilities | 40,379 | 46,866 |
| Provisions | 5,532 | 5,444 |
| Trade payables | 34,109 | 30,919 |
| Operating Capital Employed | 222,795 | 207,859 |
| Average Capital Employed | 215,327 | |

Computation of EBITDA

Refer page no. 3.



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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: Saturday, July 27, 2024

Time: 16:30 pm IST | 07:00 am ET

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=9959258&linkSecurityString=3f1c80877a>

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 August 3rd, 2024. For play back dial in phone No: +91 22 7194 5757, and Playback Code is 57537.

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

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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

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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, 2024. The company assumes no obligation to update any information contained herein. The company assumes no obligation to update any information contained herein.



A handwritten signature in blue ink, appearing to be 'S. Singh', is written next to the company logo.

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of Dr. Reddy's Laboratories Limited 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 Ended 30 June 2024" (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 associates 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 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
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
9. Industrias Quimicas Falcon de Mexico, S.A.de C.V.
10. Svaas Wellness Limited
11. Aurigene Discovery Technologies (Malaysia) Sdn. Bhd.
12. Aurigene Pharmaceutical Services Limited
13. Beta Institut gemeinmitzige GmbH
14. betapharm Arzneimittel GmbH
15. Chirotech Technology Limited



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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. (till April 17, 2024)
40. Dr. Reddy's Laboratories LLC, Russia
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
50. Dr. Reddy's and Nestle Health Science Limited (Formerly, Dr. Reddy's Nutraceuticals Limited) India

Associates:

1. 02 Renewable Energy IX Private Limited
2. Clean Renewable Energy KK2A Private Limited (From 30 May 2024)

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 Research Foundation
3. Dr. Reddy's Employees ESOS Trust



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: 24 213271 BKCL HF 5941

Place: Hyderabad

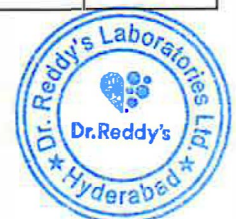
Date: July 27, 2024

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2024

All amounts in Indian Rupees millions

| Sl. No. | Particulars | Quarter ended | | | Year ended |
|-----------|---|------------------|------------------|------------------|----------------|
| | | 30.06.2024 | 31.03.2024 | 30.06.2023 | 31.03.2024 |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| 1 | Revenue from operations | | | | |
| | a) Sales | 75,396 | 68,258 | 66,143 | 271,396 |
| | b) License fees and service income | 1,331 | 2,572 | 1,241 | 7,768 |
| | c) Other operating income | 234 | 308 | 195 | 947 |
| | Total revenue from operations | 76,961 | 71,138 | 67,579 | 280,111 |
| 2 | Other income | 1,872 | 1,975 | 1,740 | 8,943 |
| 3 | Total income (1 + 2) | 78,833 | 73,113 | 69,319 | 289,054 |
| 4 | Expenses | | | | |
| | a) Cost of materials consumed | 12,272 | 10,962 | 12,968 | 44,901 |
| | b) Purchase of stock-in-trade | 13,801 | 11,759 | 8,771 | 43,991 |
| | c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (4,256) | (1,800) | (2,363) | (6,805) |
| | d) Employee benefits expense | 14,137 | 12,836 | 11,897 | 50,301 |
| | e) Depreciation and amortisation expense | 3,806 | 3,677 | 3,533 | 14,700 |
| | f) Impairment of non-current assets, net | 5 | (173) | 11 | 3 |
| | g) Finance costs | 598 | 593 | 371 | 1,711 |
| | h) Other expenses | 19,703 | 19,242 | 15,674 | 68,389 |
| | Total expenses | 60,066 | 57,096 | 50,862 | 217,191 |
| 5 | Profit before tax and before share of equity accounted investees(3 - 4) | 18,767 | 16,017 | 18,457 | 71,863 |
| 6 | Share of profit of equity accounted investees, net of tax | 59 | 35 | 43 | 147 |
| 7 | Profit before tax (5+6) | 18,826 | 16,052 | 18,500 | 72,010 |
| 8 | Tax expense/(benefit): | | | | |
| | a) Current tax | 5,215 | 2,823 | 7,197 | 19,459 |
| | b) Deferred tax | (313) | 131 | (2,747) | (3,228) |
| 9 | Net profit after taxes and share of profit of associates (7 - 8) | 13,924 | 13,098 | 14,050 | 55,779 |
| 10 | Other comprehensive income/(loss) | | | | |
| | a) (i) Items that will not be reclassified subsequently to profit or loss | (91) | (44) | 106 | (28) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | - | 4 | - | 4 |
| | b) (i) Items that will be reclassified subsequently to profit or loss | 115 | (565) | 147 | (749) |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | (6) | 48 | (210) | 117 |
| | Total other comprehensive income/(loss) | 18 | (557) | 43 | (656) |
| 11 | Total comprehensive income (9 + 10) | 13,942 | 12,541 | 14,093 | 55,123 |
| 12 | Paid-up equity share capital (face value Rs. 5/- each) | 834 | 834 | 833 | 834 |
| 13 | Other equity | | | | 281,714 |
| 14 | Earnings per equity share (face value Rs. 5/- each) | | | | |
| | Basic | 83.61 | 78.66 | 84.55 | 335.22 |
| | Diluted | 83.48 | 78.53 | 84.36 | 334.59 |
| | | (Not annualised) | (Not annualised) | (Not annualised) | |

See accompanying notes to the financial results



DR. REDDY'S LABORATORIES LIMITED

All amounts in Indian Rupees millions

| Sl. No. | Particulars | Quarter ended | | | |
|--|--|---------------|---------------|---------------|----------------|
| | | 30.06.2024 | 31.03.2024 | 30.06.2023 | 31.03.2024 |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| Segment wise revenue and results: | | | | | |
| 1 | Segment revenue : | | | | |
| | a) Pharmaceutical Services and Active Ingredients | 10,472 | 11,725 | 9,365 | 41,295 |
| | b) Global Generics | 68,929 | 61,289 | 60,130 | 245,673 |
| | c) Others | 212 | 1,431 | 593 | 3,922 |
| | Total | 79,613 | 74,445 | 70,088 | 290,890 |
| | Less: Inter-segment revenue | 2,652 | 3,307 | 2,509 | 10,779 |
| | Total revenue from operations | 76,961 | 71,138 | 67,579 | 280,111 |
| 2 | Segment results: | | | | |
| | Gross profit from each segment | | | | |
| | a) Pharmaceutical Services and Active Ingredients | 1,772 | 2,349 | 1,013 | 6,929 |
| | b) Global Generics | 44,518 | 37,937 | 38,386 | 154,272 |
| | c) Others | 58 | 1,202 | 156 | 2,423 |
| | Total | 46,348 | 41,488 | 39,555 | 163,624 |
| | Less: Selling and other un-allocable expenditure/(income), net | 27,522 | 25,436 | 21,055 | 91,614 |
| | Total profit before tax | 18,826 | 16,052 | 18,500 | 72,010 |

Global Generics includes operations of Biologics business. Inter-segment revenue represents sale 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 the 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 issued 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 27 July 2024. The Statutory Auditors have carried out a limited review on the unaudited consolidated financial results and issued an unmodified report thereon.
- "Other income" for the year ended 31 March 2024 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.
 - Rs.984 million recognised in September 2023, 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.
- During the quarter ended 30 June 2024 and 31 March 2024, an amount of Rs. 809 million and Rs. 810 million respectively, representing government grants has been accounted as a reduction from cost of material consumed.
- Agreement with Nestlé India:
On 25 April 2024, the Company entered into a definitive agreement with Nestlé India Limited ("Nestlé India"), for manufacturing, developing, promoting, marketing, selling, distributing, and commercializing nutraceutical products and supplements in India and other geographies as may be agreed by the parties. The aforesaid business activities shall be carried out through Dr. Reddy's Nutraceuticals Limited (the "Nutraceuticals subsidiary") which was incorporated on 14 March 2024. Subsequently, the Nutraceutical subsidiary's name was changed to Dr. Reddy's and Nestlé Health Science Limited on 13 June 2024.

The aforesaid definitive agreement is subject to certain closing conditions and is expected to become effective by the quarter ended 30 September 2024, upon infusion of funds and completion of other closing conditions.

As per terms agreed, the Company will hold 51% and the Nestlé India will hold 49% of the paid-up share capital in the Nutraceuticals subsidiary with shareholder rights to voting, dividend distribution and other economic rights as agreed in the aforesaid definitive agreement. As per agreed terms, the Company and Nestlé India will transfer license of its nutraceuticals brands to Nutraceuticals subsidiary.

Further, Nestlé India will have a call option to increase their shareholding up to 60% in the Nutraceuticals subsidiary after six years from subscription date for a payment at fair market value. However, the Company shall continue to hold at least 40% of the shareholding after Nestlé India exercises its call option.



DR. REDDY'S LABORATORIES LIMITED

5 Agreement with Haleon:

On 26 June 2024, the Company entered into a definitive agreement with Haleon UK Enterprises Limited ("Haleon") to acquire Haleon's Ex-US global portfolio of consumer healthcare brands in the Nicotine Replacement Therapy category ("NRT Business").

The definitive agreement for the acquisition of this NRT Business from Haleon includes the transfer of intellectual property, employees, agreements with commercial manufacturing organization, marketing authorizations and other assets relating to the commercialization of four brands i.e., Nicotinell, Nicabate, Thrive, and Habitrol. The proposed acquisition will be inclusive of all formats such as lozenge, patch, spray and/or gum in all applicable global markets outside of the United States.

Completion of this transaction is subject to satisfying closing conditions, including the completion of certain reorganization by Haleon Group, and obtaining foreign direct investment approval in Sweden and merger control approvals in Brazil, Saudi Arabia and the United Arab Emirates. The transaction is expected to close during the early part of the quarter ended 31 December 2024.

Upon completion of closing conditions, the Company will acquire this NRT Business by purchasing the shares of Northstar Switzerland SARL (a Haleon Group Company) for a total consideration of up to GBP 500 (approximately Rs. 52,739 as translated based on forex rate as at 30th June 2024), consisting of an upfront cash payment GBP 458 (approximately Rs. 48,309) and performance-based contingent payments of up to GBP 42 (approximately Rs. 4,430), based on attainment of agreed-upon sales targets in calendar year 2024 and 2025, and meeting other parameters.

These NRT Business will transition gradually into the Company in a phased approach between April 2025 and February 2026. During the transition period, Haleon Group will provide distribution and related services in the markets, facilitating successful integration of the business across various geographies into the Company.

6 The Company considered the uncertainties relating to the escalation of conflict in the middle east, and duration of 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.

7 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 6 July, 2021 the Company received a subpoena from the SEC for the production of related documents, which were provided to the SEC.

The Company has continued to make presentations to the SEC and the DOJ in relation to the ongoing investigation and in relation to its Global Compliance Framework, which includes enhancement initiatives undertaken by the Company. The Company continues to respond to requests made by the SEC and the DOJ and 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.

8 The Board of Directors of the Company at their meeting held on 27 July 2024, have approved the sub-division/ split of each equity share of face value of Rs 5/- (Rupees five only) each, fully paid-up, into 5 (Five) equity shares having face value of Re. 1/- (Rupee one only) each, fully paid-up, by alteration of the Capital Clause of the Memorandum of Association of the Company. Further, each American Depositary Share (ADS) of the Company will continue to represent 1 (One) underlying equity share as at present and therefore, the number of ADSs held by an American Depositary Receipt holder would consequently increase in proportion to the increase in number of equity shares. The sub-division/ split will be subject to approval of the shareholders of the Company through postal ballot process. The record date for the said sub-division/ split will be intimated in due course.

Pending approval of the shareholders, the basic and diluted EPS disclosed above have not been adjusted to give effect to such split in accordance with requirements under Ind AS 33, *Earnings per share*.

9 The figures for the quarter ended 31 March 2024 are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the relevant financial year, which were subject to limited review.

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


G V Prasad
Co-Chairman & Managing Director

Place: Hyderabad
Date: 27 July 2024





S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

THE SKYVIEW 10
18th Floor, "NORTH LOBBY"
Survey No. 83/1, Raidurgam
Hyderabad - 500 032, India
Tel : +91 40 6141 6000

Independent Auditor's Review Report on the Quarterly 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 Ended 30 June 2024" (the "Statement") of Dr. Reddy's Laboratories Limited (the "Company") for the quarter ended June 30, 2024 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.: 213271



UDIN: 24213271BKELH96789

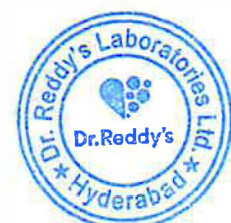
Place: Hyderabad
Date: July 27, 2024

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2024

All amounts in Indian Rupees millions

| Sl. No. | Particulars | Quarter ended | | | Year ended |
|-----------|---|---------------------------|-------------------------|---------------------------|-------------------------|
| | | 30.06.2024 (Unaudited) | 31.03.2024 (Audited) | 30.06.2023 (Unaudited) | 31.03.2024 (Audited) |
| 1 | Revenue from operations | | | | |
| | a) Sales | 58,076 | 50,304 | 54,034 | 192,764 |
| | b) License fees and service income | 163 | 514 | 167 | 1,277 |
| | c) Other operating income | 173 | 230 | 172 | 797 |
| | Total revenue from operations | 58,412 | 51,048 | 54,373 | 194,838 |
| 2 | Other income | 2,178 | 2,127 | 2,336 | 8,623 |
| | Total income (1 + 2) | 60,590 | 53,175 | 56,709 | 203,461 |
| 3 | Expenses | | | | |
| | a) Cost of materials consumed | 9,111 | 9,077 | 8,139 | 32,915 |
| | b) Purchase of stock-in-trade | 7,403 | 5,463 | 3,842 | 19,866 |
| | c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (1,261) | (520) | (163) | (2,388) |
| | d) Employee benefits expense | 8,559 | 7,795 | 7,402 | 30,857 |
| | e) Depreciation and amortisation expense | 2,498 | 2,462 | 2,372 | 9,756 |
| | f) Impairment of non current assets, net | - | 260 | - | 260 |
| | g) Finance costs | 71 | 59 | 45 | 218 |
| | h) Other expenses | 15,070 | 15,187 | 12,876 | 54,064 |
| | Total expenses | 41,451 | 39,783 | 34,513 | 145,548 |
| 4 | Profit before tax (1 + 2 - 3) | 19,139 | 13,392 | 22,196 | 57,913 |
| 5 | Tax expense | | | | |
| | a) Current tax | 4,666 | 2,702 | 5,387 | 13,618 |
| | b) Deferred tax | 301 | 342 | 415 | 875 |
| 6 | Net profit for the period / year (4 - 5) | 14,172 | 10,348 | 16,394 | 43,420 |
| 7 | Other comprehensive income / (loss) | | | | |
| | a) (i) Items that will not be reclassified to profit or loss | - | 27 | 1 | 21 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | - | (7) | - | (7) |
| | b) (i) Items that will be reclassified subsequently to profit or loss | 55 | (189) | 521 | (446) |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | (14) | 49 | (130) | 114 |
| | Total other comprehensive income / (loss) | 41 | (120) | 392 | (318) |
| 8 | Total comprehensive income (6 + 7) | 14,213 | 10,228 | 16,786 | 43,102 |
| 9 | Paid-up equity share capital (face value Rs. 5/- each) | 834 | 834 | 833 | 834 |
| 10 | Other equity | | | | 241,574 |
| 11 | Earnings per equity share (face value Rs. 5/- each) | | | | |
| | Basic | 85.10 | 62.14 | 98.66 | 260.95 |
| | Diluted | 84.97 | 62.04 | 98.45 | 260.46 |
| | | (Not annualised) | (Not annualised) | (Not annualised) | |

See accompanying notes to the financial results.



DR. REDDY'S LABORATORIES LIMITED

Segment information

All amounts in Indian Rupees millions

| Sl. No. | Particulars | Quarter ended | | | |
|---|---|---------------|---------------|---------------|-----------------------|
| | | 30.06.2024 | 31.03.2024 | 30.06.2023 | Year ended 31.03.2024 |
| | | (Unaudited) | (Audited) | (Unaudited) | (Audited) |
| Segment wise revenue and results | | | | | |
| 1 | Segment revenue | | | | |
| | a) Pharmaceutical Services and Active Ingredients | 8,520 | 9,842 | 6,885 | 30,742 |
| | b) Global Generics | 52,447 | 44,006 | 49,678 | 173,405 |
| | c) Others | 61 | 353 | 131 | 678 |
| | Total | 61,028 | 54,201 | 56,694 | 204,825 |
| | Less: Inter-segment revenue | 2,616 | 3,153 | 2,321 | 9,987 |
| | Total revenue from operations | 58,412 | 51,048 | 54,373 | 194,838 |
| 2 | Segment results | | | | |
| | Profit / (loss) before tax and interest from each segment | | | | |
| | a) Pharmaceutical Services and Active Ingredients | (70) | 1,246 | (596) | (287) |
| | b) Global Generics | 19,667 | 12,172 | 22,492 | 57,670 |
| | c) Others | 97 | 239 | (9) | 536 |
| | Total | 19,694 | 13,657 | 21,887 | 57,919 |
| | Less: (i) Finance costs | 71 | 59 | 45 | 218 |
| | (ii) Other un-allocable expenditure / (income), net | 484 | 206 | (354) | (212) |
| | Total profit before tax | 19,139 | 13,392 | 22,196 | 57,913 |

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 27 July 2024. The Statutory Auditors have carried out a limited review on the unaudited standalone financial results and issued unmodified report thereon.
- "Other income" for the year ended 31 March 2024 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.
 - Dividend income of Rs. 445 million recognised in June 2023, declared by Kunshan Rotan Reddy Pharmaceutical Company Limited, joint venture of the company.
- During the quarter ended 30 June 2024 and 31 March 2024, an amount of Rs. 804 million and Rs. 806 million, representing government grants has been accounted as a reduction from cost of material consumed.
- Agreement with Nestle:

On 25 April 2024, the Company entered into a definitive agreement with Nestlé India Limited ("Nestlé India"), for manufacturing, developing, promoting, marketing, selling, distributing, and commercializing nutraceutical products and supplements in India and other geographies as may be agreed by the parties. The aforesaid business activities shall be carried out through Dr. Reddy's Nutraceuticals Limited (the "Nutraceuticals subsidiary") which was incorporated on 14 March 2024. Subsequently, the Nutraceutical subsidiary's name was changed to Dr. Reddy's and Nestlé Health Science Limited on 13 June 2024. The aforesaid definitive agreement is subject to certain closing conditions and is expected to become effective by the quarter ended 30 September 2024, upon infusion of funds and completion of other closing conditions.

As per terms agreed, the Company will hold 51% and the Nestlé India will hold 49% of the paid-up share capital in the Nutraceuticals subsidiary with shareholder rights to voting, dividend distribution and other economic rights as agreed in the aforesaid definitive agreement. As per agreed terms, the Company and Nestlé India will transfer license of its nutraceuticals brands to Nutraceuticals subsidiary.

Further, Nestlé India will have a call option to increase their shareholding up to 60% in the Nutraceuticals subsidiary after six years from subscription date for a payment at fair market value. However, the Company shall continue to hold at least 40% of the shareholding after Nestlé India exercises its call option.



DR. REDDY'S LABORATORIES LIMITED

- 5 The Company considered the uncertainties relating to the escalation of conflict in the middle east, and duration of 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.
- 6 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 has continued to make presentations to the SEC and the DOJ in relation to the ongoing investigation and in relation to its Global Compliance Framework, which includes enhancement initiatives undertaken by the Company. The Company continues to respond to requests made by the SEC and the DOJ and 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.

- 7 The Board of Directors of the Company at their meeting held on 27 July 2024, have approved the sub-division/ split of each equity share of face value of Rs.5/- (Rupees five only) each, fully paid-up, into 5 (Five) equity shares having face value of Re.1/- (Rupee one only) each, fully paid-up, by alteration of the Capital Clause of the Memorandum of Association of the Company. Further, each American Depositary Share (ADS) of the Company will continue to represent 1 (One) underlying equity share as at present and therefore, the number of ADSs held by an American Depositary Receipt holder would consequently increase in proportion to the increase in number of equity shares. The sub-division/ split will be subject to approval of the shareholders of the Company through postal ballot process. The record date for the said sub-division/ split will be intimated in due course.

Pending approval of the shareholders, the basic and diluted EPS disclosed above have not been adjusted to give effect to such split in accordance with requirements under Ind AS 33, *Earnings per share*.

- 8 The figures for the quarter ended 31 March 2024 are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the relevant financial year, which were subject to limited review.

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



G V Prasad
Co-Chairman & Managing Director

Place: Hyderabad
Date: 27 July 2024

