



Dr. Reddy's Laboratories Ltd.
8-2-337, Road No. 3, Banjara Hills,
Hyderabad - 500 034, Telangana,
India.
CIN : L85195TG1984PLC004507

Tel : +91 40 4900 2900
Fax : +91 40 4900 2999
Email : mail@drreddys.com
www.drreddys.com

July 28, 2022

National Stock Exchange of India Ltd. (Stock Code: DRREDDY-EQ)
BSE Limited (Stock 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 ended June 30, 2022

In continuation of our letter dated June 29, 2022, we would like to inform you that the Board of Directors of the Company, at its meeting held on July 28, 2022, has *inter alia* approved the Unaudited Financial Results of the Company for the quarter ended June 30, 2022.

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 ended June 30, 2022, 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 ended June 30, 2022, as per Indian Accounting Standards.
4. Unaudited Standalone Financial Results of the Company for the quarter ended June 30, 2022, 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 & 4 are also enclosed.

The Board Meeting commenced at 1.35 p.m. and concluded at 15.45 p.m.

This is for your information and records.

Thanking you.

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

K Randhir Singh
Company Secretary & Compliance Officer

Encl: As above

DR. REDDY'S LABORATORIES LIMITED

Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter 30 June 2022 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	
		30.06.2022	31.03.2022	30.06.2021	31.03.2022	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	
1	Revenues	52,154	54,368	49,194	214,391	
2	Cost of revenues	26,148	25,625	23,495	100,551	
3	Gross profit (1 - 2)	26,006	28,743	25,699	113,840	
4	Selling, general and administrative expenses	15,493	15,674	15,045	62,081	
5	Research and development expenses	4,325	4,326	4,534	17,482	
6	Impairment of non-current assets	-	7,515	-	7,562	
7	Other income, net	(6,024)	(291)	(487)	(2,761)	
	Total operating expenses	13,794	27,224	19,092	84,364	
8	Results from operating activities [(3) - (4 + 5 + 6 + 7)]	12,212	1,519	6,607	29,476	
	Finance income	2,696	1,175	845	3,077	
	Finance expense	(347)	(316)	(193)	(958)	
9	Finance income, net	2,349	859	652	2,119	
10	Share of profit of equity accounted investees, net of tax	94	105	166	703	
11	Profit before tax (8 + 9 + 10)	14,655	2,483	7,425	32,298	
12	Tax expense/(benefit), net	2,779	1,608	1,717	8,730	
13	Profit for the period/year (11 -12)	11,876	875	5,708	23,568	
14	Earnings per share:					
	Basic earnings per share of Rs.5/- each	71.56	5.28	34.44	142.08	
	Diluted earnings per share of Rs.5/- each	71.40	5.26	34.34	141.69	
		(Not annualised)	(Not annualised)	(Not annualised)		



(MSK)

Segment information

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Segment wise revenue and results:				
	Segment revenue:				
	a) Pharmaceutical Services and Active Ingredients	8,133	9,256	8,862	36,995
	b) Global Generics	44,324	46,118	41,113	179,170
	c) Others	740	693	541	4,481
	Total	53,197	56,067	50,516	220,646
	Less: Inter-segment revenues	1,043	1,699	1,322	6,255
	Net revenues	52,154	54,368	49,194	214,391
2	Segment results:				
	Gross profit from each segment				
	a) Pharmaceutical Services and Active Ingredients	1,110	1,387	1,630	6,821
	b) Global Generics	24,399	26,830	23,719	103,270
	c) Others	497	526	350	3,749
	Total	26,006	28,743	25,699	113,840
	Less: Selling and other un-allocable expenditure, net of other income	11,351	26,260	18,274	81,542
	Total profit before tax	14,655	2,483	7,425	32,298

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

Notes:

- The above financial results have been prepared in accordance with International Financial Reporting Standards and its interpretations (IFRS), as issued by the International Accounting Standards Board (IASB).
- Revenues for the quarter ended 30 June 2022 includes:
 - Rs. 902 million from sale of brands Z&D, Pedicloryl, Pecef and Ezinapi to J B Chemicals and Pharmaceuticals Limited;
 - Rs. 1,399 million from sale of brands Styptovit-E, Finast, Finast-T and Dynapres to Torrent Pharmaceuticals Limited.
 These transactions pertain to Company's Global Generics segment.
- On 23 June 2022, the Company entered into a settlement agreement with Indivior Inc., Indivior UK Limited and Aquestive Therapeutics, Inc. Pursuant to the agreement, the Company will receive payments totaling U.S.\$ 72 million by 31 March 2024. The said agreement resolves all claims between the parties relating to the Company's generic buprenorphine and naloxone sublingual film including Indivior's and Aquestive's patent infringement allegations and the Company's antitrust counterclaims. On 28 June 2022 the U.S. Court dismissed all claims and counterclaims pending in the case with prejudice, pursuant to a joint stipulation of dismissal filed by the parties. The Company recognised the present value of the amount receivable at Rs.5,638 million (U.S.\$ 71.39 million discounted to present value) on the date of the settlement as 'Other income, net' in the consolidated financial results of the Company. The aforesaid transaction pertain to Company's Global Generics segment.
- On 5 April 2022 the Company received approval from the Honorable National Company Law Tribunal, Hyderabad Bench ("NCLT") for the merger of Dr. Reddy's Holding Limited into Dr. Reddy's Laboratories Limited. Subsequently, the Company has filed the NCLT order, with the Ministry of Company Affairs on 8 April 2022 ('Effective Date'). Consequently, Dr. Reddy's Holding Limited has been merged with the Company.
- As the revenues and gross profits of the Proprietary Products segment are considerably lower than the quantitative thresholds mentioned in IFRS 8, "Operating Segments", the Company believes that Proprietary Products segment no longer qualifies to be a reportable segment and consequently, effective 1 April 2022, the Company included the financial information relating to Proprietary Products segment in "Others". The corresponding information relating to Proprietary Products segment for earlier periods has been restated to reflect the aforementioned change.
- Revenues for the year ended 31 March 2022 includes:
 - Rs. 1,774 million towards the sale of territorial rights relating to two of the Company's anti-bacterial brands (Ciprolet® and Levolet®) in Russia and CIS region to Alium JSC;
 - Rs. 390 million towards the sale of two of the Company's Brands (Daffy bar and Combihale) in India to Mankind Pharma Limited;
 - Rs. 1,084 million towards sale of its U.S. and Canada territory rights for ELYXYB (celecoxib oral solution) 25 mg/mL, to BioDelivery Sciences International, Inc.
 The aforesaid transactions pertain to Company's Global Generics and Others segment.




- 7 During the quarter and year ended 31 March 2022, there were significant changes to the market conditions for certain of the products forming part of Company's Global Generics and Others segment. The changes include, decrease in the market potential of products, increased competition leading to lower volumes, and revenues not being in line with projections. Due to these adverse market developments, the Company recorded an impairment loss of Rs. 7,562 million on various non-current assets. The said impairment loss includes:
- a) Rs. 4,337 million relating to PPC-06 (Tepilamide Fumarate Extended Release Tablets) in-process research and development asset;
 - b) Rs. 3,051 million pertaining to Shreveport Cash Generating Unit ("CGU") comprising of Property, plant and equipment and Goodwill;
 - c) Rs. 174 million relating to other intangible assets.
- 8 On 3 February 2022, the Company entered into an agreement with Nimbus Health GmbH to acquire 100% of its share capital along with the existing employees for an upfront payment of Rs. 421 million (EUR 5 million) plus performance and milestone-based earn-outs over the next four years. The Company completed the acquisition effective as of 24 February 2022. During the quarter ended 30 June 2022, the Company completed the purchase price allocation and recognised Rs. 161 million and Rs. 260 million towards the fair value of assets acquired and goodwill, respectively. The acquisition pertains to the Company's Global Generic segment.
- 9 Included in "Selling, general and administrative expenses" for the quarter ended 31 March 2022 is Rs. 983 million towards settlement of an ongoing Civil Investigative Demand ("CID") matter with the State of Texas.
- 10 Included in "Other income, net" for the year ended 31 March 2022, is Rs. 1,064 million representing the profit on sale of intangible asset, E7777 (anti-cancer agent) to Citius Pharmaceuticals, Inc. This transaction pertains to the Company's Others segment.
- 11 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 made presentations to the SEC and the DOJ in relation to the investigation with respect to certain countries during the current and previous year. The Company also made a presentation to SEC and DOJ in relation to its Global Compliance Framework including the ongoing enhancement initiatives during the three months ended June 30, 2022. 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 regulatory enforcement actions against the Company in the United States and/or foreign jurisdictions, including civil and criminal sanctions under relevant laws, the outcomes including liabilities are not reasonably ascertainable at this time.
- 12 India's Code on Social Security, 2020, which aims to consolidate, codify and revise certain existing social security laws, received Presidential assent in September 2020 and has been published in the Gazette of India. However, the related final rules have not yet been issued and the date on which this Code will come into effect has not been announced. The Company will assess the impact of this Code and the rules thereunder when they come into effect.
- 13 The Company considered the uncertainties relating to the COVID-19 pandemic and 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.
- 14 The unaudited results were reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meeting held on 28 July 2022.
- 15 The figures of the quarter ended 31 March 2022 are the balancing number 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 are subject to limited review.
- 16 The results for the quarter ended 30 June 2022 were subject to a "Limited Review" by the Independent Auditors of the Company. An unqualified report has been issued by them thereon.

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



G V Prasad
Co-Chairman & Managing Director

Place: Hyderabad
Date: 28 July 2022



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

CONTACT

INVESTOR RELATIONS

AMIT AGARWAL
amita@drreddys.com

MEDIA RELATIONS

USHA IYER
ushaiyer@drreddys.com

Dr. Reddy's Q1 FY23 Financial Results

Hyderabad, India, July 28, 2022: 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, 2022. The information mentioned in this release is on the basis of consolidated financial statements under International Financial Reporting Standards (IFRS).

Revenues

Rs. 5,215 Cr

[Up: 6% YoY; Down: 4% QoQ]

Gross Margin

49.9%

[Q1 FY22: 52.2%; Q4 FY22: 52.9%]

SG&A Expenses

Rs. 1,549 Cr

[Up: 3% YoY; Down: 1% QoQ]

R&D Expenses

Rs. 433 Cr

[8.3% of Revenues]

EBITDA

Rs. 1,779 Cr

[34.1% of Revenues]

Profit before Tax

Rs. 1,466 Cr

[Up: 97% YoY; Up: 490% QoQ]

Profit after Tax

Rs. 1,188 Cr

[Up: 108% YoY; Up: 1,257% QoQ]

Commenting on the results, Co-Chairman & MD, G V Prasad said "Our underlying business revenues adjusted for covid products contribution during last year have grown well. The profits were aided by a few non-recurring incomes, offsetting the near term headwinds. We continue to improve the health of our core businesses through productivity improvement and robust product pipelines".



Dr. Reddy's Laboratories Limited and Subsidiaries**Consolidated Income Statement**

Particulars	Q1 FY23		Q1 FY22		YoY Gr %	Q4 FY22		QoQ Gr%
	(\$)	(Rs.)	(\$)	(Rs.)		(\$)	(Rs.)	
Revenues	660	52,154	623	49,194	6	688	54,368	(4)
Cost of Revenues	331	26,148	297	23,495	11	324	25,625	2
Gross Profit	329	26,006	325	25,699	1	364	28,743	(10)
Operating Expenses								
Selling, General & Administrative expenses	196	15,493	190	15,045	3	198	15,674	(1)
Research and Development expenses	55	4,325	57	4,534	(5)	55	4,326	(0)
Impairment of non-current assets	-	-	-	-		95	7,515	(100)
Other operating income	(76)	(6,024)	(6)	(487)	1,137	(4)	(291)	1,970
Results from operating activities	155	12,212	84	6,607	85	19	1,519	704
Net finance income	(30)	(2,349)	(8)	(652)	260	(11)	(859)	173
Share of profit of equity accounted investees	(1)	(94)	(2)	(166)	(43)	(1)	(105)	(10)
Profit before income tax	185	14,655	94	7,425	97	31	2,483	490
Income tax expense	35	2,779	22	1,717	62	20	1,608	73
Profit for the period	150	11,876	72	5,708	108	11	875	1,257

Diluted Earnings Per Share (EPS)	0.90	71.40	0.43	34.34	109	0.07	5.26	1,261
---	-------------	--------------	-------------	--------------	------------	-------------	-------------	--------------

As % to revenues	Q1 FY23	Q1 FY22	Q4 FY22
Gross Profit	49.9	52.2	52.9
SG&A	29.7	30.6	28.8
R&D	8.3	9.2	8.0
EBITDA	34.1	20.7	23.9
PBT	28.1	15.1	4.6
PAT	22.8	11.6	1.6

EBITDA Computation

Particulars	Q1 FY23		Q1 FY22		Q4 FY22	
	(\$)	(Rs.)	(\$)	(Rs.)	(\$)	(Rs.)
Profit before Income Tax	185	14,655	94	7,425	31	2,483
Interest (income) / expense (net)*	1	84	(2)	(142)	0	24
Depreciation	26	2,050	25	1,973	26	2,039
Amortization	13	1,000	12	932	12	920
Impairment	-	-	-	-	95	7,515
EBITDA	225	17,789	129	10,188	164	12,980

* Includes income from Investments



Argh

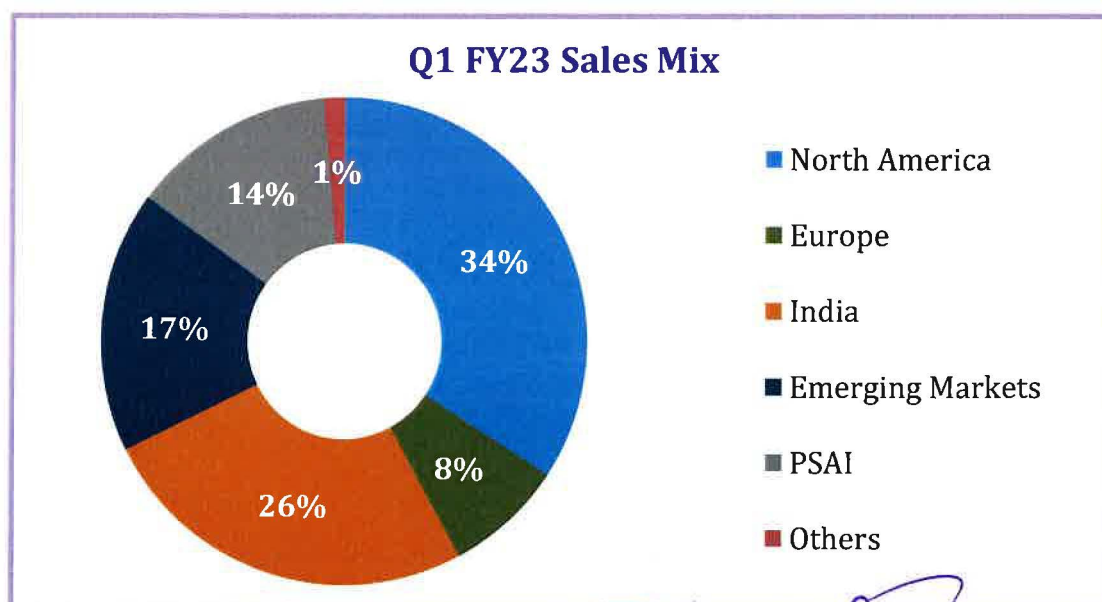
Ar

Key Balance Sheet Items

Particulars	As on 30 th Jun 2022		As on 31 st Mar 2022		As on 30 th Jun 2021	
	(\$)	(Rs.)	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents and other investments	449	35,467	608	48,033	435	34,356
Trade receivables	927	73,274	846	66,818	774	61,148
Inventories	656	51,810	644	50,884	643	50,771
Property, plant and equipment	808	63,826	787	62,169	742	58,636
Goodwill and Other Intangible assets	458	36,213	401	31,664	503	39,746
Loans and borrowings (current & non-current)	312	24,666	428	33,845	422	33,373
Trade payables	317	25,052	324	25,572	362	28,607
Equity	2,531	2,00,039	2,411	1,90,527	2,254	1,78,114

Revenue Mix by Segment

Segment	Q1 FY23	Q1 FY22	YoY Gr %	Q4 FY22	QoQ Gr %
	(Rs.)	(Rs.)		(Rs.)	
Global Generics	44,324	41,113	8	46,118	(4)
North America	17,815	17,390	2	19,971	(11)
Europe	4,141	3,994	4	4,444	(7)
India	13,339	10,600	26	9,689	38
Emerging Markets	9,028	9,129	(1)	12,013	(25)
Pharmaceutical Services and Active Ingredients (PSAI)	7,090	7,540	(6)	7,557	(6)
Others	740	541	37	693	7
Total	52,154	49,194	6	54,368	(4)



Revenue Analysis

Global Generics (GG)

Revenues from **GG** segment at Rs. 44.3 billion:

- Year-on-year growth of 8% was driven by new product launches across most of our businesses and divestment of a few non-core brands in India, partly offset by price erosion in our generic markets, and higher base due to covid product sales in previous year.
- Sequential decline of 4% was due to sales decline in North America (incremental competition on key products and price erosion) and Emerging Markets (normalization of channel inventory in Russia). This was partly offset by new product launches.

North America

Revenues from **North America** at Rs. 17.8 billion:

- Year-on-year growth of 2%, driven by launch of new products and favorable forex rates, which was offset by price erosion in some of our key molecules.
- Sequential decline of 11% was primarily on account of price erosion and decline in volumes for few products due to incremental competition.
- During this quarter, we launched 7 new products. This includes launch of Ketorolac, OTC Nicotine Lozenges Original, Methylprednisolone Sodium Succinate, Pemetrexed Injection, Posaconazole Tabs and Sorafenib in the US and Pemetrexed Inj. in Canada.
- We filed three ANDAs during the quarter. As of 30th June 2022, cumulatively 86 generic filings are pending for approval with the USFDA (83 ANDAs and 3 NDAs under 505(b)(2) route). Out of these 86 pending filings, 44 are Para IVs and we believe 24 have 'First to File' status.

Europe

Revenues from **Europe** at Rs. 4.1 billion:

- Year-on-year growth of 4%, driven by launch of new products and scale up of base business, which was partly offset by price erosion in some molecules and adverse forex rates during the quarter.
- Sequential decline of 7% was primarily on account of price erosion and adverse forex rates, which was partly offset by volume traction in base business.

India

Revenues from **India** at Rs. 13.3 billion:

- Year-on-year growth of 26% was driven by divestment of a few non-core brands, revenue contribution from the products acquired / in-licensed from Novartis, growth in base business and new products contribution. The growth was partially offset due to covid product sales in Q1 FY22 which was not there in the current quarter.
- Sequential growth of 38% was primarily driven by divestment of a few non-core brands, revenue contribution from the products acquired / in-licensed from Novartis, new products contribution and growth in base business.
We launched five new products during the quarter.



Emerging Markets

Revenues from **Emerging Markets** at Rs. 9.0 billion. Year-on-year decline of 1% and sequential decline of 25%:

- Revenues for **Russia** at Rs. 3.2 billion. Year-on-year decline of 9% is primarily due to channel inventory normalization post stocking up in Q4 FY22, which was partly offset with launch of new products. Sequential decline of 53% was due to higher base in Q4 FY22 from brand divestment income and channel inventory normalization in the current quarter.
- Revenues from other **CIS countries and Romania** at Rs. 1.9 billion. Year-on-year growth of 33% driven by volume traction in base business, favorable price benefits in some of our products and launch of new products. Sequential decline of 16% was primarily on account of reduction in volumes.
- Revenues from **Rest of World (RoW)** territories at Rs. 3.9 billion. Year-on-year decline of 6% primarily on account of higher base in Q1 FY22 due to covid product sales and price decline in current quarter, partly offset by new product launches. Sequential growth of 36% was largely attributable to volume traction in our base business, price benefits in some of our markets and launch of new products.

Pharmaceutical Services and Active Ingredients (PSAI)

Revenues from **PSAI** at Rs. 7.1 billion. Year-on-year and sequential decline of 6% each.

- Year-on-year decline was primarily on account of higher base in Q1 FY22 with covid product sales, partly offset by new products launched and favorable forex rates.
- Sequential decline was primarily due to lower volumes of base business, partly offset by new product launches.



Income Statement Highlights:

- **Gross profit** margin at 49.9%:
 - Decreased by ~230 bps over previous year and by ~300 bps sequentially, primarily on account of higher commodity prices, adverse leverage on manufacturing overheads, price erosion and forex related impact, which was partially benefited from brand divestment income.
 - Gross profit margin for GG and PSAI business segments are at 55.0% and 15.7% respectively.
- **Selling, general & administrative (SG&A) expenses** at Rs. 15.5 billion, increased by 3% on a year-on-year basis and declined by 1% sequentially. Year-on-year increase was primarily attributable to investments being done towards marketing of some of our key brands, investments in digitalization and annual increments, which was partially offset with lower legal and professional expenses. On sequential basis, the expenses have been largely flat.
- **Research & development (R&D) expenses** at Rs. 4.3 billion. As % to revenues – Q1 FY23: 8.3% | Q4 FY22: 8.0% | Q1 FY22: 9.2%. Our focus continues on building a global pipeline of products across our markets.
- **Other operating income** at Rs. 6.0 billion compared to Rs. 0.5 billion in Q1 FY22. The increase was mainly on account of recognition of income from settlement agreement, with Indivior Inc., Indivior UK Limited and Aquestive Therapeutics, Inc., resolving all claims between the parties relating to the generic buprenorphine and naloxone sublingual film.
- **Net Finance income** at Rs. 2.3 billion compared to Rs. 0.7 billion in Q1 FY22. The increase was primarily on account of foreign exchange gains due to favorable ruble rates.
- **Profit before Tax** at Rs. 14.7 billion, increased by 97% year-on-year and increased by 490% sequentially.
- **Profit after Tax** at Rs. 11.9 billion. The effective tax rate is 19.0% for the quarter.
- **Diluted earnings per share** is at Rs. 71.40.

Other Highlights:

- **EBITDA** is at Rs. 17.8 billion and the EBITDA margin is 34.1%.
- **Capital expenditure** is at Rs. 3.3 billion.
- **Free cash-flow** is a net outflow of Rs. 2.3 billion.
- **Net cash surplus** for the company is at Rs. 12.8 billion as on June 30, 2022. Consequently, net debt to equity ratio is (0.06).



[Handwritten signatures in blue ink]

Earnings Call Details (06:30 pm IST, 09:00 am EDT, July 28, 2022)

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

Conference Joining Information

Option 1: Express Join with DiamondPass™

Pre-register with the below link and join without waiting for the operator.

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=3962534&linkSecurityString=119134f0e6>

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, 2022. For play back dial in phone No: +91 22 7194 5757 | +91 22 6663 5757, and Playback Code is 96436.

Transcript: Transcript of the Earnings call will be available on the Company's website:

www.drreddys.com



Two handwritten signatures in blue ink. The first signature is a stylized name, possibly "Anand", and the second is a shorter signature, possibly "AR".

About Dr. Reddy's: Dr. Reddy's Laboratories Ltd. (BSE: 500124, NSE: DRREDDY, NYSE: RDY, NSEIFSC: DRREDDY) is an integrated pharmaceutical company, committed to providing affordable and innovative medicines for healthier lives. Through its businesses, Dr. Reddy's offers a portfolio of products and services including APIs, custom pharmaceutical services, generics, biosimilars and differentiated formulations. Our major therapeutic areas of focus are gastrointestinal, cardiovascular, diabetology, oncology, pain management and dermatology. Dr Reddy's operates in markets across the globe. Our Major markets include – USA, India, Russia & CIS countries, and Europe. 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, 2022. The company assumes no obligation to update any information contained herein."

Independent Auditor's Review Report on the Quarterly 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 ended June 30, 2022 (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") and its 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 No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

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

S. No Name of the Company**Subsidiaries**

- 1 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 Credit Private Limited
- 9 Industrias Quimicas Falcon de Mexico, S.A.de C.V.
- 10 Svaas Wellness Limited (Formerly known as Rcgkinetics Services Limited)
- 11 Aurigene Discovery Technologies (Malaysia) Sdn. Bhd.
- 12 Aurigene Pharmaceutical Services Limited
- 13 beta Institut gemeinnützige 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 B.V.
- 20 Dr. Reddy's Laboratories Canada, Inc.
- 21 Dr. Reddy's Laboratories Chile SPA.
- 22 Dr. Reddy's Laboratories (EU) Limited
- 23 Dr. Reddy's Laboratories Inc.
- 24 Dr. Reddy's Laboratories Japan KK
- 25 Dr. Reddy's Laboratories Kazakhstan LLP
- 26 Dr. Reddy's Laboratories LLC, Ukraine
- 27 Dr. Reddy's Laboratories Louisiana LLC
- 28 Dr. Reddy's Laboratories Malaysia Sdn. Bhd.
- 29 Dr. Reddy's Laboratories New York, LLC
- 30 Dr. Reddy's Laboratories Philippines Inc.
- 31 Dr. Reddy's Laboratories (Proprietary) Limited
- 32 Dr. Reddy's Laboratories Romania S.R.L.
- 33 Dr. Reddy's Laboratories SAS
- 34 Dr. Reddy's Laboratories Taiwan Limited
- 35 Dr. Reddy's Laboratories (Thailand) Limited
- 36 Dr. Reddy's Laboratories (UK) Limited
- 37 Dr. Reddy's New Zealand Limited
- 38 Dr. Reddy's Research and Development B.V.
- 39 Dr. Reddy's Srl
- 40 Dr. Reddy's Venezuela, C.A.
- 41 Lacock Holdings Limited
- 42 Dr. Reddy's Laboratories LLC, Russia
- 43 DRS LLC
- 44 Promius Pharma LLC
- 45 Reddy Holding GmbH
- 46 Reddy Netherlands B.V.
- 47 Reddy Pharma Iberia SAU
- 48 Reddy Pharma Italia S.R.L
- 49 Reddy Pharma SAS
- 50 Nimbus Health GmbH

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



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: 22213271ANTTDS1456

Place: Hyderabad

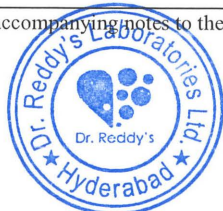
Date: July 28, 2022

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2022

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Revenue from operations				
	a) Net sales/income from operations	48,180	50,684	48,262	205,144
	b) License fees and service income	3,974	3,684	932	9,247
	c) Other operating income	175	381	257	1,061
	Total revenue from operations	52,329	54,749	49,451	215,452
2	Other income	8,539	1,219	1,079	4,844
3	Total income (1 + 2)	60,868	55,968	50,530	220,296
4	Expenses				
	a) Cost of materials consumed	11,891	13,030	11,139	43,124
	b) Purchase of stock-in-trade	8,755	7,087	9,735	34,837
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,533)	(1,139)	(3,853)	(3,539)
	d) Employee benefits expense	10,457	9,726	9,465	38,858
	e) Depreciation and amortisation expense	3,018	2,930	2,839	11,652
	f) Impairment of non-current assets	-	7,419	1,838	9,304
	g) Finance costs	347	315	193	958
	h) Selling and other expenses	13,347	14,116	13,782	55,191
	Total expenses	46,282	53,484	45,138	190,385
5	Profit before tax and before share of equity accounted investees(3 - 4)	14,586	2,484	5,392	29,911
6	Share of profit of equity accounted investees, net of tax	94	105	166	703
7	Profit before tax (5+6)	14,680	2,589	5,558	30,614
8	Tax expense/(benefit):				
	a) Current tax	(2,905)	6,064	1,367	11,013
	b) Deferred tax	5,695	(4,445)	387	(2,224)
9	Net profit after taxes and share of profit of associates (7 - 8)	11,890	970	3,804	21,825
10	Other comprehensive income				
	a) (i) Items that will not be reclassified subsequently to profit or loss	(562)	(981)	(1,243)	(3,568)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	12	293	305
	b) (i) Items that will be reclassified subsequently to profit or loss	(3,135)	796	(68)	653
	(ii) Income tax relating to items that will be reclassified to profit or loss	1,568	(327)	173	(288)
	Total other comprehensive (loss)/income	(2,129)	(500)	(845)	(2,898)
11	Total comprehensive income (9 + 10)	9,761	470	2,959	18,927
12	Paid-up equity share capital (face value Rs. 5/- each)	832	832	832	832
13	Other equity				191,292
14	Earnings per equity share (face value Rs. 5/- each)				
	Basic	71.64	5.84	22.95	131.57
	Diluted	71.49	5.83	22.89	131.21
		(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		Year ended	
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Segment wise revenue and results:				
	Segment revenue :				
	a) Pharmaceutical Services and Active Ingredients	8,263	9,316	8,980	37,499
	b) Global Generics	44,371	46,359	41,251	179,647
	c) Others	738	773	542	4,561
	Total	53,372	56,448	50,773	221,707
	Less: Inter-segment revenue	1,043	1,699	1,322	6,255
	Total revenue from operations	52,329	54,749	49,451	215,452
2	Segment results:				
	Gross profit from each segment				
	a) Pharmaceutical Services and Active Ingredients	1,115	1,390	1,634	6,834
	b) Global Generics	24,399	26,830	23,718	103,270
	c) Others	497	526	351	3,749
	Total	26,011	28,746	25,703	113,853
	Less: Selling and other un-allocable expenditure/(income), net	11,331	26,157	20,145	83,239
	Total profit before tax	14,680	2,589	5,558	30,614

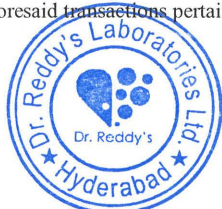
Global Generics includes operations of Biologics business. Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics at cost.

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:

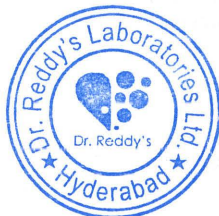
- These results have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 as amended.
- License fee and service income for the quarter ended 30 June 2022 includes:
 - Rs. 902 million from sale of brands Z&D, Pedicloryl, Pecef and Ezinapi to J B Chemicals and Pharmaceuticals Limited;
 - Rs. 1,399 million from sale of brands Styptovit-E, Finast, Finast-T and Dynapres to Torrent Pharmaceuticals Limited.
 These transactions pertain to Company's Global Generics segment.
- On 23 June 2022, the Company entered into a Settlement Agreement with Indivior Inc., Indivior UK Limited and Aquestive Therapeutics, Inc. Pursuant to the agreement, the Company will receive payments totaling U.S.\$ 72 million by 31 March 2024. The said agreement resolves all claims between the parties relating to the Company's generic buprenorphine and naloxone sublingual film including Indivior's and Aquestive's patent infringement allegations and the Company's antitrust counterclaims. On 28 June 2022 the U.S. Court dismissed all claims and counterclaims pending in the case with prejudice, pursuant to a joint stipulation of dismissal filed by the parties. The Company recognised the present value of the amount receivable at Rs.5,638 million (U.S.\$ 71.39 million discounted to present value) on the date of the settlement as 'Other income' in the consolidated financial results of the Company. The aforesaid transaction pertain to Company's Global Generics segment.
- On 5 April 2022 the Company received approval from the Honorable National Company Law Tribunal, Hyderabad Bench ("NCLT") for the merger of Dr. Reddy's Holding Limited into Dr. Reddy's Laboratories Limited. Subsequently, the Company has filed the NCLT order, with the Ministry of Company Affairs on 8 April 2022 ('Effective Date'). Consequently, Dr. Reddy's Holding Limited has been merged with the Company.
- As the revenues and gross profits of the Proprietary Products segment are considerably lower than the quantitative thresholds mentioned in IND AS 108, "Operating Segments", the Company believes that Proprietary Products segment no longer qualifies to be a reportable segment and consequently, effective 1 April 2022, the Company included the financial information relating to Proprietary Products Segment in "Others". The corresponding information relating to Proprietary Products segment for earlier periods has been restated to reflect the aforementioned change.
- During the quarter ended 30 June 2022, pursuant to a change in the U.S. Income tax regulations relating to the timing of recognition of certain sales based accruals, the Company recognised a reduction in current tax liability of Rs. 4,768 million with a corresponding increase in the deferred tax liability.
- License fee and service income for the year ended 31 March 2022 includes:
 - Rs. 1,774 million towards the sale of territorial rights relating to two of the Company's anti-bacterial brands (Ciprolet® and Levolet®) in Russia and CIS region to Alium JSC;
 - Rs. 390 million towards the sale of two of the Company's Brands (Daffy bar and Combihale) in India to Mankind Pharma Limited;
 - Rs. 1,084 million towards sale of its U.S. and Canada territory rights for ELYXYB (celecoxib oral solution) 25 mg/mL, to BioDelivery Sciences International, Inc.
 The aforesaid transactions pertain to Company's Global Generics and Others segment.



- 8 During the quarter and year ended 31 March 2022, there were significant changes to the market conditions for certain of the products forming part of Company's Global Generics and Others segment. The changes include, decrease in the market potential of products, and increased competition leading to lower volumes and revenues not being in line with projections. Due to these adverse market developments, the Company recorded an impairment loss of Rs. 9,304 million on various non-current assets. The said impairment loss includes:
- Rs. 4,337 million relating to PPC-06 (Tepilamide Fumarate Extended Release Tablets) intangible assets under development;
 - Rs. 2,955 million pertaining to Shreveport Cash Generating Unit ("CGU") comprising of Property, plant and equipment and Goodwill;
 - Rs. 174 million relating to other intangible assets.
- 9 On 3 February 2022, the Company entered into an agreement with Nimbus Health GmbH to acquire 100% of its share capital along with the existing employees for an upfront payment of Rs. 421 million (EUR 5 million) plus performance and milestone-based earn-outs over the next four years. The Company completed the acquisition effective as of 24 February 2022. During the quarter ended 30 June 2022, the Company completed the purchase price allocation and recognised Rs. 161 million and Rs. 260 million towards the fair value of assets acquired and goodwill, respectively. The acquisition pertains to the Company's Global Generic segment.
- 10 Included in "Selling and other expenses" for the quarter ended 31 March 2022, is Rs. 983 million towards settlement of an ongoing Civil Investigative Demand ("CID") matter with the State of Texas.
- 11 Included in "Other income" for the year ended 31 March 2022, is Rs.1,064 million representing the profit on sale of intangible asset, E7777 (anti-cancer agent) to Citius Pharmaceuticals, Inc. This transaction pertains to the Company's Others segment.
- 12 On 14 June 2021, the Company received the arbitration decision and award in favour of Hatchtech Pty Limited regarding the Civil Litigation and Arbitration relating to the acquisition of the product Xeglyze®. The award required the Company to pay an amount of Rs. 3,401 million (U.S.\$ 46.25 million) towards milestone payments, interest, and fees. As the Company was carrying only Rs. 1,471 million (U.S.\$ 20 million) as the provision towards this litigation, an additional expense of Rs. 1,930 million (U.S.\$ 26.25 million) [Rs. 1,838 million (U.S.\$ 25 million) as "Impairment of non-current assets" and Rs. 92 million (U.S.\$ 1.25 million) as "selling and other expenses"] was recognised during the quarter ended 30 June 2021. The said expense forms part of the Company's Others segment.
- 13 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 made presentations to the SEC and the DOJ in relation to the investigation with respect to certain countries during the current and previous year. The Company also made a presentation to SEC and DOJ in relation to its Global Compliance Framework including the ongoing enhancement initiatives during the three months ended June 30, 2022. 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 regulatory enforcement actions against the Company in the United States and/or foreign jurisdictions, including civil and criminal sanctions under relevant laws, the outcomes including liabilities are not reasonably ascertainable at this time.
- 14 India's Code on Social Security, 2020, which aims to consolidate, codify and revise certain existing social security laws, received Presidential assent in September 2020 and has been published in the Gazette of India. However, the related final rules have not yet been issued and the date on which this Code will come into effect has not been announced. The Company will assess the impact of this Code and the rules thereunder when they come into effect.
- 15 The Company considered the uncertainties relating to the COVID-19 pandemic and 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.
- 16 The unaudited results were reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meeting held on 28 July 2022.
- 17 The figures of the quarter ended 31 March 2022 are the balancing number 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 are subject to limited review.
- 18 The results for the quarter ended 30 June 2022 were subject to a "Limited Review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

Place: Hyderabad
Date: 28 July 2022



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 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 June 30, 2022 (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.: 213271

UDIN: 22213271AN7TFS9552

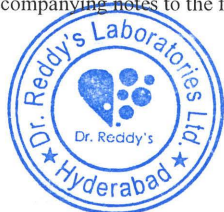
Place: Hyderabad
Date: July 28, 2022

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2022

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2022 (Unaudited)	31.03.2022 (Audited)	30.06.2021 (Unaudited)	31.03.2022 (Audited)
1	Revenue from operations				
	a) Net sales / income from operations	33,399	33,829	34,001	138,864
	b) License fees and service income	2,757	2,490	100	4,289
	c) Other operating income	150	368	234	899
	Total revenue from operations	36,306	36,687	34,335	144,052
2	Other income	4,034	1,147	1,862	4,820
	Total income (1 + 2)	40,340	37,834	36,197	148,872
3	Expenses				
	a) Cost of materials consumed	8,047	10,149	8,707	33,784
	b) Purchase of stock-in-trade	4,836	3,354	6,235	20,571
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	172	(557)	(3,025)	(3,896)
	d) Employee benefits expense	6,490	6,089	5,865	24,346
	e) Depreciation and amortisation expense	2,215	2,052	1,971	8,143
	f) Impairment	-	98	-	98
	g) Finance costs	98	127	65	380
	h) Selling and other expenses	10,966	10,855	10,934	43,208
	Total expenses	32,824	32,167	30,752	126,634
4	Profit before tax (1 + 2 - 3)	7,516	5,667	5,445	22,238
5	Tax expense / (benefit)				
	a) Current tax	1,358	974	984	3,926
	b) Deferred tax	1,163	496	327	2,080
6	Net profit for the period / year (4 - 5)	4,995	4,197	4,134	16,232
7	Other comprehensive income				
	a) (i) Items that will not be reclassified to profit or loss	(1)	(47)	1	(45)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	17	-	17
	b) (i) Items that will be reclassified to profit or loss	(4,486)	955	(531)	832
	(ii) Income tax relating to items that will be reclassified to profit or loss	1,568	(335)	186	(291)
	Total other comprehensive (loss)/income	(2,919)	590	(344)	513
8	Total comprehensive income (6 + 7)	2,076	4,787	3,790	16,745
9	Paid-up equity share capital (face value Rs. 5/- each)	832	832	832	832
10	Other equity				182,530
11	Earnings per equity share (face value Rs. 5/- each)				
	Basic	30.10	25.29	24.94	97.85
	Diluted	30.03	25.24	24.87	97.58
		<i>(Not annualised)</i>	<i>(Not annualised)</i>	<i>(Not annualised)</i>	

See accompanying notes to the financial results.



msk

Segment information

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Segment wise revenue and results				
1	Segment revenue				
	a) Pharmaceutical Services and Active Ingredients	5,976	7,932	7,392	31,718
	b) Global Generics	31,221	30,255	28,199	116,999
	c) Others	152	199	66	1,590
	Total	37,349	38,386	35,657	150,307
	Less: Inter-segment revenue	1,043	1,699	1,322	6,255
	Total revenue from operations	36,306	36,687	34,335	144,052
2	Segment results				
	Profit / (loss) before tax and interest from each segment				
	a) Pharmaceutical Services and Active Ingredients	(282)	(322)	207	384
	b) Global Generics	11,124	5,944	5,724	21,871
	c) Others	22	129	(44)	1,160
	Total	10,864	5,751	5,887	23,415
	Less: (i) Finance costs	98	127	65	380
	(ii) Other un-allocable expenditure / (income), net	3,250	(43)	377	797
	Total profit before tax	7,516	5,667	5,445	22,238

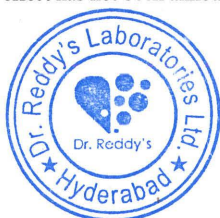
Global Generics includes operations of Biologics business. Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics at cost.

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:

- These results have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 as amended.
- License fee and service income for the quarter ended 30 June 2022 includes:
 - Rs. 902 million from sale of brands Z&D, Pedicloryl, Pecef and Ezinapi to J B Chemicals and Pharmaceuticals Limited;
 - Rs. 1,399 million from sale of brands Styptovit-E, Finast, Finast-T and Dynapres to Torrent Pharmaceuticals Limited.
 These transactions pertain to Company's Global Generics segment.
- On 5 April 2022 the Company received approval from the Honorable National Company Law Tribunal, Hyderabad Bench ("NCLT") for the merger of Dr. Reddy's Holding Limited into Dr. Reddy's Laboratories Limited. Subsequently, the Company has filed the NCLT order, with the Ministry of Company Affairs on 8 April 2022 ('Effective Date'). Consequently, Dr. Reddy's Holding Limited has been merged with the Company.
- As the revenues and gross profits of the Proprietary Products segment are considerably lower than the quantitative thresholds mentioned in IND AS 108, "Operating Segments", the Company believes that Proprietary Products segment no longer qualifies to be a reportable segment and consequently, effective 1 April 2022, the Company included the financial information relating to Proprietary Products segment in "Others". The corresponding information relating to Proprietary Products segment for earlier periods has been restated to reflect the aforementioned change.
- License fee and service income for the year ended 31 March 2022 includes:
 - Rs. 1,774 million towards the sale of territorial rights relating to two of the Company's anti-bacterial brands (Ciprolet® and Levolet®) in Russia and CIS region to Alium JSC;
 - Rs. 390 million towards the sale of two of the Company's Brands (Daffy bar and Combihale) in India to Mankind Pharma Limited;
 - Rs. 1,084 million towards the sale of U.S. and Canada territory rights for ELYXYB (celecoxib oral solution) 25 mg/mL, to BioDelivery Sciences International, Inc.
 The aforesaid transactions pertain to Company's Global Generics and Others segment.
- India's Code on Social Security, 2020, which aims to consolidate, codify and revise certain existing social security laws, received Presidential assent in September 2020 and has been published in the Gazette of India. However, the related final rules have not yet been issued and the date on which this Code will come into effect has not been announced. The Company will assess the impact of this Code and the rules thereunder when they come into effect.



(MSK)

- 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 made presentations to the SEC and the DOJ in relation to the investigation with respect to certain countries during the current and previous year. The Company also made a presentation to SEC and DOJ in relation to its Global Compliance Framework including the ongoing enhancement initiatives during the three months ended June 30, 2022. 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 regulatory enforcement actions against the Company in the United States and/or foreign jurisdictions, including civil and criminal sanctions under relevant laws, the outcomes including liabilities are not reasonably ascertainable at this time.
- 8 The Company considered the uncertainties relating to the COVID-19 pandemic and 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.
- 9 The unaudited results were reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meeting held on 28 July 2022.
- 10 The figures of the quarter ended 31 March 2022 are the balancing number 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 are subject to limited review.
- 11 The results for the quarter ended 30 June 2022 presented were subjected to a "Limited review" by the Statutory Auditors of the Company. An unqualified report was issued by them thereon.

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



G V Prasad
Co-Chairman & Managing Director

Place: Hyderabad
Date: 28 July 2022

