Dr.Reddy's

July 6, 2022

National Stock Exchange of India Ltd. (Scrip Code
BSE Limited (Scrip Code: 500124)

Dear Sir/ Madam,

Sub: Notice of 38th Annual General Meeting (AG

This is in continuation to our earlier letter dated M
SEBI (Listing Obligations and Disclosure Require
Notice convening the 38th AGM of the members o
year 2021-22.

The following documents are available on the Com

1) Notice of 38th Annual General Meeting at h
2) Annual Report 2021-2022 at https://bit.ly/3

The 38th AGM of members of the Company is sch
Video conference/ Other Audio-Visual Means (OA

AGM information at a glance for ready reference:

Time and date of AGM	9:
Cut-off date for e-voting	Fr
E-voting start time and date	9:
E-voting end time and date	5:
E-voting website of NSDL	ht

This is for your information and records.

Thanking you.

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

K Randhir Singh
Company Secretary & Compliance Officer

Encl: As above

CC: New York Stock Exchange Inc. (Stock Code: I
NSE IFSC Ltd. (Stock Code: DRREDDY)

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

: DRREDDY-EQ)

GM) and Annual Report 2021-22

Iay 20, 2022, and pursuant to Regulation 34 of the ments) Regulations 2015, please find enclosed the f the Company and Annual Report for the financial

pany's website:

https://bit.ly/3bUg59a
P68sut

eduled to be held on Friday, July 29, 2022, through VM).

00 a.m. IST, Friday, July 29, 2022
riday, July 22, 2022
00 a.m. IST; Monday, July 25, 2022
00 p.m. IST; Thursday, July 28, 2022
tps://www.evoting.nsdl.com/

RDY)

Annual Report 2021-22

The Next and th

Purpose-driven | Future-ready | Sust

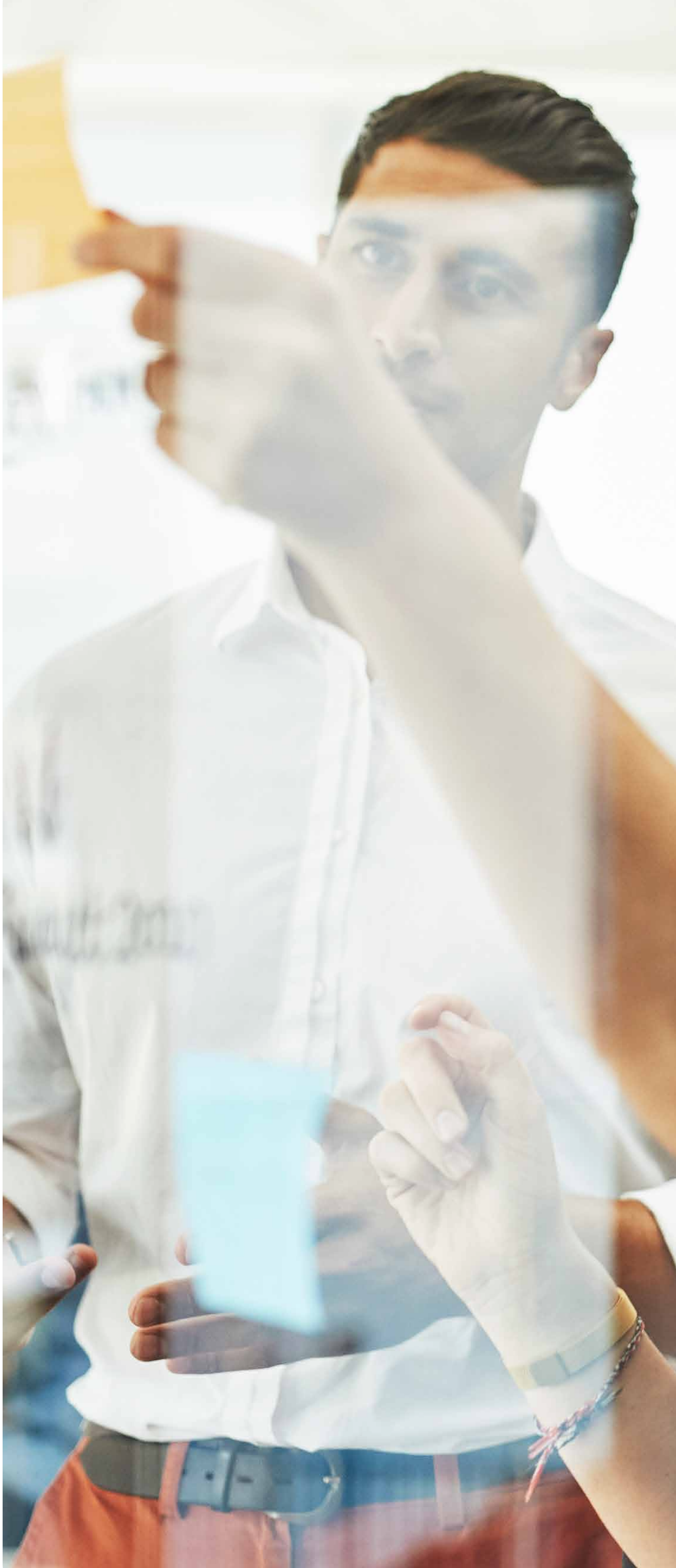
Dr.Reddy's

ne New

tainable

Good Health
Can't Wait.

Contents



The Next and the New

Purpose-driven | Future-ready | Sustainable

For nearly four decades, we have stood for access, affordability and innovation based on the bedrock of deep science, progressive people practices and robust corporate governance. As the pharmaceutical industry evolves and undergoes disruption, we see an opportunity – to strengthen our core further (the next steps) and to build the future (the new bets).

'The Next and the New' is how we aim to continue to be the partner of choice – purpose-driven, future-ready and sustainable.

Who we are

Our credo

OUR PURPOSE

We accelerate access to affordable and innovative medicines because **Good Health Can't Wait.**

OUR PROMISES

- Bringing expensive medicines within reach
- Addressing unmet patient needs
- Helping patients manage disease better
- Working with partners to help them succeed
- Enabling and helping our partners ensure that our medicines are available where needed

OUR PRINCIPLES

Empathy

We understand the needs of our patients and partners better than others

Dynamism

We solve challenges that only a few can, and do this with agility

OUR VALUES

Integrity and transparency

Uphold the highest standards of integrity and transparency in all our conversations

Safety

Remain committed to providing safe working environments through continuous improvements in our infrastructure, work practices and behaviours

Quality

Be dedicated to designing quality into our products and processes to meet the highest standards of safety and efficacy

Productivity

Strive to achieve more with less through a culture of innovation, continuous improvements and sustained focus on elimination of waste

Respect for the individual

Stay committed to creating a work environment that encourages diverse perspectives and upholds the dignity of work and individuals

Collaboration and teamwork

Leverage expertise and resources from across our global network to create greater value for our stakeholders

Sustainability

Create value for our stakeholders in a way that respects our natural environment and best serves the interests of the communities where we live and work

OUR LEADERSHIP BEHAVIOURS

Aspirational growth mindset

We target industry-leading growth through innovation, cost leadership and taking risks

Speed and rigour in execution

We act with agility; We are disciplined and rigorous in execution

People leadership

We inspire people to reach their full potential through work and continuous learning

Innovation

We drive patient and customer-focused innovation in all areas using cutting-edge science, technology and tools

Result-driven

We take responsibility for outcomes and own end results for our patients

Excellence focus

We excel by combining deep professional expertise and disciplined execution

At a glance

Our global operations

66

COUNTRIES

48

NATIONALITIES

- Sales and Marketing Offices
- Manufacturing Facilities
- Research and Development Centres
- Headquarters

Note: The map is not to scale and is an artistic representation.

USD 2.83 bn
Revenue

24%
EBITDA

24,795
Employees globally

Filings – FY22

GENERIC FILINGS

7 **ANDA filings**

As on March 31, 2022, 90 generic filings are pending for approval (87 ANDAs and three NDAs). Of these, 44 are Para IV filings and we believe 24 of these have 'First-to-File' status.

DMF FILINGS

10 **DMFs filed in the US**

LAUNCHES

157 **New products**

17 **NAG**

34 **Europe**

86 **Emerging markets**

20 **India**

Letter from Chairman and Co-Chairman

The year in context

Dear Shareholder,

FY'22 proved to be yet another eventful year. Having started with the second wave of COVID-19 in India, it ended on a note of high geopolitical tension.

On the pandemic front, the vaccination programmes undertaken in India and around the world have truly played a stellar role in containing its impact. Given its size, numbers and demographic spread, India's vaccination programme was nothing short of remarkable. Subsequent waves have so far exhibited lower severity in India. Our company continued to play its part along with the rest of the pharma industry in the fight against COVID-19. We combined our in-house efforts with an open-innovation model of partnerships to make available a portfolio that included a vaccine, and therapeutics for mild, moderate and severe COVID-19. Our focus on agility, access and affordability helped us reach over 5 million patients during the pandemic, and we remain ready and vigilant to serve any present or future needs.

We join the world in hoping for a resolution to the prolonged geopolitical hostilities between Russia and Ukraine. We have had a three-decade long presence in the region. Ensuring the well-being of our staff in Ukraine and Russia was our first and foremost priority, along with measures to meet patient needs and business continuity. We acted early to secure our resilience, be it employee safety, currency hedging or cash flow.

Performance and business highlights

FY'22 was a year of good financial performance with growth in sales and EBITDA, and strong cash flow generation from operations. Revenue stood at ₹ 21,439 cr or $2.83 billion, a year-on-year growth of 13%, based on improvement in our base business volumes and new product launches. The full-year EBITDA of 24% is close to our aspirational target of 25%. Our North America Generics business recorded a revenue of one billion dollars driven by high-value launches such as Icosapent Ethyl softgel and Vasopressin injection. We were also able to ramp up the market share of many of our existing products, helping us partially mitigate the impact of price erosion. Our Branded Markets (India and Emerging Markets) business registered a strong show and a combined revenue of over a billion dollars. Our Europe generics unit performed well bolstered by new launches, and we expect the growth momentum to continue. Overall, we saw improved market share in most of our major markets. On the API and services front, the year witnessed normalisation in channel customer stocking and we expect return to growth in the business in the coming fiscal. In FY'22, we filed 10 Drug Master Files and seven ANDAs in the U.S., and launched 157 products across markets. The number of product filings in the year was slightly lower than previous years but we remain on track to accelerate this in FY'23.

Additionally, our strong balance sheet allows us to remain open to value-accretive inorganic opportunities. We recently acquired the cardiovascular brand Cidmus®, and in FY'22 also licensed the Voveran® range for pain management, the Calcium range and Methergine® in India. We entered the highly-regulated pharmaceutical cannabis market in Germany through the acquisition of Nimbus Health GmbH to target the CNS segment. We have taken very early steps in the digital healthcare space through our wholly-owned subsidiary SVAAS – an integrated outpatient platform offering, our first foray into digital services.

Gearing up to meet the next and the new patient needs

All of the above are an illustration of our strategy in action. Over the years, we have reiterated our three strategy pillars – leadership in chosen spaces (leading to market leadership), continuous improvement and operational excellence (leading to productivity), and patient-centric product innovation (to meet unmet needs). Our three-year compounded annual revenue growth at 12 percent, and EBITDA and ROCE close to our target at 25%, are evidence of effective implementation and the soundness of our strategy.

Our core businesses of API, generics, branded generics, biosimilars, and OTC constitute our near-term growth drivers or what we call our horizon 1 of growth ('The Next'). We aim to continue to deliver growth and profitability of these businesses through improved execution on product development and launch, improved productivity driven by continuous improvement as well as digitalization.

As the pharmaceutical landscape evolves, we see intense competition in traditional generics, disruption brought on by new players and new business models, and demand for holistic healthcare solutions. As a company with a history of deep science that has led to several industry firsts, we continue to plan ahead and invest in businesses of the future. These include deepening our presence in nutraceuticals, the discovery and development of immuno-oncology NCEs at our subsidiary Aurigene Discovery Technologies Limited and strengthening our CDMO services. We are also exploring new spaces such as digital healthcare services, clinically differentiated assets, biologics and cell & gene therapy, and disease management. Together, we see these businesses as our horizon 2 of growth, i.e., long-term growth prospects ('The New').

Sustainability – aiming to touch over 1.5 bn patients by 2030

Even as we work on our growth strategy, we realise that embracing sustainability is key to a healthy future for all our stakeholders. The challenges posed by climate change, lack of access, changing patterns of disease burden and inequity need urgent action from us as a collective. We have always viewed our work in the context of addressing societal needs – where we are uniquely positioned to make positive change and impact. This led us to become an early adopter of Environment Social Governance (ESG) actions as well as voluntary disclosures on sustainability. We released our first Sustainability Report in the year 2004 and have maintained annual disclosures since then. Subsequently, we led the industry in introducing a 'sustainability by design' approach in our operations in 2013. Over the years, our efforts in various aspects of ESG such as waste minimisation and management, emissions, investment in people development and other areas saw industry-leading initiatives such as zero liquid discharge, zero waste to landfills and Self-Managed Teams.
In 2020, we became the first pharma company in India and the third in Asia to join the Science-based Targets initiative (SBTi) for reducing our carbon footprint.
We have been recognised by the S&P Corporate Sustainability Assessment, the Dow Jones Sustainability Index, Frost & Sullivan TERI among others, and are the only Indian pharma company to be featured on the Bloomberg Gender-Equality Index.

However, there is a lot more to be done and such recognitions only serve to make our commitment and resolve stronger. This year we refreshed our sustainability and ESG goals for the next decade, while making them central to our purpose and integral to our strategy. Propelled by bold targets in affordability and innovation, we aim to triple our existing reach to touch the lives of over 1.5 billion patients by 2030. Our goals in renewable energy, emissions, diversity and inclusion, and corporate governance are equally aggressive. With nearly 20 years of leadership in sustainability in Indian pharma, we see it as our responsibility to set the bar high and deliver on these ambitious targets. Details of our refreshed ESG goals for the coming decade are on page 17.

As we go further into FY'23, we would like to thank our colleagues around the world for their tireless efforts to bring to life our purpose of Good Health Can't Wait. We are also grateful to our customers, suppliers, partners, healthcare professionals and of course our shareholders for their support. We count on your partnership as we move to **the next and the new**.

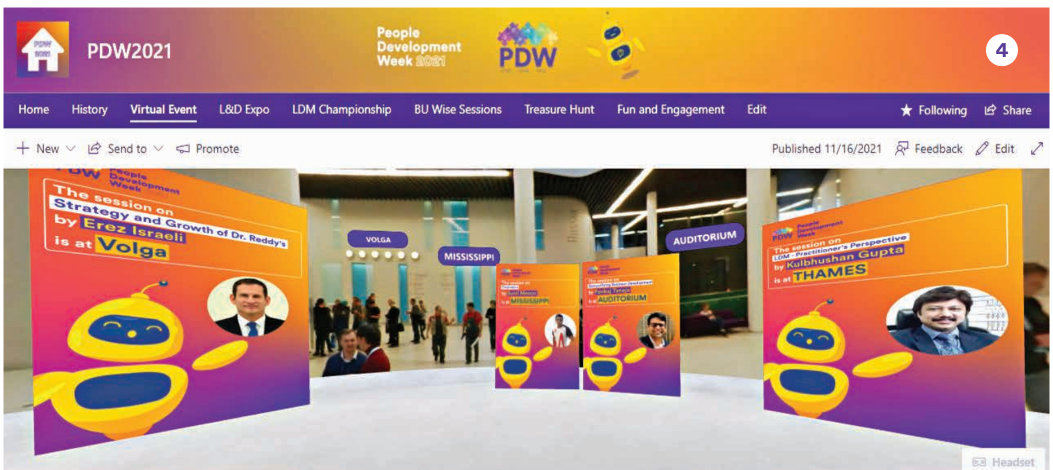
Yours sincerely,

K SATISH REDDY
Chairman

G V PRASAD
Co-Chairman and Managing Director

The year in pictures

Key moments



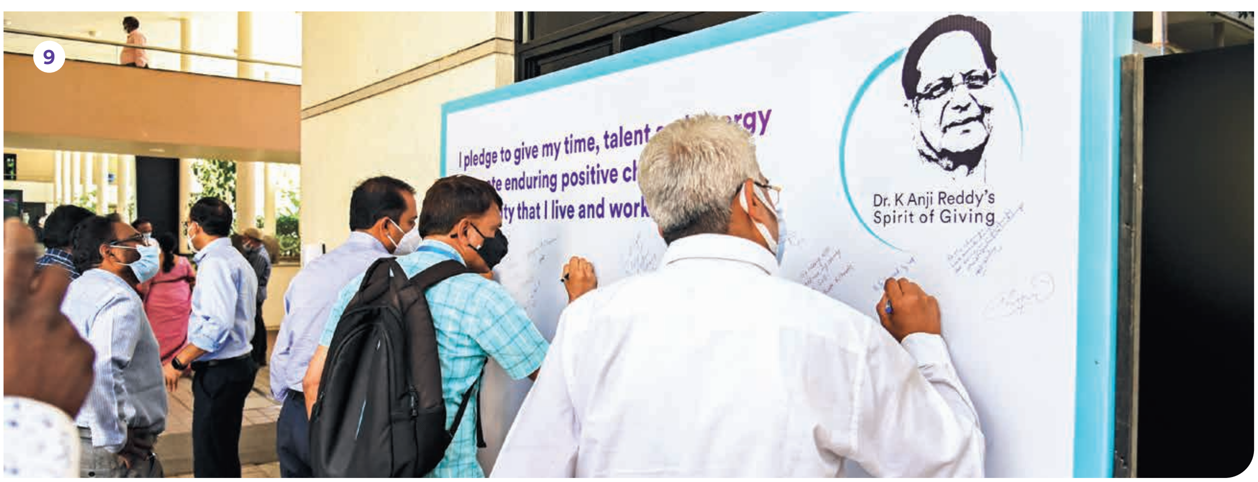
1 20 Years of Self-Managed Teams – all-women batch at FTO8 unit in Baddi

2 Our FTO3 site in Bachupally deploys Industry 4.0 technologies

3 Community Health Intervention Program (CHIP)

4 People Development Week 2021 – digital learning platform

5 Participation of leadership at the annual Medicines for Europe /International Generic & Biosimilar Medicines Association conference



6 Leaders of the pharma industry at the Diamond Jubilee of the Indian Drug Manufacturers' Association

7 Agreement on Centre of Excellence in flow chemistry at Dr. Reddy's Institute of Life Sciences in Hyderabad in the presence of Hon'ble Minister K.T. Rama Rao & Principal Secretary Jayesh Ranjan

8 10 years of the New Horizons Leadership Programme

9 Pledge by colleagues at the Changemakers' Dialogue in March 2022 in honour of our founder Dr. Anji Reddy

What we do

Our strategy pillars

Leadership in chosen spaces

Operational excellence and continuous improvement

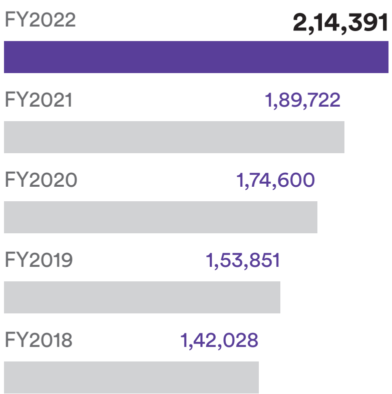
Patient-centric product innovation

SUSTAINABILITY

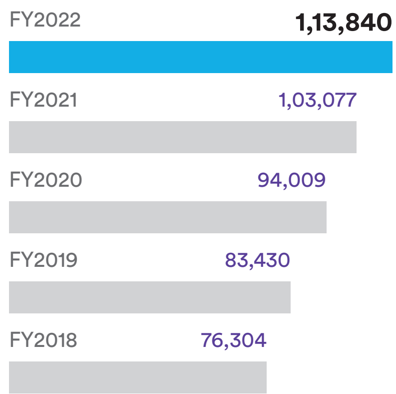
Strategy in action

Our key performance indicators

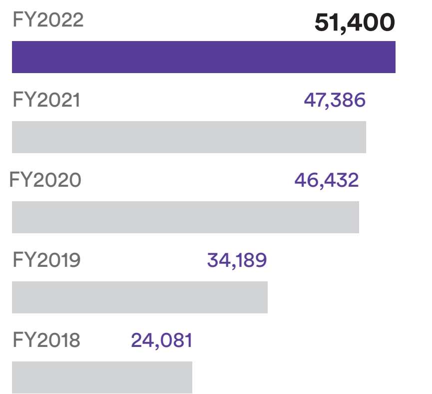
REVENUES (₹ Million)



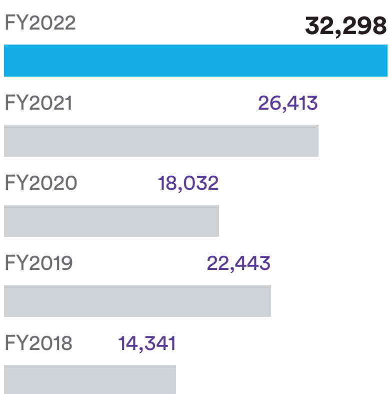
GROSS PROFIT (₹ Million)



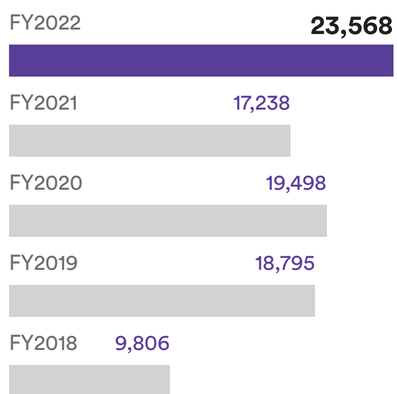
EBITDA (₹ Million)



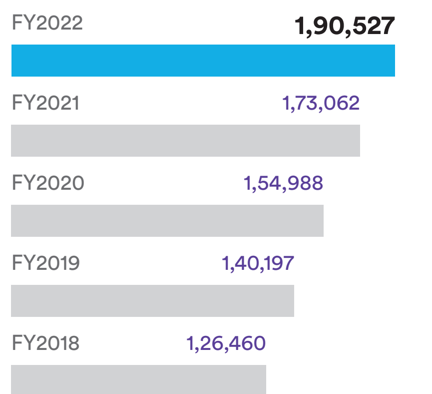
PBT (₹ Million)



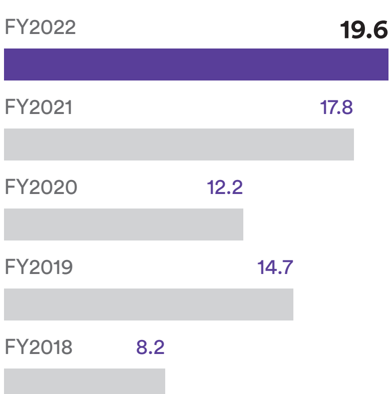
PAT (₹ Million)



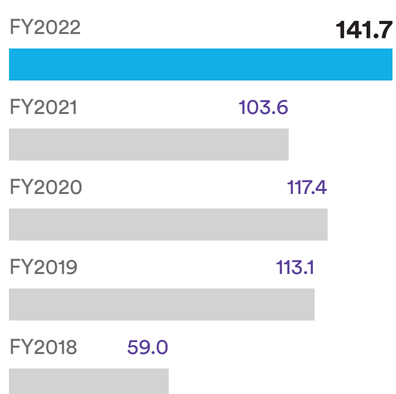
NET WORTH (₹ Million)



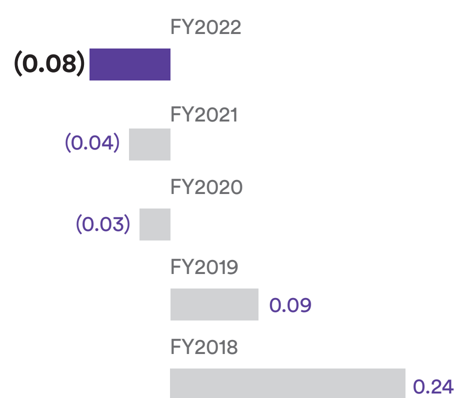
ROCE (%)



EPS (₹)



NET DEBT TO EQUITY RATIO*



*Net debt/equity computation excludes lease liabilities, FY2021 onwards

Strategy in action

The Next and the New

AIM TO REACH OVER 1.5 BILLION PATIENTS BY 2030

OUR FOCUS

HORIZON 1	HORIZON 2
GROWING THE CORE	**BUILDING THE FUTURE**

OUR EXECUTION PRIORITIES

Horizon 1	Horizon 2
GENERICS	IMMUNO-ONCOLOGY NEW CHEMICAL ENTITIES
BRANDED GENERICS	DISEASE MANAGEMENT
ACTIVE PHARMACEUTICAL INGREDIENTS	CDMO* (SMALL AND LARGE MOLECULES)
BIOSIMILARS	BIOLOGICS AND CELL & GENE THERAPY
OVER-THE-COUNTER DRUGS	NUTRACEUTICALS
	DIGITAL SERVICES
	DIRECT-TO-CONSUMER
(Drivers in short to medium-term)	(Drivers in short to long-term)

*CDMO – Contract Development & Manufacturing Organisation

1 Inauguration of Nutraceuticals R&D Centre in Bachupally, Hyderabad

2 Partnership with Sunflower Pharma in China for paediatric orphan diseases

3 Inauguration of NBE lab at Aurigene Pharmaceutical Services Ltd

Strategy in action

Key awards and recognition

Dow Jones Sustainability Index 2021 – among top 10 leaders globally; featured for 6th year in a row in Emerging Markets category

Member of the Sustainability Yearbook 2022 – featured for the 2nd successive year

Bloomberg Gender-Equality Index 2022 – only Indian pharma company in the index; featured for 5th year in a row

United Nations Women's Empowerment Principles Awards – 2nd runner-up in the Gender Inclusive Workplace category in Asia-Pacific

CDP Supplier Engagement Leaderboard 2022

Indo-American Chamber of Commerce 2021 – Indian company in the U.S. for excellence in manufacturing

CII SCALE Award 2021 – for excellence in logistics and supply chain for 7th consecutive year

Dr. Reddy's Colombia – Great Place to Work Certification 2021

Frost & Sullivan-TERI Sustainability 4.0 Awards 2022 – Sustainable Corporate of the Year award

CII Industrial Innovation Awards 2021 – Most Innovative Company

Global Generics & Biosimilars Awards 2021 – 'API Supplier of the Year' and 'CSR Initiative of the Year'

Economic Times - Futurescape 8th Sustainability Index Report 2021 – ranked 13th; recognised as one of the top companies in India in Sustainability and CSR

Top Employers Institute – recognised as Top Employer in South Africa

Sustainability – Core to our purpose and strategy

Our sustainability journey so far

Sustainability has always been an important focus area for us

- **2004** – First Sustainability Report
- **2007** – Sustainability Statement
- **2010** – First Materiality assessment. Environmental Commitment Statement (ECS) with 6 goals for 2020
- **2013** – 'Sustainability by Design' approach in operations
- **2016** – Delivering good health & going beyond compliance for a sustainable future
- **2020** – 2010 ECS wrap-up: achieved three goals completely; three partially. Conducted Materiality Assessment
- **2022** – Refreshed sustainability goals for next decade

ENVIRONMENT

» Waste minimization
» Waste management
» Water neutrality
» Emissions and renewable power

SOCIAL

» Community development
» People practices
» Responsible corporate citizen

GOVERNANCE

» Strong focus on ethics, compliance and transparency

Our sustainability goals for the next decade

Being committed to environmental stewardship

Reducing carbon emissions
» 100% renewable power (RE100) by 2030
» Carbon neutral in direct emissions (Scope 1 & 2) by 2030
» 12.5% reduction in indirect carbon emissions (Scope 3) by 2030

Water positivity
» Water-positive by 2025

Making our products accessible and affordable for patients

Access
» Serve 1.5BN+ patients by 2030

Affordability
» 25% of new launches to be first to market by 2027

Innovation
» 3 innovative products improving standard of treatment every year

Contributing to a fairer and more socially inclusive world

Equity, diversity and inclusion
» At least 35% women in senior leadership (3x from current baseline) by 2030
» Gender parity for organization by 2035
» 3% of our workforce to be persons with disabilities by 2030
» Ensure 100% living wages for our on-premise extended workforce by 2025

Enhancing trust with our stakeholders

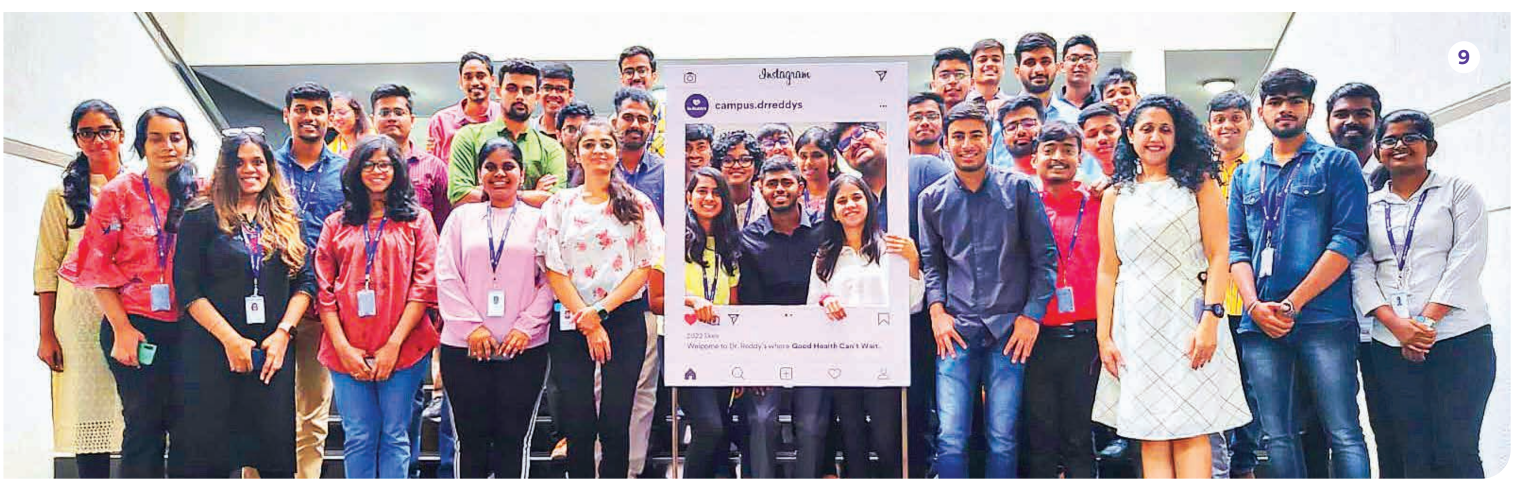
» Highest standards of Compliance and Ethics backed by robust Corporate Governance
» Progressively enhance disclosure on ESG progress to reach top quartile by 2025
» 100% of our strategic suppliers to be compliant with our internal ESG framework by 2030

The year in pictures

Our people, our pride

1 Team API at offsite 2 The South Africa Top Employer award 3 Our team in the U.S. at a group activity on Mental Health Awareness Day

4 Team Cambridge at a fundraiser 5 Global Generics India's annual MPower event 6 Team Colombia with Great Place to Work certification



7 Our Women Safety Ambassadors team

8 Visit of the Heads of Latin America and Africa-Asia-ANZ markets to India

9 Our latest batch of technical interns

Board of Directors

C M M

K SATISH REDDY

Chairman

M M M

G V PRASAD

Co-Chairman and Managing Director

M M

ALLAN OBERMAN

Independent Director

M M

LEO PURI

Independent Director

M M

PENNY WAN

Independent Director

C C M

PRASAD R MENON

Independent Director

KEY FOR OUR BOARD LEVEL COMMITTEES

- Audit Committee
- Nomination, Governance and Compensation Committee
- Stakeholders' Relationship Committee
- Risk Management Committee


M C

DR. BRUCE L A CARTER

Independent Director


M M C

KALPANA MORPARIA

Independent Director


M M

DR. K P KRISHNAN

Independent Director


C M

SHIKHA SHARMA

Independent Director


M C

SRIDAR IYENGAR

Independent Director

- Science, Technology and Operations Committee
- Banking and Authorisations Committee
- Sustainability and Corporate Social Responsibility Committee
- C Chairperson
- M Member

Management Council

K SATISH REDDY

Chairman

G V PRASAD

Co-Chairman and
Managing Director

DEEPAK SAPRA

Chief Executive Officer,
API and Services

MARC KIKUCHI

Chief Executive Officer,
North America Generics

MUKESH RATHI

Chief Digital and
Information Officer

SANJAY SHARMA

Global Head of
Manufacturing

EREZ ISRAELI

Chief Executive Officer

PARAG AGARWAL

Chief Financial Officer

ARCHANA BHASKAR

Chief Human Resource Officer

M.V. NARASIMHAM

Deputy Chief Financial Officer

PATRICK AGHANIAN

Chief Executive Officer, European Generics

M.V. RAMANA

Chief Executive Officer, Branded Markets (India and Emerging Markets)

SUSHRUT KULKARNI

Global Head of Integrated Product Development Organisation

Executive Summary –

Business Responsibility and Sustainability Report

This is the first year in which the Company has voluntarily released its report against the new Business Responsibility & Sustainability Report guidelines. Through this report, the Company intends to communicate its vision of a purpose-driven, future-ready and sustainable roadmap and has disclosed how it manages environmental, social and governance performance.

We are driven by our purpose of **'Good Health Can't Wait'.** This applies not only to an individual but also to our society and our environment.

Sustainability for us means operating in a manner that respects people, planet and purpose – helping us conserve precious resources, serve our patients, create value for stakeholders, give back to society, fulfil our potential and maintain our integrity and transparency.

For more information on our sustainability journey so far, and our refreshed sustainability goals and targets, please refer to page 16-17 of this Annual Report.

Sustainability is deeply embedded in our purpose and forms the core of our organization. Our commitment to the nine principles of National Guidelines on Responsible Business is outlined in this Report.

Key highlights of BRSR Report

Principle 1

Conduct and govern with integrity, and in a manner that is Ethical, Transparent and Accountable

- 100% of our Key Managerial Personnel (KMPs) and 82% of our employees received periodic training on business, regulations, code of business conduct and ethics as well as economic and environmental, social and governance parameters
- No disciplinary action against Directors/KMPs/ Employees/Workers by any law enforcement agencies for charges of bribery/corruption

Principle 3

Respect and promote the well-being of all employees, including those in value chains

- 100% of our employees (permanent, workers and others) are covered under health and accident insurance.
- 100% of our employees (permanent, workers and others) are covered by maternity and paternity benefits.
- Achieved a 98.1% return-to-work rate post parental leave

Principle 2

Provide goods and services in a manner that is sustainable and safe

99% of our global hazardous waste are sent to industries and recyclers for co-processing and recycling

Principle 4

Respect the interests of and be responsive to all its stakeholders

Comprehensive stakeholder engagement at frequent intervals using multiple platforms to understand their expectations, inform our strategy and communicate our progress

Principle 5

Respect and promote human rights

- 100% of our employees and workers are paid more than the minimum wage
- Median remuneration of employees is more than ₹ 5 Lakhs per annum

Principle 6

Respect and make efforts to protect and restore the environment

- 14% reduction in energy intensity from previous financial year
- 14% reduction in water intensity from previous financial year
- 21% reduction in Scope 1 & 2 GHG emission intensity from previous financial year
- Fuel substitution projects implemented (Coal to Briquettes and Furnace Oil to Piped Natural Gas)

Principle 8

Promote inclusive growth and equitable development

- 71% of input materials were sourced locally, directly from within the district and neighbouring districts
- Positively impacted 3,64,332 individuals through CSR initiatives

Principle 7

Influencing public and regulatory policy, in a responsible and transparent manner

Associated with trade and industry chambers/ associations to foster dialogue on industry growth drivers, innovation and shaping public policy

Principle 9

Engage with and provide value to the consumers in a responsible manner

- No data breaches reported during the reporting period
- No major critical service disruptions

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

SECTION A – GENERAL DISCLOSURE

I DETAILS OF LISTED ENTITIES

1. **CORPORATE IDENTITY NUMBER (CIN) OF THE LISTED ENTITY**

   L85195TG1984PLC004507

2. **NAME OF THE LISTED ENTITY**

   Dr. Reddy's Laboratories Limited

3. **YEAR OF INCORPORATION**

   1984

4. **REGISTERED OFFICE ADDRESS**

   8-2-337, Road No. 3, Banjara Hills, Hyderabad, Telangana 500034 India

5. **CORPORATE ADDRESS**

   8-2-337, Road No. 3, Banjara Hills, Hyderabad, Telangana 500034 India

6. **E-MAIL**

   shares@drreddys.com

7. **TELEPHONE**

   +91-40-49002900

8. **WEBSITE**

   www.drreddys.com

9. **FINANCIAL YEAR FOR WHICH REPORTING IS BEING DONE –**

   April 1, 2021 to March 31, 2022

10. **NAME OF THE STOCK EXCHANGE(S) WHERE SHARES ARE LISTED –**

    BSE, NSE, NYSE and NSE-IFSC

11. **PAID-UP CAPITAL**

    INR 832,129,245

12. **NAME AND CONTACT DETAILS (TELEPHONE, EMAIL ADDRESS) OF THE PERSON WHO MAY BE CONTACTED IN CASE OF ANY QUERIES ON THE BRSR REPORT**

    Mr. Erez Israeli,
    Chief Executive Officer
    E-mail id: *shares@drreddys.com*
    Contact No: +91-040-4900 2900

13. **REPORTING BOUNDARY**

    The disclosure under this BRSR is on standalone basis unless otherwise stated

II PRODUCTS AND SERVICES

14. DETAILS OF BUSINESS ACTIVITIES (ACCOUNTING FOR 90% OF THE TURNOVER)

SR. NO	DESCRIPTION OF MAIN ACTIVITY	DESCRIPTION OF BUSINESS ACTIVITY	% OF TURNOVER OF THE ENTITY
1	Pharmaceuticals	Development, manufacturing & sale of pharmaceutical products, and services	100%

15. PRODUCTS/ SERVICES SOLD BY THE ENTITY (ACCOUNTING FOR 90% OF THE ENTITY'S TURNOVER)

SR. NO	PRODUCTS	NIC CODE	% OF TOTAL TURNOVER CONTRIBUTED
1	Development, manufacturing & sale of Generic Formulations including Biosimilars	21009	81
2	Development, manufacturing & sale of Active Pharmaceutical Ingredients & Custom Pharmaceutical Services	21009	17

III OPERATIONS

16. NUMBER OF LOCATIONS WHERE PLANTS AND/ OR OPERATIONS/ OFFICES OF THE ENTITY ARE SITUATED

LOCATION	NUMBER OF PLANTS (INCLUDING R&D SITES/ OPERATIONS)	NUMBER OF OFFICES	TOTAL
National	23	8	31
International	9	50	59

17. MARKETS SERVED BY THE ENTITY

A. NUMBER OF LOCATIONS

LOCATIONS	NUMBERS
National (Number of States)	Pan-India
International (Number of Countries)	66

b. Contribution of exports as a percentage of the total turnover of the entity

Out of the total turnover of INR 13,886 crore (excluding service income), the turnover of the products sold in India is INR 4,279 crore (31%) and that of other countries is INR 9,607 crore (69%).

c. A brief on types of customers

Our customers include wholesalers, distributors, pharmacy chains and hospitals, government institutions and other pharmaceutical companies.

IV EMPLOYEES

18. DETAILS AS AT THE END OF FINANCIAL YEAR:

A. EMPLOYEES AND WORKERS (INCLUDING DIFFERENTLY ABLED)

SR. NO	PARTICULARS	TOTAL	MALE		FEMALE	
			NUMBER	%	NUMBER	%
Employees						
1	Permanent	20,122	17,795	88.44	2,327	11.56
2	Other than permanent	4,888	3,997	81.77	891	18.23
	Total	**25,010**	**21,792**	**87.13**	**3,218**	**12.87**
Workers						
1	Permanent	529	509	96.22	20	3.78
2	Other than permanent*	5,230	-	-	-	-
	Total	**5,759**	**-**	**-**	**-**	**-**

**Gender split not available. We are in process of establishing a mechanism to record the details.*

B. DIFFERENTLY ABLED EMPLOYEES AND WORKERS

SR. NO	PARTICULARS	TOTAL	MALE		FEMALE	
			NUMBER	%	NUMBER	%
Differently abled Employees						
1	Permanent	60	48	80	12	20
2	Other than permanent	-		-		
	Total	**60**		Not available		
Differently abled Workers						
1	Permanent					
2	Other than permanent			Not available		
	Total					

19. PARTICIPATION/ INCLUSION/ REPRESENTATION OF WOMEN

PARTICULARS	TOTAL	NUMBER OF FEMALES	% OF FEMALES
Board of Directors	11	3	27
Key Managerial Personnel (KMPs)	3	0	0

20. TURNOVER RATE FOR PERMANENT EMPLOYEES AND WORKERS

PARTICULARS	FY 2021-22			FY 2020-21*			FY 2019-20*		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Permanent Employees	17%	19.3%	17%	-	-	17.5%	-	-	18.1%
Permanent Workers					Not available				

**Gender wise splits are not available.*

V – HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. NAMES OF HOLDING/ SUBSIDIARY/ ASSOCIATE COMPANIES/ JOINT VENTURES

The details of holding/ subsidiary/ associate companies/ joint ventures are given in Form AOC-1, as Annexure-I to the Board's Report forming part of the Annual Report 2022.

Do the entities indicated in above table, participate in the business responsibility initiatives of the listed entity? (Yes/No)

The major subsidiary companies are closely integrated with our corporate business responsibility initiatives.

VI – CSR DETAILS

22. WHETHER CSR IS APPLICABLE AS PER SECTION 135 OF THE COMPANIES ACT, 2013: Yes

a. Turnover – INR 14,405 Crore

b. Net Worth – INR 18,336 Crore

VII – TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. COMPLAINTS/ GRIEVANCES ON ANY OF THE PRINCIPLES (PRINCIPLES 1 TO 9) UNDER THE NATIONAL GUIDELINES ON RESPONSIBLE BUSINESS CONDUCT

STAKEHOLDER GROUP FROM WHOM COMPLAINT IS RECEIVED	GRIEVANCE REDRESSAL MECHANISM IN PLACE (YES/ NO) (IF YES, THEN PROVIDE WEB-LINK FOR GRIEVANCE REDRESS POLICY)	FY 2021-22			FY 2020-21		
		NUMBER OF COMPLAINTS FILED DURING THE YEAR	NUMBER OF COMPLAINTS PENDING RESOLUTION AT CLOSE OF THE YEAR	REMARKS	NUMBER OF COMPLAINTS FILED DURING THE YEAR	NUMBER OF COMPLAINTS PENDING RESOLUTION AT CLOSE OF THE YEAR	REMARKS
Communities	Yes*	0	0		0	0	
Investors other than Shareholders	Yes*	0	0		0	0	
Shareholders	Yes*	6	0		8	0	
Employees and Workers	Yes*	213	22		126	18	
Customers	Yes*	14	3		6	1	
Value Chain Partners	Yes*	2	0		7	0	
Others**	Yes*	70	7		28	4	

** Some of the policies guiding the Company's conduct with all its stakeholders, including grievance mechanisms are placed on the Company's website. The link is: https://www.drreddys.com/investor#governance. In addition, there are internal policies placed on the intranet platform of the Company. The number of complaints are not comparable with that of the previous year. FY2021, when owing to the pandemic, the offices were intermittently closed. Complaints pending as at the financial year end, but subsequently resolved.*

***For FY2021-22, out of 70, 65 are anonymous and 5 are from identified unrelated parties. For FY2020-21, out of 28, 26 are anonymous, 1 is from identified unrelated parties and 1 is from identified relative of an employee.*

24. OVERVIEW OF THE ENTITY'S MATERIAL RESPONSIBLE BUSINESS CONDUCT ISSUES

The Company's Executive Risk Management Committee operates under the Company's Risk Management Policy. Its focus is on risks associated with the Company's business and compliance matters. The Committee periodically reviews matters pertaining to risk management. Additionally, the Enterprise-wide Risk Management (ERM) function helps management and the Board to prioritize, review and measure business risks against a pre-determined risk appetite, and their suitable response, depending on whether such risks are internal, strategic or external (including ESG and Cyber security risks). There is a Risk Management Committee of the Board of Directors which is regularly appraised of the various Company's Risks.

Refer page nos. 49 and 50 of the 2021 Sustainability Report at the link *https://www.drreddys.com/cms/cms/sites/default/files/2022-04/sustainability-report-fy-2020-21.pdf*, for more information on the Company's emerging climate related risks.

SECTION B – MANAGEMENT AND PROCESS DISCLOSURES

DISCLOSURE QUESTION	P – 1	P – 2	P – 3	P – 4	P – 5	P – 6	P – 7	P – 8	P – 9
Policy and Management Process									
1. A. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Note 1	Yes	Note 2	Yes	Yes
1. B. Has the policy been approved by the Board? (Yes/No)	The statutory policies are approved by the Board or Board Committees, as applicable. Other applicable policies are either approved by the Board or by the appropriate authority.								
1. C. Web Link of the Policies, if available	Note 3								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes. The Company's Code of Business Conduct and Ethics (COBE) imbibes the above-mentioned principles and the Company expects its stakeholders to adhere to the same in all their dealings.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The Company's COBE imbibes the above-mentioned principles and the Company expects its stakeholders to adhere to these in their dealings.								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	SA8000	ISO 14001	ISO 45001 SA8000	-	SA8000	-	-	As per the CSR Rules prescribed under the Companies Act, 2013	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	Note 4								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	Note 5								

DISCLOSURE QUESTION	P – 1	P – 2	P – 3	P – 4	P – 5	P – 6	P – 7	P – 8	P – 9
Governance, Leadership and Oversight									
7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	At Dr. Reddy's, we are committed to make business truly sustainable and responsible . The Board has made a Board level Committee responsible for sustainability and ESG road-map and review of the implementation. 2020 and 2021 will go down in history as a period of unprecedented strain, disruption, and challenges. However, it will also be remembered as the time humanity united and solved the pandemic induced health, social, and economic crises. Covid-19 highlighted the devastating impact of systemic inequalities and disparities and taught humanity some crucial lessons. It made us deeply examine our practices, mindsets, and the urgent need to operate and grow sustainably. We see the coming year as a significant opportunity to integrate ESG into our organizational culture, using it to drive our daily decisions while we strive to meet the needs of patients and create a net positive impact on our ecosystem. Dr. Reddy's is committed to deliver its ESG agenda by generating value for its stakeholders, driving sustainability with technological progress and manufacturing excellence. Our efforts remain focused on expanding access and affordability to safe, effective and high-quality medicines that the world can count on, because, - **Good Health Can't Wait.**								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	Mr. Erez Israeli Chief Executive Officer Tel: +91-40-4900-2900 E-mail ID: *shares@drreddys.com*								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/ No). If yes, provide details	Mr. G V Prasad, Co-Chairman & Managing Director Our Co-Chairman & Managing Director drives the sustainability/ ESG agenda in the Company, pushing for strong action and has the ultimate responsibility to approve Dr. Reddy's ESG strategy and goals. He reports to the Board and updates them on the financial implications of climate risks and opportunities as part of the business performance review and ESG update to the Board.								

Note 1: *The Company complies with all the statutory requirements. All the contracts and standing orders include relevant aspects of human rights.*

Note 2: *The Company works closely with various trade and industry associations. This includes industry representations to the government and/ or regulators. The Company performs the function of policy advocacy in a transparent and responsible manner while engaging with all the authorities and considers the Company's interest as well as the larger national interest. The Company believes that policy advocacy must preserve and expand public good and thus, it does not advocate any policy change to benefit itself alone or a select few.*

Note 3: *https://www.drreddys.com/media/983676/cobe-booklet-v40.pdf*

https://www.drreddys.com/media/888147/she-policy-document-24-07-2020.pdf

https://www.drreddys.com/media/899536/human-rights-policy_01092020.pdf

https://www.drreddys.com/media/993225/csr-policy.pdf

https://www.drreddys.com/cms/cms/sites/default/files/static/supplier-code-of-conduct-new.pdf

Note 4: *We strengthened our commitment to sustainability and announced new environmental, social, and governance (ESG) goals for 2030 to make more meaningful impact through our sustainable development strategy.*

A. Being committed to environmental stewardship: Reducing carbon emissions

- *100% renewable power (RE100) by 2030; • Carbon neutral in direct operations (Scope 1 and 2 emissions) by 2030; • 12.5% reduction in our indirect carbon emissions (Scope 3) by 2030*

Water positivity

- *Water positive by 2025*

B. Making our products accessible and affordable for patients

Access: *• Serve 1.5 billion+ patients by 2030*

Affordability : *• 25% of our new launches to be first to market by 2027*

Innovation : *• 3 innovative products improving the standard of treatment every year*

C. Contributing to a fairer and more socially inclusive world

Equity, diversity and inclusion

- *At least 35% women in senior leadership (3X from current) by 2030; • Gender parity by 2035; • 3% of our workforce to be Persons with Disability (PwD) by 2030; • Ensure 100% living wages for our extended workforce by 2025*

D. Enhancing trust with our stakeholders

Compliance, Ethics, and Corporate governance: *• Meet the highest standards on compliance and ethics backed by robust corporate governance*

Disclosures and reporting

- *Enhance our disclosures to reach top quartile by 2025*

Suppliers

- *100% of our strategic suppliers to be compliant with our internal ESG framework by 2030*

Note 5: ***Some of our ESG progress against goals in FY 2022 is provided below:***

- *26% of our total power is through renewable sources; • We have reduced 11% of our absolute scope 1 & 2 emissions, and 0.3% of scope 3 emissions since FY 2021; • We are 78% water neutral*

For more details on our ESG goals and journey, refer to page nos. 16-17 of the Annual Report FY2022.

10.	DETAILS OF REVIEW OF NGRBCS BY THE COMPANY
SUBJECT FOR REVIEW	REVIEW OF PRINCIPLES UNDERTAKEN BY AND FREQUENCY
Performance against above policies and follow up action	As a practice, BR policies of the Company are reviewed periodically or on a need basis by department heads, business heads and Executive Directors. During such assessment, efficacy of the policies are reviewed and necessary changes to policies and procedures are implemented. The Board also reviews the Business Responsibility Report on an annual basis.
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.

11. **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency**

    The processes and compliances are subject to scrutiny by internal auditors and status of compliances are updated to the Board. From best practices as well as from a risk perspective, policies are periodically evaluated and updated by various department heads, business heads and approved by the management and/ or by the Board. Some of the policies of the Company are evaluated by KPMG and DNV Business Assurance India Private Limited (DNV). An internal assessment of the workings of the BR policies has been done.

12. **If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:** Not applicable

SECTION C – PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

ESSENTIAL INDICATORS

1. PERCENTAGE COVERAGE BY TRAINING AND AWARENESS PROGRAMMES ON ANY OF THE PRINCIPLES DURING THE FINANCIAL YEAR

SEGMENT	TOTAL NUMBER OF TRAINING AND AWARENESS PROGRAMMES HELD	TOPICS/ PRINCIPLES COVERED UNDER THE TRAINING AND ITS IMPACT	% AGE OF PERSONS IN RESPECTIVE CATEGORY COVERED BY THE AWARENESS PROGRAMMES
Board of Directors (BODs)/ Key Managerial Personnel (KMPs)	Familiarisation/ awareness program for the Board of Directors/ KMPs of the Company is done periodically. The topics cover business, regulations, code of business conduct and ethics, economy and environmental, social and governance parameters. In addition, frequent updates are shared with all the Board members/ KMPs apprising them on developments in the Company, key regulatory changes, risks, compliances, and legal cases.		100%
Employees other than BODs and KMPs	The employees/ workers of the Company undergo various training programmes throughout the year. Owing to the pandemic, many trainings programs happened through a blended learning approach which entailed virtual classroom initiatives, along with dissemination of e-learning modules. Various trainings were undertaken during the year: Prohibition of Insider Trading, Prevention of Sexual Harassment at the Workplace, Information and Cyber Security Awareness, Code of Conduct, Know Your Customer guidelines, and a learning module on ESG. Other trainings included induction programmes for new recruits, leadership training, IT and cyber security and modules on soft skills, programmes on mental and physical well-being, among several others. Regular mailers are sent to employees on ethics, health, ESG and other relevant topics as part of the awareness programmes. The various updates are also placed at the intranet platforms of the Company.		81.55%
Workers			48.28%

2. **Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):**

MONETARY	NGRBC PRINCIPLE	NAME OF THE REGULATORY/ ENFORCEMENT AGENCIES/ JUDICIAL INSTITUTES	AMOUNT (INR)	BRIEF OF THE CASE	HAS AN APPEAL BEEN PREFERRED (YES/NO)?
Penalty/ Fine					
Settlement			Nil		
Compounding Fees					

NON-MONETARY	NGRBC PRINCIPLE	NAME OF THE REGULATORY/ ENFORCEMENT AGENCIES/ JUDICIAL INSTITUTES	AMOUNT (INR) BRIEF OF THE CASE	HAS AN APPEAL BEEN PREFERRED (YES/NO)?
Imprisonment		Nil		
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed**

   Not applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy**

   Yes. Dr. Reddy's has an anti-bribery and anti-corruption policy. The policy has been developed in alignment with Dr. Reddy's Code of Business Conduct and Ethics (COBE), other internal policies such as Ombudsperson policy and other rules and regulations on against elements of Anti bribery and Anti-Corruption that govern the Company because of its geographical presence in multiple countries. The policy reiterates that Dr. Reddy's does not tolerate any bribery and corruption and continues to uphold the highest standards of integrity and transparency in all its interactions and routine business activities. The policy forms part of the COBE, applies to all members of the Board of Directors, full and part-time employees of the Company, its subsidiaries and affiliates. All business partners are also expected to follow the same standard of ethics when conducting business with the Company or on its behalf. (*https://www.drreddys.com/investor#governance*)

5. NUMBER OF DIRECTORS/ KMPS/ EMPLOYEES/ WORKERS AGAINST WHOM DISCIPLINARY ACTION WAS TAKEN BY ANY LAW ENFORCEMENT AGENCY FOR THE CHARGES OF BRIBERY/ CORRUPTION

	FY 2021-22	FY 2020-21
Directors	Nil	
KMPs		
Employees		
Workers		

6. DETAILS OF COMPLAINTS WITH REGARD TO CONFLICT OF INTEREST

	FY 2021-22		FY 2020-21	
	NUMBER	REMARKS	NUMBER	REMARKS
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil	Not applicable	Nil	Not applicable
Number of complaints received in relation to issues of conflict of interest of the KMPs				

7. **Details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest**

   Not applicable

LEADERSHIP INDICATORS

1. AWARENESS PROGRAMMES CONDUCTED FOR VALUE CHAIN PARTNERS ON ANY OF THE PRINCIPLES DURING THE FINANCIAL YEAR

TOTAL NUMBER OF AWARENESS PROGRAMMES HELD	TOPICS/ PRINCIPLES COVERED UNDER THE TRAINING	% AGE OF VALUE CHAIN PARTNERS COVERED (BY VALUE OF BUSINESS DONE WITH SUCH PARTNERS) UNDER THE AWARENESS PROGRAMMES
1	Environment, Social & Governance, Supplier Code of conduct, PSCI assessment checklist	16.2

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

   As part of the Governance ecosystem, the Company has adopted best practices on reviews of conflict of interest of Directors. The Director's disclosures are placed before the Board and conflict of interest, if any, is discussed and reviewed. The Board collectively is responsible for decision making on conflict of interest disclosed to the Board for any business decisions, wherein any of the Directors are interested.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively**

   The Company is focussed on patient centric R&D. During the year 2020-21 and 2021-22, the total investment in R&D and capital expenditure were to the tune of INR 1,310 Crore and INR 1,426 Crore, respectively. These include R&D and capex investments in specific technologies to improve the environmental and social impacts of products and processes.

2. a. **Does the entity have procedures in place for sustainable sourcing**

   Yes

   b. **If yes, what percentage of inputs were sourced sustainably**

   We ensure that all our products are sourced in a sustainable manner. All our strategic and critical suppliers are evaluated against Dr. Reddy's qualifying criteria. As per the supplier code of conduct, we assess our strategic suppliers on multiple criteria including business ethics, human rights, social impact, safety, and environment. Additionally, we are in the process of developing a measurement mechanism to report our sustainably sourced products.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste**

   We have waste management systems in place at all our facilities. Plastic waste is either co-processed or recycled based upon the type of waste generated. E-waste is sold to authorized vendors. 99% of our global hazardous waste is sent to cement industries and recyclers for co-processing and recycling. The remaining 1% of global hazardous waste is sent to landfill. Other non-hazardous waste such as glass, MS scrap, wood waste, boiler ash etc. is sent to recyclers, cement industries for co-processing or to brick manufacturers.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/ No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same**

   Yes, we work in compliance with India's Plastic Waste Management Rules, 2016 (subsequent abatements) and the Extended Producer Responsibility (EPR) guidelines. Our waste collection plan is in line with the EPR plan submitted to Pollution Control Board (PCB).

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details**

   We have initiated process to conduct Life Cycle Assessment of selected Active Pharmaceutical Ingredients (API) products.

2. **If there are any significant social or environmental concerns and/ or risks arising from production or disposal of products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same**

   Not applicable

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)**

   Not applicable. As in the pharmaceutical industry we can't use recycled or reused input materials in the manufacturing process due to its nature of products.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed**

   Not available

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category**

   Not available

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS

1. A. DETAILS OF MEASURES FOR THE WELL-BEING OF EMPLOYEES

CATEGORY	TOTAL	% OF EMPLOYEES COVERED BY									
		HEALTH INSURANCE		ACCIDENT INSURANCE		MATERNITY BENEFITS		PATERNITY BENEFITS		DAY CARE FACILITIES	
		NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
Permanent employees											
Male	17,795	17,795	100	17,795	100	-	-	17,795	100	7,610	43
Female	2,327	2,327	100	2,327	100	2,327	100	-	-	1,614	70
Total	**20,122**	**20,122**	**100**	**20,122**	**100**	**2,327**	**100**	**17,795**	**100**	**9,224**	**46**
Other than permanent employees											
Male	3,997	3,997	100	-	-	-	-	3,997	100	-	-
Female	891	891	100	-	-	891	100	-	-	-	-
Total	**4,888**	**4,888**	**100**	**-**	**-**	**891**	**100**	**3,997**	**100**	**-**	**-**

B. DETAILS OF MEASURES FOR THE WELL-BEING OF WORKERS

CATEGORY	TOTAL	% OF WORKERS COVERED BY									
		HEALTH INSURANCE		ACCIDENT INSURANCE		MATERNITY BENEFITS		PATERNITY BENEFITS		DAY CARE FACILITIES	
		NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
Permanent workers											
Male	509	509	100	509	100	-	-	509	100	424	83.3
Female	20	20	100	20	100	20	100	-	-	20	100
Total	**529**	**529**	**100**	**529**	**100**	**20**	**100**	**509**	**100**	**444**	**83.9**
Other than permanent workers											
Male Female	5,230	5,230	100	5,230	100	All covered under Maternity Benefits Act	100	Depends on the paternity benefit policy of the contractor	NA	-	-
Total	All covered under Employee State Insurance Act.										

2. DETAILS OF RETIREMENT BENEFITS, FOR CURRENT FINANCIAL YEAR AND PREVIOUS FINANCIAL YEAR

BENEFITS*	FY 2021-22			FY 2020-21		
	NUMBER OF EMPLOYEES COVERED AS A % OF TOTAL EMPLOYEE	NUMBER OF WORKERS COVERED AS A % OF TOTAL WORKERS	DEDUCTED AND DEPOSITED WITH THE AUTHORITY (Y/N/NA)	NUMBER OF EMPLOYEES COVERED AS A % OF TOTAL EMPLOYEES	NUMBER OF WORKERS COVERED AS A % OF TOTAL WORKERS	DEDUCTED AND DEPOSITED WITH THE AUTHORITY (Y/N/NA)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	1.2	100	Yes	1.2	100	Yes
Others – Superannuation	7.3	-	-	7.3	-	-

**Data for India only*

3. **Accessibility of workplaces: Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard**

   The premises/ offices of the Company, including the registered and corporate offices have ramps to enable easy movement. Most offices are located either on the ground floor or have elevators and infrastructure for differently abled individuals. Wheelchair accessible restrooms are also available at certain premises.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy**

   The Code of Business Conduct and Ethics (COBE) of the Company provides for an Equal Opportunity Policy to create an inclusive work environment by providing equal employment opportunities to foster diversity in the workplace, and to treat all employees equally irrespective of gender, age, physical disability, creed, religion, sexual orientation, racial background, pregnancy, place of origin, caste, political affiliation or other discriminatory factors. We value diversity in our workforce and thus encourage and nurture talent within the organization. We work best when there is an atmosphere of mutual trust and co-operation. The policy is available at the Company's website at: *https://www.drreddys.com/cms/cms/sites/default/files/2021-11/cobe-booklet-v40.pdf*

5. RETURN TO WORK AND RETENTION RATES OF PERMANENT EMPLOYEES AND WORKERS THAT TOOK PARENTAL LEAVE

GENDER	PERMANENT EMPLOYEES		PERMANENT WORKERS	
	RETURN TO WORK RATE	RETENTION RATE	RETURN TO WORK RATE	RETENTION RATE
Male	99.8%	84%		
Female	90.3%	82%	-	
Total	**98.1%**	**83%**		

6. IS THERE A MECHANISM AVAILABLE TO RECEIVE AND REDRESS GRIEVANCES FOR THE FOLLOWING CATEGORIES OF EMPLOYEES AND WORKER? IF YES, GIVE DETAILS OF THE MECHANISM IN BRIEF

	YES/NO	(IF YES, THEN GIVE DETAILS OF THE MECHANISM IN BRIEF)
Permanent workers	Yes	The Company has an Ombudsperson Policy (Whistle-blower or Vigil Mechanism) applicable to employees and third parties, to report concerns on actual or suspected violations of the code. The Audit Committee Chairperson is the Chief Ombudsperson. Concerns raised to the Company and their resolutions are reported through the Chief Ombudsperson to the Audit Committee and wherever applicable, to the Board. The Policy provides avenues to report concerns directly to the compliance team. Refer link of the policy and reporting channels separately mentioned below. Ombudsperson Policy Link: *https://www.drreddys.com/investor#governance* Ombudsperson reporting channel website link: *https://drreddys.ethicspoint.com/*
Other than permanent workers	Yes	
Permanent employees	Yes	
Other than permanent employees	Yes	

7. MEMBERSHIP OF EMPLOYEES AND WORKER IN ASSOCIATION(S) OR UNIONS RECOGNISED BY THE LISTED ENTITY

CATEGORY	FY 2021-22			FY 2020-21		
	TOTAL EMPLOYEES/ WORKERS IN RESPECTIVE CATEGORY	NUMBER OF EMPLOYEES/ WORKERS IN RESPECTIVE CATEGORY, WHO ARE PART OF ASSOCIATION(S) OR UNION	%	TOTAL EMPLOYEES/ WORKERS IN RESPECTIVE CATEGORY	NUMBER OF EMPLOYEES/ WORKERS IN RESPECTIVE CATEGORY, WHO ARE PART OF ASSOCIATION(S) OR UNION	%
Permanent employees						
Male	17,795	-	-	17,094	-	-
Female	2,327	-	-	2,163	-	-
Total	**20,122**	**-**	**-**	**19,257**	**-**	**-**
Permanent workers						
Male	509	509	100	513	513	100
Female	20	20	100	20	20	100
Total	**529**	**529**	**100**	**533**	**533**	**100**

8. DETAILS OF TRAINING GIVEN TO EMPLOYEES AND WORKERS

	FY 2021-22					FY 2020-21				
	TOTAL	ON HEALTH AND SAFETY MEASURES*		ON SKILL UPGRADATION		TOTAL	ON HEALTH AND SAFETY MEASURES*		ON SKILL UPGRADATION	
		NUMBERS	%	NUMBERS	%		NUMBERS	%	NUMBERS	%
Employees										
Male	17,795	-	-	16,311	91.66	17,094	-	-	15,399	90.08
Female	2,327	-	-	2,216	95.23	2,163	-	-	2,085	96.39
Total	**20,122**	**-**	**-**	**18,527**	**92.07**	**19,257**	**-**	**-**	**17,484**	**90.79**
Workers										
Male	509	-	-	498	97.84	513	-	-	426	83.04
Female	20	-	-	20	100	20	-	-	20	100
Total	**529**	**-**	**-**	**518**	**97.92**	**533**	**-**	**-**	**446**	**83.68**

**We are in the process of establishing a mechanism to record the training details.*

9. DETAILS OF PERFORMANCE AND CAREER DEVELOPMENT REVIEWS OF EMPLOYEES AND WORKER

CATEGORY	FY 2021-22			FY 2020-21		
	TOTAL	NUMBERS	%	TOTAL	NUMBERS	%
Employees						
Male	17,795	17,795	100	17,094	17,094	100
Female	2,327	2,327	100	2,163	2,163	100
Total	**20,122**	**20,122**	**100**	**19,257**	**19,257**	**100**
Workers						
Male	509	509	100	513	513	100
Female	20	20	100	20	20	100
Total	**529**	**529**	**100**	**533**	**533**	**100**

10. Health and safety management system

a. *Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?*

Yes, we have implemented an occupational health and safety management system. Seven of our ten formulations units have been certified under ISO 45001. The coverage is 100% of our entity, and it covers both regular employees and contractors.

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

We have developed a guidance document which provides the course on how to identify, evaluate SH&E risks, and reduce them to an acceptable level by strengthening existing controls and/ or incorporating additional controls for all the activities within the premises of the organization. The standard clearly outlines the role and responsibilities of individuals directly involved in identifying and mitigating SH&E risks.

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

Yes, every department head interacts with the team on daily basis through Tool Box talks. In this forum, workmen actively participate to give suggestions and feedback for improvement.

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

Yes, we have rolled out My Health index, a proactive health and well-being initiative that takes care of the overall physical and mental well-being of employees.

11. DETAILS OF SAFETY RELATED INCIDENTS			
SAFETY INCIDENT/ NUMBER	CATEGORY	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.16	0.18
	Workers		
Total recordable work-related injuries	Employees	20	16
	Workers	13	9
Number of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace**

At Dr. Reddy's, we emphasize strongly on the health, safety, and well-being of our people. We continuously strive to create a work environment that is free from any occupational hazards, regardless of where our people are located or what type of work they carry out. We have developed and implemented strong health and safety systems at all our plants. These systems are guided and driven by our established policies and procedures. Periodic assessments are conducted to evaluate the effectiveness of the systems implemented and appropriate measures are taken to further improve our H&S performance continually.

13. NUMBER OF COMPLAINTS ON THE FOLLOWING MADE BY EMPLOYEES AND WORKERS	FY 2021-22			FY 2020-21		
	FILED DURING THE YEAR	PENDING RESOLUTION AT THE END OF YEAR	REMARKS	FILED DURING THE YEAR	PENDING RESOLUTION AT THE END OF YEAR	REMARKS
Working Conditions	Nil	Nil		Nil	Nil	
Health & Safety	Nil	Nil		Nil	Nil	

14. ASSESSMENTS FOR THE YEAR	% OF PLANTS AND OFFICES THAT WERE ASSESSED (BY ENTITY OR STATUTORY AUTHORITIES OR THIRD PARTIES)
Health and safety practices	100
Working Conditions	100

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions**

Not applicable

LEADERSHIP INDICATORS

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)**

Yes, for both employees and workers

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners**

The Company ensures that statutory dues as applicable to the transactions within its remit are deducted and deposited in accordance with extant regulations. This activity is also reviewed as part of the internal and statutory audit. The Company expects its value chain partners to uphold business responsibility principles and values of transparency and accountability.

3. PROVIDE THE NUMBER OF EMPLOYEES/ WORKERS HAVING SUFFERED HIGH CONSEQUENCE WORK-RELATED INJURY/ ILL-HEALTH/ FATALITIES (AS REPORTED IN Q11 OF ESSENTIAL INDICATORS ABOVE), WHO HAVE BEEN REHABILITATED AND PLACED IN SUITABLE EMPLOYMENT OR WHOSE FAMILY MEMBERS HAVE BEEN PLACED IN SUITABLE EMPLOYMENT	TOTAL NUMBER OF AFFECTED EMPLOYEES/ WORKERS		NUMBER OF EMPLOYEES/WORKERS THAT ARE REHABILITATED AND PLACED IN SUITABLE EMPLOYMENT OR WHOSE FAMILY MEMBERS HAVE BEEN PLACED IN SUITABLE EMPLOYMENT	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes

5. **DETAILS ON ASSESSMENT OF VALUE CHAIN PARTNERS**

	% OF VALUE CHAIN PARTNERS (BY VALUE OF BUSINESS DONE WITH SUCH PARTNERS) THAT WERE ASSESSED
Health and safety practices	4.8
Working conditions	4.8

6. **Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners**

No corrective action plan has been necessitated on the above-mentioned parameters.

In case any such risks/ concerns are observed, the Company may provide a reasonable timeframe for compliance. On a case-to-case basis, the Company may evaluate the respective risks/ concerns and may call for a corrective action plan from the value chain partners.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

1. **Describe the processes for identifying key stakeholder groups of the entity**

We consider individuals, groups, institutions or entities that contribute to shaping our business, that add value or constitute a core part of the business value chain as key stakeholders. Our stakeholders are both internal and external, and direct as well as indirect. Our key stakeholders include employees, investors, suppliers and partners, customers, government authorities, healthcare professionals, patients and the community.

SR. NO.	STAKEHOLDER GROUP	WHETHER IDENTIFIED AS VULNERABLE & MARGINALIZED GROUP (YES/NO)	CHANNELS OF COMMUNICATION	FREQUENCY OF ENGAGEMENT	PURPOSE AND SCOPE OF ENGAGEMENT INCLUDING KEY TOPICS AND CONCERNS RAISED DURING SUCH ENGAGEMENT
1	Employees	No	We use digital as well as physical channels of communication including but not limited to e-mails, newsletters, intranet, townhalls and leadership touchpoints, pulse surveys for employee feedback and redressal, and appraisal and training programmes for personal and professional growth.	Daily	Through multiple physical and digital channels of communication, we aim to provide our employees a safe, inclusive and empowering workplace that encourages transparent engagement and the freedom to act, innovate and grow as professionals and individuals. Our ongoing effort is to maintain two-way engagement with colleagues globally including those in corporate offices, R&D labs, manufacturing locations and in the field. Our engagement ranges from providing the latest and updated information on Company and industry developments, avenues for employee voice to capability-building, recognition and celebrations.
2	Investors	No	We interact with our shareholders, potential investors and research analysts through investor meetings/ calls, conferences, earnings call, investor events, e-mail, press releases, stock exchange intimations, investor presentations and annual reports. We also provide various updates on our website and other places of engagement.	Frequent and need based	We engage with them so that they can take an informed decision to invest in our Company. The key areas of engagement includes an update on the business and financial performance, Company's strategy and growth levers, potential opportunities and risks, our ESG goals/ actions, and material events which may have a positive or negative impact on the performance of the Company.
3	Patients	Yes, depending on various factors such as health, income, access and others	Multiple patient assistance programs (Financial assistance program, Lifestyle support program, Education, counselling programs), Disease management and awareness initiatives. Different marketing channels (print, digital, social media) to inform patients about our OTC products. Customer services to report any feedback/ adverse effects from our products.	Frequent and need based	Patient centricity is the core tenet of our organization. Through our customer assistance and outreach programs, we try to help educate, provide support, increase awareness, and increase adherence to improve the health of our patients. Being closer to the patient also allows us to identify and address the unmet patient needs and develop better products/ services for the patients.

SR. NO.	STAKEHOLDER GROUP	WHETHER IDENTIFIED AS VULNERABLE & MARGINALIZED GROUP (YES/NO)	CHANNELS OF COMMUNICATION	FREQUENCY OF ENGAGEMENT	PURPOSE AND SCOPE OF ENGAGEMENT INCLUDING KEY TOPICS AND CONCERNS RAISED DURING SUCH ENGAGEMENT
4	Health Care Professionals	No	We use physical and digital channels such as e-mail, web conferences, electronic updates, portals as well as in-person visits and collaterals.	Frequent and need based	Our engagement aims to update healthcare professionals on products, innovations, access, availability of our medicines and healthcare solutions, and to discuss therapy advances, science of medicines and patient needs.
5	Customers	No	Physical and virtual meetings, customer events, calls, e-mail, website	Daily	We engage with our customers to ensure regular supply of the products, keep them informed about new products, participate in the bids/ tenders and maximize the outreach of our products.
6	Suppliers & Partners	No	Physical and virtual meetings, supplier forums, partner events, calls, e-mail, website	Frequent and need based	Making a holistic impact on the health of patients worldwide requires us to work with partners across the healthcare value chain. We emphasize fair, transparent, and ethical practices and seek partners who share the same commitment towards compliance with laws, regulations, published standards and environmental practices.
7	Government authorities	No	Our interactions with authorities take place through e-mails, meetings, submissions, etc. as required.	Need-based	Our engagement with official authorities is multi-fold. With regulatory authorities, our engagement is aimed at discharging responsibilities and furthering our core business of product development, launch, manufacturing, etc. in keeping with the latest and highest standards of compliance. With policy-makers, our engagement aims to understand and discuss matters pertaining to the industry.
8	Community	Yes	Our engagement with the community includes physical visits as well as digital channels.	Frequent and need based	With giving back to society as a core tenet of the Company, our corporate social responsibility and employee volunteering programmes target the areas of education, skilling and livelihood, health and environmental sustainability through partners and local NGOs around the world. Additionally, we also run training, awareness and empowerment programmes.

LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board**

   Consultation with the respective stakeholder groups is done by the relevant business and functional heads. Feedback from such consultations is shared with the Board during the quarterly Board meetings.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/ No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity**

   Effective engagement helps us connect stakeholder needs with organizational goals, creates the basis of an effective strategy development, and unlocks greater shared value for all stakeholders. We use multiple platforms to engage with a wide variety of stakeholders to understand their unique needs and concerns and chart out suitable strategies to address them. We also conducted a materiality assessment that involved an intensive stakeholder engagement round. Our internal and external stakeholders identified key material topics across ESG that are likely to impact Dr. Reddy's business, like product availability, responsible pricing and affordability, high-quality medicines, patient safety, anti-bribery and corruption. These topics have been considered in the list of Dr. Reddy's action areas and our sustainability framework.

3. **Details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups**

   Patients: We have various patient assistance programs that provides financial assistance patients who are not in a position to afford high-cost treatments. We also support them through education, increase in awareness, and adherence to improve their health conditions.

   Community: We implement several CSR programs in the areas of education, skilling and livelihood, health and environmental sustainability through partners and local NGOs for marginalized sections of communities.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity**

   The Company provides training on human rights issues and policies of the Company. We are in the process of establishing a mechanism to record the training details.

2. **DETAILS OF MINIMUM WAGES PAID TO EMPLOYEES AND WORKERS**

	FY 2021-22					FY 2020-21				
	TOTAL	EQUAL TO MINIMUM WAGE		MORE THAN MINIMUM WAGE		TOTAL	EQUAL TO MINIMUM WAGE		MORE THAN MINIMUM WAGE	
		NUMBERS	%	NUMBERS	%		NUMBERS	%	NUMBERS	%
Permanent employees										
Male	17,795	-	-	17,795	100	17,094	-	-	17,094	100
Female	2,327	-	-	2,327	100	2,163	-	-	2,163	100
Total	**20,122**	**-**	**-**	**20,122**	**100**	**19,257**	**-**	**-**	**19,257**	**100**
Other than permanent employees										
Male	3,997	-	-	3,997	100	37	-	-	37	100
Female	891	-	-	891	100	49	-	-	49	100
Total	**4,888**	**-**	**-**	**4,888**	**100**	**86***	**-**	**-**	**86**	**100**
Permanent workers										
Male	509	-	-	509	100	513	-	-	513	100
Female	20	-	-	20	100	20	-	-	20	100
Total	**529**	**-**	**-**	**529**	**100**	**533**	**-**	**-**	**533**	**100**
Other than permanent workers	Not available					Not available				
Male										
Female										

**Details only for people on fixed term contract. However, mechanism has already been put in place to capture the information.*

3. **Details of remuneration/ salary/ wages**

MEDIAN REMUNERATION

	MALE		FEMALE	
	NUMBER	MEDIAN REMUNERATION/ SALARY/ WAGES OF RESPECTIVE CATEGORY	NUMBER	MEDIAN REMUNERATION/ SALARY/ WAGES OF RESPECTIVE CATEGORY
BoDs	8	INR 128.84 Lakhs	3	INR 121.26 Lakhs
KMPs	3	INR 448.60 Lakhs	0	Not applicable
Employees other than BoDs and KMPs	17,790	INR 5.02 Lakhs For trainees- INR 2.38 Lakhs For non- trainees - INR 5.08 Lakhs	2,327	INR 5.01 Lakhs For trainees- INR 2.20 Lakhs For non- trainees - INR 5.26 Lakhs
Workers	509	INR 6.58 Lakhs	20	INR 5.54 Lakhs

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business**

   Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues**

   Chief Compliance Officer (CCO) is the designated authority reporting to the Chief Ombudsperson of the Company for the purpose of compliance with the Ombudsperson Policy.

6.	NUMBER OF COMPLAINTS ON THE FOLLOWING MADE BY EMPLOYEES AND WORKERS					
	FY 2021-22			FY 2020-21		
	FILED DURING THE YEAR	PENDING RESOLUTION AT THE END OF YEAR	REMARKS	FILED DURING THE YEAR	PENDING RESOLUTION AT THE END OF YEAR	REMARKS
Sexual Harassment	14	2	Out of two pending cases, one was closed in April 2022	15	1	The case was closed as per PoSH policy timelines, subsequent to the closure of financial year
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

Dr. Reddy's policy on Ombudsperson also supports the Company values and "Speak Up" culture by taking proactive steps to ensure that employees who raise concerns in good faith are protected and supported in the workplace, as appropriate. To protect the interest of complainant, Dr. Reddy's follows a strict non-retaliation policy, where any retaliation against an employee who in good faith raises concerns or who assists in an investigation of suspected wrongdoing, is not tolerated. Non-retaliation policy is applicable to all employees (including, but not limited to, all current and past employees, contract workers, part-time or temporary workforce) and third parties of the Company. A concern of potential retaliation can be raised through multiple reporting channels that are available and promoted across the organisation. Disciplinary action may be initiated if an employee knowingly raises a false or misleading concern.

8. **Do human rights requirements form part of your business agreements and contracts**

Yes

9. ASSESSMENTS FOR THE YEAR	% OF YOUR PLANTS AND OFFICES THAT WERE ASSESSED (BY ENTITY OR STATUTORY AUTHORITIES OR THIRD PARTIES)
Child labour	37.5
Forced/ involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

Note: Out of 16 manufacturing plants in India, 6 manufacturing plants (FTO 2, FTO 3, PU I, PU II, FTO 7 and FTO 9) are SA 8000 certified.

10. **Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above**

During the assessment, no significant risks/ concerns identified.

LEADERSHIP INDICATORS

1. **Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints**

We are in the process of modifying our human rights policy and the response mechanism for addressing human rights grievances/ complaints. All the human rights complaints are taken seriously and handled confidentially. We are working continuously to mitigate these issues from our operations by regularly reviewing the risk mapping of potential human rights issues.

2. **Details of the scope and coverage of any Human rights due diligence conducted**

We have a due diligence process under which human rights due diligence are conducted to identify the potential issues that may have been present in our business operations and the value chain. Some of the identified issues include child labor, forced labor, discrimination, harassment, collective bargaining and freedom of association.

3. **Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016**

The premises/ offices of the Company, including the registered and corporate offices have ramps or have elevators and relevant infrastructure for differently abled individuals. Wheelchair accessible restrooms are available at certain premises.

4. DETAILS ON ASSESSMENT OF VALUE CHAIN PARTNERS

	% OF VALUE CHAIN PARTNERS (BY VALUE OF BUSINESS DONE WITH SUCH PARTNERS) THAT WERE ASSESSED
Child labour	
Forced/ involuntary labour	
Sexual harassment Discrimination at workplace	4.8
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above**

Not applicable (No major risk identified)

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. DETAILS OF TOTAL ENERGY CONSUMPTION (IN JOULES OR MULTIPLES) AND ENERGY INTENSITY

PARAMETERS	FY 2021-22 (GJ)	FY 2020-21 (GJ)
Total electricity consumption (A)	1,259,881	1,232,905
Total fuel consumption (B)	3,235,123	3,416,994
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	4,495,004	4,649,899
Energy intensity per rupee of turnover in Gigajoules (GJ)/ INR Million*	21	24.5

** Based on IFRS financials*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Third party assurance by DNV for FY2022 is under progress.

2. **Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India**

None of our sites comes under PAT scheme as Designated Consumers.

3. PROVIDE DETAILS OF THE FOLLOWING DISCLOSURES RELATED TO WATER

PARAMETERS	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	53,293	42,135
(ii) Groundwater	1,040,154	979,080
(iii) Third party water	110,925	175,470
(iv) Seawater/ desalinated water	0	0
v) Others (Municipal)	633,647	666,106
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,838,019	1,862,791
Total volume of water consumption (in kilolitres)	1,704,281	1,694,611
Fresh Water intensity per rupee of turnover KL/ INR Million*	8.3	9.6

** Based on IFRS financials*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Third party assurance by DNV for FY2022 is under progress.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation

Yes, we have implemented Zero Liquid Discharge (ZLD) facility at all our chemical technical operations and formulations plants (except one) in India. To avoid the discharge of untreated wastewater effluents, we use the ZLD water treatment engineering approach at 15 of our 21 global manufacturing facilities. All waste water is treated, contaminants are reduced to solids through ZLD, all the treated water is channelled back for usage in our utilities.

5. PLEASE PROVIDE DETAILS OF AIR EMISSIONS (OTHER THAN GHG EMISSIONS) BY THE ENTITY

PARAMETERS	UNITS	FY 2021-22	FY 2020-21
NOx	Metric Tonnes	103.5	169
SOx	Metric Tonnes	247.4	364
Particulate matter (PM)	Metric Tonnes	78.6	117

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Third party assurance by DNV for FY2022 is under progress

6. PROVIDE DETAILS OF GREENHOUSE GAS EMISSIONS (SCOPE 1 AND SCOPE 2 EMISSIONS) & ITS INTENSITY

PARAMETERS	UNITS	FY 2021-22	FY 2020-21
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	302,466	349,974
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	166,247	177,457
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric Tonnes/ INR Million*	2.2	2.8

** Based on IFRS financials*

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Third party assurance by DNV for FY2022 is under progress.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details

Yes, we have implemented multiple projects for reducing greenhouse gas emissions from our operations. Those include shifting to Piped Natural Gas in place of Furnace oil at FTO 2 & 3; shifting to Biomass or Briquette fuel in place of coal at CTOs, sourcing of renewable power through power purchase agreements and setting up rooftop solar power.

This has resulted in emission reduction of 58,124 MtCO_2e.

8. PROVIDE DETAILS RELATED TO WASTE MANAGEMENT BY THE ENTITY

PARAMETERS	FY 2021-22	FY 2020-21
Total Waste generated (in metric tonnes)		
Plastic waste (A)	472.8	468.8
E-waste (B)	4.8	7
Bio-medical waste (C)	169.1	139
Construction and demolition waste (D)	638.1	100
Battery waste (E)	58.7	60.4
Radioactive waste (F)	0	0
Other hazardous waste* (G)	32,726.8	24,217.5
Other Non-hazardous waste generated** (H)	13,024.4	18,823.1
Total (A+B + C + D + E + F + G + H)	**47,094.7**	**43,815.7**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) – All other wastes except hazardous waste (A+B + C + D + E + F + H)		

8.	PROVIDE DETAILS RELATED TO WASTE MANAGEMENT BY THE ENTITY		
	PARAMETERS	FY 2021-22	FY 2020-21
	Category of waste		
	(i) Recycled	7,640.6	6,539.3
	(ii) Re-used	2,755.5	8,888.3
	(iii) Other recovery operations	3,962.6	4,170.6
	Total	**14,358.7**	**19,598.2**
	For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) – Hazardous Waste (G)		
	Category of waste		
	(i) Incineration	187.8	254.6
	(ii) Landfilling	32.7	53.3
	(iii) Other disposal operations (Co-processing or recycling)	32,506.2	23,909.6
	Total	**32,726.8**	**24,217.5**

**Other non-hazardous waste includes briquettes ash, metal scrap and scrap equipments, drums, wooden pallets, waste GI ducts sheet.*

*** Other hazardous waste includes used oil, off-spec products, ZLD residue, organic solvents, chemical sludges, expiry chemicals, etc.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Third party assurance by DNV for FY2022 is under progress.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

We have waste management systems in place at all our facilities. Plastic waste is either co-processed or recycled based upon the type of waste generated. E-waste is sold to authorized vendors. 99% of our global hazardous waste is sent to cement industries and recyclers for co-processing and recycling. The remaining 1% of global hazardous waste is sent to landfill. Other non-hazardous waste such as glass, MS scrap, wood waste, boiler ash etc. is sent to recyclers, cement industries for co-processing or to brick manufacturers.

We reduce waste through technological interventions and ongoing initiatives including sustainable packaging, waste source segregation, process optimization etc. For example, we have replaced plastic boxes with paper boxes for commercialized products (Practin tablets), removed triple laminated films and LDPE bags from primary packaging (Ibandronate tablets).

10. If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format

None of our sites are located in ecologically sensitive sites.

11. DETAILS OF ENVIRONMENTAL IMPACT ASSESSMENTS OF PROJECTS UNDERTAKEN BY THE ENTITY BASED ON APPLICABLE LAWS, IN THE CURRENT FINANCIAL YEAR

NAME AND BRIEF DETAIL OF PROJECT	EIA NOTIFICATION NUMBER	DATE	WHETHER CONDUCTED BY INDEPENDENT EXTERNAL AGENCY (YES/NO)	RESULTS COMMUNICATED IN PUBLIC DOMAIN (YES/ NO)	RELEVANT WEB LINK
-	-	-	-	-	-

Under the EIA notification 2006, one EIA assessment project is under progress for our greenfield project i.e desalination plant at Pydibheemavaram is currently undergoing this activity.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances

We follow all the applicable environmental law/ regulations/ guidelines in India

LEADERSHIP INDICATORS

1. PROVIDE BREAK-UP OF THE TOTAL ENERGY CONSUMED (IN JOULES OR MULTIPLES) FROM RENEWABLE AND NON-RENEWABLE SOURCES

PARAMETERS	FY 2021-22 (GJ)	FY 2020-21 (GJ)
From renewable sources		
Total electricity consumption (A)	381,069	291,132
Total fuel consumption (B)	153,349	99,173
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	534,418	390,305
From non-renewable sources		
Total electricity consumption (D)	878,812	941,773
Total fuel consumption (E)	3,081,774	3,317,821
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**3,960,586**	**4,259,594**

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Third party assurance by DNV for FY2022 is under progress.

2. PROVIDE THE FOLLOWING DETAILS RELATED TO WATER DISCHARGED

PARAMETER		FY 2021-22	FY 2020-21
Water discharge by destination and level of treatment (in kilolitres)			
(i)	To Surface water		
-	No treatment	Nil	Nil
-	With treatment – please specify level of treatment	Nil	Nil
(ii)	To Groundwater		
-	No treatment	Nil	Nil
-	With treatment – please specify level of treatment	Nil	Nil
(iii)	To Seawater		
-	No treatment	Nil	Nil
-	With treatment – please specify level of treatment	Nil	Nil
(iv)	Sent to third-parties (CETP)		
-	No treatment		
-	With treatment – please specify level of treatment (Primary Treatment)	133,738.2	168,180
(v)	Others		
-	No treatment	Nil	Nil
-	With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)		**133,738.2**	**168,180**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Third party assurance by DNV for FY2022 is under progress.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): For each facility/ plant located in areas of water stress, provide the following information:

(i) Name of the area: Hyderabad, Pydibhimavaram

(ii) Nature of operations: Manufacturing

(III) WATER WITHDRAWAL, CONSUMPTION AND DISCHARGE		
PARAMETERS	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	40,975	27,696
(ii) Groundwater	468,156	443,206
(iii) Third party water	110,925	175,470
(iv) Seawater/ desalinated water	0	0
(v) Others	334,593	317,791
Total volume of water withdrawal (in kilolitres)	954,649	964,164
Total volume of water consumption (in kilolitres)	950,874	961,594
Water intensity per rupee of turnover (Water consumed/ turnover)	4.3	4.9
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	3,775 KL (primary treatment)	2,570 KL (primary treatment)
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	**3,775**	**2,570**

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency.

Third party assurance by DNV for FY2022 is under progress.

4. PLEASE PROVIDE DETAILS OF TOTAL SCOPE 3 EMISSIONS & ITS INTENSITY			
PARAMETERS	UNITS	FY 2021-22	FY 2020-21
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	470,262	471,580
Total Scope 3 emissions per rupee of turnover	MT CO_2e/ INR Million*	2.2	2.5

** Based on IFRS financials*

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency

Third party assurance by DNV for FY2022 is under progress.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities

Not applicable

6.	IF THE ENTITY HAS UNDERTAKEN ANY SPECIFIC INITIATIVES OR USED INNOVATIVE TECHNOLOGY OR SOLUTIONS TO IMPROVE RESOURCE EFFICIENCY, OR REDUCE IMPACT DUE TO EMISSIONS/ EFFLUENT DISCHARGE/ WASTE GENERATED, PLEASE PROVIDE DETAILS OF THE SAME AS WELL AS OUTCOME OF SUCH INITIATIVES		
SR. NO	INITIATIVE UNDERTAKEN	DETAILS OF THE INITIATIVE (WEB-LINK, IF ANY, MAY BE PROVIDED ALONG-WITH SUMMARY)	OUTCOME OF THE INITIATIVE
1	Fuel Substitution	Following fuel substitutions projects implemented during FY 2022 A. FTO 2 - Boiler fuel substitution - from Furnace Oil to Piped Natural Gas B. FTO 3 - Boiler fuel substitution - from Furnace Oil to Piped Natural Gas C. FTO 7 & 9 - Boiler fuel substitution - from Furnace Oil to briquette	FO consumption reduced by 2,008 KL as well as CO_2 emissions from FY2021
2	Energy Mix	Increased Renewable Energy consumption through Power Purchased Agreements (PPAs), JVC and Onsite Renewable Energy Generation	The overall percentage of Renewable Energy Consumption increased to 30% in India and resulted in reduction in CO_2 emissions from FY2021

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link**

   Yes. Dr. Reddy's has adopted a business continuity and disaster management strategy focusing on the ability to provide and maintain an acceptable level of service in the face of any planned or unplanned interruption related onsite emergencies at its manufacturing facilities, IT, supply chain, etc.

   In our pursuit of operational excellence, several change management initiatives are underway across our organization, including information technology and automation in the areas of manufacturing, research and development, supply chain and shared services. Accordingly, there are continuous efforts to also strengthen our data resiliency.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard**

   Not available

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts**

   4.8%

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

1. a. **Number of affiliations with trade and industry chambers/ associations:** 7

b.	LIST THE TOP 10 TRADE AND INDUSTRY CHAMBERS/ ASSOCIATIONS (DETERMINED BASED ON THE TOTAL MEMBERS OF SUCH BODY) THE ENTITY IS A MEMBER OF/ AFFILIATED TO	
SR. NO	NAME OF THE TRADE AND INDUSTRY CHAMBERS/ ASSOCIATIONS	REACH OF TRADE AND INDUSTRY CHAMBERS/ ASSOCIATIONS (STATE/NATIONAL)
1	National Council of the Confederation of Indian Industry (CII)	National
2	Board of Trade, Ministry of Commerce, Government of India	National
3	Indian Pharmaceutical Alliance	National
4	National Accreditation Board for Certification Bodies	National
5	The Life Sciences Advisory Committee	State
6	International Generic and Biosimilar medicines Association	National
7	Pharmaceutical Supply Chain Initiative (PSCI)	International

2.	PROVIDE DETAILS OF CORRECTIVE ACTION TAKEN OR UNDERWAY ON ANY ISSUES RELATED TO ANTICOMPETITIVE CONDUCT BY THE ENTITY, BASED ON ADVERSE ORDERS FROM REGULATORY AUTHORITIES	
NAME OF AUTHORITY	BRIEF OF THE CASE	CORRECTIVE ACTION TAKEN
	NIL	
	NIL	

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity**

   The Company works closely with various trade and industry associations. This includes industry representations to the government and/ or regulators. The Company performs the function of policy advocacy in a transparent and responsible manner while engaging with all the authorities and takes into account the Company's as well as the larger national interest. The Company believes that policy advocacy must preserve and expand the public good and thus, it does not advocates any policy change to benefit itself or a select few.

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

1. DETAILS OF SOCIAL IMPACT ASSESSMENTS (SIA) OF PROJECTS UNDERTAKEN BY THE ENTITY BASED ON APPLICABLE LAWS, IN THE CURRENT FINANCIAL YEAR

NAME AND BRIEF DETAILS OF PROJECT	SIA NOTIFICATION NUMBER	DATE OF NOTIFICATION	WHETHER CONDUCTED BY INDEPENDENT EXTERNAL AGENCY (YES/NO)	RESULTS COMMUNICATED IN PUBLIC DOMAIN (YES/NO)	RELEVANT WEB LINK
-	-	-	-	-	-

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity**

   Not applicable

3. **Describe the mechanisms to receive and redress grievances of the community**

   Not applicable

4. PERCENTAGE OF INPUT MATERIAL (INPUTS TO TOTAL INPUTS BY VALUE) SOURCED FROM SUPPLIERS

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs/ small producers	4.1%	3.4%
Sourced directly from within the district and neighbouring districts	71%	62.8%

LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)**

   Not applicable

2. PROVIDE THE FOLLOWING INFORMATION ON CSR PROJECTS UNDERTAKEN BY YOUR ENTITY IN DESIGNATED ASPIRATIONAL DISTRICTS AS IDENTIFIED BY GOVERNMENT BODIES

SR. NO.	STATE	ASPIRATIONAL DISTRICT	AMOUNT SPENT (IN INR)
1	Andhra Pradesh	Vizianagaram	13,086,862
2	Andhra Pradesh	Visakhapatanam	7,701,774

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/No)**

   No, as stated in our Code of Business Conduct and Ethics (COBE), we do not discriminate on any basis while selecting our suppliers and provide equal opportunities for engagement to all potential suppliers. We encourage working with local suppliers or suppliers that are close to our facilities (including small-scale industries). However, we have not specifically considered marginalized/ vulnerable groups in our supplier qualifying criteria.

   (b) **From which marginalized/vulnerable groups do you procure:**

   Not applicable

   (c) **What percentage of total procurement (by value) does it constitute:**

   Not applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

   Not applicable

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved**

Not applicable

6. DETAILS OF BENEFICIARIES OF CSR PROJECTS

SR. NO.	CSR PROJECTS	NUMBER OF PERSONS BENEFITTED FROM CSR PROJECTS	% OF BENEFICIARIES FROM VULNERABLE AND MARGINALIZED GROUP
1	Quality education support serving low-income community	2,625	The CSR projects are implemented with an objective to reach out to the vulnerable and marginalised communities, including persons with disabilities, elderly, women and children from the less privileged socio-economic sections of the society
2	School Improvement Programme (SIP) in Government Schools	65,286	
3	School Construction	330	
4	Skilling & Employability Program for Youth	944	
5	Making Integrated Transformation for Resourceful Agriculture (MITRA)	40,400	
6	Farmer Livelihood Project	12,499	
7	Psychological health support	6,237	
8	Community Health Intervention Programme	61,718	
9	Healthcare support to Yanam Old Age Home	50	
10	Action for Climate and Environment	5,883	
11	COVID relief activities*	168,360*	
12	Community development initiatives	Community development initiatives were undertaken to help communities at large.	

**Multiple Covid relief initiatives were undertaken to support the communities during Covid second wave. 1,68,360 individuals benefitted directly through initiatives such as Covid testing and awareness programmes. In addition, a number of individuals benefitted indirectly through other initiatives like provision of medical infrastructure, PPEs, etc.*

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

We have a CSC helpline that receives calls, including complaints from consumers and directs them to relevant departments basis the nature of complaint. There are TAT (turnaround timelines) for each type of complaint at the various department levels, CSC only directs it to the respective internal stakeholder

2. TURNOVER OF PRODUCTS AND/ SERVICES AS A PERCENTAGE OF TURNOVER FROM ALL PRODUCTS/ SERVICE THAT CARRY INFORMATION ABOUT

	AS A PERCENTAGE OF TOTAL TURNOVER
Environmental and social parameters relevant to the product	Not available
Safe and responsible usage	
Recycling and/or safe disposal	

3. NUMBER OF CONSUMER COMPLAINTS IN RESPECT OF THE FOLLOWING:

	FY 2021-22			FY 2020-21		
	RECEIVED DURING THE YEAR	PENDING RESOLUTION AT END OF YEAR	REMARKS	RECEIVED DURING THE YEAR	PENDING RESOLUTION AT END OF YEAR	REMARKS
Data Privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

4. DETAILS OF INSTANCES OF PRODUCT RECALLS ON ACCOUNT OF SAFETY ISSUES	NUMBERS	REASONS FOR RECALL
Voluntary recalls	24	1. Recalled due to out of specification results in various tests. 2. Recalled due to incidents reported. 3. Recalled due to various market complaints received.
Forced recalls	Nil	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

The Company is in process of finalising the Policy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services

No such incident.

LEADERSHIP INDICATORS

1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available)

There are different websites/ platforms for various businesses:

https://www.drreddys.com/india/portfolio/top-brands/

https://www.drreddys.com/russia-en/products/product-list/

https://www.drreddys.com/united-states/our-products/

https://www.drreddys.com/germany/our-products/

https://www.drreddys.com/united-kingdom/our-products/

https://api.drreddys.com/product

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

Dr. Reddy's conducts promotional and non-promotional meetings. In these meetings, we educate Clinical Pharmacy (CPs) on responsible usage of our products. Our new products also carry a detailed information leaflet on the safe use of the product.

3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services

During the year, there were no major critical service disruptions.

4. Does the entity display product information on the product over and above what is mandated as per local laws (Yes/ No/ Not Applicable) If yes, provide details in brief

The Company understands the importance of fair disclosure of the description of its products and thereby, ensures to disclose, truthfully and factually, such relevant information including risks about the product, as may be required statutorily, through labelling so that the consumers can exercise their freedom to consume in a responsible manner. The Company has always believed in being transparent with its customers by providing all the relevant details.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole

The Company engages with its consumers on an ongoing basis and conducts methodical research on their satisfaction with respect to its products.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact: Nil

b. Percentage of data breaches involving personally identifiable information of customer: Nil

Management Discussion and Analysis

Note

(1) FY2022 represents fiscal year 2021-22, i.e., from 1 April 2021 to 31 March 2022 and analogously for FY2021 and previously such labelled years.

(2) Unless otherwise stated, financial data given in this Management Discussion and Analysis is based on the Company's consolidated results prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(3) Our reporting currency is in Indian rupees (INR). In instances where we have also given numbers in US dollars (USD), we have used an exchange rate of INR 75.87 = USD 1 for FY2022. In order to maintain comparability and to eliminate losses/gains purely on account of exchange rate fluctuations vis-à-vis the previous accounting year, we have used the same exchange rate (i.e. INR 75.87 = USD 1) for FY2021, purely for comparison purposes.

Good Health Can't Wait.

Driven by this motto, Dr. Reddy's Laboratories Ltd. ('Dr.Reddy's' or 'the Company') is committed to accelerating global and local access to affordable and innovative medicines to help patients lead healthier lives, creating healthy ecosystems and strong communities.

'Good Health Can't Wait' commits us to meet five promises, which are:

1. Bringing expensive medicines within reach
2. Addressing unmet patient needs
3. Helping patients manage disease better
4. Working with our partners to help them succeed
5. Enabling our partners to ensure that Dr. Reddy's medicines are available when and where needed

As an integrated global pharmaceutical enterprise, we mainly operate across three core business segments. These are:

Global Generics (GG),

which includes branded and unbranded prescription medicine as well as over-the-counter (OTC) pharmaceutical products. It also includes the biosimilars business.

Pharmaceutical Services & Active Ingredients (PSAI),

comprising Active Pharmaceutical Ingredients (APIs) and Aurigene Pharmaceutical Services (APSL).

Proprietary Products (PP),

which mainly consists our differentiated formulations business, focusing on certain key medical needs.

The key highlights of Dr. Reddy's consolidated performance are given below:

CONSOLIDATED FINANCIAL RESULTS FOR FY2022 UNDER IFRS

₹ 214.4 billion
Revenues
13%

₹ 113.8 billion
Gross Profit
10%

₹ 51.4 billion
EBITDA
8%

₹ 29.5 billion
Operating Profit
21%

₹ 32.3 billion
Profit Before Taxes (PBT)
22%

₹ 23.6 billion
Profit after taxes (PAT)
37%

₹ 141.69
Diluted earnings per share (EPS)

Growth over previous year

Through our portfolio of products and services, we operate in multiple therapeutic areas. Of these, the major ones are (i) gastrointestinal, (ii) oncology, (iii) cardiovascular, (iv) pain management, (v) central nervous system (CNS), (vi) respiratory and (vii) anti-infective.

We are present in several countries across the globe. Our key geographies are the US, Europe, India, Russia, Commonwealth of Independent States (CIS) countries, South Africa, China, Brazil, Australia and some other markets.

The FY2022 brought with it a diverse set of headwinds. It began with the severe second wave of COVID-19 impacting us during the initial months of the year; then we witnessed increased pricing pressure in the US, Europe and certain emerging markets; this was followed by high commodity prices which burdened our profitability; and it ended with conflict between Russia and Ukraine — both countries where we have business presence.

We rose to all these challenges. We ensured minimal impact to operations due to COVID-19 related disruptions; we improved our profitability through maximum leverage of the business opportunities presented to us, while growing our base business; and we continued our efforts to provide COVID-19 medications across the world. We also ventured into a new business called Svaas Wellness, an integrated cashless digital health platform and acquired a Company in Germany that focuses on medical cannabis in our quest for exploring new avenues of long-term growth. We were able to grow our businesses across North America, Europe, India and several emerging economies. However, our PSAI business saw a decline over previous year.

We continued our efforts towards greater cost controls and increased productivity as we carried on investing in digitalization initiatives across our businesses, manufacturing facilities and brand development activities in emerging economies including India, Russia and others. These helped us to become more efficient and improve our profits, while ensuring long term strategic growth.

IMPROVEMENTS IN REVENUE AND EBITDA IN FY2022 WERE MAINLY DUE TO THE FOLLOWING FACTORS.

1. **Continued growth momentum in the branded generics markets.** Thanks to improved base business performance, sale of COVID-19 products as well as the launch of new products, we continued our growth momentum across the key branded generics markets of India, Russia and other emerging markets.

2. **Sustained performance in the generics markets of US & Europe.** We witnessed decent growth in the US and Europe — driven by base business and some meaningful new product launches. Equally, it needs stating that the growth was constrained by increased pricing pressure on some of our products.

3. **Continuation of productivity improvement measures while investing for future.** Our journey to curtail costs through higher productivity and waste reduction across our businesses and by creating a leaner and more efficient throughput structure continued this year as well. The initiatives

undertaken to drive cost efficiencies and productivity improvement across manufacturing, procurement and R&D expenditures played a significant part in improving the financial performance of the Company. While focusing on productivity, we made significant investments to build people and digital capabilities, brands and product pipeline — all with an eye to benefit future growth.

4. **Divestment of non-core brands.** To focus on our core business and growth brands, we divested some of our brands belonging to Proprietary Products as well as a few from India and Emerging Markets that formed part of our global generics segment.

Our profit, however, was impacted due to impairment charge taken on certain products under development and on one of our manufacturing plants, which will be discussed later.

A SNAPSHOT OF PERFORMANCE

GLOBAL GENERICS (GG)

- **Revenue from GG in FY2022 was ₹ 179.2 billion,** which was an increase of 16% compared to the previous year. This growth occurred across all markets, with strong performances witnessed in Russia, India and some other Emerging Markets.

As on 31 March 2022, we had 90 US generic filings pending for approval

- **Revenue from North America Generics (NAG) was ₹ 74.9 billion,** with a growth of 6% versus FY2021. This growth was supported by the launch of 17 new products during the year. Of these, the major new launches were Icosapent Ethyl capsules, Vasopressin injection, Ertapenem injection and Valsartan tablets. It should be noted that while there was a healthy growth in sales volume of our existing products, this was offset by pricing pressures on some of our key products, such as Buprenorphine and Naloxone sublingual films, Ciprofloxacin Dexamethasone, Dimethyl Fumarate and Liposomal Doxorubicin.

  In FY2022, Dr. Reddy's filed seven new Abbreviated New Drug Applications (ANDAs) with the US Food and Drug Administration (USFDA). As on 31 March 2022, we had 90 generic filings pending approval from the USFDA. These comprise 87 ANDAs and three New Drug Applications (NDAs) filed under the Section 505(b)(2) route of the US Federal Food, Drug and Cosmetic Act. Of the 87 ANDAs, 44 are Para IV applications and we believe that 24 of these have 'First to File' status.

- **Revenue from Europe was ₹ 16.6 billion,** representing a growth of 8% compared to FY2021. This was primarily due to expansion of the base business across our European markets, new product launches, but was partially offset due to pricing pressures on some of our products.

- **Revenue from Emerging Markets was ₹ 45.7 billion,** or a growth of 30% compared to FY2021. This was driven by an improvement in our base business performance, new product launches, sale of COVID related products and scaling up of business in some of our newer markets. We also divested a few of our non-core brands in Russia and CIS — which further aided revenue growth.

  - **Revenue from Russia was ₹ 20.9 billion,** representing a year-on-year growth of 32%. This was driven by improved base business performance, launch of new products during the year and divestment of some brands.
  - **Revenue from other CIS countries and Romania was ₹ 8.3 billion,** or an annual growth of 11%.
  - **Revenue from Rest of the World (RoW) territories was ₹ 16.5 billion,** or a year-on-year growth of 40%.

- **Revenue from India was ₹ 42.0 billion,** which represented a growth of 26% over FY2021. This was primarily attributable to an increase in both sales volume and prices of our existing products, along with additional revenues from the launch of new products. The growth was also aided by divestment of a few non-core brands during the year. During FY2022, we launched 20 new brands in India, including the Sputnik-V vaccine for COVID-19.

PHARMACEUTICAL SERVICES AND ACTIVE INGREDIENTS (PSAI)

Revenues from PSAI stood at ₹ 30.7 billion, which represents a decline of 4% compared to FY2021. This was mainly on account of a decrease in sales volumes and prices of our existing products, partially offset by launches of new products. Growth was also affected by the normalization of inventories held with customers due to the stocking-up that occurred in FY2021. During the year, we filed 139 Drug Master Files (DMFs) worldwide, including ten in the US.

PROPRIETARY PRODUCTS (PP)

- **Revenue from PP was ₹ 1.6 billion.** This translated to a growth of 208% and was primarily due to the recognition of ₹ 1.1 billion from a license fee associated with the sale of our US and Canada territory rights for ELYXYB® (Celecoxib oral solution) 25 mg/ml, to BioDelivery Sciences International, Inc. during FY2022.

GLOBAL PHARMACEUTICAL MARKET OUTLOOK[1]

Over the last year, the COVID-19 pandemic has shifted into a new phase with cyclical emergence of new variants disrupting the healthcare systems and markets across the world. Use of medicines was affected across relevant

[1] *The outlook and the key trends discussed in this Section are primarily from 'The Global Use of Medicines 2022 Outlook to 2026' by IQVIA Institute and from various other publicly available sources.*

therapy areas with varied timing and impact. Of late, however, with increased data and information, the industry is moving closer to pre-pandemic patterns. There are reasons to be optimistic with the way global health systems have adapted and responded to extraordinary situations with rapid development and widespread use of vaccines along with improved therapies.

Though estimates vary considerably, research now suggests that people may have long-term complications of the COVID-19 infection. Research is ongoing to develop therapies to address these symptoms where existing medicines are ineffective and, as the pandemic continues, the ultimate size of this affected population remains uncertain but seems to be growing.

With the periodic emergence of new viral variants, the global market may witness short term fluctuations. In the longer term, however, the impact is expected to be muted and the world's pharmaceutical market ought to return to pre-pandemic growth rates.

According to IQVIA's recent report on medicine usage, global medicine spending is forecasted to reach $1.8 trillion by 2026, increasing at a rate of 3% to 6% annually. Trends in medicine use and spending have been impacted by the short term effects of COVID-19, with a cumulative reduction in spending of $175 billion expected through 2026 compared to the pre-pandemic outlook.

The largest driver of expenditure on medicine over the next five years is expected to be COVID-19 vaccinations which could generate more than $300 billion in spending — not only because of the increasing number of people being vaccinated and the speed with which this is expected to be achieved but also on account of repeated booster shots.

Global biosimilar drugs are expected to see a 61% aggregate increase over the next five years with a 9% to 12% CAGR through 2026. Combined with lower cost of generics, the impact of exclusivity losses will rise to $188 billion over the next five years, with a large part of it coming from biosimilars.

To counter this, global spending on medicines will be driven by investments in innovation, with launches of new medicines at an average of 54 to 64 new active substances per year. Specialty medicines will represent about 45% of global spending in 2026 and almost 60% of total spending in developed markets.

Table 1 shows the five-year CAGR of the top 20 therapy areas in terms of global spending.

TABLE 1 — TOP 20 THERAPEUTIC AREAS, THE FIVE YEAR CAGR AND GLOBAL SPENDING

TOP THERAPY AREAS	5 YEAR CAGR 2022-26	ESTIMATED 2026 SPENDING ($ BN)
Oncologics	9-12%	306
Immunology	6-9%	178
Antidiabetics	6-9%	173
Neurology	3-6%	151
Anticoagulants	8-11%	87
Cardiovascular	4-7%	87
Respiratory	5-8%	71
Pain	6-9%	70
HIV antivirals	3-6%	45
Antibacterials	2-5%	41
GI products	4-7%	37
Ophthalmology	3-6%	26
Vaccines ex Covid	-1-2%	26
Dermatologics	8-11%	25
Lipid regulators	5-8%	23
Hospital solutions	2-5%	22
Anti-ulcerants	1-4%	20
Blood coagulation	5-8%	19
Traditional Chinese medicines	-1-2%	16
Cough cold, incl. flu antivirals	-1-2%	5

The two leading global therapy areas — oncology and immunology — are forecasted to grow by 9% to 12% and 6% to 9% CAGR, respectively, up to 2026, lifted by significant increases in new treatments and medicine use. Oncology spending is expected to increase by 63% over the next five years and is projected to add 100 new treatments in this period.

REGION WISE OUTLOOK:

- **US:** The US market is forecasted to grow at 0% to 3% CAGR over the next five years, down from 3.5% in the past five years. The reduction is largely on account of patent expiries and new generic and biosimilar competition. In this period, more than 250 new active substances (NAS) are expected to be launched in the US; and, in the aggregate, new products are expected to contribute $114 billion in spending.
- **Europe:** Spending on medicine in European markets is expected to increase significantly due to investments in innovation. This will be offset by loss of exclusivity in the top European countries — which is expected to triple over the next five years, with more than half of this impact due to biosimilars.
- **China:** China's growth remains the largest driver of the pharmerging markets growth and its spending is expected to increase at 2.5% to 5.5% CAGR up to 2026. Since 2017, the National Reimbursement Drug List (NDRL) has been updated annually. This has enabled companies in getting quicker reimbursements which, in turn, has led to new drugs reaching patients sooner than before. Pharmaceutical spending growth in China is expected to accelerate post-COVID, driven almost entirely by new original medicines.

Global biosimilar drugs are expected to see a 61% aggregate increase over the next five years with a 9% to 12% CAGR through 2026.

- **India:** The Indian pharma industry has grown 10 times in the last two decades driven by its strength in the global generics space. It now supplies around 40% of generics in the US and caters to over 60% of the global vaccine demand. Going forward, it is tipped to be one of the fastest growing markets, with an expected CAGR of around 11%. To move up the value chain beyond the generics, India has multiple opportunities in specialty pharma, biosimilars and novel biological drugs, vaccines and preventives and other areas of unmet needs. There is a huge potential for the country to establish as the global innovation hub of the future.
- **Russia:** Russia has prepared a new strategy for the pharmaceutical sector for 2030, with more focus on the development of biological and pathogenetic drugs. This road map should also create conditions for more active production within the country. Prior to the conflict with Ukraine, Russian market was expected to show strong growth with a CAGR of around 11.4%. With numerous countries imposing sanctions on Russia, it is now unclear as to how the pharmaceutical industry will perform in the near future.

Similar to last couple of annual reports, we believe that some major changes will persist in the industry over the next few years. With access to a large number of analytical, artificial intelligence (AI) and machine learning tools to gather and analyse data, we believe it is time for pharma companies to employ digitalization at a much greater scale and move beyond the conventional models to solve future challenges and reap more rapid benefits.

Some key trends that are likely to emerge over the next few years are given below.

- **Digital Manufacturing:** Pharma executives are looking at Industry 4.0 manufacturing techniques as solutions to rising complexity and costs in manufacturing. Smart autonomous factories managed with data and machine learning should lower pharma manufacturing costs, improve quality and reduce capacity constraints. Smart connected factories are expected to yield savings of 20% or more, while improving quality and making deliveries more reliable. The emergence of personalized medicine with drugs tailored to individual patients also means more complex processes — solutions to which are expected to be provided through various smart manufacturing processes.
- **Developing Digital/Decentralised Clinical Trials:** COVID-19 has accelerated the decentralization and digitalization of clinical trials. First-mover pharmaceutical companies will use digital tools to accelerate speed to market. Various reports suggest that 70% of the contract research organizations (CROs) found that their trials were disrupted by COVID-19; and 32% of trials went virtual during the pandemic. We predict significant growth in data-enabled trial designs in the near future — as these would tend to strongly increase a drug's likelihood of success, cause fewer delays and protocol amendments and, hence, increase speed to market.
- **Healthcare M&A: Record-High Valuations:** Strategic healthcare M&A rebounded in 2021 from the pandemic-ravaged 2020. What is different this time, though, is that the cost of acquisitions has become dramatically more expensive in most areas, with deal multiples reaching the highest level in decades. The median healthcare deal fetched 20 times forward-looking enterprise value (EV)/ EBITDA in 2021 — which was five times higher than in 2019, the last time that M&A volumes were as high.
- **Scaling Digital for End-to-End Transformation:** As companies push digital across the value chain, we are seeing this transformation being tackled head on by executive leaderships at the senior-most levels. There has been a conscious shift from 'doing digital', i.e., applying digital capabilities in an ad hoc manner, to 'being digital' — which is incorporating a differentiating digital strategy and incorporating it into the organisation's DNA.
- **Pandemic-led Reinvention of Healthcare Delivery:** As healthcare is getting personal, demand for teleconsultations with continuous monitoring has soared — with 38x higher demand than before the pandemic. Such a huge increase has led to higher investments in this space which will push companies to innovate and find newer models to enhance virtual healthcare delivery.
- **Pharmacovigilance Market to Scale Up:** Increase in digital central trials and accelerated speed to market of medicines and vaccines amplify the need for better drug quality and prevention of adverse side effects. Pharmacovigilance's ultimate goal is to optimize the benefit-risk ratio of healthcare products usage by sharing accurate information with patients and healthcare professionals. It is anticipated that the global pharmacovigilance market will grow at a CAGR of 13% till 2028.
- **Surge in Prescriptions for Medical Marijuana:** The perception of marijuana as a medicine is changing. Healthcare professionals have pointed out the benefits that have become evident when using medical marijuana for pain reduction, mood regulation, digestive functions and vascular health, among other conditions. Studies have shown that this is an effective method for the treatment of chronic pain and is safer than many alternate options. Its market is expected to grow at a CAGR of 18%, with North America holding the largest share of global market.
- **Strategic Partnerships and Digital Transformation for a Resilient Supply Chain:** Developments post the COVID-19 pandemic, and more recently during the Russia-Ukraine conflict, have amplified the need for pharma companies to have multiple sources of supply spread across different geographies. This will enable companies to quickly switch production from highly affected to lesser impacted territories. Pharmaceutical manufacturers are

working with API manufacturers to brainstorm ways to increase output and make sure they are getting medicines exactly where it was needed to avoid stockouts. Some of the key emerging trends in the industry are:

(i) Smart manufacturing with automation of the packaging process.

(ii) Blockchain technology to detect low standard medicines and processes at every step from production to distribution of drugs and end to end traceability in the suppy chain

- **Pharmacogenomics:** Pharmacogenomics, i.e., to develop effective medications that can be prescribed based on a person's genetic makeup, is one of the major emerging trends in the field of medical science and is greatly influencing the drug development process. As the industry moves towards a patient-centric care model with focus on precision medicines, we could see a surge in pharmacogenomics.

- **Reimagining Work Experience with New Operating Models:** With the 'Great Resignation' impacting almost all the industries, employers are looking at ways to create a more meaningful work experience. Given an increasing volume of distributed remote work, organisations are revaluating their network costs and operating models. Many older workers are choosing early retirement and more than 40% of global workforce is looking for new jobs. By 2025, it is estimated that 40% of core skills will change for workers. Going forward, life sciences industry will not only be competing from within but also outside the industry for the same digital and data talent.
- **Increased Adoption of ESG:** ESG is expected to remain at the forefront as companies face enhanced disclosures and new global standards requirements. Especially post-Covid, the industry in general has focused its attention on developing and strengthening its ESG initiatives to bolster societal impact and changes in terms of long term sustainable growth.

DR. REDDY'S MARKET PERFORMANCE, FY2022

NORTH AMERICA GENERICS (NAG)

NAG is Dr. Reddy's largest market. In FY2022, it contributed to around 42% of the Company's GG sales and 35% of overall sales.

Revenue from the region for FY2022 was ₹ 74.9 billion (US$ 1.0 billion), representing a growth of 6% over the previous year. The year witnessed higher price erosion due to increased competition across some of our major products. However, this was significantly offset by an increase in volumes for some of our base products and contribution from new product launches — the important ones being Icosapent Ethyl capsules, Vasopressin injection, Ertapenem injection and Valsartan tablets. Growth was further aided by the strengthening of the US dollar against the Indian rupee. Some key developments were:

- Launched Icosapent Ethyl capsules, 1 gm, as an adjunct to diet to reduce triglyceride levels in adult patients with severe hypertriglyceridemia.
- Launched Vasopressin injection, USP, an authorized generic version of Vasostrict®, used to treat the symptoms of diabetes insipidus and abdominal radiation effects.
- Launched Ertapenem injection, 1 gm vial, a therapeutic equivalent generic version of Invanz®, used to treat severe infections of the skin, lungs, stomach, urinary tract, blood and brain.
- Launched Valsartan tablets USP, a therapeutic equivalent generic version of Diovan®, used to treat high blood pressure and heart failure.
- Gained market share in certain key products, such as Ciprofloxacin Dexamethasone and Isotretinoin.
- Filed seven new ANDAs which comprise some complex products and are across different dosage forms.

Our current priority includes accelerating development and launch of new products and increasing the market share of existing products through both traditional marketing and digital channels. The strategy is to significantly expand our portfolio and ensure right cost structures for our products to be able to compete in this highly competitive market.

We will continue to focus on complex formulations, primarily injectable and oral solid dosage forms, as well as OTC brands in the medium term and biosimilars and differentiated formulations in the longer term.

₹ 74.9 billion
Revenue from NAG for FY2022

EUROPE

Revenue from Europe in FY2022 was ₹ 16.6 billion, representing a growth of 8% versus the previous year. This growth was due to increased revenues in Germany, UK, Italy, France and Spain, propelled by high volume growth and new product launches across all our markets. However, the revenue growth was partially offset by price erosion in some of our products.

Currently, Europe comprises 9% of our global generics sales. In the medium to long-term, we expect it to grow by leveraging our in-house portfolio of generics and biosimilars, by seeking in-licensing opportunities and by entering and scaling up business in new markets. During the current year, we acquired Nimbus Health GmbH, licensed pharmaceutical wholesaler focusing on medical cannabis in Germany. We expect it to be a growth driver in the medium to long term.

₹ 16.6 billion
Revenue from Europe for FY2022

EMERGING MARKETS

Revenue from Emerging Markets for FY2022 was ₹ 45.7 billion, representing a growth of 30% versus the previous year. Significant part of the growth has been on account of increased revenues from our base business, new product launches and scaling up of business in Russia, CIS countries, Romania and Rest of the World markets. Growth was also aided by the sale of COVID-19 related products in some markets and from the divestment of a few of our non-core brands in Russia and CIS.

Revenue from Russia for FY2022 was ₹ 20.9 billion, representing an increase of 32% over the previous year. This growth was contributed by significant improvement in the base business performance, new products launched during the year and brands divestment. The growth was 38% in terms of the local currency (ruble).

In Russia, our key products — such as Nise, Omez, Nasivin, Cetrine and Ibuclin — were ranked among the top 200 best-selling formulation brands, as per IQVIA in its report for the 12-month period ended 31 March, 2022.

Revenue from CIS countries and Romania was ₹ 8.3 billion, representing 11% growth over the previous year. The growth was led by increase in base business largely in Romania and Kazakhstan including certain tender sales.

Revenue from our Rest of the World markets (which includes Brazil, China, South Africa, Australia and certain other countries) was ₹ 16.5 billion, representing 40% growth over the previous year. This was primarily led by growth in base business in Brazil and South Africa as well as scaling up in the markets such as Jamaica, Chile and Vietnam. Growth was further aided by sale of COVID-19 products in some countries.

Our focus is to improve market share in chosen therapeutic areas through growth in existing products as well as new launches. Our strategy for Emerging Markets is to build a healthy pipeline including differentiated and oncology products and expansion of biosimilars. We will focus on further scaling up in our major markets, which include Russia, China, Brazil and South Africa.

₹ 45.7 billion
Revenue from Emerging Markets for FY2022

INDIA

Revenue from India in FY2022 was ₹ 42.0 billion, or a growth of 26% compared to the previous year. According to IQVIA in its report for the 12-month period ended 31 March 2022, our growth has been 23.2%. Our market rank in terms of sales value was 12th as per MAT (March 2022). Our growth has been on account of an improved base business performance both in terms of sales volumes and prices as well as revenues from launch of new products during the year. Growth was also aided by revenue from divestment of a few non-core brands.

During the year, we launched 20 brands in India, including Sputnik-V (COVID-19 vaccine), 2-deoxy-D-glucose (2DG) and Vicra. As per IQVIA, fifteen of our brands — Omez, Omez-D, Bro-Zedex, Atarax, Zedex, Practin, Razo-D, Econorm, Ketorol, Doxt-SL, Nise, Stamlo, Mintop, Tryptomer and Voveran — are among the top 300 brands of the Indian pharmaceuticals market.

In the near term, we will continue to drive productivity improvement and focus on our core therapeutic areas and big brands. In the medium to long-term, our strategy is to build a healthy pipeline of differentiated products in relevant therapies including biosimilars and expand our presence in areas such as nutraceuticals.

₹ 42 billion
Revenue from India for FY2022

PSAI

The PSAI business recorded revenue of ₹ 30.7 billion in FY2022, which was a decline of 4% as compared to the previous year. In FY2022 we filed 139 drug master files (DMFs) globally, of which 10 were in the US.

The PSAI segment primarily consists of our business of manufacturing and marketing active pharmaceutical ingredients and intermediates, also known as APIs, which are the principal ingredients for finished pharmaceutical products. APIs become finished pharmaceutical products when the dosages are fixed in a form ready for human consumption such as a tablet, capsule or liquid using additional inactive ingredients. We also serve our customers with incremental value-added products including semi-finished and finished formulations. This segment also includes our contract research services business and our manufacture and sale of APIs and steroids in accordance with specific customer requirements.

Our strategy of building a sustainable and growing business involves new product launches and ramping up of base businesses in key geographies. We will also leverage our relationships with key customers by supplying materials that have value addition instead being 'plain-vanilla' APIs. We aim to be a partner of choice for international pharmaceutical companies and achieve leadership through costs and service.

₹ 30.7 billion
Revenue from PSAI for FY2022

PROPRIETARY PRODUCTS (PP)

The PP business recorded a revenue of ₹ 1.6 billion in FY2022, a growth of 208%. This was primarily on account of recognizing during the year ₹ 1,084 million from a license fee associated with the sale of our US and Canada territory rights for ELYXYB® (Celecoxib oral solution) 25 mg/ml, to Bio Delivery Sciences International, Inc.,

Our strategy is to out-license our portfolio in multiple markets and earn revenues arising out of monetization of such assets and subsequent royalties.

AURIGENE DISCOVERY TECHNOLOGIES LIMITED (ADTL)

ADTL is our wholly owned subsidiary and is a clinical stage biotech Company committed to bringing novel therapeutics for the treatment of cancer and inflammation. It recorded revenue of ₹ 2.9 billion in FY2022, or a growth of 2%. It is reported as part of our 'Others' segment.

USFDA AUDITS: AN UPDATE

We remain fully committed to following high standards of quality and we strive towards further strengthening of our quality management systems and processes for sustainability. Our plans to enhance quality management systems and operations include improvements in the rigor of investigations and document control systems, standardization of instrument calibrations, strengthening controls with respect to information technology as well as shop floor training programs. Moreover, we are committed to simplifying and standardizing standard operating procedures and batch records at the shop floor.

We continuously undertake operational improvements such as shop floor supervision, process walks, engineering, implementation of electronic batch records to eliminate manual errors and focus on robustness of processes. We are fully committed to produce safe and efficacious products for our patients.

Our facilities are fully compliant with the USFDA regulations. Currently, the status for all our facilities is either 'NAI', which means 'No Action Initiated' or 'VAI' which means 'Voluntary Action Initiated'.

FINANCIALS

Table 2 gives the abridged IFRS consolidated revenue performance of Dr. Reddy's for FY2022 compared to FY2021. **Table 3** gives the consolidated income statement.

TABLE 2 CONSOLIDATED REVENUE MIX BY SEGMENT , IFRS CONSOLIDATED (MILLION)

PARTICULARS	FY2022			FY2021			GROWTH %
	($)[(a)]	(₹)	%	($)[(a)]	(₹)	%	
Global Generics	2,362	179,170	83.6	2,035	154,404	81.4	16
North America		74,915			70,494		6
Europe*		16,631			15,404		8
India		41,957			33,419		26
Emerging Markets[#]		45,667			35,087		30
Pharmaceutical Services and Active Ingredients (PSAI)	405	30,740	14.3	422	31,982	16.8	(4)
Proprietary Products & Others	59	4,481	2.1	44	3,336	1.8	34
Total	2,826	214,391	100	2,501	189,722	100	13

** Europe primarily includes Germany, the UK and out-licensing sales business, Italy, France and Spain.*

[#] Emerging Markets refer to Russia, other CIS countries, Romania and Rest of the World markets, excluding India.

[(a)] INR to USD exchange rate for FY2022 is INR 75.87 = USD 1. For the sake of comparability and to eliminate gains/losses purely on account of exchange rate fluctuations between the two reported years, we use the INR to USD exchange for FY2022 also for FY2021.

TABLE 3	CONSOLIDATED INCOME STATEMENT, IFRS CONSOLIDATED						(MILLION)
PARTICULARS	FY2022			FY2021			GROWTH %
	($)[(a)]	(₹)	%	($)[(a)]	(₹)	%	
Revenues	**2,826**	**214,391**	**100**	**2,501**	**189,722**	**100.0**	**13**
Cost of Revenues	1,325	100,551	46.9	1,142	86,645	45.7	16
Gross Profit	**1,500**	**113,840**	**53.1**	**1,359**	**103,077**	**54.3**	**10**
Operating Expenses							
Selling, General & Administrative expenses	818	62,081	29.0	720	54,650	28.8	14
Research and Development expenses	230	17,482	8.2	218	16,541	8.7	6
Impairment of non-current assets	100	7,562	3.5	113	8,588	4.5	(12)
Other operating (income)	(36)	(2,761)	(1.3)	(13)	(982)	(0.5)	181
Results from operating activities	**389**	**29,476**	**13.7**	**320**	**24,280**	**12.8**	**21**
Finance (income), net	(28)	(2,119)	(1.0)	(22)	(1,653)	(0.9)	28
Share of (profit) of equity accounted investees, net of income tax	(9)	(703)	(0.3)	(6)	(480)	(0.3)	46
Profit before income tax	**426**	**32,298**	**15.1**	**348**	**26,413**	**13.9**	**22**
Income tax expense	115	8,730	4.1	121	9,175	4.8	(5)
Profit for the period	**311**	**23,568**	**11.0**	**227**	**17,238**	**9.1**	**37**
Diluted earnings per share (EPS)	**1.87**	**141.69**		**1.37**	**103.67**		**37**

(a) INR to USD exchange rate for FY2022 is INR 75.87 = USD 1. For the sake of comparability and to eliminate gains/losses purely on account of exchange rate fluctuations between the two reported years, we use the INR to USD exchange for FY2022 also for FY2021.

REVENUE

Total revenue grew by 13% to ₹ 214,391 million in FY2022. Growth was primarily aided by increase in volume and new product launches across our businesses including sale of COVID-19 products, but partially offset by price erosion in North America (the US and Canada), Europe and a few Emerging Markets. Growth was also on account of revenues from divestment of a few of our non-core brands in Russia and India and recognition of a license fee in our Proprietary Products segment during the year.

GROSS PROFIT

Gross profit increased by 10% to ₹ 113,840 million in FY2022. The gross profit margin was 53.1% in FY2022 – representing a decrease of 120 basis points compared to FY2021. The gross profit margin for GG was 57.6%. The GG gross profit margin was largely impacted due to price erosion in the US, Europe and certain emerging markets and reduction in export benefits, partially offset by benefits from the cost optimization initiatives taken by the Company and a favorable product mix. For the PSAI business, the gross profit margin was 22.2%. PSAI's gross profit margin decreased primarily on account of price erosion for some of our products and reduction in export benefits.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

SG&A expenses rose by 14% to ₹ 62,081 million in FY2022. This was largely due to increase in personnel costs primarily on account of increased head count and annual increments; higher investments towards brand building and marketing activities; increase in royalty fees; and growth in legal and professional expenses. The increase was also attributable to the normalization of travel and other expenses which were lower last year due to COVID-19. *SG&A accounted for 29.0% of sales in FY2022, which was in line with that of last year.*

R&D EXPENSES

R&D expenses for FY2022 were ₹ 17,482 million, or 8.2% of revenue, versus 8.7% in FY2021. The R&D spends in FY2022 increased by 6% over the previous year due to an increase in the development activities relating to our biosimilars and drug discovery businesses.

Gross profit increased by 10% to ₹ 113,840 million, translating to a gross profit margin of 53.1% for FY2022.

IMPAIRMENT OF NON-CURRENT ASSETS

In FY2022, there has been an impairment charge of ₹ 7,562 million which pertains to:

a) ₹ 4,337 million for the product Tepilamide Fumarate Extended Release Tablets (PPC-06), forming part of the Company's Proprietary Products segment. During the year, there has been a significant decrease in market potential as a result of adverse market conditions for this product.

b) ₹ 3,051 million for the assets and goodwill forming part of the Company's wholly owned subsidiary - Dr. Reddy's Laboratories Louisiana LLC, USA (Shreveport). During FY2022, this entity witnessed a significant decline in cash flows of products due to increased competition leading to lower volumes.

c) ₹ 174 million on other product intangibles and goodwill pertaining to some products belonging to the global generics segment, where the Company determined that there was a decrease in market potential.

NET OTHER INCOME

Net other income was ₹ 2,761 million in FY2022 versus ₹ 982 million in FY2021. This income was higher primarily on account of recognition of an income of ₹ 1,064 million towards sale of all of our rights relating to our anti-cancer agent E7777 (Denileukin Diftitox) to Citius Pharmaceuticals, Inc. during FY2022.

NET FINANCE INCOME

Net finance income was ₹ 2,119 million in FY2022 versus ₹ 1,653 million in FY2021.

NET PROFIT

Net profit increased by 37% to ₹ 23,568 million in FY2022. This represents a PAT margin of 11.0% of revenues versus 9.1% in FY2021. In FY2022, the effective tax rate was lower as compared to FY2021 largely on account of a rise in the proportion of our profits from lower tax jurisdictions and due to an increase in income from sale of capital assets, which is taxable at a lower rate.

LIQUIDITY AND CAPITAL RESOURCES

The data is given in **Tables 4 and 5.** Cash generated from operating activities in FY2022 was ₹ 28,108 million. Investing activities comprised a net outflow amounting to ₹ 26,387 million in FY2022, which included net investment in property, plant, equipment and intangibles to build capacity and capabilities for future business growth. Cash outflow from financing activities was ₹ 2,422 million. Closing cash and cash equivalents as on March 31, 2022 was ₹ 14,852 million.

DEBT-EQUITY

In FY2022, total borrowings, including the current and non-current portion, increased by ₹ 3,546 million compared to FY2021. As on 31 March 2022 the Company's debt-to-equity ratio was 0.16 which is same as that on 31 March 2021. The net debt-to-equity position was at (0.08) versus (0.04) last year. **Table 6** gives the data.

TABLE 4 CONSOLIDATED CASH FLOW, IFRS (₹ MILLION)

PARTICULARS	FY2022	FY2021
Opening Cash and Cash Equivalents	**14,820**	**1,962**
Cash flows from:		
(a) operating activities	28,108	35,703
(b) investing activities	(26,387)	(22,660)
(c) financing activities	(2,422)	(298)
Effect of exchange rate changes	733	113
Closing Cash and Cash Equivalents	**14,852**	**14,820**

TABLE 5 CONSOLIDATED WORKING CAPITAL, IFRS (₹ MILLION)

PARTICULARS	AS ON 31 MARCH 2022	AS ON 31 MARCH 2021	CHANGE
Trade Receivables (A)	66,764	49,641	17,123
Inventories (B)	50,884	45,412	5,472
Trade Payables (C)	25,572	23,744	1,828
Working Capital (A+B-C)	**92,076**	**71,309**	**20,767**
Other Current Assets (D)	63,458	53,196	10,262
Total Current Assets (A+B+D)	**181,106**	**148,249**	**32,857**
Short & Long-term loans and borrowings, current portion (E)	28,099	24,000	4,099
Other Current Liabilities (F)	44,171	35,647	8,524
Total Current Liabilities (C+E+F)	**97,842**	**83,391**	**14,451**

TABLE 6	DEBT AND EQUITY POSITION, IFRS		(₹ MILLION)
PARTICULARS	AS ON 31 MARCH 2022	AS ON 31 MARCH 2021	CHANGE
Total Shareholder's Equity	**190,527**	**173,062**	**17,465**
Long-term debt (current portion)	1,017	864	153
Long-term debt (non-current portion)	5,746	6,299	-553
Short-term borrowings	27,082	23,136	3,946
Total Debt	**33,845**	**30,299**	**3,546**

ENTERPRISE-WIDE RISK MANAGEMENT (ERM)

Our ERM function operates with the following objectives:

- proactively identify and highlight risks to relevant stakeholders;
- facilitate discussions around risk prioritization and mitigation;
- provide a framework to assess appetite;
- develop systems to warn when the appetite is being breached; and
- provide an analysis of residual risk.

The ERM team connects with our business units and functions, which are the primary sources for risk identification. It also monitors external trends on liabilities and risks reported by peers in the industry. The team collaborates with quality assurance, compliance, internal audit, information security, safety, HR and other assurance teams to identify and mitigate risks of business units, including risk relating to cyber security and environment.

Our ERM function focuses on identification of key business, operational and strategic risks. These are carried out through quarterly assurance meeting, structured interviews, on-call discussions and review of incidents.

Risks are aggregated at the unit, function and organization levels and are categorized by risk groups. Our response framework categorizes these risks into (i) internal (preventable), (ii) internal (strategic) and (iii) external risks. The executive risk management Committee is a management level Committee that helps the ERM function to prioritize organization-wide risks and steer mitigation efforts in line with our risk appetite.

Mitigation work carried out by the ERM team is regularly reviewed and progress of key risks is discussed with the executive risk management committee, senior management, as well as at the risk management Committee of the Board of directors. These include (i) updates on the progress of mitigation of key risks and (ii) specific risk-related initiatives carried out during the year.

During FY2022, risk mitigation efforts included review of risks and mitigations related to cyber security, quality, talent and capability, compliance and ethics program across the company, supply chain and other operating risk exposures and risk transfer through insurance.

HUMAN RESOURCES (HR)

In FY2022, safety protocols were strengthened across locations to ensure seamless return to work from offices. This was supported by focused attention on well-being interventions like webinars on mental wellness by certified psychologists, wellness workshops covering meditation, yoga and pranayama by experts and nutritionist consultations for employees and families who were impacted with COVID-19.

We also launched a seven-month comprehensive program to support holistic well-being, focusing on the four pillars of well-being: Physical, Psychological, Relational and Spiritual. Vaccination drives were conducted for all employees and their families across various Indian cities.

To support the families of employees we lost to the pandemic, a series of benevolent measures were announced, such as extension of fixed salaries, medical insurance coverage for two years and education support for two children up to their graduation.

Post the COVID-19 outbreak, the focus has been on strengthening our people processes and practices to support the new ways of working and employee needs. The value proposition is to ensure a connected, joyful and efficient experience across all touch-points of the employee lifecycle. Several initiatives were taken in this space. We used digitization as a tool to simplify processes and move towards a more do-it-yourself approach. Analytics is being leveraged to make data more real time through dashboards. Insights from Heartbeat (our in-house real-time employee pulse survey) are now available for managers to view their team's feedback.

The organization continues to experiment with hybrid ways of working for select cohorts. Satellite offices were

We launched a seven-month comprehensive program to support holistic well-being, focusing on the four pillars of well-being: Physical, Psychological, Relational and Spiritual.

launched for employees in Mumbai, Delhi and Bangalore to enable work from different locations without compromising on business needs.

Spearheading the capability building agenda in the organization, specific programs were launched to support the strategic moves of the organization. Personalized learning journeys were initiated to enable individuals bridge specific skill gaps. To embed the culture of learning within Dr. Reddy's, we revamped the content to meet new requirements and modernized method of delivery, leveraging our learning platform. Podcasts and playbooks were launched to further strengthen the understanding of ASPIRE culture across the organization.

People Development Week was conducted in November 2021, that had over 150 speakers delivering more than 125 sessions across the organization which garnered over 24,000 views. Digital Ninja – our flagship digital capability building program launched earlier — had over 16,500 course completions; we now have more than 600 digital Ninjas across the organization. Additionally, the Digital Transformation Programme was kick-started for 100 leaders across 16 teams.

We introduced Kaizen Optimizer as a digital tool for implementation of Dr. Reddy's way of excellence and towards making the Strategy Development Plan (SDP) and Lean Daily Management (LDM) a part of our core culture. 90% of action plan owners across businesses completed trainings created to drive the adoption of SDP.

Continuing to focus on building a strong cadre, we conducted rigorous assessments for the senior and middle management. This was followed by cross-functional key talent interactions with leaders, cross-BU projects, peer interactions and stretch assignments to position key-talent for 'destination roles'. To ensure that roles critical to delivery of the business are deployed with effective talent, the Talent to Value process, earlier launched in India, was further extended to North America and Emerging Markets. To strengthen avenues of internal talent mobility, learning experiences were provided to employees via short term projects called Internal Gigs.

A two-week rural stint has been included in our flagship Young Leaders Program to develop socially conscious leaders. 45 young leaders had their stints in rural NCR, Wardha and Vizianagaram, in collaboration with the frontline teams of NICE Foundation & Naandi. We further strengthened our volunteering efforts this year by increasing opportunities for our employees to volunteer virtually via the 'Goodera' platform launched last year. 225 employees participated in 20 online events and volunteering weeks conducted in FY2022. We strengthened organization level support mechanisms to enable volunteering by launching a two-day volunteering leave policy for employees.

Diversity and inclusion continue to remain important in the organizational agenda in alignment with our ESG goals. Chrysalis, our flagship program for women in middle management, has now been extended globally, with a second batch of 27 women leaders completing the program. Nearly 20% of women participants from the previous batch of Chrysalis 1.0 have had role changes after completing the program.

Sensitization sessions on gender awareness and respect at work and needs of differently-abled were conducted for leadership teams, plant employees and other cohorts across geographies. We continue to sensitize employees towards women coming back after maternity. Awareness about the PRIDE month was created through our quarterly newsletter 'Rainbow Beats', highlighting stories of courage, achievement and professionalism displayed by our employees.

We have continued to strengthen our pipeline of diverse candidates through various tools and mechanisms, like focused employee referral programs to invite referrals for people who identify as women, differently-abled and LGBTQi and through extension of partnerships with women only institutes in India.

We kept a close eye on attrition across the year to manage the 'Great Resignation' that was witnessed by many industries. With a proactive approach, we were able to retain critical talent to ensure business continuity and support our growth agenda. We continue to address needs of our key talent by strengthening talent mobility, providing role enhancements, extending flexible work, undertaking relevant

compensation measures, increasing talent connects with leadership across organization and having regular interactions with employees to identify and cater to their concerns.

DIGITAL TRANSFORMATION

We continued to make progress in our digital transformation journey taking significant leaps in FY2022. This journey is broadly driven by the twin themes of driving productivity and improving our customer value proposition. We have classified this journey into two themes as outlined below.

DIGITALIZE THE CORE:

Our objective under this theme is to simplify and digitalize our processes that would enable us to create scale without adding complexity. We completed transforming our core processes on SAP S/4 HANA this year. We continued our journey on paperless shopfloor and labs by extension of digital solutions such as Manufacturing Execution System (MES), Laboratory Information Management System (LIMS) and the Electronic Lab Notebook across the organization. We are on track to take our overall digitalization of processes to over 90% in the near future.

We are also integrating cross-functional processes across the value chain by implementing and adopting platforms such as:

- *Selection to Commercialization:* This will place the entire lifecycle from product selection, development, planned scale-up to commercialization under a single platform.
- *Integrated Business Planning:* This will take our sales and operations planning (S&OP) process to next level of maturity, link our strategic planning process with long term capacity plans and also integrate revenue and supply chain planning.
- *Product Management System:* This will drive analytics-led decisions around product lifecycle management.
- *Employee Lifecycle Management:* This platform will provide an integrated employee experience throughout the lifecycle.

Cross-functional platforms are enabling end-to-end process visibility, strong analytics-led decision making, learning engines to create organizational memory and, as needed, the ability to integrate external partners with our value chain.

We are simplifying and digitalizing our processes that would enable us to create scale without adding complexity.

TRANSFORM WITH DIGITAL:

As part of this theme, we run programs across the value chain that leverage digital and analytics to create top-line and bottom-line impact to the organization. The primary lever here is to use advanced analytics on top of the data lakes we have created across the organization.

In R&D, several digital science programs were implemented encompassing different data analytics initiatives using Artificial Intelligence (AI) and machine learning (ML) and other technologies to do 'in-silico' experiments, to generate more informed decisions and, thus, improve the probability of success. We are seeing results in reduction of product development cycle time, cost savings in development and 'First Time Right' development.

In manufacturing, we brought together the best of digital and advanced analytics use cases in our largest formulation plant to create a 'Digital Lighthouse'. This has resulted in yield improvement, product robustness, reduction in product quality issues, optimization of production scheduling and, consequentially, reduced cost of poor quality (CoPQ) and per pack costs. Going forward, this program will be taken to other manufacturing plants.

We scaled up our digital efforts to provide better service to doctors using engagement platforms that provide all relevant information at a single place. We are also using omni-channel means to cover more doctors with the most relevant and personalized content. We have enabled our sales representatives in the field with advanced analytics-based algorithms for better efficiency along with relevant and personalized engagement with each doctor.

For our API business, we have now created a single place for entire customer lifecycle from inquiry to order to cash, providing end-to-end visibility with a single click resolution of all queries.

For our North America business, we have launched Key Account Management, Bid Management and Product Management platforms to create 360-degree view of the customer-product combination enabling us to help our customers with the right service levels.

While we focused on productivity measures, we, simultaneously, continued investing in current and future businesses

Continuing our journey to help patients in their entire journey, we scaled up our cancer management platform in two countries.

Svaas Wellness (an integrated cashless digital health platform) was launched this year. We expect this to help our patients in out-patient insurance by servicing them through an ecosystem of partners.

OUTLOOK

FY2022 was a year where we faced several headwinds — continued COVID-19 waves with different variants in several of our major markets, increase in commodity prices, relatively high attrition in line with the trend of 'The Great Resignation' witnessed across the world and the increase in geopolitical tensions with the conflict between Russia and Ukraine. This led to several challenges in operations, supply chain, logistics and cost structures.

However, we rose to the occasion and mitigated these headwinds with several proactive measures and learnings from the previous year. Our operations continued throughout the year and we ensured that supplies were available for each of our markets. Business continuity measures were undertaken while ensuring the health and safety of our employees and business partners.

During the year, we also launched several products for COVID-19 including the Sputnik-V vaccine to cater to the specialized needs of patients.

The pricing environment in the US and Europe became increasingly challenging in FY2022 which led to significant price erosion; and delays in some of the key new product launches in these markets impacted growth. However, the strong performance in branded markets, led by improvement in the base business helped us grow reasonably.

Our commitment towards quality is reflected in all our facilities being fully compliant with the respective regulatory agencies' requirements.

Our journey towards improving our market share position across different markets and continued focus towards creating a leaner business model, leveraging productivity improvement, cost control and increased efficiencies across several functions continued in FY2022.

While we focused on productivity measures, we, simultaneously, continued investing in current and future businesses to make these more competitive and future ready. We did this through investments in digitalization, marketing of brands and development of our portfolio of complex products and biosimilars. We also forayed into digital healthcare with the launch of Svaas Wellness, a multi-service platform combining doctors, laboratories and diagnostics, pharmacies and out-patient insurance, all under one roof. These investments will continue in FY2023 and provide necessary impetus to our performance in the coming years.

We remain focused on patient-centric product innovation, operational excellence, continuous improvement and attaining leadership in chosen spaces. We are committed to look out for opportunities aligned with our future business strategies for inorganic growth. This is reflected in the acquisition of Nimbus Health and other deals during FY2022, while also divesting brands which do not form part of our future growth strategy. We will seek more such opportunities in future.

In spite of the headwinds being faced by us and industry as a whole, we remain cautiously optimistic of overcoming these and thereby improving our business performance while creating levers for long term growth. These should also guide us to deliver a better performance in the year ahead.

CAUTIONARY STATEMENT

The management of Dr. Reddy's has prepared and is responsible for the financial statements that appear in this report. These are in conformity with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board and accounting principles generally accepted in India and therefore, include amounts based on informed judgments and estimates. The management also accepts responsibility for the preparation of other financial information that is included in this report. This write up includes some forward-looking statement, within the meaning of Section 27A of the US Securities Act of 1933, as amended and Section 21E of the US Securities Exchange Act of 1934, as amended.

The management has based these forward-looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. These factors include, but are not limited to, changes in local and global economic conditions, changes in government regulations, ability to successfully implement the strategy, manufacturing or quality control outcomes, ability to achieve expected results from investments in our product pipeline, change in market dynamics, technological change, currency fluctuations and exposure to various market risks. By their nature, these expectations and projections are only estimates and could be materially different from actual results in the future. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis and assumptions only as of the date hereof. In addition, readers should carefully review the other information in this annual report and in our periodic reports and other documents filed with all the Stock Exchanges.

FIVE YEARS AT A GLANCE

(₹ million)

YEAR ENDING MARCH 31	2022	2021	2020	2019	2018
INCOME STATEMENT DATA					
Revenues	214,391	189,722	174,600	153,851	142,028
Cost of revenues*	100,551	86,645	80,591	70,421	65,724
Gross profit	**113,840**	**103,077**	**94,009**	**83,430**	**76,304**
as a % of revenues	53.1	54.3	53.8	54.2	53.7
Operating Expenses: *					
Selling, general and administrative expenses	62,081	54,650	50,129	48,680	46,857
Research and development expenses	17,482	16,541	15,410	15,607	18,265
Impairment of non-current assets	7,562	8,588	16,767	210	53
Other Operating (income) / expenses, net	(2,761)	(982)	(4,290)	(1,955)	(788)
Total operating expenses	**84,364**	**78,797**	**78,016**	**62,542**	**64,387**
Operating income	**29,476**	**24,280**	**15,993**	**20,888**	**11,917**
as a % of revenues	13.7	12.8	9.2	13.6	8.4
Finance Costs, net:					
Finance income	3,077	2,623	2,461	2,280	2,897
Finance expenses	(958)	(970)	(983)	(1,163)	(817)
Finance (expense) / income, net	**2,119**	**1,653**	**1,478**	**1,117**	**2,080**
Share of profit of equity accounted investees, net of income tax	703	480	561	438	344
Profit before income tax	**32,298**	**26,413**	**18,032**	**22,443**	**14,341**
Income tax benefit/(expense)	(8,730)	(9,175)	1,466	(3,648)	(4,535)
Profit for the year	**23,568**	**17,238**	**19,498**	**18,795**	**9,806**
as a % of revenues	11.0	9.1	11.2	12.2	6.9
EARNINGS PER SHARE (₹)					
Basic	142	104	118	113	59
Diluted	142	104	117	113	59
Dividend declared per share for the year (₹)	30	25	25	20	20
BALANCE SHEET DATA					
Cash and cash equivalents, net of bank overdraft	14,852	14,820	1,962	2,228	2,542
Operating working capital**	92,076	71,309	68,685	58,895	53,655
Total assets	296,654	265,491	232,241	225,427	225,604
Total long-term debt, excluding current portion	5,746	6,299	1,304	22,000	25,089
Total stockholders' equity	190,527	173,062	154,988	140,197	126,460
ADDITIONAL DATA					
Net cash provided by / (used in):					
Operating activities	28,107	35,703	29,841	28,704	18,029
Investing activities	(26,387)	(22,660)	(4,923)	(7,727)	(14,883)
Financing activities	(2,421)	(298)	(25,159)	(21,326)	(4,440)
Effect of exchange rate changes on cash	733	113	(25)	35	57
Expenditure on property, plant and equipment & Intangibles	(19,049)	(12,561)	(6,115)	(8,376)	(11,043)

** Figures are restated for previous years*

*** Operating working capital = Trade receivables + Inventories - Trade payables*

KEY FINANCIAL RATIOS

YEAR ENDING MARCH 31	2022	2021	2020	2019	2018
PROFITABILITY RATIOS					
EBITDA margin %	24%	25%	27%	22%	17%
Gross Margin %	53%	54%	54%	54%	54%
Global Generics	58%	59%	57%	59%	59%
PSAI	22%	29%	24%	25%	20%
Net Profit Margin (%)	11.0%	9.1%	11.2%	12.2%	6.9%
Return on Net Worth (%)	12%	10%	13%	13%	8%
ASSET PRODUCTIVITY RATIOS					
Fixed Asset Turnover	3.6	3.5	3.3	2.7	2.5
Total Assets Turnover	0.8	0.8	0.8	0.7	0.6
WORKING CAPITAL RATIOS					
Working Capital Days	214	188	188	180	194
Inventory Days	184	177	154	163	154
Debtors Days	108	91	100	90	102
Creditor Days	79	80	67	73	62
GEARING RATIOS					
Net Debt/Equity^	(0.08)	(0.04)	(0.03)	0.09	0.24
Interest Coverage	31.5	25.5	16.8	18.3	15.0
Current Ratio	1.9	1.8	1.8	1.9	1.6
VALUATION RATIOS					
Earnings per share (₹)	141.7	103.6	117.4	113.1	59.0
Book Value per share (₹)	1,145	1,041	933	844	763
Dividend Payout	21%	24%	21%	18%	34%
Trailing Price/Earnings Ratio	30.3	43.6	26.6	24.6	35.3

(1) *Fixed Asset Turnover: Net Sales / Avg Net Fixed Assets (Property, plant and equipment)*
(2) *Total Asset Turnover: Net Sales / Avg Total Assets*
(3) *Working Capital Days: Inventory Days + Receivable Days – Payable Days*
(4) *Inventory Days: (Average of closing Inventory - as on end of September and March) / (Cost of Revenue during last 6 months) * 182*
(5) *Receivable Days: outstanding receivables netted-off with the daily average sales; starting from the latest month*
(6) *Payable Days: (Average of closing Payables - as on end of December and March) / (Material cost during last 3 months) * 90*
(7) *Book Value per share: Equity/Outstanding equity shares*
(8) *Dividend Payout: DPS/EPS*
(9) *Trailing price: Closing share price on the last working day of March*
^ *For FY2022 and FY2021, Net debt/equity computation excludes lease liabilities*

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Dr. Reddy's Laboratories Limited ("Dr. Reddy's" or the "Company") believes that timely disclosures, transparent accounting policies coupled with a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximizing long-term corporate value.

The Company's corporate governance framework is based on the following main principles:

- Appropriate composition, diversity and size of the Board, with each Director bringing in key expertise in different areas.
- Proactive flow of accurate information to members of the Board and Board Committees to enable effective discharge of fiduciary duties.
- Ethical business conduct by the Board, management and employees.
- Well-developed systems of internal controls, risk management and financial reporting.
- Protection and facilitation of shareholders' rights.
- Adequate, timely and accurate disclosure of all material operational and financial information to stakeholders.

In India, the Securities and Exchange Board of India (SEBI) regulates corporate governance for listed companies through SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). We are in full compliance with all the applicable provisions of SEBI's corporate governance norms. We are also in compliance with the appropriate corporate governance standards of the New York Stock Exchange, Inc. (NYSE) and the NSE IFSC Exchange Rules.

This chapter, together with information given in the chapters on *Management Discussion and Analysis and Additional Shareholders' Information*, constitute our Report on Corporate Governance for FY 2021-22 (or FY2022).

BOARD OF DIRECTORS

COMPOSITION

As on March 31, 2022, the Board consists of 11 Directors, comprising (i) two Executive Directors, including the Chairman of the Board and (ii) nine Independent Directors as defined under the Companies Act, 2013 (the "Act"), the Listing Regulations and the Corporate Governance Guidelines of the NYSE Listed Company Manual. Their detailed profiles are available on the Company's website: *https://www.drreddys.com/meet-our-leadership*

The Directors have expertise in the fields of strategy, management and governance, finance, operations, science, technology and human resources. Such expertise enables the Board to steer the Company in the right direction.

Table 1 gives details of their individual competence, expertise and skills.

The Board provides leadership, strategic guidance, objective and independent views to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. It regularly reviews the Company's governance, risk and compliance framework, business plans and organization structure to align with the highest global standards.

Each Director informs the Company on an annual basis about the Board and Board Committee positions she/he occupies in other companies and notifies it of any changes regarding their Directorships and Committee positions. In addition, the Independent Directors provide an annual confirmation that they meet the criteria of independence as defined under Indian laws. All Independent Directors are registered with the Independent Directors databank.

TABLE 1 MATRIX OF BOARD EXPERTISE

NAME	STRATEGY	MANAGEMENT AND GOVERNANCE	FINANCE	HUMAN RESOURCES	SCIENCE, TECHNOLOGY AND OPERATIONS
Mr. K Satish Reddy	√	√	√	√	√
Mr. G V Prasad	√	√	√	√	√
Ms. Kalpana Morparia	√	√	√	√	
Dr. Bruce L A Carter	√	√		√	√
Mr. Sridar Iyengar	√		√		
Mr. Bharat N Doshi[(1)]	√	√	√		
Mr. Prasad R Menon	√	√	√	√	
Mr. Leo Puri	√	√	√	√	
Ms. Shikha Sharma	√	√	√	√	
Mr. Allan Oberman	√	√		√	√
Dr. K P Krishnan[(2)]	√	√	√		
Ms. Penny Wan[(3)]	√	√	√	√	

(1) *Term ended on May 10, 2021, as a Director.*

(2) *Appointed as Independent Director with effect from January 7, 2022.*

(3) *Appointed as an Independent Director with effect from January 28, 2022.*

Requisite disclosures have been received from the Directors in this regard. After assessment of such disclosures, declarations and confirmations, the Board has opined that all the Independent Directors fulfil the conditions specified under Listing Regulations and are independent of the management. **Table 2** gives the composition of our Board, with all relevant details.

TABLE 2: COMPOSITION OF OUR BOARD AND THEIR DIRECTORSHIPS AS ON MARCH 31, 2022

NAME	POSITION	RELATIONSHIP WITH OTHER DIRECTORS	DATE OF JOINING	DIRECTORSHIPS UNDER SECTION 165 OF THE COMPANIES ACT, 2013		OTHER DIRECTORSHIPS(1)	COMMITTEE MEMBERSHIPS(2)	CHAIRMANSHIP IN COMMITTEES(2)
				PUBLIC COMPANIES	PRIVATE COMPANIES			
Mr. K. Satish Reddy	Chairman	Brother-in-law of Mr. G V Prasad(3)	January 18, 1993	6	6	8	1	-
Mr. G V Prasad	Co-Chairman and Managing Director	Brother-in-law of Mr. K Satish Reddy(3)	April 8, 1986	6	1	5	1	-
Ms. Kalpana Morparia	Independent Director	None	June 5, 2007	3	-	2	3	2
Dr. Bruce L A Carter	Independent Director	None	July 21, 2008	2	-	5	-	-
Mr. Sridar Iyengar	Independent Director	None	August 22, 2011	4	-	3	3	3
Mr. Prasad R Menon	Independent Director	None	October 30, 2017	3	-	-	2	-
Mr. Leo Puri	Independent Director	None	October 25, 2018	2	1	-	1	-
Ms. Shikha Sharma	Independent Director	None	January 31, 2019	6	-	-	4	-
Mr. Allan Oberman	Independent Director	None	March 26, 2019	1	-	1	-	-
Dr. K P Krishnan	Independent Director	None	January 7, 2022	3	-	1	3	1
Ms. Penny Wan	Independent Director	None	January 28, 2022	1	-	-	-	-

(1) Other directorships are those, which are not covered under Section 165 of the Act.

(2) Membership/ Chairmanship in Audit and Stakeholders' Relationship Committees of all public limited companies, whether listed or not, including the Company are considered. Membership/ Chairmanship of foreign companies, private limited companies and those under Section 8 of the Act, have been excluded. Membership/ Chairmanship of our Nomination, Governance and Compensation Committee; Science, Technology and Operations Committee; Corporate Social Responsibility Committee; Risk Management Committee; and Banking and Authorizations Committee are also excluded.

(3) Mr. K Satish Reddy (Chairman) and Mr. G V Prasad (Co-Chairman and Managing Director) are not 'relative' as defined under Section 2(77) of the Act.

(4) None of the Directors serves as an Independent Director in more than seven listed companies.

(5) None of the Directors holds directorships in more than 10 public limited companies.

TERM OF BOARD MEMBERSHIP

Based upon recommendations of the Nomination, Governance and Compensation Committee (NGCC), the Board considers the appointment and reappointment of Directors.

Section 149(10) of the Act, provides that an Independent Director shall hold office up to five consecutive years on the Board of a Company from the date of appointment and shall be eligible for reappointment for a second term of up to five consecutive years on passing of a special resolution by the members. Moreover, Independent Directors cannot retire by rotation.

During FY2022, the members of the Company approved the appointment of Dr. K P Krishnan (DIN: 01099097) and Ms. Penny Wan (DIN: 09479493) as Independent Directors in terms of Section 149 of the Companies Act, 2013 and applicable provisions of the Listing Regulations, through Postal Ballot, with effect from January 7, 2022 and January 28, 2022, respectively.

Section 152 of the Act, states that one-third of the Board members, other than Independent Directors, who are subject to retire by rotation, shall retire every year and be eligible for reappointment, if approved by the members. Accordingly, Mr. K Satish Reddy (DIN: 00129701) retires by rotation at the forthcoming Annual General Meeting (AGM) and being eligible, seeks reappointment.

Additionally, the Board of Directors at its meeting held on May 19, 2022 reappointed Mr. K Satish Reddy (DIN: 00129701), as a Whole-time Director, designated as Chairman of the Company (or such other designation as the Board may deem fit), for a further period of five years with effect from October 1, 2022, subject to approval of the members at the forthcoming 38th AGM Scheduled to be held on July 29, 2022.

Therefore, at the forthcoming Annual General Meeting, approval of members is being sought for reappointment of Mr. K Satish Reddy, who retires by rotation and, being eligible, offers himself for reappointment, as Whole-time Director designated as Chairman of the Company for a further period of five years with effect from October 1, 2022.

SELECTION AND APPOINTMENT OF NEW DIRECTORS

Recommending any new member on the Board is the responsibility of the NGCC of the Board, which consists entirely of Independent Directors. The existing composition of the Board, the tenure as well as the years left of the existing members to serve on the Board and the need for new domain expertise are reviewed by this Committee regularly. When such a need becomes apparent, the Committee reviews potential candidates in terms of their expertise, attributes, personal and professional backgrounds and their ability to attend meetings. It then places the details of shortlisted candidates to the Board for its consideration. If the Board approves, the person is appointed as an Additional Director, subject to the approval of members in the Company's next general meeting.

FAMILIARIZATION PROCESS FOR INDEPENDENT DIRECTORS

To familiarize a new Independent Director with the Company, an information kit is provided containing documents about the Company. It contains, *inter alia*, information/ documents such as its Annual Reports, sustainability reports, investor presentations, recent press releases, research reports, Code of Business Conduct and Ethics (COBE) a brief on Company's Board practices, Committee charters and a dossier on pharma primers and overview of Company's operations. The new Independent Director individually meets with Board members and senior management. Visits to plants and research locations are organized for the Director to understand the Company's operations.

We believe that the Board should be continuously empowered with knowledge of latest developments affecting the Company and the industry. Apart from regular presentations on the Company's business strategies and associated risks, expositions are made on various topics covering the pharmaceutical industry.

Updates on relevant statutory changes and judicial pronouncements around industry related laws are regularly circulated to the Directors. They also visit the Company's manufacturing and research locations. Each Director has complete access to any of the Company's information and full freedom to interact with the senior management.

Details of the familiarization programs for Independent Directors are available on the Company's website: *https://www.drreddys.com/cms/cms/sites/default/files/2022-06/Familiarization%20programs%202022.pdf*

LETTER OF APPOINTMENT

Upon their appointment, Independent Directors are given a formal appointment letter containing, *inter alia*, the terms of appointment, roles, functions, duties and responsibilities, the Company's code of conduct, disclosures and confidentiality. Such terms and conditions are available on the Company's website: *https://www.drreddys.com/investor/governance/#governance#policies-and-documents*

BOARD EVALUATION

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, as well as the performance of the Audit Committee, Nomination, Governance and Compensation Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Risk Management Committee and Science, Technology and Operations Committee. The performance evaluation of each Directors, including Chairman, was also undertaken by the Board. Generally, the performance evaluation process is being carried out either through engagement of an independent expert or internally.

During FY2022, the performance evaluation process was undertaken internally, based on the criteria formulated by the NGCC. Each Director completed a questionnaire involving peer evaluation and feedback on processes of the Board and its Committees. The contribution and impact of individual members were evaluated on a number of parameters, such as level of engagement, independence of judgment, conflict resolution, contributions to enhance the Board's overall effectiveness, etc. Peer ratings on certain parameters, positive attributes and improvement areas for each Director were provided to them on a confidential basis. Furthermore, the Committees were evaluated on parameters such as effective discharge of their roles, responsibilities and advice given to the Board for discharging its fiduciary responsibilities, including adequate and periodical updates to the Board on the Committees' functioning. The details of the stated parameters are disclosed in the Board's Report.

The Independent Directors at their separate meetings also evaluated the performance of the Chairman, Co-Chairman and Managing Director and the Board, without the presence of the Executive Directors.

DIRECTORS' SHAREHOLDING IN THE COMPANY

Table 3 gives details of shares/ ADRs held by the Directors as on March 31, 2022.

TABLE 3 SHARES/ADRs HELD BY DIRECTORS AS ON MARCH 31, 2022

NAME	NO. OF SHARES/ ADRs HELD
Mr K Satish Reddy[(1)]	898,432
Mr G V Prasad[(1)]	-
Ms. Kalpana Morparia	10,800
Dr. Bruce L A Carter (ADRs)	7,800
Mr. Sridar Iyengar	-
Mr. Prasad R Menon	-
Mr. Leo Puri	-
Ms. Shikha Sharma	-
Mr. Allan Oberman	-
Dr. K P Krishnan[(2)]	-
Ms. Penny Wan[(3)]	-

[(1)] APS Trust owns 83.11% of Dr. Reddy's Holdings Limited, which in turn owns 41,325,300 equity shares of Dr. Reddy's Laboratories Limited. Mr. G V Prasad, Mr. K Satish Reddy, Mrs. G Anuradha, Mrs. Deepti Reddy and their bloodline descendants are the beneficiaries of APS Trust. Mr. G V Prasad holds 1,117,940 equity shares through his HUF account.

[(2)] Appointed as an Independent Director with effect from January 7, 2022.

[(3)] Appointed as an Independent Director with effect from January 28, 2022.

MEETINGS OF THE BOARD

The Company plans and prepares the Schedule of the Board and Board Committee meetings 18 to 24 months in advance. The Schedule of meetings and their agenda is finalized in consultation with the Chairman of the Board, the lead Independent Director and Committee Chairpersons. The Agendas are circulated in advance with appropriate presentations, detailed notes, supporting documents and executive summaries.

Under Indian laws, the Board of Directors must meet at least four times a year, with a maximum gap of 120 days between two Board meetings. During FY2022, given the overhang of Covid-19, all Board meetings were held through video conference in accordance with the provisions of applicable laws. Our Board met seven times during the financial year under review on: May 14, 2021, July 27, 2021, October 29, 2021, December 16, 2021, January 28, 2022, March 17, 2022 and March 30, 2022. Our Board and Committee meetings typically comprise structured two-day sessions. Details of Directors' attendance at Board meetings and the AGM are given in **Table 4**.

TABLE 4 DIRECTORS' ATTENDANCE AT BOARD MEETINGS AND THE AGM, FY2022

NAME	MEETINGS HELD IN DIRECTOR'S TENURE	ATTENDANCE AT THE MEETINGS	ATTENDANCE IN LAST AGM ON JULY 28, 2021
Mr. K Satish Reddy	7	7	Present
Mr. G V Prasad	7	7	Present
Ms. Kalpana Morparia	7	7	Present
Dr. Bruce L A Carter	7	7	Present
Mr. Sridar Iyengar	7	7	Present
Mr. Prasad R Menon	7	7	Present
Mr. Leo Puri	7	6(1)	Present
Ms. Shikha Sharma	7	7	Present
Mr. Allan Oberman	7	7	Present
Dr. K P Krishnan(2)	3	3	NA
Ms. Penny Wan(3)	2	2	NA

(1) *Granted leave of absence for meeting dated March 30, 2022.*

(2) *Appointed as an Independent Director with effect from January 7, 2022.*

(3) *Appointed as an Independent Director with effect from January 28, 2022.*

INFORMATION GIVEN TO THE BOARD

Among others, the Company generally provides the following information to its Board and/or its Committees:

- Annual operating plans and budgets, capital budgets and other updates.
- Quarterly, half-yearly and annual financial results of the Company and its operating divisions or business segments.
- Detailed presentations on the progress in research and development (R&D) and new drug discoveries.
- Minutes of meetings of the Board and Committees of the Board.
- Information on recruitment and remuneration of key executives below the Board level including Chief Executive Officer, Chief Financial Officer and the Company Secretary.
- Significant regulatory matters concerning Indian or foreign regulatory authorities.
- Issues which involve possible public or product liability claims of a substantial nature, if any.
- Risk analysis of various products, markets and businesses.
- Detailed analysis of potential acquisition targets and possible divestments.
- Details of any joint venture or collaboration agreements.
- Transactions that involve substantial payment towards or impairment of goodwill, brand equity or intellectual property.
- Significant sale of investments, subsidiaries, assets which are not in the normal course of business.
- Contracts/arrangements in which Director(s) are interested.
- Materially important show cause, demand, prosecution and penalty notices, if any.
- Fatal or serious accidents or dangerous occurrences, if any.
- Significant effluent or pollution problems, if any.
- Material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company, if any.
- Significant labor problems and their proposed solutions, if any.
- Significant development in the human resources and industrial relations fronts.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
- Non-compliance of any regulatory or statutory nature or listing requirements as well as shareholders' services such as non-payment of dividend and delays in share transfer, if any.
- Subsidiary companies' minutes, financial statements, significant transactions and investments.
- Significant transactions and arrangements.

POST-MEETING FOLLOW-UP MECHANISM

Important decisions taken and suggestions made by the Board and its Committees are promptly communicated to the concerned departments or divisions. Action taken/ status reports on decisions/suggestions of the previous meeting(s) are followed up and placed at the next meeting for information and further recommended actions, if any.

MEETINGS OF INDEPENDENT DIRECTORS

During FY2022, our Independent Directors met four times in sessions without the presence of Executive Directors and other members of management. The Company is ready to facilitate more such sessions as and when required by the Independent Directors. During these meetings, the Independent Directors reviewed the performance of the Company and its senior management, that of the Chairman, Co-Chairman and Managing Director and the Board. Corporate strategy, risks, competition, succession planning for the Board and senior management and the quality of information given to the Board were also discussed.

ANNUAL BOARD RETREAT

During FY2022, the annual Board retreat was held from March 17, 2022 to March 19, 2022, at the Company's corporate office, Hyderabad, through hybrid mode, where the Board conducted a detailed strategic review of the Company's business segments and discussed various governance related matters.

DIRECTORS' REMUNERATION

We have a policy for the remuneration of Directors, Key Managerial Personnel (KMP), senior management personnel (SMP) and other employees, which lays down principles and parameters to ensure that remunerations are competitive, reasonable and in line with corporate and individual performance. The Remuneration Policy is enclosed as **Annexure A** to this chapter and available on the website of the Company: *https://www.drreddys.com/cms/cms/sites/default/files/2021-12/remuneration-policy.pdf*. Executive Directors are appointed/ reappointed by members' resolution for a period of five years. No severance fee is payable to them. Except the commission payable, all other components of remuneration to the Executive Directors are fixed in line with the Company's policies. Their annual remuneration, including commission based on standalone net profits of the Company, is recommended by the NGCC to the Board for its consideration. While recommending such a commission, the Committee also takes into account the overall corporate performance in a given year and the key performance indicators (KPIs). The remunerations are within the limits approved by members. Perquisites and retirement benefits are paid in accordance with the Company's compensation policies, as applicable to all employees.

Independent Directors are entitled to receive sitting fees, commission based on the standalone net profits of the Company and reimbursement of any expenses for attending meetings of the Board and its Committees. Such remuneration, including commission payable, is in conformity with the provisions of the Act and has been considered and approved by the Board and the members. The Company, in compliance with Section 197 of the Act and the Listing Regulations, has not granted any stock options to Independent Directors since FY2013. Remuneration paid or payable to the Directors for FY2022 is given in **Table 5**.

TABLE 5 REMUNERATION PAID OR PAYABLE TO THE DIRECTORS FOR FY2022 (IN ₹'000)

NAME	SALARIES	PERQUISITES(1)	COMMISSION(2)	TOTAL
Mr. K Satish Reddy	18,348	4,541	80,000	102,889
Mr. G V Prasad	22,015	5,423	130,000	157,438
Ms. Kalpana Morparia	-	-	12,884	12,884
Dr. Bruce L A Carter	-	-	12,126	12,126
Mr. Sridar Iyengar	-	-	13,642	13,642
Mr. Prasad R Menon	-	-	15,158	15,158
Mr. Leo Puri	-	-	11,369	11,369
Ms. Shikha Sharma	-	-	12,126	12,126
Mr. Allan Oberman	-	-	11,747	11,747
Dr. K P Krishnan(3)	-	-	3,411	3,411
Ms. Penny Wan(4)	-	-	3,032	3,032

(1) Perquisites include medical reimbursement for self and family according to the rules of the Company, leave travel assistance, personal accident insurance, leave encashment, long service award, Company's vehicle with driver for official use, telephone at residence and mobile phone, contribution to provident fund and superannuation or annuity scheme. All these benefits are fixed in nature.

(2) Payment of commission is variable and based on the percentage of net profit calculated according to Section 198 of the Act. The Board of Directors approved a fixed commission of ₹ 7,579,000 (US$ 100,000) per Non-Executive Director; a specific amount of 1,894,750 (US$ 25,000) to the Chairman of the Audit Committee; ₹ 1,136,850 (US$ 15,000) to the chair of Science Technology and Operations Committee; the Nomination Governance and Compensation Committee; the Risk Management Committee; the Corporate Social Responsibility Committee; and the Stakeholders' Relationship Committee; ₹ 757,900 (US$ 10,000) to the other members of the above Committees; ₹ 1,894,750 (US$ 25,000) to the lead Independent Director; ₹ 378,950 (US$ 5,000) variable fee per meeting linked to the attendance at the Board meeting to every Independent Director.
Other than the above, a specific amount of ₹ 757,900 (US$ 10,000) per meeting was paid towards foreign travel of the Directors resident outside India.

(3) Remuneration for part of the year, appointed as an Independent Director with effect from January 7, 2022.

(4) Remuneration for part of the year, appointed as an Independent Director with effect from January 28, 2022.

(5) Apart from receiving the above remuneration, the Non-Executive Directors do not have any pecuniary relationship or transaction with the Company.

INDEPENDENT DIRECTORS

Independent Directors of the Company head the following governance and/or Board Committee functions:

- Mr. Prasad R Menon: Governance, corporate strategy, lead Independent Director, Nomination, Governance and Compensation Committee and Corporate Social Responsibility Committee;
- Dr. Bruce L A Carter: Science, Technology and Operations Committee;
- Mr. Sridar Iyengar: Audit Committee; He is also the financial expert and Chief Ombudsperson for the Company's Whistle-Blower Policy;
- Ms. Kalpana Morparia: Stakeholders' Relationship Committee; and
- Ms. Shikha Sharma: Risk Management Committee.

COMMITTEES OF THE BOARD

The Company has seven Board-level Committees, whose details are given below:

AUDIT COMMITTEE

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has entrusted the Audit Committee with the responsibility to supervise these processes and ensure adequate, accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

The primary functions of the Audit Committee, *inter alia*, are to:

- Supervise the financial reporting process.
- Review the quarterly and annual financial statements/results before placing them to the Board along with audit/limited review report, related disclosures and filing requirements.
- Review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function.
- Discuss with management the Company's major policies with respect to risk assessment and risk management.
- Hold discussions with statutory auditors on the nature, scope and process of audits and any views that they have about the financial control and reporting processes.
- Ensure compliance with accounting standards and with listing requirements with respect to the financial statements.
- Recommend the appointment and removal of external auditors and their remuneration.
- Recommend the appointment of auditors.
- Review the independence of auditors.
- Ensure that adequate safeguards have been taken for legal compliance for the Company and its subsidiaries.
- Review the financial statements, in particular, investments made by all the subsidiary companies and their significant transactions.
- Review and approval of related party transactions.
- Review the functioning of whistle-blower mechanism.
- Review the implementation of applicable provisions of the Sarbanes-Oxley Act, 2002.
- Scrutinize inter-corporate loans and investments.
- Examine the valuation of undertakings or assets of the Company, wherever necessary.
- Evaluate internal financial controls; and review suspected fraud, if any, committed against the Company.
- Review compliance with provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and verify that the internal controls systems for ensuring compliance with these regulations are adequate and effective.

The Audit Committee comprises entirely of Independent Directors. All members are financially literate and bring in expertise in the fields of finance, economics, strategy and management. The Committee comprises Mr. Sridar Iyengar (Chairman), Ms. Kalpana Morparia, Ms. Shikha Sharma and Dr. K P Krishnan. Dr. K P Krishnan was appointed as a member of the Audit Committee with effect from January 20, 2022.

Under the Indian laws, the Audit Committee must meet at least four times in a year, with a maximum gap of 120 days between two meetings. The Audit Committee met five times during the year on: May 13, 2021, July 27, 2021, October 28, 2021, January 27, 2022 and March 19, 2022. It also met the key members of the finance team and Chief Internal Auditor along with the Chairman and the CFO of the Company, to discuss matters relating to audit, assurance and accounting.

The Committee also meets representatives of statutory auditors without the presence of the management.

In addition, the Chairman of the Committee and other members met to review other processes, particularly the internal control mechanisms to prepare for certification under Section 404 of the Sarbanes-Oxley Act, 2002 and subsidiary governance oversight.

The Chairman, CFO and the Chief Internal Auditor (CIA) are permanent invitees to all the Audit Committee meetings. The representatives of statutory auditors are also present. The Company Secretary officiates as the Secretary of the Committee.

Audit Committee meetings are preceded by pre-Audit Committee conference calls with the Committee members, the CFO, the Chief Compliance Officer (CCO), the internal audit and compliance teams, external auditors and other key finance personnel of the Company. During these calls, key audit related matters are discussed and items that need further face-to-face discussion at the Audit Committee meetings are identified.

The internal and statutory auditors of the Company discuss their findings and updates and submit their views to the Committee. Separate discussions are held with the internal auditors to focus on compliance issues and to conduct detailed reviews of the processes and internal controls in the Company. Permissible non audit related services undertaken by the statutory and independent auditors are also pre-approved by the Committee.

The Audit Committee also reviews the performance and remuneration of the CIA and CCO.

Table 6 gives the composition and attendance record of the Committee and its report is enclosed as **Exhibit 1** to this chapter.

TABLE 6	AUDIT COMMITTEE MEMBERSHIP AND ATTENDANCE IN FY2022		
COMMITTEE MEMBERS	POSITION	MEETINGS HELD IN THE DIRECTOR'S TENURE	ATTENDANCE AT THE MEETINGS
Mr. Sridar Iyengar	Chairman	5	5
Ms. Shikha Sharma	Member	5	4(1)
Ms. Kalpana Morparia	Member	5	5
Dr. K. P. Krishnan(2)	Member	2	2

(1) *Granted leave of absence for meeting dated March 19, 2022.*

(2) *Appointed as a member of the Committee with effect from January 20, 2022.*

NOMINATION, GOVERNANCE AND COMPENSATION COMMITTEE

The Nomination, Governance and Compensation Committee also entirely consists of Independent Directors. Its primary functions, *inter alia*, are to:

- Examine the structure, composition and functioning of the Board and recommend changes, as necessary, to improve the Board's effectiveness, oversee the evaluation of the Board and formulation of criteria for such evaluation.
- Formulate policies on the remuneration of Directors, KMPs and other employees and on Board diversity.
- Assess the Company's policies and processes in key areas of corporate governance, other than those explicitly assigned to other Board Committees, with a view to ensure that the Company is at the forefront of good governance.
- Regularly examine ways to strengthen organizational health, by improving hiring, retention, motivation, development, deployment and behavior of management and other employees. In this context, the Committee also reviews the framework and processes for motivating and rewarding performance at all levels of the organization, the resulting compensation awards and makes appropriate proposals for Board approval. In particular, it recommends all forms of compensation payable to the Executive Directors, KMPs and senior management of the Company.
- Review the sexual harassment complaints, the outcome of investigations, if any, and awareness initiatives.
- Review the Company's ESOP Schemes and recommend changes, as necessary and also administering the ESOP Schemes and Dr. Reddy's Employees ESOS Trust.

The head of human resources (HR) makes periodic presentations to the Committee on organization structure, talent management, leadership, succession, diversity, performance appraisals, increments, performance bonus recommendations and other HR matters.

The Committee met five times during the year on: May 13, 2021, October 28, 2021, January 17, 2022, January 27, 2022 and March 17, 2022. The Co-Chairman and Managing Director is a permanent invitee to all such Committee meetings. The head of HR officiates as the Secretary of the Committee. **Table 7** gives the composition and attendance record of the Committee and its report is enclosed as **Exhibit 2** to this chapter.

TABLE 7	NOMINATION, GOVERNANCE AND COMPENSATION COMMITTEE MEMBERSHIP AND ATTENDANCE IN FY2022		
COMMITTEE MEMBERS	POSITION	MEETINGS HELD IN THE DIRECTOR'S TENURE	ATTENDANCE AT THE MEETINGS
Mr. Prasad R Menon	Chairman	5	5
Ms. Kalpana Morparia	Member	5	5
Mr. Allan Oberman(1)	Member	5	5
Dr. K P Krishnan(2)	Member	2	2

(1) *Appointed as a member of the Committee with effect from April 1, 2021.*

(2) *Appointed as a member of the Committee with effect from January 20, 2022.*

SCIENCE, TECHNOLOGY AND OPERATIONS COMMITTEE

The Science, Technology and Operations Committee of the Board also entirely comprises of Independent Directors. Its primary functions, *inter alia*, are to:

- Review scientific, medical and technical matters and operations involving the Company's development and discovery programs (generic and proprietary), including major internal projects and business development opportunities.
- Review and monitor management's actions in the creation of valuable intellectual property (IP).
- Review the safety and quality of the Company's operations.
- Review the status of non-infringement patent challenges.

- Review and monitor management's actions and plans in building and nurturing science in the organization in line with the Company's business strategy.
- Review risk disclosure statements in any public documents or disclosures, where applicable.

The Co-Chairman and Managing Director and the Chief Executive Officer (CEO) are permanent invitees to all Committee meetings. The Officials heading IPDO, GMO, quality and biologics are also invited to the meetings. The head of IPDO acts as Secretary of the Committee.

The Committee met four times during the year on: May 13, 2021, July 27, 2021, October 28, 2021 and January 27, 2022.

Table 8 gives the composition and attendance record of the Committee and its report is enclosed as **Exhibit 3** to this chapter.

TABLE 8 SCIENCE, TECHNOLOGY AND OPERATIONS COMMITTEE MEMBERSHIP AND ATTENDANCE IN FY2022

COMMITTEE MEMBERS	POSITION	MEETINGS HELD IN THE DIRECTOR'S TENURE	ATTENDANCE AT THE MEETINGS
Dr. Bruce L A Carter	Chairman	4	4
Mr. Prasad R Menon	Member	4	4
Mr. Allan Oberman	Member	4	4
Mr. Leo Puri	Member	4	4
Ms. Penny Wan*	Member	-	-

**Appointed as a member of the Committee with effect from January 28, 2022.*

RISK MANAGEMENT COMMITTEE

The Risk Management Committee also consists entirely of Independent Directors. Its key functions, *inter alia*, are to:

- Formulate a detailed Risk Management Policy which include:

  (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

  (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

  (c) Business continuity plan.
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- Monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems.
- Periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- Review the appointment, removal and terms of remuneration of the Chief Risk Officer.

The Company has in place an enterprise-wide risk management system. The Risk Management Committee oversees and reviews the risk management framework as well as the assessment of risks, their management and mitigation procedures. The Committee reports its findings and observations to the Board. A section on risk management practices of the Company under the ERM framework forms a part of the chapter on *Management Discussion and Analysis* in this Annual Report.

The Chairman, CEO, CIA and the CCO are permanent invitees to all Risk Management Committee meetings. The CFO officiates as the Secretary of the Committee. The Committee met thrice during the year on: May 13, 2021, October 28, 2021 and January 27, 2022.

Table 9 gives the composition and attendance record of the Committee and its report is enclosed as **Exhibit 4** to this chapter.

TABLE 9 RISK MANAGEMENT COMMITTEE MEMBERSHIP AND ATTENDANCE IN FY2022

COMMITTEE MEMBERS	POSITION	MEETINGS HELD IN THE DIRECTOR'S TENURE	ATTENDANCE AT THE MEETINGS
Ms. Shikha Sharma	Chairperson	3	3
Dr. Bruce L A Carter	Member	3	3
Mr. Sridar Iyengar	Member	3	3
Mr. Leo Puri	Member	3	3
Ms. Penny Wan*	Member	-	-

**Appointed as a member of the Committee with effect from January 28, 2022*

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is empowered to perform the functions of the Board relating to the handling of queries and grievances of security holders. It primarily focuses on:

- Review of investor complaints and their redressal.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of work done by the share transfer agent including adherence to the service standards.
- Review of corporate actions related to security holders.
- Review investor engagement plans/initiatives and movement in shareholdings and ownership structure.
- Review initiatives for reduction of quantum of unclaimed dividends and ensure timely receipt of dividend/ Annual Report/statutory notices by the shareholders.

The Committee also advises the Company on various shareholders' related matters. The Committee consists of three Directors, including two Executive Directors. The Chairperson of the Committee is an Independent Director.

The Company Secretary officiates as the Secretary of the Committee and is also designated as the Compliance Officer in terms of Listing Regulations and as a Nodal Officer under IEPF Rules. An analysis of investor queries and complaints received and responded/addressed during the year is given in the chapter on Additional Shareholders' Information.

The Committee met four times during the year on: May 13, 2021, July 26, 2021, October 28, 2021 and January 27, 2022. **Table 10** gives the composition and attendance record of the Committee and its report is enclosed as **Exhibit 5** to this chapter.

TABLE 10 STAKEHOLDERS RELATIONSHIP COMMITTEE MEMBERSHIP AND ATTENDANCE IN FY2022

COMMITTEE MEMBERS	POSITION	MEETINGS HELD IN THE DIRECTOR'S TENURE	ATTENDANCE AT THE MEETINGS
Ms. Kalpana Morparia	Chairperson	4	4
Mr. G V Prasad	Member	4	4
Mr. K Satish Reddy	Member	4	4

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Committee consists of three Directors, including two Executive Directors.

The Chairman of the Committee is an Independent Director. The CSR Committee's primary functions are to:

- Formulate, review and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the initiatives as per the CSR Policy.
- Provide guidance on various CSR initiatives undertaken by the Company and monitor implementation and adherence to the CSR programs and Policy of the Company from time to time.
- Recommend to the Board an annual CSR action plan delineating the CSR projects or programs to be undertaken during the financial year.
- Appoint an independent agency/ firm to carry out impact assessment study, if any.

The CSR Committee met three times during the year on: May 13, 2021, October 28, 2021 and January 27, 2022. The head of CSR officiates as the Secretary of the Committee. During the year, the Board, on recommendation of the CSR Committee, approved revisions to the CSR Policy to align the policy with the revised provisions of the Act, in this regard. **Table 11** gives the composition and attendance record of the Committee and its report is enclosed as **Exhibit 6** to this chapter.

TABLE 11 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE MEMBERSHIP AND ATTENDANCE IN FY2022

COMMITTEE MEMBERS	POSITION	MEETINGS HELD IN THE DIRECTOR'S TENURE	ATTENDANCE AT THE MEETINGS
Mr. Prasad R Menon	Chairman	3	3
Mr. K Satish Reddy	Member	3	3
Mr. G V Prasad	Member	3	3

BANKING AND AUTHORIZATIONS COMMITTEE

The Banking and Authorizations Committee authorizes Executive Directors and selected officers of the Company to deal with day-to-day business operations such as banking, treasury, insurance, excise, customs, administration and dealing with other government/non-government authorities. It consists of two Executive Directors and met eight times during the year on: April 12, 2021, May 14, 2021, July 27, 2021, October 29, 2021, November 22, 2021, December 16, 2021, January 28, 2022 and March 17, 2022. The Company Secretary officiates as the Secretary of the Committee.

OTHER BOARD MATTERS

CAPITAL EXPENDITURES (CAPEX)

The Board approves the annual capex budget in line with the Company's long-term strategy. An internal management

Committee approves all capex investments within the annual capex budget approved by the Board. An update on key capex approvals (and their relevant details) granted by the internal management Committee is provided to the Board.

COMPLIANCE REVIEWS

We have a Chief Compliance Officer (CCO) and a full-fledged compliance team to oversee compliance activities. The Company's compliance status is periodically updated to the senior management team and presentations are given in the quarterly Audit Committee and Risk Management Committee meetings. When pertinent, these are also shared with all Board members.

COBE AND VIGIL MECHANISM

We have adopted a Code of Business Conduct and Ethics ("COBE or the "Code"), which applies to all Directors and employees of the Company, its subsidiaries and affiliates. It is the responsibility of all Directors and employees to familiarize themselves with this Code and comply with its standards. The Directors and the employees across the Company annually affirm compliance with the code. A declaration of the CEO of the Company to this effect is enclosed as **Exhibit 7** to this chapter.

The Company has an Ombudsperson Policy (whistle-blower or vigil mechanism) to report concerns on actual or suspected violations of the code. The Audit Committee Chairperson is the Chief Ombudsperson. Concerns raised to the Company and their resolution are reported through the Chief Ombudsperson to the Audit Committee and where applicable, to the Board. During FY2022, no person has been denied access to the Audit Committee on ombudsperson issues.

The COBE and Ombudsperson Policy are available on the Company's website: *https://www.drreddys.com/investors/governance/code-of-businessconduct-and-ethics-cobe/#governance*

RELATED PARTY TRANSACTIONS

We have adequate procedures to identify and monitor related party transactions. All transactions with related parties are placed before the Audit Committee and the Board for review and approval, as appropriate. Transactions entered into with related parties during the financial year were on arm's length pricing basis and generally in the ordinary course of business. The details of related party transactions are discussed in note 2.24 to the standalone financial statements. The Company's Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions (the "RPT Policy") is available on the Company's website: *https://www.drreddys.com/cms/cms/sites/default/files/2022-04/policy_on_materiality_of_rpt_and_on_dealing_with_rpt.pdf*.

During the year, the Board, on recommendation of the Audit Committee, approved changes to the RPT Policy in line with the amended Listing Regulations. Interested Directors do not participate in discussion and voting on such related party transactions. Furthermore, the transactions with Directors/their relatives/entities, outside our group in which they are interested, are reviewed by an independent chartered accountant.

SUBSIDIARY COMPANIES

The Audit Committee reviews the financial statements of the Company's subsidiaries. It also reviews the investments made by such subsidiaries and associates, the statement of all significant transactions and arrangements entered into by subsidiaries and the compliances of each materially significant subsidiary on a periodic basis.

The Audit Committee also reviews the utilization of loans/advances/investments given by the Company to its subsidiaries. The minutes of Board meetings of the subsidiary companies and associates are placed before the Board for review on a quarterly basis.

The Company has also established a Group Governance Policy for monitoring the governance of its subsidiaries.

In terms of Regulation 16(1)(c) of the Listing Regulations, the Company has four material overseas subsidiary companies as on March 31, 2022, namely, Dr. Reddy's Laboratories Inc. (USA), Dr. Reddy's Laboratories SA (Switzerland), Dr. Reddy's Laboratories LLC (Russia) and Reddy Holding GmbH (Germany).

Further, in terms of Regulation 24(1) of the Listing Regulations, Dr. Bruce L A Carter, Independent Director of the Company, is a Director on the Board of Dr. Reddy's Laboratories Inc. (USA). Mr. Sridar Iyengar, Independent Director of the Company, is a Director on the Board of Dr. Reddy's Laboratories SA (Switzerland).

The Company's Policy for Determining Material Subsidiaries is available on the Company's website: *https://www.drreddys.com/investor/governance/#governance#policies-and-documents*.

DISCLOSURE ON ACCOUNTING TREATMENT

In the preparation of financial statements for FY2022, there is no treatment of any transaction which is different from that prescribed in the Indian Accounting Standards notified by the Government of India under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended, the guidelines issued by SEBI and other accounting principles generally accepted in India.

MANAGEMENT

Our management develops and implements policies, procedures and practices that attempt to translate the Company's core purpose and mission into reality. It also identifies, measures, monitors and minimizes risks in the business and ensures safe, sound and efficient operations. These risks are internally supervised and monitored through the Company's Management Council (MC).

MANAGEMENT COUNCIL (MC)

Our MC consists of senior management from the business and corporate functions. Initial pages of the Annual Report gives details of the members of the MC. Apart from monthly meetings, the MC meets once a quarter for two-day sessions. Background notes for the monthly and quarterly meetings are circulated in advance. Listed below are some of the key issues that were considered by the MC during the year under review:

- The Company's long-term strategy, growth initiatives and priorities.

- Overall Company performance, including performance of various business units.
- Decision on major corporate policies.
- Discussion and sign-off on annual plans, budgets, investments and other major initiatives.
- Discussion on business alliances proposals and organizational design.

MANAGEMENT DISCUSSION AND ANALYSIS

The chapter on *Management Discussion and Analysis* forms a part of this Annual Report.

MANAGEMENT DISCLOSURES

Senior management of the Company (at the internal role band of 'Yellow and above', as well as certain identified key employees) make disclosures, on an annual basis, to the Board on all material, financial and commercial transactions in which they may have personal interest, if any, and which may have a potential conflict with the interest of the Company. Transactions with Key Managerial Personnel are listed in the financial section of this Annual Report under related party transactions.

PROHIBITION OF INSIDER TRADING

The Company has a Code to Regulate, Monitor and Report Trading by Designated Persons (the "Code") for prohibiting insider trading in conformity with the applicable regulations of the SEBI in India and the Securities and Exchange Commission (SEC) of the USA. Necessary procedures have been laid down for Directors, officers, designated persons and their immediate relatives for trading in the securities of the Company. These are periodically communicated to such employees who are considered as insiders of the Company. Apart from this, regular insider trading awareness sessions are conducted for the benefit of designated persons. Trading window closure/ blackouts/ quiet periods, when the Directors and designated persons are not permitted to trade in the securities of the Company, are intimated in advance to all concerned. Violations of the Code, if any, are appropriately acted on and reported to the Audit Committee and Stock Exchange(s). The Company also maintains a structured digital database, as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "SEBI PIT Regulations"). During the year, the Company amended the Code in line with the requirements of the SEBI PIT Regulations.

INTERNAL CONTROL SYSTEMS AND STATUTORY AUDITS

We have both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Board periodically reviews the findings and recommendations of the statutory and internal auditors and suggests corrective actions, whenever necessary.

INTERNAL CONTROLS

We maintain a system of internal controls designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Organization's strategic objective;
- Effectiveness and efficiency of operations;
- Adequacy of safeguards for assets;
- Reliability of financial and non-financial reporting; and
- Compliance with applicable laws and regulations.

The integrity and reliability of our internal control systems are achieved through clear policies and procedures, process automation, training and development of employees and an organization structure that segregates responsibilities.

Our internal audit team is an independent assurance and advisory function, responsible for evaluating and improving the effectiveness of risk management, control and governance processes. The internal audit team helps to enhance and protect organizational value by providing risk-based objective assurance, advice and insight. The internal audit team prepares annual audit plans based on risk assessment and conducts extensive reviews covering financial, operational and compliance controls. Areas requiring specialized knowledge are reviewed in partnership with external experts or by recruiting resources with specialized skills. Suggested improvements in processes are identified during reviews and communicated to the management on an ongoing basis.

The Audit Committee of the Board monitors the performance of the internal audit team on a periodic basis through review of audit plans, audit findings and speed of issue resolution through follow ups. Each year, there are at least four meetings in which the Audit Committee reviews internal audit findings. During the year, the Audit Committee Chairman also met the Chief Internal Auditor without the presence of management.

CEO AND CFO CERTIFICATION

A certificate of the CEO as well as the CFO of the Company on financial statements and applicable internal controls as stipulated under Regulation 17(8) of the Listing Regulations is enclosed as **Exhibit 8** to this chapter.

STATUTORY AND INDEPENDENT AUDITORS

For FY 2022 M/s. S.R. Batliboi & Associates LLP, chartered accountants (firm registration no. 101049W/ E300004), the statutory auditors, audited the financial statements prepared in accordance with the Ind AS. During the year, the Company reappointed M/s. Ernst & Young Associates LLP, as an independent registered public accounting firm (independent auditor) to audit the annual consolidated financial statements and for issuing an opinion on the financial statements prepared in accordance with IFRS as issued by the International Accounting Standard Board (IASB) for FY2022.

The statutory and independent auditors render an opinion regarding the fair presentation in the financial statements of the Company's financial condition and operating results. Their audits are conducted in accordance with generally accepted auditing standards and include a review of the internal controls, to the extent necessary, to determine the audit procedures required to support their opinion.

While auditing the operations of the Company, the external auditors record their observations and findings with the management. These are then discussed by the management and the auditors at/ with the Audit Committee meetings

– both face-to-face and via conference calls. Remedial measures suggested by the auditors and the Audit Committee have been either implemented or taken up for implementation by management.

The statutory and independent auditors provide a confirmation of their independence every financial year. They confirm that the engagement team, involved in the audit of the Company and its group including network firms have complied with relevant ethical requirements regarding independence.

They also confirm that on the basis of procedures implemented within their practice, they have not identified any situation or risk likely to affect their independence as Company's auditors for the financial year within the terms of the rules of conduct applicable in India.

AUDITORS ' FEES

During FY 2022, the Company and its subsidiaries, on a consolidated basis paid the fees mentioned in **Table 12** to M/s. S.R. Batliboi & Associates LLP, chartered accountants, the statutory auditors; and to M/s. Ernst & Young Associates LLP, the independent auditors and other entities within their network.

(Amount in ₹ millions)

TABLE 12 AUDITORS' FEES

TYPE OF SERVICE	FY2022	FY2021
Audit fees	80.36	84.4
Tax fees	18.61	20.2
All other fees	0.08	7.0
Total	**99.05**	**111.6**

AGREEMENTS WITH MEDIA

The Company has not entered into any agreement with any media Company and/or its associates.

SHAREHOLDERS

MEANS OF COMMUNICATION

1. **Quarterly and annual results:** Quarterly and annual results of the Company are published in widely circulated national newspapers such as the Business Standard and the local vernacular daily, Andhra Prabha. These are also disseminated internationally through Business Wire and made available on the Company's website: *www.drreddys.com*. The financial results have been sent, if asked for, to the registered e-mail IDs of members.

2. **News releases, presentations, etc.:** The Company has established systems and procedures to disseminate relevant information to its stakeholders, including members, analysts, business partners, customers, employees and the society at large. It also conducts earning calls with analysts and investors. Details of communications made during the year are produced in **Table 13**.

TABLE 13 DETAILS OF COMMUNICATION MADE DURING FY2022

MEANS OF COMMUNICATION	NUMBER
Press releases/ Intimations/ Other Disclosures	79
Earnings calls	4
Publication of results	4

3. **Website:** The primary source of information regarding the Company's operations is the Company's website: *www.drreddys.com*, where all official news releases and presentations made to institutional investors and analysts are posted. It contains a separate dedicated investors section, as required under Regulation 46(2) of the Listing Regulations, where the information for members is available. Webcast of the proceedings of the AGM is also made available on the Company's website.

4. **Annual Report:** The Company's Annual Report containing, *inter alia*, the Board's Report, Additional Shareholders Information, the Corporate Governance Report, the Business Responsibility and Sustainability Report, Management's Discussion and Analysis (MD&A), audited standalone and consolidated financial statements, auditors' report and other important information are circulated to members and others so entitled. The Annual Report is also available on the Company's website in a user-friendly and downloadable form.

5. **Chairman's speech:** The speech given at the AGM is made available on the Company's website: *www.drreddys.com*.

6. **Reminder to investors:** Reminders to collect unclaimed dividend on shares are sent to the relevant shareholders.

7. **Compliances with Stock Exchanges:** National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) maintain separate online portals for electronic submission of information by listed companies. Various communications such as notices, press releases and the regular quarterly, half-yearly and annual compliances and disclosures are filed electronically on these portals. In addition, such disclosures and communications are also uploaded on NYSE portal and sent to, NSE IFSC Limited and SEC, as appropriate.

8. **Designated e-mail id:** We have designated an e-mail id exclusively for investor services: *shares@drreddys.com*.

9. **Register to receive electronic communications:** We provide an option to the members to register their e-mail id online through the Company's website to receive electronic communications. Members who wish to receive electronic communications may register at *https://www.drreddys.com/investors/governance/code-of-businessconduct-and-ethics-cobe/#investor-services#shareholder-information*

10. **Disclosures:** We have a Policy on the Determination of Materiality for disclosure of certain events. The policy is available on Company's website at *https://www.drreddys.com/cms/cms/sites/default/files/2022-05/Policy%20on%20Determination%20of%20Materiality%202022.pdf*

ADDITIONAL INFORMATION ON DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

MR. K SATISH REDDY

Mr. K Satish Reddy (age 54 years) (DIN: 00129701) graduated in Chemical Engineering from Osmania University, India, in 1988 and went on to receive an M.S. in Medical Chemistry from Purdue University, USA, in 1990. He joined Dr. Reddy's in 1993 as an Executive Director responsible for manufacturing and new product development. In 1997, he was appointed as Managing Director. In the mid-1990s, as the Company prepared for its global foray, he anchored the establishment of key systems and initiatives that positioned Dr. Reddy's for rapid expansion and helped to build its brand and corporate identity.

Mr. Reddy played an instrumental role in the Company's transition from a bulk drugs manufacturer to a global player in the branded space by spearheading Dr. Reddy's entry into international Emerging Markets, especially Russia. He is focused on translating the Company's strategy into action to drive its growth and performance globally.

Mr. Reddy was reappointed as whole-time Director, designated as Managing Director and Chief Operating Officer for a period of five years commencing on October 1, 2012. After the demise of the Company's founder, Dr. K Anji Reddy, he was re-designated as Vice-Chairman and Managing Director with effect from March 30, 2013 and has been subsequently re-designated as the Chairman of the Company, with effect from May 13, 2014. He was further reappointed as Whole-time Director, designated as Chairman, for a period of five years, effective October 1, 2017.

The Board of Directors approved the reappointment of Mr. K Satish Reddy as a Whole-time Director designated as Chairman of the Company for a further period of five years, commencing from October 1, 2022 to September 30, 2027, liable to retire by rotation. He also retires by rotation at this 38th AGM of the Company and, being eligible, offers himself for the reappointment.

A declaration from Mr. Reddy that he is not disqualified in accordance with Section 164(2) of the Act and a declaration that he is not debarred or restrained from acting as a Director by any SEBI order or by any other such authority has been received. Mr. Reddy has attended all Board meetings held during FY2022.

As on March 31, 2022, Mr. Reddy is also a Director on the Boards of: Greenpark Hotels and Resorts Limited, Stamlo Industries Limited, Dr. Reddy's Holdings Limited, Araku Originals Private Limited, Cipro Estates Private Limited, KAR Therapeutics & Estates Private Limited, Quin Estates Private Limited, Satish Reddy Estates Private Limited, Dr. Reddy's Trust Services Private Limited and Dr. Reddy's Institute of Life Sciences. KAR Holdings (Singapore) Private Limited and KAREUS Therapeutics (Singapore) Private Limited, in Singapore and Company's wholly-owned subsidiaries, Aurigene Discovery Technologies Limited and Dr. Reddy's Bio-Sciences Limited in India; Dr. Reddy's Laboratories Louisiana LLC in USA; Dr. Reddy's New Zealand Limited in New Zealand; Dr. Reddy's Laboratories (UK) Limited in UK, Dr. Reddy's Laboratories Louisiana LLC, USA and Lacock Holdings Limited in Cyprus. He is a member of Corporate Social Responsibility Committee and Stakeholders' Relationship Committee and Chairman of Banking and Authorisations Committee of the Company. Apart from the Committee Chairmanship or membership of Dr. Reddy's, he is not a Chairman or a member of any Committee of any other Company.

He holds 898,432 equity shares in the Company. Except Mr. K Satish Reddy and Mr. G V Prasad and their relatives, none of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposals for reappointment of Mr. K Satish Reddy at the ensuing AGM. Mr. G V Prasad and Mr. K Satish Reddy are brothers-in-law. They are not 'relatives' as defined under Section 2(77) of the Act. Further details are given in Notice of the 38th AGM.

LISTED COMPANY DIRECTORSHIP OF THE BOARD MEMBERS

Table 14 enumerates the Directors who are holding Directorship in listed entities, including Dr. Reddy's, as on March 31, 2022.

TABLE 14 LISTED COMPANY DIRECTORSHIP OF BOARD MEMBERS AS ON MARCH 31, 2022

DIRECTOR	COMPANY	LISTED IN	DESIGNATION HELD
Mr. K Satish Reddy	Dr. Reddy's Laboratories Limited	India	Chairman
Mr. G V Prasad	Dr. Reddy's Laboratories Limited	India	Co-Chairman and Managing Director
Mr. Allan Oberman	Dr. Reddy's Laboratories Limited	India	Independent Director
Dr. Bruce L A Carter	Enanta Pharmaceutical Inc.	USA	Chairman
	Mirati Therapeutics Inc.		Director
	Dr. Reddy's Laboratories Limited	India	Independent Director
	ALSP Orchid Acquisition Corporation	USA	Chairman
Ms. Kalpana Morparia	Philip Morris International Inc.	USA	Director
	Hindustan Unilever Limited	India	Independent Director
	Dr. Reddy's Laboratories Limited		Independent Director
Mr. Leo Puri	Hindustan Unilever Limited	India	Independent Director
	Dr. Reddy's Laboratories Limited		Independent Director
Mr. Prasad Menon	Dr. Reddy's Laboratories Limited	India	Independent Director
	Data Patterns (India) Limited	India	Independent Director
	Chemplast Sanmar Limited	India	Independent Director

TABLE 14	LISTED COMPANY DIRECTORSHIP OF BOARD MEMBERS AS ON MARCH 31, 2022		
DIRECTOR	**COMPANY**	**LISTED IN**	**DESIGNATION HELD**
Ms. Shikha Sharma	Ambuja Cements Limited	India	Independent Director
	Mahindra and Mahindra Limited		Independent Director
	Tech Mahindra Limited		Independent Director
	Tata Consumer Products Limited		Independent Director
	Dr. Reddy's Laboratories Limited		Independent Director
	Piramal Enterprises Limited		Non-Executive Non-Independent Director
Mr. Sridar Iyengar	Mahindra Holidays & Resorts India Limited	India	Independent Director
	Aster DM Healthcare Limited		Independent Director
	Dr. Reddy's Laboratories Limited		Independent Director
Dr. K P Krishnan	Dr. Reddy's Laboratories Limited	India	Independent Director
	Tata Consumer Products Limited		Independent Director
Ms. Penny Wan	Dr. Reddy's Laboratories Limited	India	Independent Director

COMPLIANCE REPORT ON THE NYSE CORPORATE GOVERNANCE GUIDELINES

Pursuant to Section 303A.11 of the NYSE Listed Company Manual, a foreign private issuer, as defined by the SEC, must make its US investors aware of significant ways in which its corporate governance practices differ from those required of domestic companies under NYSE listing standards. A detailed analysis of this is available on the Company's website: *www.drreddys.com*.

COMPLIANCE REPORT ON DISCRETIONARY REQUIREMENTS UNDER REGULATION 27(1) OF THE LISTING REGULATIONS

1. **The Board:** Our Chairman is an Executive Director and maintains the Chairman's office at the Company's expenses for the performance of his duties.

2. **Shareholders' rights:** We did not send half-yearly results to the household of each shareholder(s) in FY2022. However, in addition to displaying our quarterly and half-yearly results on our website, *www.drreddys.com* and publishing in widely circulated newspapers, the quarterly financial results are sent, if asked for, to the registered e-mail ids of shareholders.

3. **Audit qualifications:** The auditors have not qualified the financial statements of the Company.

4. **Separate post of Chairman and CEO:** Mr. K Satish Reddy is the Chairman of the Company; Mr. G V Prasad is the Co-Chairman and Managing Director and Mr. Erez Israeli is the CEO.

5. **Reporting of internal audit:** The Chief Internal Auditor regularly updates the Audit Committee on internal audit findings at the Committee's meetings and conference calls.

ADDITIONAL SHAREHOLDERS' INFORMATION

The chapter on *Additional Shareholders' Information* forms a part of this Annual Report.

ANNEXURE A

REMUNERATION POLICY

I. CONTEXT

The purpose of this policy is to set over principles, parameters and governance framework of the remuneration for Directors, KMPs, senior management personnel and employees. This policy will assist the Board to fulfil its responsibility towards attracting, retaining and motivating the Directors, KMPs, senior management personnel and employees through competitive and reasonable remuneration in line with the corporate and individual performance. This document outlines following policies/guidelines:

A. Performance evaluation of Directors

B. Remuneration principles

C. Board diversity

II. DEFINITIONS

"Board" means Board of Directors of the Company.

"Committee" means Nomination, Governance and Compensation Committee of the Company as constituted or reconstituted by the Board, from time o time.

"Company" means Dr. Reddy's Laboratories Limited.

"Director" means Directors of the Company.

"Employee" means any person, including officers who are in the permanent employment of the Company.

"Independent Director" As provided under Listing Regulations and/or under the Act, 'Independent Director' shall mean a non-Executive Director, other than a nominee Director of the Company:

a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

b) (i) who is or was not a Promoter of the Company or its holding, subsidiary or associate Company;

(ii) who is not related to promoters or Directors in the Company, its holding, subsidiary or associate Company;

c) apart from receiving Director's remuneration, has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;

none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or

Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

d) who, neither himself nor any of his relatives —

(i) holds or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial yearin which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year

(iii) in which he is proposed to be appointed, of a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm; holds together with his relatives two per cent or more of the total voting power of the Company; or

(iv) is a Chief Executive or Director, by whatever name called, of any non- profit organization that receives twenty five per cent or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; and

(v) is a material supplier, service provider or customer or a lessor or lessee of the Company.

e) who is not less than 21 years of age.

"Key Managerial Personnel" is as defined under the Companies Act, 2013 and means:-

a) the Chief Executive Officer or the Managing Director or the manager (having ultimate controls over affairs of the Company);

b) the Company Secretary;

c) the Whole-time Director;

d) the Chief Financial Officer; and

e) such other officer as may be prescribed under the applicable statutory provisions/ regulations from time to time.

"Senior Management" means officers/ personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

III. APPLICABILITY

This policy is applicable to the following:

- Directors (Executive and Non-Executive);
- Key Managerial Personnel (KMPs);
- Senior management personnel; and
- Other employees.

IV. EVALUATION OF DIRECTORS

For the purpose of determining remuneration (based on profitability of the Company), the evaluation criteria of the executive and Non-Executive Directors are as outlined below:

1) Executive Directors:

a) Financial metrics covering growth in return on capital employed (RoCE) and profitability; and

b) Non-financial metrics covering aspects such as health, brand building, compliance, quality and sustainability of operations of the organization, as may be agreed upon from time to time with the Company.

2) Non-Executive Directors:

a) Level of engagement, independence of judgment, etc. and their contribution in enhancing the Board's overall effectiveness;

b) The Non-Executive Directors remuneration shall be globally benchmarked with similar organizations; and

c) Participation in the Committees (either as Chairperson or member) and the Board meetings.

V. REMUNERATION OF DIRECTORS, KMPS, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

The Committee shall recommend to the Board for their approval, any remuneration to be paid to the Executive Directors. The Committee will separately review and approve the remuneration to be paid to KMPs and senior management personnel.

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient required to attract, retain and motivate Directors, KMPs and senior management in order to run the Company successfully. There shall be a clear linkage of remuneration to performance and health targets. The remuneration shall be a mix of fixed and variable pay/long-term pay reflecting short and long-term performance objectives appropriate to the working of the Company and its strategic goals.

The key principles for each of the positions are outlined below:

1) Executive Directors – The Executive Directors shall be paid remuneration by way of monthly compensation and profit based commission. The total remuneration to be paid to the Executive Directors shall be within the limits prescribed under the provisions of the Companies Act, 2013 and Rules made thereunder;

2) Non-Executive Directors – The Non-Executive Directors shall receive remuneration by way of

sitting fees and reimbursement of expenses for attending meetings of Board or Committee thereof. In addition, the non- executive and Independent Directors shall also be eligible to receive profit related commission, as may be approved by the shareholders of the Company.

They shall not be entitled to any stock options.

The Chairman of the Company shall propose remuneration to be paid to Non- Executive Directors. The proposal for the remuneration shall be benchmarked with global pharmaceutical companies and the contribution made and time dedicated by each Director;

3) KMPs and senior management personnel – Dr. Reddy's recognizes that those chosen to lead the organization are vital to its ongoing success and growth. Thus, these executives should be offered competitive and reasonable compensation so that Dr. Reddy's can attract, retain and encourage critical talent to meet important organizational goals and strategies. The compensation will be the mix of fixed pay, variable pay, performance based incentive plans or stock options. The executive total compensation program will be flexible to differentiate pay to recognize an individual incumbents' critical skills, contributions and future potential to impact the organization's success;

4) Other employees – The compensation program for employees is designed to help drive performance culture and align employees for the creation of sustainable value through behaviors like execution excellence, innovation and leadership. In line with the organization principles of managing the long-term and meritocracy, there are four principles of pay which have been enumerated – ability to pay, position-linked pay, person-specific pay and performance-linked pay. The Company may periodically review the compensation and benefits at all levels to ensure that the Company remains competitive and is able to attract and retain desirable talent.

The Committee may review the overall compensation approach for employees and on any changes done for the entire organization.

VI. BOARD DIVERSITY

Building a diverse and inclusive workplace is an integral part of Dr. Reddy's culture. These principles are also applied to the composition of our Board.

The Board of Directors shall have the optimum combination of Directors from different areas/fields of expertise and experience like operations, management, quality assurance, finance, sales and marketing, supply chain, research and development, human resources etc., or as may be considered appropriate. The Board shall have at least one member who has accounting or related financial management expertise and at least three members who are financially literate.

At least one member of the Board should be a woman.

VII. CONFIDENTIALITY

The members of the Committee may not disclose, in particular, the information contained in the confidential reports they receive or the contents of confidential discussions. They shall also ensure that any employees appointed to support them likewise comply with this rule.

VIII. REVIEW

This policy will be reviewed at appropriate time, as decided by the Committee. The utility and interpretation of this policy will be at the sole discretion of the Committee.

EXHIBIT 1

REPORT OF THE AUDIT COMMITTEE

To the shareholders of
Dr. Reddy's Laboratories Limited

The Audit Committee of the Board consists of four Directors. Each member is an Independent Director as defined under Indian laws, Listing Regulations and the New York Stock Exchange Corporate Governance Guidelines. The Committee operates under a written charter adopted by the Board of Directors and has been vested with all the powers necessary to effectively discharge its responsibilities.

Dr. Reddy's management has primary responsibility for the financial statements and reporting process, including the systems of internal controls. During FY2022, the Audit Committee met five times. It discussed with the Company's internal auditors, statutory auditors and independent auditors the scope and plans for their respective audits. It also discussed the results of their examination, their evaluation of the Company's internal controls and overall quality of the Company's financial reporting. The Audit Committee provides at each of its meetings an opportunity for internal and external auditors to meet privately with the members of the Committee, without the presence of management.

In fulfilling its oversight responsibilities, the Committee reviewed and discussed the Company's quarterly unaudited and annual audited financial statements with the management. M/s. S.R. Batliboi & Associates LLP, chartered accountants, the Company's statutory auditors for financial statements prepared in accordance with Ind AS and M/s. Ernst & Young Associates LLP, the Company's independent auditors for financial statements prepared in accordance with IFRS, are responsible for expressing their opinion on the conformity of the Company's financial statements with generally accepted accounting principles (GAAP), as applicable.

Relying on the review and discussions with the management and the auditors, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with Indian accounting standards (Ind AS) and the IFRS as issued by the International Accounting Standards Board in all material aspects.

To ensure that the accounts of the Company are properly maintained and that accounting transactions are in accordance with the prevailing laws and regulations, the Committee reviewed the internal controls put in place by the Company. In conducting such reviews, the Committee found no material discrepancy or weakness in the Company's internal control systems.

During the year, the Committee, *inter alia*, also reviewed the following:

a) Non-audit services being provided by the statutory and independent auditors and concluded that such services were not in conflict with their independence;

b) Structure of the internal audit function, internal audit plan and Chief Internal Auditor's remuneration;

c) Related party transactions, as applicable;

d) The financial statements of the subsidiaries including their investments and significant transactions; and

e) Ombudsperson process/complaints and insider trading matters.

The Committee ensures that the Company's Code of Business Conduct and Ethics has a mechanism such that no personnel intending to make a complaint relating to securities and financial reporting shall be denied access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors:

a) That the audited standalone and consolidated financial statements of Dr. Reddy's Laboratories Limited for the year ended March 31, 2022, prepared as per Ind AS be approved by the Board as a true and fair statement of the financial status of the Company; and

a) That the financial statements prepared as per IFRS as issued by International Accounting Standards Board for the year ended March 31, 2022, be approved by the Board and be included in the Company's Annual Report on Form 20-F, to be filed with the US Securities and Exchange Commission.

In addition, the Committee also recommended the appointment of the statutory auditor, secretarial auditor, cost auditor and independent auditor to the Board.

Sridar Iyengar
Chairman, Audit Committee

Place: Hyderabad
Date: May 18, 2022

EXHIBIT 2

REPORT OF THE NOMINATION, GOVERNANCE AND COMPENSATION COMMITTEE

To the shareholders of Dr. Reddy's Laboratories Limited

The Nomination, Governance and Compensation Committee of the Board consists of four Independent Directors as defined under Indian laws, Listing Regulations and the New York Stock Exchange Corporate Governance Guidelines. The Committee operates under a written charter adopted by the Board of Directors and has been vested with all the powers necessary to effectively discharge its responsibilities.

The Committee's primary responsibilities are to:

- Assess the Company's policies and processes in key areas of corporate governance and the impact of related significant regulatory and statutory changes, if any, to ensure that the Company is at the forefront of good corporate governance;
- Periodically examine the structure, composition and functioning of the Board and recommend changes, as necessary, to improve the Board's effectiveness, oversee the evaluation of the Board and formulation of criteria for such evaluation;
- For appointment of a Director on the Board, the Committee evaluates the balance of skills, knowledge and experience and on the basis of such evaluation, identify the suitable candidate and makes the necessary recommendation to the Board.
- Examine major aspects of the Company's organizational design and recommend changes as necessary;
- Formulate policies on the remuneration of Directors, KMPs and other employees and on Board diversity;
- Review and recommend compensation and variable pay for Executive Directors to the Board;
- Review the sexual harassment complaints, outcome of investigations, if any, and awareness initiatives; and
- Establish, in consultation with the management, the compensation program for the Company and recommend it to the Board for approval and in that context:

  a) Establish annual key result areas (KRAs) for the Executive Directors and oversee the status of their achievement;

  b) Review, discuss and provide guidance to the management, on the KRAs for members of the MC, KMPs and their remuneration; and

  c) Review the Company's ESOP schemes and oversee its administration.

As on March 31, 2022, the Company had 867,504 outstanding stock options, which amounts to 0.52% of total equity capital. These options are held by 359 employees of the Company and its subsidiaries under:

a) Dr. Reddy's Employees Stock Options Scheme, 2002 (This Scheme expired on January 28, 2022);

b) Dr. Reddy's Employees ADR Stock Options Scheme, 2007; and

c) Dr. Reddy's Employees Stock Option Scheme, 2018.

350,645 stock options are exercisable at par value i.e. ₹ 5/- per option and 516,859 stock options are exercisable at fair market value.

The Committee met five times during the financial year. In addition to the fulfilment of its normal responsibilities as described above, this year the Committee has given special emphasis to Board renewal, identifying candidates for the Board and modifying Committee composition. It has also worked with management to review the organization design, plan for upgrading and retaining talent at all levels, review succession plans for key positions and support revision of training programs and the performance enablement systems.

It also reviewed the Company's system for hiring, developing and retaining talent and recommended appointment of trustees to the ESOS trust and appointment of Company Secretary to the Board.

Prasad R Menon
Chairman, Nomination, Governance and Compensation Committee

Place: Hyderabad
Date: May 19, 2022

EXHIBIT 3

REPORT OF THE SCIENCE, TECHNOLOGY AND OPERATIONS COMMITTEE

To the shareholders of Dr. Reddy's Laboratories Limited

The Science, Technology and Operations Committee of the Board consists of five Independent Directors as defined under Indian laws, Listing Regulations and the New York Stock Exchange Corporate Governance Guidelines. The Committee operates under a written charter adopted by the Board of Directors and has been vested with all the powers necessary to effectively discharge its responsibilities. The Committee's primary responsibilities are to:

- Review scientific, medical and technical matters and operations involving the Company's development and discovery programs (generic and proprietary), including major internal projects, business development opportunities, interaction with academic and other outside research organizations;
- Assist the Board and the management in the creation of valuable intellectual property (IP);
- Review the status of non-infringement patent challenges;
- Assist the Board and the management in building and nurturing science in the organization to support its business strategy; and
- Review the safety and quality of the Company's operations.

The Committee met four times during the financial year. During the year, the Committee also reviewed global manufacturing, R&D, product pipeline and digital transformation in R&D. It also apprised the Board on key discussions and recommendations made at such meetings.

Dr. Bruce L A Carter
Chairman, Science, Technology and Operations Committee

Place: Hyderabad
Date: May 18, 2022

EXHIBIT 4

REPORT OF THE RISK MANAGEMENT COMMITTEE

To the shareholders of Dr. Reddy's Laboratories Limited

The Risk Management Committee of the Board consists of five Directors. Each member is an Independent Director as defined under Indian laws, Listing Regulations and the New York Stock Exchange Corporate Governance Guidelines. The Committee operates under a written charter adopted by the Board of Directors and has been vested with all the powers necessary to effectively discharge its responsibilities.

The Committee's primary responsibilities are to:

- Discuss with senior management the Company's enterprise-level risks and provide oversight as may be needed;
- Ensure it is apprised of the most significant risks and emerging issues, along with actions that the management is taking and how it is ensuring effective enterprise risk management (ERM); and
- Review risk disclosure statements in any public documents or disclosures.

The Committee met thrice during the financial year *inter alia* to review key initiatives and matters. The Committee also recommended appropriate interventions from time to time. It also apprised the Board on key discussions and recommendations made at such meetings and shared information on enterprise-wide risks.

Shikha Sharma
Chairperson, Risk Management Committee

Place: Hyderabad
Date: May 18, 2022

EXHIBIT 5

REPORT OF THE STAKEHOLDERS' RELATIONSHIP COMMITTEE

To the shareholders of Dr. Reddy's Laboratories Limited

The Stakeholders' Relationship Committee of the Board consists of three Directors, including two Executive Directors. The Chairperson is an Independent Director as defined under Indian laws, Listing Regulations and the New York Stock Exchange Corporate Governance Guidelines. The Committee operates under a written charter adopted by the Board of Directors and has been vested with all the powers necessary to effectively discharge its responsibilities.

The Committee's primary responsibilities are to:

- Review investor complaints and their redressal;
- Review of queries received from investors;
- Review of work done by the share transfer agent including their service standards;
- Review corporate actions related to security holders; and
- Review investor engagement plans/initiatives and movement in shareholdings and ownership structure.

The Committee met four times during the financial year. In addition to the fulfilment of its normal responsibilities as described above, it also reviewed the functioning of the Company's secretarial and investor relations functions. It apprised the Board on key discussions and recommendations made at such Committee meetings.

Kalpana Morparia
Chairperson, Stakeholders' Relationship Committee

Place: Hyderabad
Date: May 18, 2022

EXHIBIT 6

REPORT OF THE CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

To the shareholders of Dr. Reddy's Laboratories Limited

The Corporate Social Responsibility (CSR) Committee of the Board consists of three Directors, including two Executive Directors. The Chairman is an Independent Director as defined under Indian laws, Listing Regulations and the New York Stock Exchange Corporate Governance Guidelines. The Committee operates under a written charter adopted by the Board of Directors and has been vested with all the powers necessary to effectively discharge its responsibilities.

The Committee's primary responsibilities are to:

- Formulate, review and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the initiatives as per the CSR Policy;

- Provide guidance on various CSR initiatives undertaken by the Company and to monitor their progress including their impact; and
- Monitor implementation and adherence to the CSR Policy of the Company from time to time.

During the financial year, the Committee met four times. It also reviewed and apprised the Board on the CSR budget and spent, key discussions and recommendations made at such meetings and shared information on the overall CSR initiatives undertaken by the Company.

Prasad R Menon
Chairman, Corporate Social Responsibility Committee

Place: Hyderabad
Date: May 17, 2022

EXHIBIT 7

CEO'S DECLARATION ON COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

Dr. Reddy's Laboratories Limited has adopted a capital initials ('COBE' and 'the code') which applies to all employees and Directors of the Company, its subsidiaries and affiliates. Under the code, it is the responsibility of all employees and Directors to familiarize themselves with the code and comply with its standards.

I hereby certify that the Board members and senior management personnel of Dr. Reddy's have affirmed compliance with the Code of the Company for the financial year 2021-22.

EREZ ISRAELI
Chief Executive Officer

Place: Hyderabad
Date: May 18, 2022

EXHIBIT 8

CEO AND CFO CERTIFICATE TO THE BOARD PURSUANT TO REGULATION 17(8) OF THE LISTING REGULATIONS

Pursuant to the Regulation 17(8) read with Part B of the Schedule II of the Listing Regulations, We, Erez Israeli, Chief Executive Officer and Parag Agarwal, Chief Financial Officer, of Dr. Reddy's Laboratories Limited to the best of our knowledge and belief, hereby certify that:

A. We have reviewed the financial statements (standalone and consolidated) including the cash flow statement for the financial year ended March 31, 2022 and that these statements:
   i. Do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
   ii. Together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's Code of Business Conduct and Ethics.

C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.

D. We have disclosed, wherever applicable, to the auditors and the Audit Committee:
   i. That there were no deficiencies in the design or operations of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data including any corrective actions;
   ii. That there are no material weaknesses in the internal controls over financial reporting;
   iii. That there are no significant changes in internal control over financial reporting during the year;
   iv. All significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
   v. That there are no instances of significant fraud of which we have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

EREZ ISRAELI
Chief Executive Officer

PARAG AGARWAL
Chief Financial Officer

Place: Hyderabad
Date: May 18, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

The Members of Dr. Reddy's
Laboratories Limited.
8-2-337, Road No. 3, Banjara Hills
Hyderabad – 500 034

1. The Corporate Governance Report prepared by Dr. Reddy's Laboratories Limited (the "Company"), contains details as specified in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") ('Applicable criteria') for the year ended March 31, 2022, as required by the Company for annual submission to the Stock exchange.

MANAGEMENT'S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation

and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
   - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
   - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and Non-Executive Directors has been met throughout the reporting period;
   - iii. Obtained and read the Register of Directors as on March 31, 2022 and verified that at least one Independent Woman Director was on the Board of Directors throughout the year;
   - iv. Obtained and read the minutes of the following Committee meetings/other meetings held from April 01, 2021 to March 31, 2022:
     - (a) Board of Directors;
     - (b) Audit Committee;
     - (c) Annual General Meeting (AGM);
     - (d) Nomination Governance and Compensation Committee;
     - (e) Stakeholders Relationship Committee;
     - (f) Science, Technology and Operation Committee;
     - (g) Corporate Social Responsibility Committee; and
     - (h) Risk Management Committee.
   - v. Obtained necessary declarations from the Directors of the Company.
   - vi. Obtained and read the policy adopted by the Company for related party transactions.
   - vii. Obtained the Schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the Audit Committee meeting wherein such related party transactions have been pre-approved prior by the Audit Committee.
   - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

OPINION

9. Based on the procedures performed by us, as referred in paragraph 7 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 4 above.

OTHER MATTERS AND RESTRICTION ON USE

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number:
101049W/E300004

per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 22213271AJFNYM7296

Place of Signature: Hyderabad
Date: May 19, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Dr. Reddy's Laboratories Limited,
8-2-337, Road No.3, Banjara Hills,
Hyderabad - 500 034, Telangana.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Dr. Reddy's Laboratories Limited having CIN (Corporate Identification Number) L85195TG1984PLC004507 and having registered office at 8-2-337, Road No.3, Banjara Hills, Hyderabad-500034, Telangana (hereinafter referred to as **'the Company'**), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal *www.mca.gov.in)* as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below (in the table) for the financial year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sl. No.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY*
1.	Satish Reddy Kallam	00129701	January 18, 1993
2.	Venkateswara Prasad Gunupati	00057433	April 8, 1986
3.	Bruce Leonard Andrews Carter	02331774	July 21, 2008
4.	Kalpana Jaisingh Morparia	00046081	June 5, 2007
5.	Sridar Arvamudhan Iyengar	00278512	August 22, 2011
6.	Prasad Raghava Menon	00005078	October 30, 2017
7.	Leo Puri	01764813	October 25, 2018
8.	Shikha Sanjaya Sharma	00043265	January 31, 2019
9.	Allan Grant Oberman	08393837	March 26, 2019
10.	Kodumudi Pranatharthiharan Krishnan	01099097	January 7, 2022
11.	Penny Chan Wan	09479493	January 28, 2022

**Date of appointment of all the Directors are original date of appointment as per MCA records*

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R & A Associates

(G Raghu Babu)
Partner
FCS No. 4448; CP NO. 2820
UDIN: F004448D000370990

Place: Hyderabad
Date: May 19, 2022

ADDITIONAL SHAREHOLDERS' INFORMATION

CONTACT INFORMATION

REGISTERED AND CORPORATE OFFICE

Dr. Reddy's Laboratories Limited
8-2-337, Road No. 3, Banjara Hills
Hyderabad 500 034, Telangana, India
Tel: +91-40-4900 2900
Fax: +91-40-4900 2999
Website: *www.drreddys.com*
CIN: L85195TG1984PLC004507
E-mail ID: *shares@drreddys.com*

REPRESENTING OFFICERS

Correspondence to the following officers may be addressed at the registered and corporate office of the Company:

COMPLIANCE OFFICER UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (THE "LISTING REGULATIONS") AND NODAL OFFICER UNDER IEPF

Mr. K Randhir Singh
Company Secretary & Compliance Officer
Tel: +91-40-4900 2900
Fax: +91-40-4900 2999
E-mail ID: *kumarrandhirs@drreddys.com*

The Board appointed Mr. Vivek Mittal, Global General Counsel as the interim Compliance Officer of the Company under the Listing Regulations during the period from November 19, 2021 to March 16, 2022.

ADR INVESTORS/ INSTITUTIONAL INVESTORS/ FINANCIAL ANALYSTS

Mr. Amit Agarwal
Head - Investor Relations
Tel: +91-40-4900 2900
Fax: +91-40-4900 2999
E-mail ID: *amita@drreddys.com*

MEDIA

Ms. Usha Iyer
Country Lead -
Corporate Communications
Tel: +91-40-4900 2900
Fax: +91-40-4900 2999
E-mail ID: *ushaiyer@drreddys.com*

INDIAN RETAIL INVESTORS

Mr. K Randhir Singh
Company Secretary & Compliance Officer
Tel: +91-40-4900 2900
Fax: +91-40-4900 2999
E-mail ID: *shares@drreddys.com*

ANNUAL GENERAL MEETING

Date: Friday, July 29, 2022
Time: 9.00 am (IST)
Mode: Through Video Conference (VC) facility/ Other Audio-Visual Means (OAVM)

Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020 and May 5, 2022, respectively, issued by the Ministry of Corporate Affairs ('MCA') and Securities and Exchange Board of India ('SEBI') Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020 and May 13, 2022, respectively (collectively referred to as 'the Circulars'), companies are permitted to hold the AGM through VC/ OAVM, without the physical presence of the members at a common venue. Shareholders can attend the proceedings of AGM by logging on the NSDL e-voting system at *www.evoting.nsdl.com*.

DIVIDEND

The Board of Directors of the Company has proposed a dividend of ₹ 30/- on equity share of face value of ₹ 5/- each for the year ended March 31, 2022. The dividend, if approved by the members at the 38th AGM Scheduled to be held on July 29, 2022, will be paid on or after August 2, 2022.

BOOK CLOSURE DATES

The dates of book closure are from Wednesday, July 13, 2022, to Friday, July 15, 2022, (both days inclusive) for the purpose of payment of dividend.

E-VOTING DATES

The cut-off date for the purpose of determining the shareholders eligible for e-voting is Friday, July 22, 2022. The e-voting commences on Monday, July 25, 2022, at 9.00 am (IST) and ends on Thursday, July 28, 2022, at 5.00 pm (IST).

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN is a unique identification number of a traded scrip. This number has to be quoted in each transaction relating to the dematerialized securities of the Company. The ISIN of the Company's equity shares is INE089A01023.

CUSIP NUMBER FOR ADRs

The Committee of uniform security identification procedures (CUSIP) of the American Bankers Association has developed a numbering system for securities. A CUSIP number uniquely identifies a security and its issuer and this is recognized globally by organizations adhering to standards issued by the International Securities Organization. The Company's ADRs carry the CUSIP no. **256135203**.

FINANCIAL CALENDAR	
TENTATIVE CALENDAR FOR DECLARATION OF FINANCIAL RESULTS	
For the quarter ending June 30, 2022	Last week of July, 2022
For the quarter and half-year ending September 30, 2022	Last week of October, 2022
For the quarter and nine months ending December 31, 2022	Last week of January, 2023
For the year ending on March 31, 2023	Third week of May, 2023
AGM for the year ending March 31, 2023	Last week of July, 2023

FY2022 represents fiscal year 2021-22, from April 1, 2021, to March 31, 2022 and analogously for FY2021 and other such labelled years.

DESCRIPTION OF VOTING RIGHTS

All securities issued by the Company carry equal voting rights.

DEPOSITORIES

OVERSEAS DEPOSITORY OF ADRs

J.P. Morgan Chase & Co.
P.O. Box 64504, St. Paul
MN 55164-0504, USA
Tel: +1-651-453 2128

INDIAN CUSTODIAN OF ADRs

J.P. Morgan Chase Bank NA
India Sub-Custody, 6th Floor
Paradigm B Wing, Mindspace,
Malad (West), Mumbai 400 064,
Maharashtra, India
Tel: +91-22-6649 2617
Fax: +91-22-6649 2509
E-mail ID: *india.custody.client.service@jpmorgan.com*

REGISTRAR AND TRANSFER AGENT (RTA) FOR EQUITY SHARES

(COMMON AGENCY FOR DEMAT AND PHYSICAL SHARES)

Bigshare Services Private Limited
CIN: U99999MH1994PTC076534
306, Right Wing, 3rd Floor, Amrutha Ville
Opp. Yashoda Hospital, Rajbhavan Road
Hyderabad 500 082, Telangana, India
Tel: +91-40-2337 4967
Fax: +91-40-2337 0295
E-mail ID: *bsshyd@bigshareonline.com*

LISTING ON STOCK EXCHANGES AND STOCK CODES

DETAILS OF STOCK EXCHANGE	STOCK CODE	
	EQUITY SHARES	ADRs
BSE Limited (BSE), P J Towers, Dalal Street, Mumbai 400 001, India	500124	-
National Stock Exchange of India Limited (NSE), Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051, India	DRREDDY-EQ	-
New York Stock Exchange Inc. (NYSE), 11, Wall Street, New York, 10005, USA	-	RDY
NSE IFSC Limited, Unit No.1201, Brigade International Financial Centre, 12th floor, Block-14, Road 1C, Zone-1, Gift SEZ, Gift City, Gandhinagar, Gujarat – 382355, India	-	DRREDDY

Notes:

1. *Listing fees to the Indian Stock Exchanges for listing of equity shares have been paid for the FY2022.*
2. *Listing fees to the NYSE for listing of ADRs have been paid for the CY2021.*
3. *The stock code on Reuters is REDY.NS and on Bloomberg is DRRD:IN.*

PERSONS HOLDING OVER 1% OF THE SHARES

Table 1 gives the names of the persons who hold more than 1% of equity shares of the Company as on March 31, 2022.

TABLE 1 PERSONS HOLDING 1% OR MORE OF THE EQUITY SHARES IN THE COMPANY AS ON MARCH 31, 2022(1)

NAME	NUMBER OF SHARES	%
Dr. Reddy's Holdings Limited(2)	41,325,300	24.83
Life Insurance Corporation of India	8,769,499	5.27
SBI-ETF Sensex	4,245,926	2.55
Aditya Birla SunLife Trustee Private Limited	3,631,279	2.17
First Sentier Investors ICVC-Stewart Investors	3,500,511	2.10
ICICI Prudential Value Discovery Fund	3,224,070	1.92
Government of Singapore	3,004,517	1.81
ICICI Prudential Life Insurance Company Limited	2,743,177	1.64
NPS Trust and their associates	2,488,266	1.48
UTI-Mastershare Unit	1,991,477	1.19
HDFC trustee Company	1,700,213	1.02
Government Pension Fund Global	1,677,349	1.01
Mirae Asset Tax Saver Fund and their associates	1,668,396	1.00

(1) *Does not include the ADR holding*

(2) *Dr. Reddy's Holdings Limited (DRHL), holding 41,325,300 equity shares of ₹5/- each, amalgamated with the Company effective from April 8, 2022, pursuant to the Scheme of Amalgamation and Arrangement approved by Hon'ble National Company Law Tribunal, Hyderabad Bench, vide Order dated April 5, 2022. Pursuant to the Scheme, 41,325,300 equity shares held by DRHL stands cancelled and equal number of equity shares were allotted by the Company on April 22, 2022 to the shareholders of DRHL in proportion to their shareholding in DRHL.*

SECURITY HISTORY OF THE COMPANY

TABLE 2 SECURITY HISTORY OF THE COMPANY SINCE INCORPORATION OF THE COMPANY UP TO MARCH 31, 2022

DATE/ FINANCIAL YEAR	PARTICULARS	ISSUED	CANCELLED/ EXTINGUISHED	CUMULATIVE
February 24, 1984	Issue to promoters	200	-	200
November 22, 1984	Issue to promoters	243,300	-	243.500
June 14, 1986	Issue to promoters	6,500	-	2,50,000
August 09, 1986	Issue to public	1,116,250	-	1,366,250
September 30, 1988	Forfeiture of 100 equity shares	-	100	1,366,150
August 09, 1989	Rights Issue	819,750	-	2,185,900
December 16, 1991	Bonus Issue (1:2)	1,092,950	-	3,278,850
January 17, 1993	Bonus Issue (1:1)	3,278,850	-	6,557,700
May 10, 1994	Bonus Issue (2:1)	13,115,400	-	19,673,100
May 10, 1994	Issue to promoters	2,250,000	-	21,923,100
July 26, 1994	GDRs underlying equity shares	4,301,276	-	26,224,176
September 29, 1995	Standard Equity Fund Limited on Merger	263,062	-	26,487,238
January 30, 2001	Cheminor Drugs Limited shareholders on merger	5,142,942	-	31,630,180
January 30, 2001	Cancellation of shares held in Cheminor Drugs Limited on Merger	-	41,400	31,588,780
April 11, 2001	ADR underlying equity shares	6,612,500	-	38,201,280
July 09, 2001	GDR conversion into ADR	-	-	38,201,280
September 24, 2001	American Remedies Limited shareholders on merger	56,694	-	38,257,974
October 25, 2001	Sub-division of one equity share of ₹10/- into two equity shares of ₹5/- each		-	76,515,948
January 30, 2004	Allotment pursuant to exercise of stock options	3,001	-	76,518,949
2005-2006	Allotment pursuant to exercise of stock options	175,621	-	76,694,570
2006-2007	Allotment pursuant to exercise of stock options	63,232	-	76,757,802
August 30, 2006	Bonus Issue(1:1)	76,757,802	-	153,515,604
November 22, 2006	ADR underlying equity shares	12,500,000	-	166,015,604
November 29, 2006	ADR underlying equity shares (green shoe option)	1,800,000	-	167,815,604
2006-2007	Allotment pursuant to exercise of stock options	96,576	-	167,912,180
2007-2008	Allotment pursuant to exercise of stock options	260,566	-	168,172,746
2008-09	Allotment pursuant to exercise of stock options	296,031	-	168,468,777
2009-10	Allotment pursuant to exercise of stock options	376,608	-	168,845,385
2010-11	Allotment pursuant to exercise of stock options	407,347	-	169,252,732
2011-12	Allotment pursuant to exercise of stock options	307,614	-	169,560,346
2012-13	Allotment pursuant to exercise of stock options	276,129	-	169,836,475
2013-14	Allotment pursuant to exercise of stock options	272,393	-	170,108,868
2014-15	Allotment pursuant to exercise of stock options	272,306	-	170,381,174
2015-16	Allotment pursuant to exercise of stock options	226,479	-	170,607,653
2016-17	Buy-back of equity shares	-	5,077,504	165,530,149
	Allotment pursuant to exercise of stock options	211,564	-	165,741,713
2017-18	Allotment pursuant to exercise of stock options	169,194	-	165,910,907
2018-19	Allotment pursuant to exercise of stock options	155,041	-	166,065,948
2019-20	Allotment pursuant to exercise of stock options	106,134	-	166,172,082
2020-21	Allotment pursuant to exercise of stock options	129,149	-	166,301,231
2021-22	Allotment pursuant to exercise of stock options	124,618	-	166,425,849

STOCK DATA

TABLE 3 GIVES THE MONTHLY HIGH/LOW AND THE TOTAL NUMBER OF SHARES/ADRs TRADED ON A MONTHLY BASIS IN THE BSE, NSE AND THE NYSE DURING FY2022.

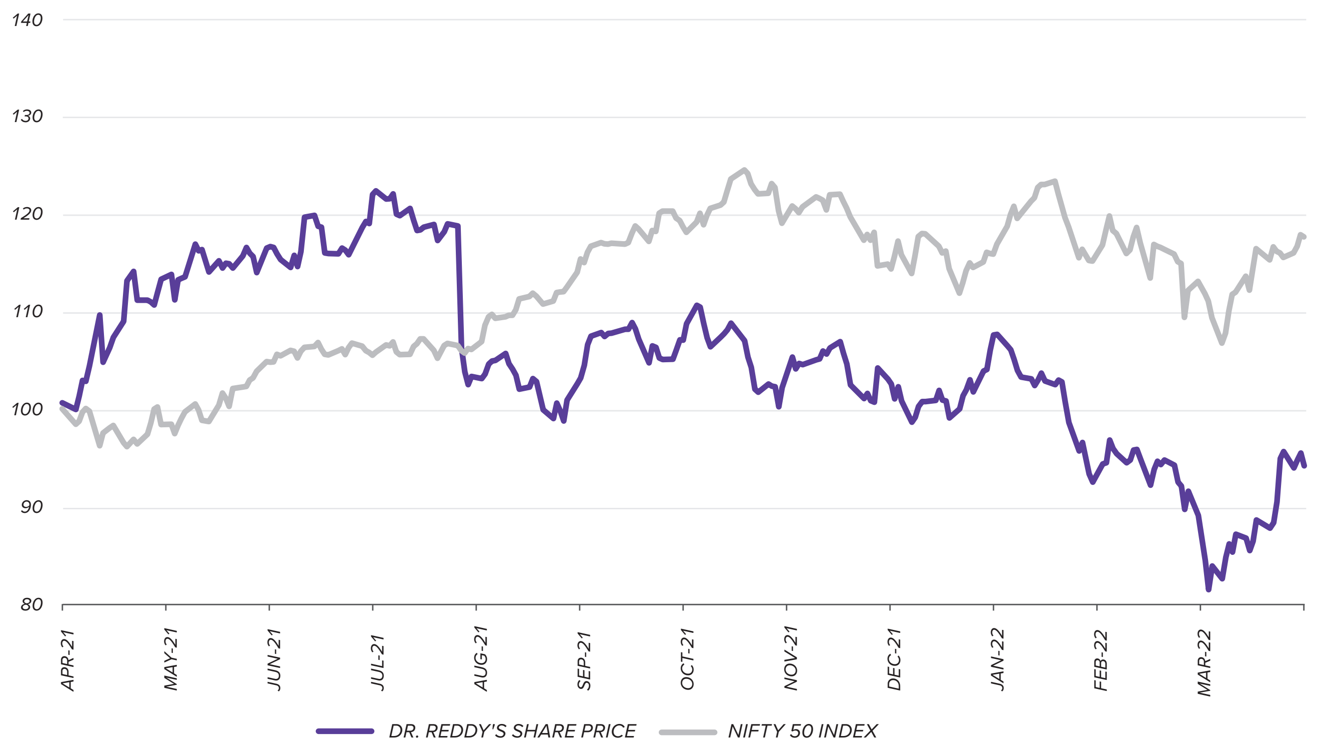
MONTH	BSE			NSE			NYSE		
	HIGH (₹)	LOW (₹)	NO. OF SHARES	HIGH (₹)	LOW (₹)	NO. OF SHARES	HIGH (US$)	LOW (US$)	NO. OF ADRs[1]
Apr-21	5,290.00	4,423.20	15,17,707	5,290.00	4,423.90	3,05,33,698	69.42	61.53	35,85,777
May-21	5,422.00	5,055.75	12,68,068	5,398.40	5,054.35	3,05,33,698	73.14	68.53	26,31,598
Jun-21	5,514.00	5,151.00	10,25,206	5,515.00	5,150.10	1,29,45,185	74.42	70.60	20,59,731
Jul-21	5,613.65	4,659.60	8,81,480	5,614.60	4,660.00	1,78,82,411	75.50	62.43	26,11,844
Aug-21	4,855.85	4,448.00	9,24,040	4,858.85	4,445.70	1,27,28,213	64.78	60.10	26,19,089
Sep-21	4,995.00	4,688.00	9,34,905	4,996.50	4,687.00	95,30,743	67.76	64.28	22,05,965
Oct-21	5,078.80	4,529.25	8,59,256	5,077.00	4,526.05	94,03,599	67.40	60.42	31,13,708
Nov-21	4,898.05	4,551.25	2,48,056	4,901.00	4,551.50	77,23,679	65.50	60.69	25,22,855
Dec-21	4,930.00	4,443.00	2,52,902	4,931.05	4,441.30	76,78,285	65.86	59.03	30,29,127
Jan-22	4,930.00	4,179.35	3,07,699	4,930.30	4,175.45	90,37,534	65.36	54.15	22,34,816
Feb-22	4,600.00	4,050.00	2,45,540	4,436.95	4,049.95	77,72,672	58.98	53.24	30,76,783
Mar-22	4,387.50	3,655.00	5,27,267	4,387.50	3,654.00	1,77,63,166	56.83	47.90	59,66,000

[1] One ADR is equal to one equity share.

There was no trading in the Company's ADRs on NSE IFSC except 20 ADRs which were traded on December 9, 2020.

Chart 1 Movement of the Company's share price on NSE vis-à-vis NIFTY 50 Index during FY2022

CHART 1 MOVEMENT OF THE COMPANY'S SHARE PRICE ON NSE AND NIFTY 50 INDEX

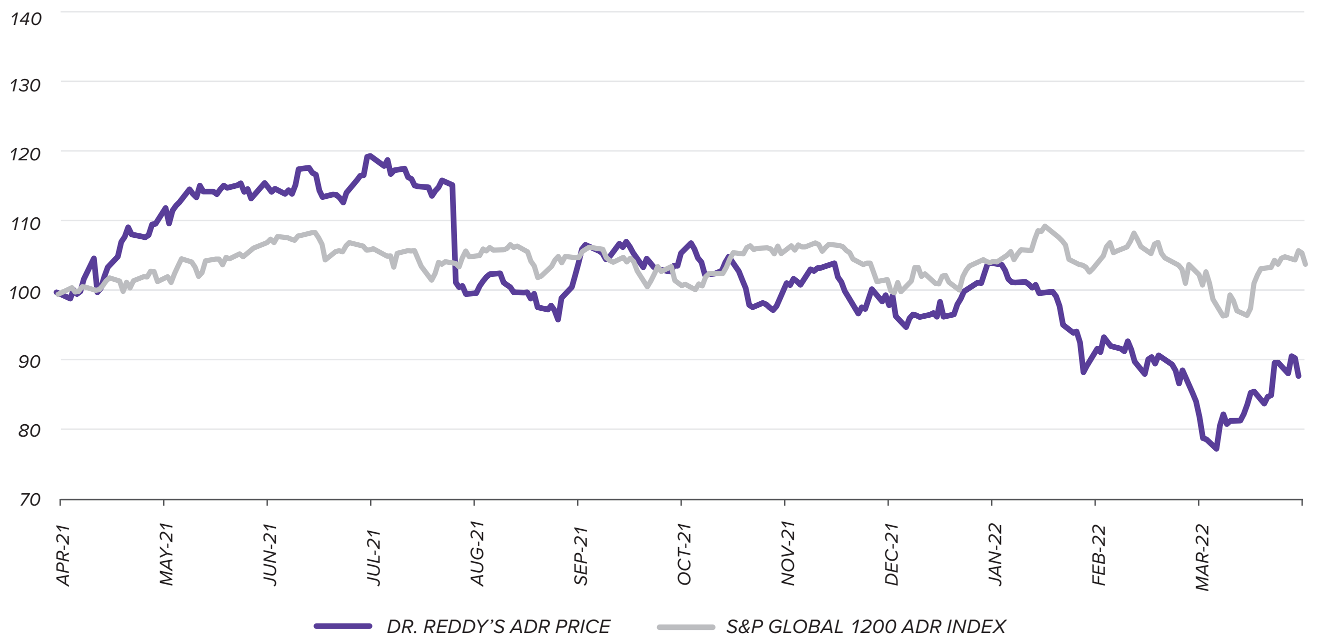


Notes:

1. *All values are indexed to 100 as on April 1, 2021.*
2. *Nifty 50 is a benchmark Indian stock market index that represents the weighted average of 50 of the largest Indian companies listed on the National Stock Exchange.*

Chart 2 Movement of Company's ADR price on NYSE vis-à-vis S&P Global 1200 ADR Index during FY2022

CHART 2 MOVEMENT OF THE COMPANY'S ADR PRICES AND S&P GLOBAL 1200 ADR INDEX

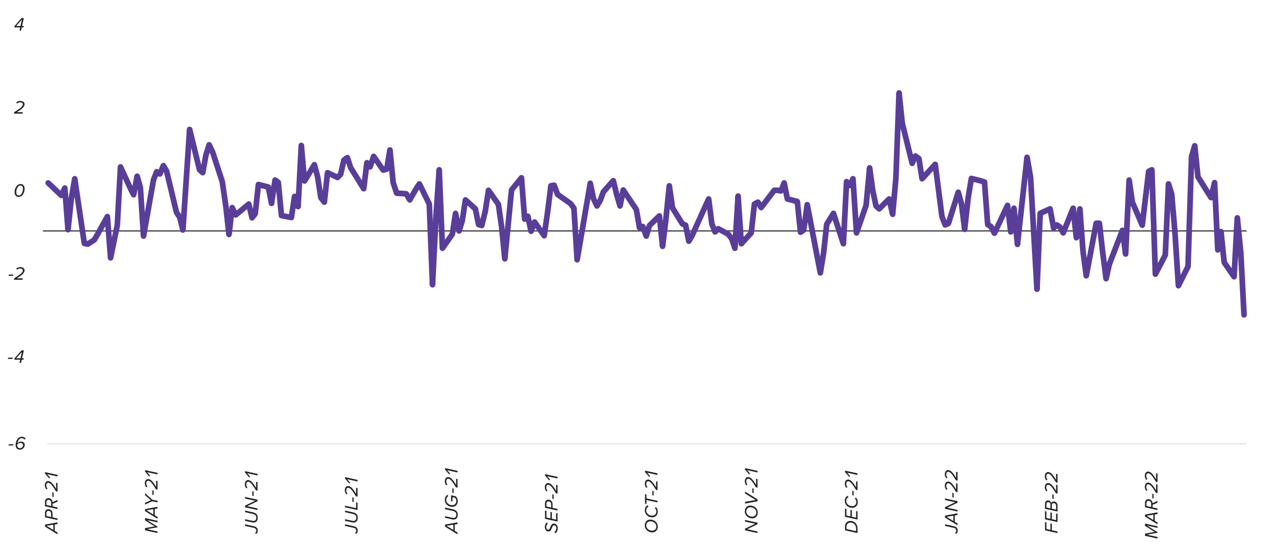


Notes:

1. *All values are indexed to 100 as on April 1, 2021.*
2. *The S&P Global 1200 ADR Index is based on the non-US stocks comprising the S&P Global 1200 traded in the US exchanges. For details of the methodology used to compute this index please visit www.adr.com and www.spglobal.com.*

Chart 3 Premium in percent on Company's ADR traded on NYSE compared to the share price on NSE during FY2022.

CHART 3 PREMIUM IN PERCENT ON COMPANY'S ADR TRADED ON NYSE AND SHARE PRICE ON NSE



Note: Premium has been calculated on a daily basis using RBI reference exchange rate.

TABLE 4 DISTRIBUTION OF SHAREHOLDING

CATEGORY	AS ON MARCH 31, 2022 NO. OF SHARES	AS ON MARCH 31, 2022 % OF TOTAL	AS ON MARCH 31, 2021 NO. OF SHARES	AS ON MARCH 31, 2021 % OF TOTAL	% CHANGE
Promoters' Holding(1)					
- Individuals	3,135,828	1.88	3,135,828	1.89	-
- Companies(2)	41,325,300	24.83	41,325,300	24.85	(0.02)
Sub-total (A)	**44,461,128**	**26.72**	**44,461,128**	**26.74**	**(0.02)**
Indian financial institutions (3)	17,023,058	10.23	1,442,868	0.87	9.36
Banks	191,924	0.12	112,089	0.07	0.05
Mutual funds/UTI	23,494,448	14.12	22,138,337	13.31	0.81
Foreign holdings					
- Foreign institutional investors/foreign portfolio investors	41,872,636	25.16	48,276,060	29.03	(3.87)
- Non-resident Indians	1,650,025	0.99	1,666,509	1.00	(0.01)
- ADRs	18,681,846	11.23	20,299,272	12.21	(0.98)
- Foreign nationals	1,459	0.00	1,459	0.00	-
Sub-total (B)	**10,29,15,396**	**61.84**	**93,936,594**	**56.49**	**(5.36)**
Indian public and corporates and others (C) (4)	**1,90,49,325**	**11.45**	**27,903,509**	**16.78**	**(5.33)**
Total (A+B+C)	**16,64,25,849**	**100.00**	**166,301,231**	**100.00**	**0.03**

(1) Change in percentage and number of shares are due to ESOP allotment

(2) Dr. Reddy's Holdings Limited (DRHL), holding 41,325,300 equity shares of ₹5/- each, amalgamated with the Company effective from April 8, 2022, pursuant to the Scheme of Amalgamation and Arrangement approved by Hon'ble National Company Law Tribunal , Hyderabad Bench, vide Order dated April 5, 2022. Pursuant to the Scheme, 41,325,300 equity shares held by DRHL stands cancelled and equal number of equity shares were allotted by the Company on April 22, 2022 to the shareholders of DRHL in proportion to their shareholding in DRHL.

3) Including Insurance Companies for March 31, 2022.

(4) Others include Unclaimed Suspense Account, IEPF Authority and ESOS Trust.

TABLE 5 DISTRIBUTION OF EQUITY SHAREHOLDING ACCORDING TO OWNERSHIP AS ON MARCH 31, 2022

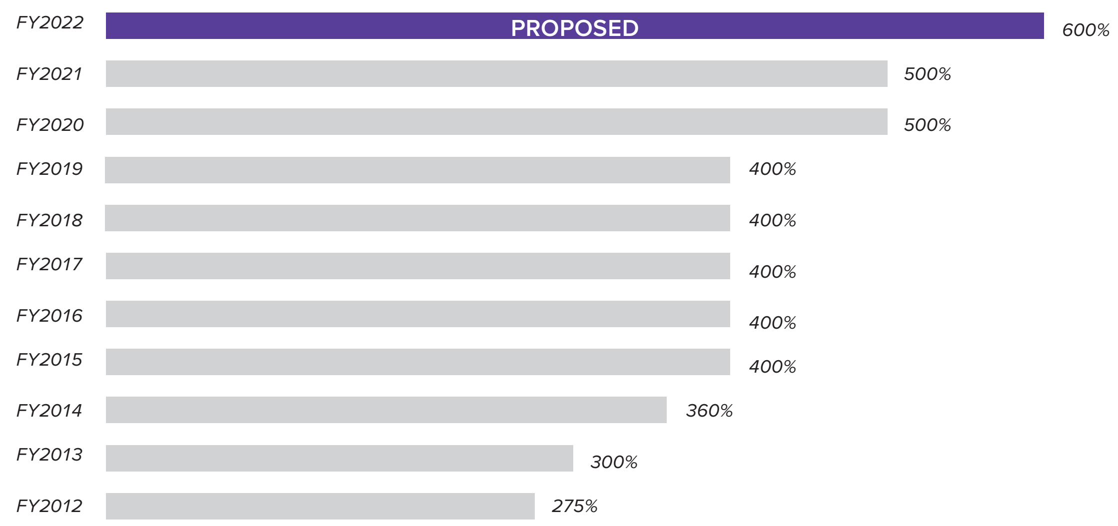
SHARES HELD	NUMBER OF SHAREHOLDERS	% OF SHAREHOLDERS	NUMBER OF SHARES HELD	% OF SHAREHOLDING
1 – 5,000	2,70,012	99.60	12,685,127	7.62
5,001 – 10,000	407	0.15	2,831,969	1.70
10,001 – 20,000	258	0.10	3,595,266	2.16
20,001 – 30,000	80	0.03	1,964,287	1.18
30,001 – 40,000	48	0.02	1,662,366	1.00
40,001 – 50,000	34	0.01	1,530,233	0.92
50,001 – 100,000	96	0.04	6,850,207	4.12
100,001 & above	156	0.06	116,624,548	70.08
Total (excluding ADRs)	**2,71,091**	**100**	**14,77,44,003**	**88.78**
Equity shares underlying ADRs(1)	1	0.00	18,681,846	11.23
Total	**2,71,092**	**100**	**16,64,25,849**	**100**

(1) Held by Beneficial Owners outside India

DIVIDEND HISTORY

Chart 4 shows the dividend history of the Company from the FY2012 to FY2022.

CHART 4 DIVIDEND HISTORY FY2012-22 (%) (%)



NOMINATION FACILITY

In view of the SEBI Circular dated November 3, 2021, as amended, members holding shares in physical form are requested to submit their Nomination details by sending a duly filled and signed Form SH-13 and Form SH-14 to the RTA. Further, Form ISR-3 shall be submitted by the members for opting out/ cancellation of Nomination. Table 7 gives the details of forms which are available on the Company's website: *www.drreddys.com*

EXCHANGE OF SHARE CERTIFICATES

Standard Equity Fund Limited (SEFL), Cheminor Drugs Limited (CDL) and American Remedies Limited (ARL) merged with Dr. Reddy's Laboratories Limited in the years 1995, 2000 and 2001, respectively. Also, during the year 2001, the Company sub-divided the face value of its equity shares of ₹ 10/- into ₹ 5/-. Hence, the share certificates of the above three companies and old share certificates of ₹ 10/- face value are no longer valid.

Shareholders who are still holding the share certificates of the above three companies or of ₹ 10/- face value, are requested to submit those share certificates along with their demat account details, including client master list, either to the Company or to the RTA. On receipt and verification of these share certificate(s), the shares will get respective credited to the demat account of the shareholders.

SIMPLIFIED NORMS FOR PROCESSING INVESTOR SERVICE REQUEST

Pursuant to the Regulation 40 of the Listing Regulations, as amended, the transfer, transmission and transposition of securities of listed companies held in physical form, shall be effected only in demat mode. Further, SEBI vide its Circular dated January 25, 2022, has clarified that listed companies shall henceforth issue the securities in dematerialized form only, while processing the service requests like issue of duplicate share certificate, claim from unclaimed suspense account, renewal/ exchange of share certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. It was further clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service request.

In view of the above and also to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to demat mode and to furnish PAN, KYC and Nomination/ Opt out of Nomination, by submitting the prescribed forms by their registered email id to RTA at *bsshyd@bigshareonline.com* or by sending physical copy of the same to M/s. Bigshare Services Private Limited, 306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Rajbhavan Road, Hyderabad 500 082.

Table 7 gives the details of forms which are also available on our website: *https://www.drreddys.com/investors/governance/code-of-businessconduct-and-ethics-cobe/#investor-services#investor-handbook*

Pursuant to the provisions of Section 46 of the Companies Act, 2013 ("the Act"), read with Rule 6(2)(a) of the Companies (Share Capital and Debentures) Rules, 2014, duplicate share certificates, in lieu of those that are lost or destroyed, should only be issued with the prior consent of the Board. Therefore, based on Circular no. 19/2014 dated June 12, 2014, issued by the Ministry of Corporate Affairs and consequent to delegation of power of issuing duplicate share certificates (Letter of Confirmation) by the Board of Directors to the Stakeholders' Relationship Committee, the Committee attends to such requests at regular intervals.

We periodically review the operations of our RTA. The number of shares transferred/ transmitted in physical form during the last two financial years are given in **Table 6**.

TABLE 6 SHARES TRANSFERRED/TRANSMITTED IN PHYSICAL FORM		
SHARES TRANSFERRED/TRANSMITTED IN PHYSICAL FORM	FY2022	FY2021
Number of transfers*/transmissions	5	6
Number of shares	3,818	2,100

**Transfers processed during FY2022 were all lodged on or before March 31, 2021.*

DEMATERIALIZATION OF SHARES

The Company's shares can be held in demat mode through both the depositories in India: The National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

SEBI vide Circular dated November 3, 2021, as amended, has made it mandatory for the holders of physical securities to furnish PAN, KYC details and details of nomination by March 31, 2023.. Folios wherein any of the above document(s)/details are not furnished on or before the said date, shall be frozen by the RTA. As per the above-mentioned Circular, the frozen folios shall be referred by the RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, after December 31, 2025.

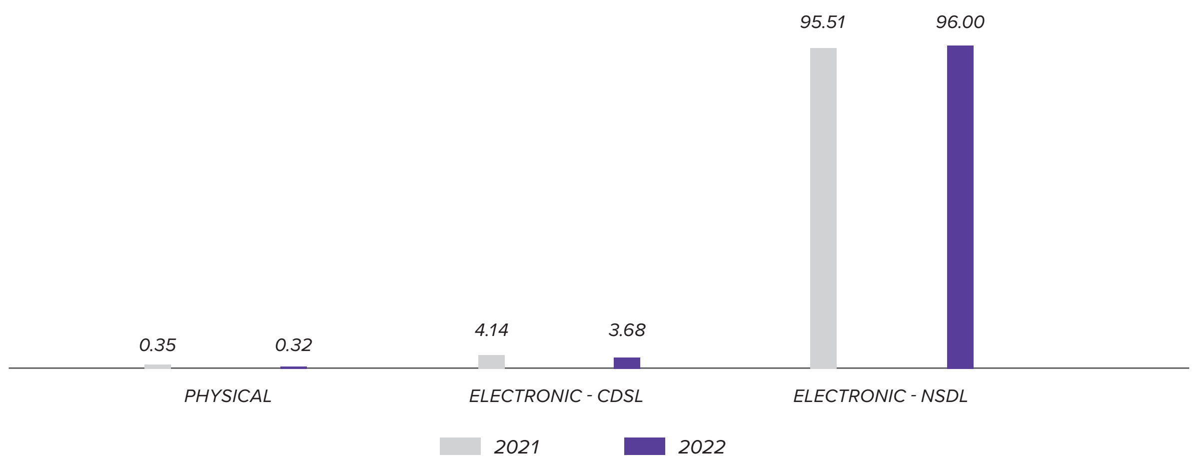
Further, the physical shareholders are requested to ensure that their PAN is linked to Aadhaar, if not already done, to avoid freezing of folio. **Table 7** gives the details of forms which are also available on Company's website: *www.drreddys.com*.

TABLE 7 DETAILS OF FORMS		
SL. NO.	PARTICULARS	FORM DETAILS
1	Request for registering PAN, KYC details or changes/updation thereof	ISR-1
2	Confirmation of signature of shareholder by the Banker (in case of major mismatch in the signature of the shareholder)	ISR-2
3	Nomination Form	SH-13
4	Cancellation or Variation of Nomination	SH-14
5	Declaration form for opting out/ cancellation of Nomination	ISR-3

Members holding shares in electronic form are requested to verify and update any change/ updation in their KYC details/ Bank mandate(s) or details of nomination immediately to their respective Depository Participants (NSDL or CDSL) with whom they are maintaining their demat accounts.

Chart 5 gives the breakup of dematerialized shares and shares held in physical form as on March 31, 2022, compared with March 31, 2021. Dematerialization of shares is done through RTA and the dematerialization process is generally completed within 10 days from the date of receipt of a valid dematerialization request along with the relevant documents.

CHART 5 BREAK UP OF SHARES IN ELECTRONIC AND PHYSICAL FORM AS ON MARCH 31, 2022 AND MARCH 31, 2021 (%)



SECRETARIAL AUDIT

Pursuant to Section 204 of the Act and corresponding Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a Secretarial Audit for FY2022 was carried out by M/s. Makarand M. Joshi & Co. (MMJC), Practicing Company Secretaries, Mumbai, India (Certificate of Practice No. 3663) having more than 21 years of experience. The Secretarial Audit Report forms a part of the Board's Report.

The Company has also obtained a Secretarial Compliance Report from M/s. Makarand M. Joshi & Co. confirming compliances with all applicable SEBI Regulations, Circulars and guidelines for the year ended March 31, 2022. This Compliance Report was filed with the Stock Exchanges within prescribed time period and is also available on the websites of Stock Exchanges and the Company.

In addition to the above, for each quarter of FY2022, a Practicing Company Secretary carried out the reconciliation of share capital audit to reconcile the total admitted share capital held with NSDL and CDSL and the total issued and listed share capital. The reports confirm that the total issued/paid-up share capital is in agreement with total number of shares in physical form and dematerialized form held with NSDL and CDSL.

OUTSTANDING ADRs AND THEIR IMPACT ON EQUITY SHARES

The Company's ADRs are traded on the New York Stock Exchange, Inc., US (NYSE) under the ticker symbol 'RDY'. Each ADR is represented by one equity share. As on March 31, 2022, there were approximately 5 registered holders and 15,742 beneficial shareholders of ADRs evidencing 1,86,81,846 ADRs.

QUERIES AND REQUESTS RECEIVED FROM SHAREHOLDERS IN FY2022

The Company has attended all the queries, requests and letters received from the shareholders as well as Statutory Authorities during FY2022. The details are mentioned in **Table 8**.

TABLE 8 SHAREHOLDER QUERIES AND REQUESTS RECEIVED DURING FY2022

SL. NO.	NATURE	OPENING BALANCE	RECEIVED	REPLIED	CLOSING BALANCE
1	Change of address	-	-	-	-
2	Request for revalidation and issue of duplicate dividend warrants	-	76	76	-
3	Request for sub-division of shares (exchange)	2	9	11	-
4	Share transfers	-	-	-	-
5	Transmission of shares	-	11	11	-
6	Split/consolidation of shares	-	-	-	-
7	Stop transfer	-	16	16	-
8	Power of attorney registration	-	-	-	-
9	Change of bank mandate	-	29	29	-
10	Correction of name	-	-	-	-
11	Dematerialization of shares	-	115	115	-
12	Rematerialization of shares	-	-	-	-
13	Issue of duplicate share certificates	-	11	11	-
14	Requests received from shareholders	-	871	871	-
15	Letters received through Stock Exchanges/SEBI etc.	-	4	4	-
16	Claim of unclaimed share certificates	-	35	35	-

Note: The above table does not include shareholders' disputes, which are pending in various courts.

DATE AND VENUE OF LAST THREE ANNUAL GENERAL MEETINGS

Table 9 gives the details of date, time, location and business transacted through special resolutions at last three Annual General Meetings.

TABLE 9 LAST THREE ANNUAL GENERAL MEETINGS

YEAR	DATE AND TIME	LOCATION	SPECIAL RESOLUTION(S) PASSED
2018-19	July 30, 2019 at 9.30 am (IST)	The Ballroom, Hotel Park Hyatt, Road No.2, Banjara Hills, Hyderabad 500 034	• Reappointment of Mr. Sridar Iyengar (DIN: 00278512) as an Independent Director for a second term of four years; and • Reappointment of Ms. Kalpana Morparia (DIN: 00046081) as an Independent Director for a second term of five years.
2019-20	July 30, 2020 at 9.00 am (IST)	Video conferencing (VC)/Other Audio Visual means (OAVM)	• Continuation of Directorship of Mr. Prasad R Menon (DIN: 00005078), as an Independent Director. in terms of Regulations 17(1A) of the Listing Regulations.
2020-21	July 28, 2021 at 9.00 am (IST)	Video conferencing (VC)/Other Audio Visual means (OAVM)	• No special resolutions passed

POSTAL BALLOT DETAILS

During FY2022, the Company has conducted Postal Ballot process for seeking approval of members for the appointment of Dr. K P Krishnan (DIN: 01099097) and Ms. Penny Wan (DIN: 09479493), as Independent Directors of the Company, in terms of Section 149 of the Companies Act, 2013.

Mr. G Raghu Babu, Partner, M/s. R & A Associates, Practicing Company Secretaries, was appointed as the Scrutinizer to conduct the aforesaid Postal Ballot process in a fair and transparent manner. The Company had provided the facility of voting through electronic means. The procedure of Postal Ballot, as contained in the respective Postal Ballot Notices, is available on the Company's website at *https://www.drreddys.com/investor#investor-services*.

Table 10 gives details of voting by shareholders on the special resolutions passed through Postal Ballot during FY2022.

TABLE 10 POSTAL BALLOT DETAILS

SPECIAL RESOLUTION PASSED	NUMBER OF SHARES	NUMBER OF VOTES POLLED	VOTES CAST IN FAVOUR		VOTES CAST AGAINST		DATE OF PASSING OF RESOLUTIONS
			NUMBER OF VOTES	%	NUMBER OF VOTES	%	
Appointment of Dr. K P Krishnan (DIN: 01099097) as an Independent Director, in terms of Section 149 of the Companies Act, 2013	166,423,461	125,658,350	124,542,925	99.11	1,115,425	0.89	March 27, 2022
Appointment of Ms. Penny Wan (DIN: 09479493) as an Independent Director, in terms of Section 149 of the Companies Act, 2013	166,423,461	125,656,906	125,112,500	99.57	544,406	0.43	March 27, 2022

Further, no resolution through Postal Ballot passed during FY2021. Further, there is no immediate proposal for passing any resolution through Postal Ballot process.

DISCLOSURE ON LEGAL PROCEEDINGS PERTAINING TO SHARES

There are three pending cases relating to disputes over title of the shares of the Company, in which the Company has been made a party. These cases, however, are not material in nature.

NATIONAL ELECTRONIC CLEARING SERVICE (NECS) FACILITY FOR REMITTANCE OF DIVIDEND ELECTRONICALLY

The Company provides the facility for remittance of dividend to shareholders through NECS. Under this facility, shareholders can receive dividend electronically by way of direct credit to their bank account. With this service, problems such as loss of dividend warrants during postal transit/fraudulent encashment are avoided. This also expedites credit of dividend directly to the shareholder's bank account as compared to the payment through physical dividend warrant. Shareholders are advised to refer to the Investor Handbook on the Company's website, *www.drreddys.com*, for further details on this facility.

UNCLAIMED DIVIDENDS

Pursuant to Section 125 of the Act, unclaimed dividend amounts for the FY2014 of ₹ 86,22,144/- and has been transferred to the Investor Education and Protection Fund (IEPF) of the Government.

The dividend amounts for the FY2015 which have been unclaimed for seven years will be transferred to IEPF. Shareholders who have not claimed the dividend(s) amount are, therefore, requested to do so before they are statutorily transferred to the IEPF. **Table 11** gives the transfer dates in this regard.

The shareholders who have not encashed their dividend are requested to immediately approach Company's RTA, for making payment through electronic bank transfer. In cases, where bank details for making electronic payment are not available, or electronic payment instructions have failed or rejected by the bank, duplicate warrant(s)/demand draft(s) may be issued in lieu of the original warrant(s)/demand draft(s).

The information on unclaimed dividend is available on the Company's website: *www.drreddys.com*.

TABLE 11 DATES OF TRANSFER OF UNCLAIMED DIVIDEND ON SHARES

FINANCIAL YEAR	TYPE OF PAYMENT	DATE OF DECLARATION/ PAYMENT	AMOUNT OUTSTANDING AS ON MARCH 31, 2022	DUE FOR TRANSFER ON
2014-15	Final dividend	July 31, 2015	90,83,060.00	August 30, 2022
2015-16	Final dividend	July 27, 2016	99,53,400.00	August 30, 2023
2016-17	Final dividend	July 28, 2017	1,52,64,080.00	August 31, 2024
2017-18	Final dividend	July 27, 2018	1,37,60,940.00	August 30, 2025
2018-19	Final dividend	July 30, 2019	1,38,42,120.00	September 5, 2026
2019-20	Final dividend	July 30, 2020	1,19,86,172.52	August 31, 2027
2020-21	Final dividend	July 28, 2021	1,17,10,007.71	August 27 2028

TRANSFER OF UNDERLYING SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to Section 124(6) of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred to IEPF.

During the year, the Company has transferred (transmission) 4,980 equity shares held under 102 folios to IEPF, on which dividend has not been paid or claimed for seven consecutive years.

The Company has sent individual notices to the latest available addresses of the shareholders, whose dividends are lying unpaid/unclaimed for FY2015 along with subsequent seven consecutive years' dividend, advising them to claim the dividends on or before August 30, 2022. The Company has also published a notice in newspapers inviting the shareholders' attention to this matter, in May, 2022.

Shareholders who have not claimed their dividends since FY 2014-15 can write to the Company's RTA or at the registered office of the Company on or before August 30, 2022, for making a valid claim for the unclaimed dividends. If the shareholders do not claim the unpaid or unclaimed dividends and provide the requisite documents on or before August 30, 2022, the shares held by them are liable to be transferred to IEPF.

Any person, whose shares and unpaid/ unclaimed dividends get transferred to the IEPF may claim the shares and unpaid/unclaimed dividends from the IEPF Authority in accordance with the prescribed procedure and submission of relevant documents procedure.

Details of equity shares liable to be transferred to IEPF are available on the Company's website: *www.drreddys.com*

DEALING WITH SECURITIES WHICH HAVE REMAINED UNCLAIMED

Pursuant to Regulation 39(4) of Listing Regulations read with Schedule VI of the said Regulations, the Company has dematerialized shares which have been returned undelivered by postal authorities and shares lying unclaimed after sub-division. The dematerialized shares are held in an 'unclaimed suspense account' opened with a depositary participant associated with NSDL.

Any corporate benefits accruing on such shares, viz. bonus shares, split etc., shall also be credited to an unclaimed suspense account, for a period of seven years and thereafter shall be transferred by the Company to IEPF, in accordance with provisions of Section 124(5) and (6) of the Act and Rules made thereunder.

Table 12 gives the details of the unclaimed shares as on March 31, 2022, held by the Company. The voting rights on such unclaimed shares shall remain frozen till the rightful owner claims these shares.

TABLE 12 UNCLAIMED SHARES AS ON MARCH 31, 2022

SL. NO.	PARTICULARS	NO. OF FOLIOS	NO. OF SHARES
i.	No. of shareholders and the outstanding no. of unclaimed shares at the beginning of the year	2182	368,758
ii.	No. of shareholders who approached to claim the unclaimed shares during the year	71	10,728
iii.	No. of shareholders who claimed and were given the unclaimed shares during the year	35	5,822
iv.	Aggregate no. of shareholders and the outstanding no. of unclaimed shares at the end of the year	2147	362,936

NON-COMPLIANCE ON MATTERS RELATING TO CAPITAL MARKETS

There has been no instance of non-compliance by the Company on matters relating to capital markets for the last three financial years.

FINANCIAL RESULTS ON THE COMPANY'S WEBSITE

The quarterly, half yearly and annual results of the Company are displayed on its website: *www.drreddys.com*. Presentations to analysts, as and when made, are immediately placed on the website for the benefit of the shareholders and public at large.

Furthermore, the Company also regularly provides relevant information to the Stock Exchanges as per the requirements of the Listing Regulations.

INFORMATION ON DIRECTOR PROPOSED FOR REAPPOINTMENT/ APPOINTMENT/ CONTINUATION

This information is given in the chapter on *Corporate Governance and Notice of 38th AGM*.

QUERIES AT ANNUAL GENERAL MEETING

Shareholders desiring any information with regard to the financial statements or any other matter are requested to write to the Company at e-mail ID: *shares@ drreddys.com* at an early date so as to enable the management to keep the information ready. The queries relating to operational and financial performance may be raised at the AGM.

PROCEDURE FOR CONVENING AN EXTRAORDINARY GENERAL MEETING

Pursuant to the provisions of Section 100 of the Act 2013, Companies (Management and Administration) Rules, 2014 and Secretarial Standard on General Meeting (SS-2), an extraordinary general meeting (EGM) of the Company may be called by a requisition made by shareholders, either in writing or through electronic mode, at least 21 clear days prior to the proposed date of such a meeting. Such a requisition, signed by the requisitionists, shall set out the matters of consideration for which the meeting is to be called and it shall be sent to the registered office of the Company.

Shareholders entitled to make requisition for an EGM regarding any matter, shall be those who hold not less than one-tenth of the paid-up share capital of the Company on the date of receipt of the requisition.

PROCEDURE FOR NOMINATING A DIRECTOR ON THE BOARD

Pursuant to Section 160 of the Act any person or shareholders intending to propose such person for appointment as a Director of the Company, shall deposit a signed notice signifying his/her candidature to the office of a Director along with prescribed fee, at the registered office of the Company, not less than 14 days before the shareholders' meeting.

All Directors' nominations are considered by the Nomination, Governance and Compensation Committee of the Company's Board of Directors, which entirely consists of Independent Directors.

INFORMATION ON MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company's memorandum and articles of association are available on its website: *www.drreddys.com*

INVESTOR HANDBOOK/ SHAREHOLDER SERVICES

Please refer to the Investor Handbook on the Company's website: *www.drreddys.com*, for rights of shareholders, procedures related to transfer/ dematerialization/ rematerialization/ transmission of shares, nomination in respect of shareholding, change of address, unclaimed/unpaid dividend, shares underlying unpaid/ unclaimed dividend, refund from IEPF, loss/misplacement of certificate(s), sub-division of shares, share certificates of amalgamated companies, power of attorney, registration of e-mail ID and registration of PAN/Bank details and for necessary compliances under the SEBI Circular dated November 3, 2021.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK

Appropriate disclosure on commodity price or foreign exchange risk and hedging activities is given in note 2.29 of the notes to the standalone financial statement.

CERTIFICATE FROM THE COMPANY SECRETARY

I, K Randhir Singh, Company Secretary of Dr. Reddy's Laboratories Limited (the "Company"), hereby confirm that, as on date of this Certificate, the Company has:

a) Complied with the provisions of rules and regulations framed by the Securities and Exchange Board of India; the Companies Act, 2013 (the "Act"), as amended and other statutory laws as may be applicable on the Company and effective as on date.

b) Maintained all books of account and statutory registers prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"); the Act and other applicable statutory laws.

c) Filed all forms and returns and furnished all necessary particulars to the Stock Exchanges; Registrar of Companies; and/or other Statutory Authorities, as may be required under the Listing Regulations, the Act and other applicable statutory laws.

d) Conducted the Board Meetings, Shareholders' meeting and postal ballot as per the Listing Regulations, the Act, Secretarial Standards (issued by the Institute of Company Secretaries of India) and other applicable statutory laws; and the minutes thereof were properly recorded in the respective minutes books.

e) Effected share transfers or transmissions and dispatched the certificates, wherever applicable, within the time limit prescribed by various Statutory Authorities.

f) Not exceeded the borrowing or investment limits as prescribed under the applicable laws.

g) Paid dividend to the shareholders, transferred the unpaid dividends and the underlying shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years to the Investor Education and Protection Fund (IEPF) within the time limit and has also complied with the provisions of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended.

The certificate is given by the undersigned according to the best of his knowledge and belief and based on the available information and records, knowing that on the faith and strength of what is stated above, full reliance will be placed on it by the shareholders of the Company.

K Randhir Singh
Company Secretary and
Compliance Officer

Place: Hyderabad
Date: May 19, 2022.

PLANT/FACILITY LOCATIONS

OUTSIDE INDIA

ACTIVE PHARMACEUTICAL INGREDIENTS (API) FACILITIES

API CUERNAVACA PLANT

Industrias Quimicas Falcon De Mexico S.A. de C.V., Carretera Federal Cuernavaca-Cuautla KM 4.5 CIVAC, Jiutepec Morelos, Mexico 62578

API MIRFIELD PLANT

Dr. Reddy's Laboratories (EU) Limited Steanard Lane, Mirfield, West Yorkshire, WF 14, 8HZ, United Kingdom

API MIDDLEBURGH PLANT

Dr. Reddy's Laboratories New York Inc. 1974 Route 145, P.O. Box 500, Middleburgh, New York 12122, USA

FORMULATIONS MANUFACTURING FACILITIES

DR. REDDY'S LABORATORIES (UK) LIMITED

6, Riverview Road, Beverley, East Yorkshire, HU 17 OLD, United Kingdom

FORMULATIONS SHREVEPORT PLANT

Dr. Reddy's Laboratories Louisiana LLC 8800 Line Avenue, Shreveport, Louisiana 7110-6717, USA

KUNSHAN ROTAM REDDY PHARMACEUTICAL CO. LIMITED

No. 258, Huang Pu Jiang (M) Road, Kunshan Development Zone, Jiangsu Province, P. R. China, Pin: 215 300

RESEARCH AND DEVELOPMENT FACILITIES

TECHNOLOGY DEVELOPMENT CENTRE, CAMBRIDGE

Dr. Reddy's Laboratories (EU) Limited 410 Cambridge Science Park, Milton Road, Cambridge CB4 0PE, United Kingdom

TECHNOLOGY DEVELOPMENT CENTRE, LEIDEN

Dr. Reddy's Research and Development B V, Zernikedreef 12, 2333 CL Leiden, The Netherlands

AURIGENE DISCOVERY TECHNOLOGIES, (MALAYSIA) SDN BHD

Level 2, Research Management & Innovation Complex, University of Malaya, Lembah Pantai 50603 Kuala Lumpur, Malaysia

IN INDIA

ACTIVE PHARMACEUTICAL INGREDIENTS (API) FACILITIES

CTO 1 - API HYDERABAD PLANT

Plot No. 137, 138, 145 & 146, S.V. Co-operative Industrial Estate, IDA Bollaram, Jinnaram Mandal, Sangareddy District, Telangana, Pin: 502 325

CTO 2 - API HYDERABAD PLANT

Plot No. 75A, 75B, 105, 110, 111, 112 & 121/3, S.V. Co-operative Industrial Estate, IDA Bollaram, Jinnaram Mandal, Sangareddy District, Telangana, Pin: 502 325

CTO 3 - API HYDERABAD PLANT

Plot No. 116, S.V. Co-operative Industrial Estate, IDA Bollaram, Jinnaram Mandal, Sangareddy District, Telangana, Pin: 502 325

CTO 5 - API NALGONDA PLANT

Peddadevulapally, Tripuraram Mandal, Nalgonda District, Telangana, Pin: 508 207

CTO 6 - API SRIKAKULAM PLANT

Sy No. 5 to 9 & Plot No. 5/1, 5/2, 5/3 & 5/4, APIIC, IDA Pydibheemavaram, Ransthalam Mandal, Srikakulam District, Andhra Pradesh, Pin: 532 409

CTO SEZ - API SRIKAKULAM PLANT (SEZ)

Pu1 & Developer Sector No. 28 & 34, Devunipalavalasa Village, Ranastalam Mandal, Srikakulam District, Andhra Pradesh, Pin: 532 409

FORMULATIONS MANUFACTURING FACILITIES

FTO 1 - FORMULATIONS HYDERABAD PLANT

Plot No. 137, 138, 145 & 146, S.V. Co-operative Industrial Estate, IDA Bollaram, Jinnaram Mandal, Sangareddy District, Telangana, Pin: 502 320

FTO 2 - FORMULATIONS HYDERABAD PLANT

Sy No. 42, 43, 44P, 45, 46P, 53, 54 & 83, Bachupally Village & Mandal, Medchal-Malkajgiri District, Telangana, Pin: 500 090

FTO 3 - FORMULATIONS HYDERABAD PLANT

Sy No. 41, Bachupally Village & Mandal, Medchal-Malkajgiri District, Telangana, Pin: 500 090

FTO 6 - FORMULATIONS BADDI PLANT

Village Khol, PO - Bhud, Baddi, Nalagarh Road, Tehsil Nalagarh, Solan District, Himachal Pradesh, Pin: 173 205

FTO 7 - FORMULATIONS DUVADDA PLANT

Plot No. P1-P9, Phase III, Duvvada, VSEZ, Visakhapatnam, Andhra Pradesh, Pin: 530 046

FTO 8 - FORMULATIONS BADDI PLANT

Village Mauja Thana, PO - Bhud, Baddi, Nalagarh Baddi Road, Tehsil Nalagarh, Solan District, Himachal Pradesh, Pin: 173 205

PLANT/FACILITY LOCATIONS

FTO 9 - FORMULATIONS DUVADDA PLANT

Plot No. Q1 to Q5, Phase III, Duvvada, VSEZ, Visakhapatnam, Andhra Pradesh, Pin: 530 046

FTO SEZ PU 1 - FORMULATIONS SRIKAKULAM PLANT

Sector No. 9-14 & 17-20, Devunipalavalasa Village, Ranastalam Mandal, Srikakulam District, Andhra Pradesh, Pin: 532 409

FTO SEZ PU 2 - FORMULATIONS SRIKAKULAM PLANT

Sector No. 70, 71 & 73, Devunipalavalasa Village, Ranastalam Mandal, Srikakulam District, Andhra Pradesh, Pin: 532 409

FTO 11 - FORMULATIONS SRIKAKULAM PLANT

APIIC Industrial Estate, Pydibheemavaram Village, Ranastalam Mandal, Srikakulam District, Andhra Pradesh, Pin: 532 409

FTO 12 - FORMULATIONS BADDI PLANT

Village Kunjhal, PO - Barotiwala, Baddi, Tehsil Nalagarh Road, Solan District, Himachal Pradesh, Pin: 174 103

BIOLOGICS

Survey No. 47, Bachupally Village & Mandal, Medchal-Malkajgiri District, Telangana, Pin: 500 090

RESEARCH AND DEVELOPMENT FACILITIES

INTEGRATED PRODUCT DEVELOPMENT ORGANISATION (IPDO)

Sy No. 42, 45, 46 & 54 Bachupally Village & Mandal, Medchal-Malkajgiri District, Telangana, Pin: 500 090

IPDO, BENGALURU

39-40, KIADB Industrial Area, Electronic City Phase II, Hosur Road, Bengaluru, Karnataka, Pin: 560 100

AURIGENE DISCOVERY TECHNOLOGIES LIMITED, BENGALURU

39-40, KIADB Industrial Area, Electronic City Phase II, Hosur Road, Bengaluru, Karnataka, Pin: 560 100

AURIGENE PHARMACEUTICAL SERVICES LIMITED, HYDERABAD

Bollaram Road, Miyapur, Hyderabad, Telangana, Pin: 500 049

AURIGENE PHARMACEUTICAL SERVICES LIMITED, BENGALURU

39-40, KIADB Industrial Area, Electronic City Phase II, Hosur Road, Bengaluru, Karnataka, Pin: 560 100

TECHNOLOGY DEVELOPMENT CENTRE 1

Bollaram Road, Miyapur, Hyderabad, Telangana, Pin: 500 049

TECHNOLOGY DEVELOPMENT CENTRE 2

Plot 31A, IDA, Jeedimetla, Hyderabad, Telangana, Pin: 500 050

BOARD'S REPORT

BOARD'S REPORT

Dear Member,

Your directors are pleased to present the 38th Annual Report of the Company for the year ended March 31, 2022.

The FY2022 saw several challenges with respect to multiple COVID-19 waves, heightened geo-political tensions and increase in commodity prices. These factors have impacted almost every organization and your Company was no exception. However, our teams stood up to these challenges and ended the year on a winning note with growth across most of our businesses and higher profits, while continuing to serve our patients across the globe.

FINANCIAL HIGHLIGHTS AND COMPANY AFFAIRS

Table 1 gives the consolidated and standalone financial highlights of the Company based on Indian Accounting Standards (Ind AS) for FY2022 (i.e. from April 1, 2021 to March 31, 2022) compared to the previous financial year.

The Company's consolidated total income for the year was ₹ 220.3 billion, which was up by 14% over the previous year. Profit before tax (PBT) was ₹ 30.6 billion, representing an increase of 6% over the previous year.

The Company's standalone total income for the year was ₹ 148.9 billion, which was up by 5% over the previous year. PBT was ₹ 22.2 billion, which was lower by 27% over the previous year.

Revenues from lines of business and geographies given below are from the company's IFRS results.

Revenues from Global Generics were up by 16% and stood at ₹ 179.2 billion. There was growth across North America Generics and Europe, with strong growth in Emerging Markets and India.

Revenues from North America stood at ₹ 74.9 billion, registering a year-on-year growth of 6%. This was largely on account of revenue contribution from new products launched and increase in volumes for some of our base products, partly offset by high price erosions in some of our products.

During the year, the Company filed seven Abbreviated New Drug Applications (ANDAs) in the USA. As of March 31, 2022, there were 90 generic filings awaiting approval with the US Food and Drug Administration (USFDA), comprising 87 ANDAs and three NDAs filed under Section 505(b)(2) of the Federal Food, Drug and Cosmetic Act.

Revenues from Emerging Markets were ₹ 45.7 billion, registering a year-on-year growth of 30%. Revenues from India stood at ₹ 42.0 billion, showing a year-on-year growth of 26%. Revenues from Europe were ₹ 16.6 billion, a year-on-year growth of 8%.

Revenues from Pharmaceutical Services and Active Ingredients (PSAI) stood at ₹ 30.7 billion, which was lower by 4% compared to previous year. During the year, the Company filed 139 Drug Master Files (DMFs) worldwide, including 10 filings in the US.

SCHEME OF AMALGAMATION

The Hon'ble National Company Law Tribunal (the"NCLT"), Hyderabad Bench, vide order dated April 5, 2022, has approved the Scheme of Amalgamation and Arrangement (the "Scheme") for the merger of Dr. Reddy's Holdings Limited (the "DRHL/ Amalgamating Company") with the Company (the "Amalgamated Company"). The order of the Hon'ble NCLT was filed by both the companies with the Registrar of Companies, Hyderabad, on April 8, 2022. Therefore, the merger becomes effective on April 8, 2022. The appointed date of the Scheme was April 1, 2019.

Pursuant to the Scheme, 41,325,300 equity shares held by the Amalgamating Company in the Company stands cancelled and the equal number of shares were issued and allotted by the Company, on April 22, 2022, to the shareholders of Amalgamating Company, in aggregate, in proportion to their shareholding in the Amalgamating Company. Effectively, there is no change in the total issued and paid-up share capital of the Company pursuant to the said Scheme, as equal number of shares were cancelled, as well as issued and allotted by the Company.

TABLE 1: FINANCIAL HIGHLIGHTS (₹ MILLION)

PARTICULARS	CONSOLIDATED		STANDALONE	
	FY2022	FY2021	FY2022	FY2021
Total income	220,296	193,389	148,872	141,502
Profit before depreciation, amortization, impairment and tax	50,867	47,411	30,479	39,062
Depreciation and amortization	11,652	12,288	8,143	8,350
Impairment of non-current assets	9,304	6,768	98	150
Profit before tax and before share of equity accounted investees	29,911	28,355	22,238	30,562
Share of profit of equity accounted investees, net of tax	703	480	-	-
Profit before tax	30,614	28,835	22,238	30,562
Tax expense	8,789	9,319	6,006	8,698
Net profit for the year	**21,825**	**19,516**	**16,232**	**21,864**
Opening balance of retained earnings	142,395	128,349	141,373	124,979
Net profit for the year	21,825	19,516	16,232	21,864
Other comprehensive income/ (loss)	-	3	-	3
Dividend paid during the year	(4,146)	(4,147)	(4,146)	(4,147)
Transfer to SEZ re-investment Reserve, net	571	(1,326)	571	(1,326)
Transfer to Debenture Redemption Reserve	(304)	-	-	-
Closing balance of retained earnings	**160,341**	**142,395**	**154,030**	**141,373**

Note: FY2022 represents fiscal year 2021-22, from April 1, 2021 to March 31, 2022, and analogously for FY2021 and other such labelled years

DIVIDEND

Your directors are pleased to recommend a dividend of ₹ 30 (600%) for FY2022, per equity share of ₹ 5/- each. The recommended dividend is in line with the Dividend Distribution Policy of the Company.

The dividend, if approved at the 38th Annual General Meeting (the "AGM") will be paid to those members whose names appear on the register of members of the Company as of end of the day on July 12, 2022. In terms of the provisions of the Income Tax Act, 1961, such dividend will be taxable in the hands of the members.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), the Dividend Distribution Policy, is available on the Company's website on *https://www.drreddys.com/investors/governance/policies-and-documents/#governance#policies-and-documents*

TRANSFER TO RESERVES

The Company has not proposed to transfer any amount to the general reserve for the year ended March 31, 2022.

SHARE CAPITAL

The paid-up share capital of your Company increased by ₹ 0.62 million to ₹ 832.13 million in FY2022 due to allotment of 124,618 equity shares, on exercise of stock options by eligible employees through the 'Dr. Reddy's Employees Stock Option Scheme, 2002' and 'Dr. Reddy's Employees ADR Stock Option Scheme, 2007'.

PUBLIC DEPOSITS

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 ("Act"). Accordingly, there is no disclosure or reporting required in respect of details relating to deposits.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year, there was no change in the nature of business of the Company. Further, there was no significant change in the nature of business carried on by its subsidiaries.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no such changes during the year.

SUBSIDIARIES AND ASSOCIATES

The Company has 42 overseas subsidiary companies (including step-down subsidiaries), nine subsidiary companies in India and one joint venture Company as on March 31, 2022.

Dr. Reddy's (WUXI) Pharmaceutical Co. Limited in China ceased to be a step-down subsidiary of the Company with effect from December 13, 2021, consequent to its liquidation.

Aurigene Discovery Technologies Inc. in USA, ceased to be a step-down subsidiary of the Company with effect from March 23, 2022, consequent to its liquidation.

Further, the Company acquired Nimbus Health GmbH (Nimbus) as a step-down subsidiary, on February 24, 2022. Nimbus is a German Company, founded in 2018, specialized wholesaler of medical cannabis.

Section 129(3) of the Act, states that where the Company has one or more subsidiaries or associate companies, it shall, in addition to its financial statements, prepare a consolidated financial statements of the Company and of all subsidiaries and associate companies in the same form and manner as that of its own and also attach along with its financial statements, a separate statement containing the salient features of the financial statements of its subsidiaries and associates.

Hence, the consolidated financial statements of the Company and all its subsidiaries and associates, prepared in accordance with Ind AS 110 and 111 as specified in the Companies (Indian Accounting Standards) Rules, 2015, form part of the Annual Report. Moreover, a statement containing the salient features of the financial statements of the Company's subsidiaries and joint ventures in the prescribed Form AOC-1, is attached as **Annexure I** to this Board's Report. This statement also provides details of the performance and financial position of each subsidiary and joint venture.

In accordance with Section 136 of the Act, the audited financial statements and related information of the Company and its subsidiaries, wherever applicable, are available on the Company's website: *www.drreddys.com*. These are also available for inspection during regular business hours at our registered office in Hyderabad, India and/or in electronic mode.

Any member desirous of inspecting such documents are requested to write to the Company by sending an email to *shares@drreddys.com*.

MATERIAL SUBSIDIARIES

In terms of Regulation 16(1)(c) of the Listing Regulations, Material Subsidiary shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year. Accordingly, the Company has four material overseas subsidiary companies as on March 31, 2022, namely, Dr. Reddy's Laboratories Inc. (USA), Dr. Reddy's Laboratories SA (Switzerland), Dr. Reddy's Laboratories LLC (Russia) and Reddy Holding GmbH (Germany).

Further, in terms of Regulation 24(1) of the Listing Regulations, at least one Independent Director on the Board of the Company shall be a Director on the Board of an unlisted material subsidiary, i.e. a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year. In compliance with the said provisions, Dr. Bruce L A Carter, Independent Director of the Company, is a Director on the Board of Dr. Reddy's Laboratories Inc. (USA). Mr. Sridar Iyengar, Independent Director of the Company, is a Director on the Board of Dr. Reddy's Laboratories SA (Switzerland).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company makes investments or extends loans/guarantees to its wholly-owned subsidiaries for their business purposes.

Details of loans, guarantees and investments covered under Section

186 of the Act, along with the purpose for which such loan or guarantee was proposed to be utilized by the recipient, form part of the notes to the financial statements provided in this Annual Report.

CORPORATE GOVERNANCE AND ADDITIONAL SHAREHOLDERS' INFORMATION

A detailed report on the Corporate Governance systems and practices of the Company is given in a separate chapter of this Annual Report. Similarly, other information for shareholders is provided in the chapter on *Additional Shareholders' Information*. The Company has also formulated a Policy on Group Governance to monitor governance of its unlisted subsidiaries across the globe.

A certificate from the statutory auditors of the Company confirming compliance with the conditions of corporate governance is attached to the chapter on *Corporate Governance*.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the *Management Discussion and Analysis* in terms of Regulation 34 of the Listing Regulations is provided as a separate chapter in the Annual Report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

CHANGES IN DIRECTORS

Mr. Bharat N Doshi completed his term as an Independent Director on May 10, 2021 and did not seek reappointment. The Board placed on record its sense of appreciation for the services rendered by Mr. Doshi to the Company.

During the year, Members of the Company approved the appointment of Dr. K P Krishnan and Ms. Penny Wan as Independent Directors through postal ballot, with effect from January 7, 2022 and January 28, 2022, respectively. The Board is of the opinion that the above Independent Directors possess requisite integrity, experience and expertise (including the proficiency).

Mr. K Satish Reddy, Chairman, is liable to retire by rotation at the forthcoming 38th AGM and being eligible, seeks reappointment. The Board of Directors of the Company at its meeting held on May 19, 2022, on recommendation of the Nomination, Governance and Compensation Committee, has approved the re-appointment of Mr. K Satish Reddy as a Whole-time Director of the Company, designated as the Chairman, with effect from October 1, 2022, subject to the approval of shareholders at the forthcoming 38th AGM. For reference of the members, a brief profile of Mr. K Satish Reddy is given in the chapter on Corporate Governance and in the *Notice convening the 38th AGM*.

None of the directors is disqualified under Section 164(2) of the Act. They are not debarred from holding the office of Director pursuant to order of SEBI or any other authority. Further details are provided in the chapter on *Corporate Governance*.

CHANGES IN KEY MANAGERIAL PERSONNEL

Mr. Sandeep Poddar resigned as the Company Secretary and Compliance Officer of the Company, from close of business hours on November 18, 2021. The Board placed on record its appreciation for the work done by Mr. Poddar during his tenure. The Board of Directors, at its meeting held on March 17, 2022, appointed Mr. K Randhir Singh as the Company Secretary and Compliance Officer of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

In accordance with Section 149(7) of the Act, each Independent Director has confirmed to the Company that he or she meets the criteria of independence laid down in Section 149(6) of the Act, and is in compliance with Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations. Further, each Independent Director has affirmed compliance to the Code of Conduct for Independent Directors as prescribed in Schedule IV of the Act. The Board has taken on record such declarations after due assessment of veracity.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out performance evaluation of its own performance, the Directors (including the Chairman) individually, as well as the evaluation of the working of the Committees. The performance evaluation process has been designed in such a manner which helps to measure effectiveness of the entire Board, its Committees and Directors. Such processes help in ensuring overall performance of the Board and demonstrates a high level of corporate governance standards. There are various key performance areas and evaluation criteria which are measured and analysed during the performance evaluation process.

The Board performance was reviewed on various parameters, including composition & role of the Board, communication and relationships, Board Committees, compensation, strategic planning, governance, legal and financial duties, overall ratings, qualitative feedback, managing conflicts, diversity in the knowledge and related industry expertise, roles and responsibilities of Board members, appropriate utilization of talents and skills of Board members, etc. The evaluation of performance of the Directors including the Chairperson of the Company was conducted on various parameters, such as, attendance, participation, deliberation of various agenda items, understanding of the organization's strategy and risk environment, representing interests of shareholders and focuses on enhancing shareholder value, proactive feedback and guidance to top management on areas of business strategy, governance and risk, to set and achieve stretch goals, functional relationships with fellow Board members and senior management, participation in Board discussions based on Director's personal knowledge and expertise, etc.

Further details of performance evaluation are given in the chapter on *Corporate Governance*.

APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY

Assessment and appointment of members to the Board are based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualifications required for the position. For appointment of an Independent Director, the independence criteria defined in Section 149(6) of the

Act, and Regulation 16(1)(b) of the Listing Regulations is also considered.

In accordance with Section 178(3) of the Act, Regulation 19(4) of the Listing Regulations and on recommendation of the Company's Nomination, Governance and Compensation Committee, the Board adopted a Remuneration Policy for Directors, KMP, senior management and other employees. The policy forms part of the chapter on *Corporate Governance*.

Our executive compensation program supports attracting, motivating, and encouraging continuity of experienced and well-qualified executive officers who advance our critical business objectives and promote the creation of shareholders' value over the long-term. The key tenets of our philosophy are designed to:

a) Attract highly talented individuals from within and across industries drawing from a diverse pool of global talent.

b) Provide long term and short-term incentives that advance the interests of shareholders and deliver levels of pay commensurate with performance.

The three principal components of the compensation package include, base salary, annual cash-based variable pay, and equity-based long-term incentives. In making decisions with respect to each element of compensation, the competitive market for executives and compensation levels provided by comparable companies are considered.

Executive compensation is reviewed annually. In general executive increment, percentages are lesser than the average with the frontline receiving the highest increase. A higher increase may be made in the event of a role change, promotion, or in exceptional circumstances. The Company's performance, affordability and individual performance are other considerations, while deciding on compensation.

NUMBER OF BOARD MEETINGS

The Board of Directors met seven times during the year. In addition, an annual Board retreat was held to discuss strategic matters. The intervening gap between the meetings was within the period prescribed under the Act and Listing Regulations. Details of Board meetings and the Board retreat are given in the chapter on *Corporate Governance*.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In terms of requirements under Schedule IV of the Act and Regulation 25(3) of the Listing Regulations, four separate meetings of the Independent Directors were held during FY2022. Further details are mentioned in the chapter on *Corporate Governance*.

AUDIT COMMITTEE

As on March 31, 2022, the Audit Committee of the Board of Directors consisted entirely of Independent Directors comprising of Mr. Sridar Iyengar (Chairman), Ms. Kalpana Morparia, Ms. Shikha Sharma and Dr. K P Krishnan. Further details are given in the chapter on *Corporate Governance*. The Board has accepted all recommendations made by the Audit Committee during the year.

The details of the Corporate Social Responsibility Committee; Nomination, Governance and Compensation Committee; Risk Management Committee; Stakeholders' Relationship Committee; Science, Technology and Operations Committee and Banking and Authorisations Committee, are given in the *Chapter on Corporate Governance*

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Act, your Directors state that:

1. Applicable accounting standards have been followed in the preparation of the annual accounts;
2. Accounting policies have been selected and applied consistently. Judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of FY2022 and of the profit of the Company for that period;
3. Proper and sufficient care has been taken to maintain adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. Annual accounts have been prepared on a going concern basis;
5. Adequate internal financial controls for the Company to follow have been laid down and these are operating effectively; and
6. Proper and adequate systems have been devised to ensure compliance with the provisions of all applicable laws and these systems are operating effectively.

ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEMS

The Company has in place adequate internal financial controls with reference to its financial statements. These controls ensure the accuracy and completeness of the accounting records and the preparation of reliable financial statements.

ENTERPRISE RISK MANAGEMENT (ERM)

The Company has a Risk Management Committee of the Board, consisting entirely of Independent Directors, and chaired by Ms. Shikha Sharma. Details of the Committee and its terms of reference are set out in the chapter on *Corporate Governance*.

The Audit and Risk Management Committees review key risk elements of the Company's business, finance, operations and compliance, and their respective mitigation strategies. The Risk Management Committee reviews strategic, business, compliance and operational risks whereas the Audit Committee reviews issues around ethics and fraud, internal control over financial reporting (ICOFR), as well as process risks and their mitigation.

The Company's Executive Risk Management Committee operates under the Company's Risk Management Policy and focuses on risks associated with the Company's business and compliance matters. This Committee periodically reviews matters pertaining to risk management. Additionally, the Enterprise wide Risk Management (ERM) function helps the Board and the Management to prioritize, review and measure business risks against a pre-determined risk appetite, and their suitable response, depending on whether such risks are internal, strategic or external.

During FY2022, focus areas of Risk Management Committee included review of risks and mitigations related to cyber security, quality, talent and capability, compliance and ethics programs across the Company, supply chain and other operating risk exposures and risk transfer through insurance.

RELATED PARTY TRANSACTIONS

In accordance with Section 134(3)(h) of the Act, and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of the contracts or arrangements with related parties referred to in Section 188(1) of the Act, in Form AOC-2, is attached as **Annexure II** to this Board's Report. All contracts and arrangements with related parties were at arm's length and in the ordinary course of business of the Company. Details of related party disclosures form part of the notes to the financial statements provided in the Annual Report.

VIGIL MECHANISM/ WHISTLE-BLOWER/ OMBUDSPERSON POLICY

The Company has an Ombudsperson Policy (Whistle-Blower/ Vigil mechanism) to report concerns. Reporting channels under the vigil mechanism include an independent hotline, a web based reporting site (drreddys.ethicspoint.com) and a dedicated e-mail to Chief Compliance Officer. The Ombudsperson Policy also safeguards against retaliation of those who use this mechanism. The Audit Committee Chairperson is the Chief Ombudsperson. The Policy also provides for raising concerns directly to the Chief Ombudsperson. Details of the policy are available on the Company's website: *https://www.drreddys.com/investors/governance/policies-and-documents/#governance*.

STATUTORY AUDITORS

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) were re-appointed as Statutory Auditors by the members of the Company at the 37th AGM held on July 28, 2021, for a period of five years till the conclusion of the 42nd AGM.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Makarand M. Joshi & Co., Practicing Company Secretaries (Certificate of Practice No. 3662), Mumbai, India, were appointed as Secretarial Auditors of the Company for FY2022. The Secretarial Audit Report for FY2022 is annexed as **Annexure III** to this Report.

Based on the consent received from M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, Mumbai, India and on the recommendation of the Audit Committee, the Board has approved their appointment as the Secretarial Auditor of the Company for FY2023.

COST AUDITOR

Pursuant to Section 148(1) of the Act, read with the relevant Rules made thereunder, the Company maintains the cost records in respect of its 'pharmaceuticals' business.

On the recommendation of the Audit Committee, the Board has appointed M/s. Sagar & Associates, Cost Accountants (Firm Registration No. 000118) as Cost Auditor of the Company for the FY2023 at a remuneration of ₹ 700,000/- plus reimbursement of out-of-pocket expenses at actuals and applicable taxes. The provisions also require that the remuneration of the Cost Auditors be ratified by the members and therefore, the same is recommended for approval of the members at the forthcoming 38th AGM. As a matter of record, relevant Cost Audit Reports for FY2021 were filed with the Central Government on August 19, 2021, within the stipulated timeline. The Cost Audit Report for FY2022 will also be filed within the timeline.

AUDITORS' QUALIFICATIONS, RESERVATIONS, ADVERSE REMARKS OR DISCLAIMERS

There are no qualifications, reservations, adverse remarks or disclaimers by the Statutory Auditors in their report, or by the Practicing Company Secretaries in the Secretarial Audit Report. During the year, there were no instances of frauds reported by Auditors under Section 143(12) of the Act.

SECRETARIAL STANDARDS

In terms of Section 118(10) of the Act, the Company complies with Secretarial Standards 1 and 2, relating to the 'Meetings of the Board of Directors' and 'General Meetings', respectively as issued by the Institute of Company Secretaries of India and approved by the Central Government. The Company has also voluntarily adopted the recommendatory Secretarial Standards 3 on 'Dividend' and Secretarial Standards 4 on 'Report of the Board of Directors' issued by the Institute of Company Secretaries of India.

SIGNIFICANT/ MATERIAL ORDERS PASSED BY COURTS/ REGULATORS/ TRIBUNALS

Disputes with Hatchtech Pty Limited ("Hatchtech") and related parties: On January 21, 2022, the Company entered into a Settlement and Transfer Agreement with Hatchtech Pty Limited (an Australian Company) for, among other things, the Company to transfer and assign the product Xeglyze® (including all patents, intellectual property, regulatory approvals, marketing and commercialization rights) to Hatchtech.

In 2015, the Company acquired the Xeglyze® Product (including certain patent, intellectual property, regulatory, marketing and commercialization rights) from Hatchtech, pursuant to an Asset Purchase Agreement dated December 7, 2015. On July 24, 2020, the Company successfully obtained approval from the U.S. Food and Drug Administrations for its New Drug Application (NDA) for Xeglyze®. Since the NDA approval in July 2020, the Company and Hatchtech have been engaged in court cases and an arbitration in the United States and Australia, in which both parties have asserted claims against the other and resulting in one arbitration award. The Settlement Agreement settles and resolves all pending and remaining claims between the Parties relating to the Xeglyze® Product and the 2015 Asset Purchase Agreement, which is terminated by the Settlement Agreement, and the parties agreed to the transfer of the Xeglyze® product back to Hatchtech.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has a policy to ensure prevention, prohibition and redressal of sexual harassment at the workplace. It has an apex Committee and an Internal Complaints Committee which operate under a defined framework for complaints pertaining to sexual harassment at workplace. The details are available in the principle 5 of the *Business Responsibility* *and Sustainability Report* forming part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

As per Section 135 of the Act, the Company has a Board-level CSR Committee consisting of Mr. Prasad R Menon (Chairman), Mr. G V Prasad and Mr. K Satish Reddy. Based on the recommendation of the CSR Committee, the Board has adopted a CSR policy that provides guiding principles for selection, implementation and monitoring of CSR activities and formulation of the annual action plan. During the year, the Committee monitored the CSR activities undertaken by the Company including the expenditure incurred thereon as well as implementation and adherence to the CSR policy. An impact assessment of the eligible projects has been carried by an independent agency and the report of such impact assessment was noted by the Board. Details of the CSR Policy and initiatives taken by the Company during the year are available on the Company's website: *www.drreddys.com*. The report on CSR activities as well as executive summary of the impact assessment report are attached as **Annexure IV** to this Board's Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Company has opted to submit the Business Responsibility and Sustainability Report for FY2022 on a voluntary basis. A detailed *Business Responsibility and Sustainability Report* as mentioned under Regulation 34 of the Listing Regulations, is given as a separate chapter in this Annual Report.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of the Act, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, declared dividends which remained unpaid or unclaimed for a period of seven years have been transferred by the Company to the IEPF, which has been established by the Central Government.

The above Rules also mandate transfer of shares on which dividends are lying unpaid and unclaimed for a period of seven consecutive years to IEPF. The Company has issued individual notices to the members whose equity shares are liable to be transferred to IEPF, with respect to unclaimed and unpaid dividend for FY2015 advising them to claim their dividend on or before August 30, 2022. The details of transfer of unpaid and unclaimed amounts to IEPF are given in the chapter on *Additional Shareholders Information.*

EMPLOYEES STOCK OPTION SCHEMES

The Company has three stock option schemes namely, 'Dr. Reddy's Employees Stock Option Scheme, 2002', 'Dr. Reddy's Employees ADR Stock Option Scheme, 2007', and 'Dr. Reddy's Employees Stock Option Scheme, 2018' (the "Schemes"). The term of Dr. Reddy's Employees Stock Option Scheme, 2002, ended on January 28, 2022. However the options already granted under the 2002 Scheme are eligible for exercise, in terms of the Scheme. There are no other changes in the said schemes during the year. The Schemes are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The details of Company's stock option Schemes as required under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are available on the Company's website: *https://www.drreddys.com/investors/governance/policies-anddocuments/#governance#policies-and-documents*

The details also form part of note 2.25 of the notes to accounts of the standalone financial statements.

PARTICULARS OF EMPLOYEES

The disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are attached as **Annexure V** to this Board's Report.

In terms of Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of limits set out in the said rules forms part of the Annual Report.

Considering the provisions of Section 136 of the Act, the Annual Report, excluding the aforesaid information, is being sent to the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company or through electronic mode, during business hours on working days up to the date of the forthcoming 38th AGM, by members. Any member interested in obtaining a copy thereof may write to the Company Secretary in this regard.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars as prescribed under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are attached as **Annexure VI** to this Board's Report.

ANNUAL RETURN

The Annual Return of the Company as on March 31, 2022, in terms of the provisions of Section 134(3)(a) of the Act, is available on the Company's website: *https://www.drreddys.com/investors/reports-and-filings/annual-reports/*

ACKNOWLEDGMENT

Your directors place on record their sincere appreciation for the significant contribution made by your Company's employees through their dedication, hard work and commitment, as also for the trust reposed in your Company by the medical fraternity and patients. The Board of Directors also acknowledges the support extended by the analysts, bankers, government agencies, media, customers, business partners, members and investors at large.

The Board looks forward to your continued support in the Company's endeavor to accelerate access to innovative and affordable medicines, because *Good Health Can't Wait.*

For and on behalf of the Board of Directors

K Satish Reddy
Chairman
DIN: 00129701

Place: Hyderabad
Date: May 19, 2022

ANNEXURE-I

FORM AOC-1

Pursuant to first proviso to Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014. Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures.

All amounts in Indian Rupees millions, except share data and where otherwise stated

PART "A" **SUBSIDIARIES**

		AS AT MARCH 31, 2022											FOR THE YEAR ENDED MARCH 31, 2022					
SL. NO.	NAME OF THE SUBSIDIARY	REPORTING PERIOD FOR THE SUBSIDIARY	DATE OF INCORPORATION/ ACQUISITION	% OF SHAREHOLDING	REPORTING CURRENCY	EXCHANGE RATE	SHARE CAPITAL	RESERVES & SURPLUS	OTHER LIABILITIES	TOTAL EQUITY AND LIABILITIES	TOTAL ASSETS	INVESTMENTS*	TURNOVER	NET EXPENSE (TOTAL EXPENSE NET OF OTHER INCOME)	PROFIT/(LOSS) BEFORE TAXATION	PROVISION FOR TAXATION	PROFIT/(LOSS) AFTER TAXATION	PROPOSED DIVIDEND
1	Aurigene Discovery Technologies (Malaysia) Sdn. Bhd.	31-03-2022	26-09-2007	100%	MYR	17.63	16	28	1	45	45	20	33	30	3	-	3	-
2	Aurigene Discovery Technologies Inc. (1)	31-03-2022	29-04-2002	100%	USD	73.11	-	-	-	-	-	-	-	-	-	-	-	-
3	Aurigene Discovery Technologies Limited	31-03-2022	10-08-2001	100%	INR	1	905	2,566	1,917	5,388	5,388	1,917	2,899	1,962	937	241	696	-
4	Aurigene Pharmaceutical Services Limited	31-03-2022	16-09-2019	100%	INR	1	401	(4,005)	7,102	3,498	3,498	313	3,608	3,160	448	122	326	-
5	beta Institut gemeinnützige GmbH (2)	31-03-2022	15-02-2006	100%	EUR	85.75	5	2	3	10	10	-	-	(2)	2	-	2	-
6	betapharm Arzneimittel GmbH (2)	31-03-2022	15-02-2006	100%	EUR	85.75	60	(25)	9,444	9,479	9,479	-	9,981	10,019	(38)	-	(38)	-
7	Cheminor Investments Limited	31-03-2022	23-01-1990	100%	INR	1	1	-	-	1	1	-	-	-	-	-	-	-
8	Chirotech Technology Limited	31-03-2022	30-04-2008	100%	GBP	100.75	1,060	187	159	1,406	1,406	-	-	15	(15)	-	(15)	-
9	Dr Reddy's Laboratories Kazakhstan LLP	31-03-2022	30-11-2016	100%	KZT	0.17	81	172	723	976	976	-	2,303	2,250	53	14	39	-
10	Dr. Reddy's (WUXI) Pharmaceutical Co. Ltd, China (1)	31-03-2022	02-06-2017	100%	RMB	11.16	65	(28)	-	37	37	-	-	2	(2)	-	(2)	-
11	Dr. Reddy's Bio-Sciences Limited	31-03-2022	09-07-2003	100%	INR	1	588	(366)	71	293	293	-	-	11	(11)	-	(11)	-
12	Dr. Reddy's Farmaceutica Do Brasil Ltda.	31-03-2022	06-07-2000	100%	BRL	12.83	818	(844)	1,303	1,277	1,277	-	1,339	1,201	138	49	89	-
13	Dr. Reddy's Formulations Limited	31-03-2022	11-03-2021	100%	INR	1	1	-	-	1	1	-	-	-	-	-	-	-
14	Dr. Reddy's Laboratories (Australia) Pty. Limited	31-03-2022	07-06-2006	100%	AUD	55.7	35	(274)	851	612	612	-	948	888	60	17	43	-
15	Dr. Reddy's Laboratories (EU) Limited	31-03-2022	17-04-2002	100%	GBP	100.75	723	2,189	1,849	4,761	4,761	-	1,311	1,469	(158)	(40)	(118)	-
16	Dr. Reddy's Laboratories (Proprietary) Limited	31-03-2022	13-06-2002	100%	ZAR	4.94	-	506	369	875	875	-	2,348	2,249	99	30	69	-
17	Dr. Reddy's Laboratories (UK) Limited	31-03-2022	29-11-2002	100%	GBP	100.75	-	3,683	1,509	5,192	5,192	-	4,086	3,888	198	13	185	-
18	Dr. Reddy's Laboratories B.V.	31-03-2022	11-09-2007	100%	EUR	85.75	37	(2,688)	2,677	26	26	-	-	109	(109)	-	(109)	-
19	Dr. Reddy's Laboratories Canada Inc.	31-03-2022	29-08-2013	100%	CAD	58.03	-	508	745	1,253	1,253	-	1,953	1,879	74	20	54	-
20	Dr. Reddy's Laboratories Japan KK	31-03-2022	14-04-2015	100%	JPY	66.12	34	(19)	2	17	17	-	48	44	4	1	3	-
21	Dr. Reddy's Laboratories LLC	31-03-2022	11-05-2011	100%	UAH	2.62	219	249	1,208	1,676	1,676	-	3,015	2,862	153	49	104	-
22	Dr. Reddy's Laboratories Louisiana LLC (3)	31-03-2022	30-04-2008	100%	USD	73.11	-	1,281	507	1,788	1,788	-	2,485	6,524	(4,039)	-	(4,039)	-
23	Dr. Reddy's Laboratories Malaysia Sdn. Bhd.	31-03-2022	10-07-2017	100%	MYR	17.63	49	5	119	173	173	-	215	221	(6)	(1)	(5)	-
24	Dr. Reddy's Laboratories New York, LLC	31-03-2022	24-05-2011	100%	USD	73.11	-	398	135	533	533	-	-	397	(397)	-	(397)	-
25	Dr. Reddy's Laboratories Romania Srl	31-03-2022	07-06-2010	100%	RON	17.44	24	666	1,245	1,935	1,935	-	3,406	3,077	329	58	271	-
26	Dr. Reddy's Laboratories SA	31-03-2022	16-04-2007	100%	USD	73.11	5,027	16,025	17,985	39,037	39,037	-	19,355	25,083	(5,728)	(294)	(5,434)	-
27	Dr. Reddy's Laboratories SAS	31-03-2022	04-11-2014	100%	COP	0.02	104	20	632	756	756	-	706	704	2	(7)	9	-
28	Dr. Reddy's Laboratories, Inc.(3)	31-03-2022	13-05-1992	100%	USD	73.11	580	9,101	41,505	51,186	51,186	26	72,546	83,996	(11,450)	257	(11,707)	-
29	Dr. Reddy's New Zealand Limited	31-03-2022	01-02-2008	100%	NZD	51.17	-	64	55	119	119	-	201	222	(21)	-	(21)	-
30	Dr. Reddy's Srl	31-03-2022	05-08-2008	100%	EUR	85.75	6	(730)	1,251	527	527	-	834	793	41	5	36	-
31	Dr. Reddy's (Beijing) Pharmaceutical Co. Limited	31-03-2022	19-08-2020	100%	RMB	11.16	148	14	28	190	190	-	274	263	11	-	11	-
32	Dr. Reddy's Laboratories (Thailand) Limited	31-03-2022	13-06-2018	100%	TWD	2.57	35	157	99	291	291	-	3,725	3,474	251	39	212	-
33	Dr. Reddy's Laboratories Chile SPA.	31-03-2022	16-06-2017	100%	CLP	0.1	140	(107)	270	303	303	-	307	339	(32)	-	(32)	-

All amounts in Indian Rupees millions, except share data and where otherwise stated

PART "A" SUBSIDIARIES

SL. NO.	NAME OF THE SUBSIDIARY	REPORTING PERIOD FOR THE SUBSIDIARY	DATE OF INCORPORATION/ ACQUISITION	% OF SHAREHOLDING	REPORTING CURRENCY	EXCHANGE RATE	SHARE CAPITAL	RESERVES & SURPLUS	OTHER LIABILITIES	TOTAL EQUITY AND LIABILITIES	TOTAL ASSETS	INVESTMENTS*	TURNOVER	NET EXPENSE (TOTAL EXPENSE NET OF OTHER INCOME)	PROFIT/(LOSS) BEFORE TAXATION	PROVISION FOR TAXATION	PROFIT/(LOSS) AFTER TAXATION	PROPOSED DIVIDEND
		AS AT MARCH 31, 2022											FOR THE YEAR ENDED MARCH 31, 2022					
34	Dr. Reddy's Laboratories LLC	31-03-2022	05-04-2003	100%	RUB	0.97	738	2,379	11,412	14,529	14,529	-	21,894	21,108	786	179	607	-
35	Dr. Reddy's Laboratories Philippines Inc.	31-03-2022	09-05-2018	100%	PHP	1.51	31	(35)	9	5	5	-	-	12	(12)	-	(12)	-
36	Dr. Reddy's Laboratories Taiwan Ltd.	31-03-2022	23-02-2018	100%	TWD	2.57	32	(14)	1	19	19	-	15	13	2	-	2	-
37	Dr. Reddy's Research and Development B.V.	31-03-2022	15-02-2013	100%	EUR	85.75	460	1,970	1,180	3,610	3,610	-	993	779	214	-	214	-
38	Dr. Reddy's Venezuela, C.A.	31-03-2022	20-10-2010	100%	VES	0	58	(4,923)	4,870	5	5	-	-	187	(187)	-	(187)	-
39	DRL Impex Limited	31-03-2022	18-08-1986	100%	INR	1	760	(762)	13	11	11	-	-	-	-	-	-	-
40	DRS LLC	31-03-2022	11-09-2007	100%	RUB	0.97	30	13	89	132	132	-	-	4	(4)	-	(4)	-
41	Idea2Enterprises (India) Private Limited	31-03-2022	22-05-2010	100%	INR	1	25	1,511	4	1,540	1,540	1	-	-	-	-	-	-
42	Imperial Credit Private Limited	31-03-2022	22-02-2017	100%	INR	1	12	14	-	26	26	26	-	(1)	1	-	1	-
43	Industrias Quimicas Falcon de Mexico, S.A. de CV	31-03-2022	30-12-2005	100%	MXN	3.58	594	605	6,048	7,247	7,247	-	5,669	5,284	385	169	216	-
44	Kunshan Rotam Reddy Pharmaceutical Company Limited [(4)]	31-03-2022	15-08-2001	51.33%	RMB	11.16	-	-	-	-	-	-	-	-	-	-	712	-
45	Lacock Holdings Limited	31-03-2022	15-12-2005	100%	EUR	85.75	1	464	1	466	466	-	-	2	(2)	-	(2)	-
46	Nimbus Health GmbH	31-03-2022	24-02-2022	100%	EUR	85.75	2	414	155	571	571	-	31	37	(6)	-	(6)	-
47	Promius Pharma LLC	31-03-2022	14-02-2003	100%	USD	73.11	13,908	(13,897)	386	397	397	-	(6)	26	(32)	-	(32)	-
48	Reddy Holding GmbH [(2)]	31-03-2022	15-02-2006	100%	EUR	85.75	1	26,063	1,773	27,837	27,837	-	-	(3,114)	3,114	982	2,132	-
49	Reddy Netherlands B.V.	31-03-2022	20-02-1997	100%	EUR	85.75	7	2,912	-	2,919	2,919	-	-	(8)	8	-	8	-
50	Reddy Pharma Iberia SAU	31-03-2022	18-05-2006	100%	EUR	85.75	(147)	393	401	647	647	-	1,343	1,335	8	2	6	-
51	Reddy Pharma Italia S.p.A	31-03-2022	13-10-2006	100%	EUR	85.75	257	69	1,267	1,593	1,593	-	-	1	(1)	-	(1)	-
52	Reddy Pharma SAS	31-03-2022	29-10-2015	100%	EUR	85.75	386	(22)	280	644	644	-	1,305	1,135	170	47	123	-
53	SVAAS Wellness Limited	31-03-2022	08-07-2009	100%	INR	1	250	(166)	100	184	184	73	-	170	(170)	-	(170)	-

* *Includes all investments excluding investment in subsidiaries.*

(1) *Subsidiaries which have been liquidated during the year.*

(2) *Tax expense for these entities is computed together as per the tax laws of Germany. The total tax expense is presented in Sl. No. 48 - Reddy Holding GmbH.*

(3) *Tax expense for these entities is computed together as per the tax laws of United States. The total tax expense is presented in Sl. No. 28 - Dr. Reddy's Laboratories Inc.*

(4) *The investment has been accounted using equity method. Refer note 2.56 of consolidated financial statements.*

PART "B" ASSOCIATES AND JOINT VENTURES

SL. NO.	NAME OF THE ASSOCIATE / JOINT VENTURE	LATEST AUDITED BALANCE SHEET DATE	DATE OF INCORPORATION/ ACQUISITION	SHARES OF ASSOCIATE/JOINT VENTURES HELD BY THE COMPANY ON THE YEAR END			NET WORTH ATTRIBUTABLE TO SHAREHOLDING AS PER LATEST AUDITED BALANCE SHEET	PROFIT / LOSS FOR THE YEAR		DESCRIPTION OF HOW THERE IS A SIGNIFICANT INFLUENCE	REASON WHY THE ASSOCIATE/ JOINT VENTURE IS NOT CONSOLIDATED
				NO.	AMOUNT OF INVESTMENT IN ASSOCIATES/ JOINT VENTURE	EXTEND OF HOLDING %		CONSIDERED IN CONSOLIDATION	NOT CONSIDERED IN CONSOLIDATION		
1	DRES Energy Private Limited, India	31-03-2022	06-10-2015	85,80,000	86	26%	-	(9)	(26)	NA	NA

For and on behalf of the Board of Directors

K Satish Reddy	Chairman (DIN: 00129701)
G V Prasad	Co-Chairman & Managing Director (DIN: 00057433)
Erez Israeli	Chief Executive Officer
Parag Agarwal	Chief Financial Officer
K Randhir Singh	Company Secretary

Place : Hyderabad
Date : May 19, 2022

ANNEXURE-II

FORM AOC – 2

(Pursuant to clause (h) of Section 134(3) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto

1.	DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS: None	
(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts/ arrangements/ transactions	
(d)	Salient terms of the contracts/ arrangements/ transactions including the value, if any	
(e)	Justification for entering into such contracts/arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2.	DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS		
(a)	Name(s) of the related party and nature of relationship	Dr.. Reddy's Laboratories Inc., USA, WOS	Dr. Reddy's Laboratories LLC, Russia, WOS
(b)	Nature of contracts/ arrangements/ transactions	Transfer or receipt of products, goods, materials or services	
(c)	Duration of the contracts/ arrangements/ transactions	Ongoing	
(d)	Salient terms of the contracts/ arrangements/ transactions including the value, if any	Transfer or receipt of products, goods, materials or services on arm's length for an estimated amount of up to ₹ 30,924 million.	Transfer or receipt of products, goods, materials or services on arm's length for an estimated amount of up to ₹ 18,162 million.
(e)	Date(s) of approval by the Board, if any	NA. However, the transactions were approved by the Audit Committee	
(f)	Amount paid as advances, if any	-	-

For and on behalf of the Board of Directors

K Satish Reddy
Chairman
DIN: 00129701

Place : Hyderabad
Date : May 19, 2022

ANNEXURE-III

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Dr. Reddy's Laboratories Limited,
8-2-337, Road No 3, Banjara Hills,
Hyderabad – 500 034

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dr. Reddy's Laboratories Limited** (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

AUDITOR'S RESPONSIBILITY:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

UNMODIFIED OPINION:

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; **(External Commercial Borrowings Not Applicable to the Company during the Audit Period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period);** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period).**

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test -check basis the Company has complied with the following specific law to the extent applicable to the Company:

- The Drugs and Cosmetics Act, 1940 and Rules made thereunder;
- Drugs (Prices Control) Order, 2013 and Notifications made thereunder and;
- The Narcotics Drugs and Psychotropic Substances Act, 1985

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards made there under for all the above laws to the extent possible.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Makarand M. Joshi & Co.
Practicing Company Secretaries

Makarand M. Joshi
Partner
FCS No. 5533
CP No. 3662
P.R. No. 640/2019
UDIN: F005533D000345532

Date: May 19, 2022
Place: Mumbai

*This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'ANNEXURE A'

To
The Members,
Dr. Reddy's Laboratories Limited,
8-2-337, Road No 3, Banjara Hills,
Hyderabad – 500 034

Our Secretarial Audit Report for the financial year ended March 31, 2022 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Makarand M. Joshi & Co.
Practicing Company Secretaries

Makarand M. Joshi
Partner
FCS No. 5533
CP No. 3662
P.R. No. 640/2019
UDIN: F005533D000345532

Date: May 19, 2022
Place: Mumbai

ANNEXURE-IV

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

At Dr. Reddy's, all our activities are guided by our purpose and belief "We accelerate access to affordable and innovative medicines because, Good Health Can't Wait." Our business is based on a deep respect for people and the planet. Our contribution to societal change embodies our values. We will continue to catalyse replicable, sustainable and innovative actions for social change. We believe in contributing to a sustainable community development and facilitating our efforts towards creating shared value.

2. COMPOSITION OF CSR COMMITTEE

SL. NO.	NAME OF THE DIRECTOR	DESIGNATION / NATURE OF DIRECTORSHIP	NUMBER OF MEETINGS OF CSR COMMITTEE HELD DURING THE YEAR	NUMBER OF MEETINGS OF CSR COMMITTEE ATTENDED DURING THE YEAR
1	Mr. Prasad R Menon	Independent Director, Chairman of CSR committee	3	3
2	Mr. K Satish Reddy	Chairman, Member of CSR Committee	3	3
3	Mr. G V Prasad	Co-Chairman and Managing Director, Member of CSR Committee	3	3

3. THE WEB-LINKS WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

(a) Composition of the CSR Committee - *https://www.drreddys.com/investor#governance#committees-of-the-board*

(b) CSR policy - *https://www.drreddys.com/cms/sites/default/files/static/csr-policy.pdf*

(c) CSR projects - *https://www.drreddys.com/cms/sites/default/files/static/fy22-programme-update-for-website.pdf*

4. DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF RULE 8(3) OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014:

The Company has engaged an independent agency to carry out the impact assessment of eligible CSR projects undertaken in FY2021. The report of such impact assessment was noted by the CSR Committee as well as the Board. The executive summary of the impact assessment report is attached as Annexure IV (a) with this Report and the detailed impact assessment report is available on the Company's website at *https://www.drreddys.com/cms/cms/sites/default/files/2022-06/CSR%20 Impact%20Assessment%20Report%202022%20.pdf*

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET OFF FOR THE FINANCIAL YEAR, IF ANY:

In FY2021, the Company spent an amount of ₹360,801,226 against the two percent mandatory CSR Spend requirement of ₹341,002,903. Thus, an additional amount of ₹ 19,798,323 was available for set off in FY2022.

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5) OF THE ACT: ₹ 23,376,567,300

7.

(a)	**Two percent of average net profit of the Company as per Section 135(5) of the Act:**	₹ 467,531,346
(b)	**Surplus arising out of the CSR projects or programmes or activities of the previous financial years**	NA
(c)	**Amount required to be set off for the financial year if any:**	₹ 19,798,323
(d)	**Total CSR obligation for the financial year (7a+7b-7c):**	₹ 447,733,023

8.

(A) CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR

TOTAL AMOUNT SPENT FOR THE FINANCIAL YEAR (IN ₹)	AMOUNT UNSPENT (IN ₹)				
	TOTAL AMOUNT TRANSFERRED TO UNSPENT CSR ACCOUNT AS PER SECTION 135 (6) OF THE ACT		AMOUNT TRANSFERRED TO ANY FUND SPECIFIED UNDER SCHEDULE VII AS PER THE SECOND PROVISION OF SECTION 135 (5) OF THE ACT		
	AMOUNT (IN ₹)	DATE OF TRANSFER	NAME OF THE FUND	AMOUNT	DATE OF TRANSFER
355,308,703	92,791,940	April 28, 2022		NA	

(B) DETAILS OF CSR AMOUNT SPENT AGAINST ONGOING PROJECTS FOR THE FINANCIAL YEAR

SL. NO.	NAME OF THE PROJECT	ITEM FROM THE LIST OF ACTIVITIES IN SCHEDULE VII OF THE ACT	LOCAL AREA (YES/NO)	LOCATION OF THE PROJECT		PROJECT DURATION	AMOUNT ALLOCATED FOR THE PROJECT (IN ₹)	AMOUNT SPENT IN THE CURRENT FINANCIAL YEAR (IN ₹)	AMOUNT TRANSFERRED TO UNSPENT CSR ACCOUNT FOR THE PROJECT AS PER SECTION 135(6) (IN ₹)	MODE OF IMPLEMENTATION DIRECT (YES/NO)	MODE OF IMPLEMENTATION THROUGH IMPLEMENTING AGENCY	
				STATE	DISTRICT						NAME	CSR REGISTRATION NUMBER
1	Rare Disease Initiative	Promoting healthcare including preventive healthcare	Yes	Telangana	Hyderabad	2 years	85,000,000	1,000,000	84,000,000	No	Dr. Reddy's Foundation	CSR00000794
2	Conserving Tigers in Eastern Ghats of Andhra Pradesh & Telangana	Environmental Sustainability	No	Telangana & Andhra Pradesh	Nagarkurnool Kurnool, Guntur, Prakasam, Mahbubnagar and Nalgonda	3 years	8,791,940	-	8,791,940	No	World Wide Fund for Nature - India	CSR00000257
	Total						**93,791,940**	**1,000,000**	**92,791,940**			

(C) DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR

SL. NO.	NAME OF THE PROJECT	ITEM FROM THE LIST OF ACTIVITIES IN SCHEDULE VII OF THE ACT	LOCAL AREA (YES/NO)	LOCATION OF THE PROJECT		AMOUNT SPENT ON THE PROJECT (IN ₹)	MODE OF IMPLEMENTATION DIRECT (YES/NO)	MODE OF IMPLEMENTATION THROUGH IMPLEMENTING AGENCY	
				STATE	DISTRICT			NAME	CSR REGISTRATION NUMBER
1	Quality education support serving low income community	Education	Yes	Telangana	Hyderabad	33,000,000	No	Dr. Reddy's Foundation	CSR00000794
2	School Improvement Programme (SIP) in Government Schools	Education	Yes	Telangana and Andhra Pradesh	Hyderabad, Nalgonda, Krishna, Guntur, Visakhapatnam, Vizianagaram, Srikakulam	47,500,000	No	Dr. Reddy's Foundation	CSR00000794

(C) DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR

SL. NO.	NAME OF THE PROJECT	ITEM FROM THE LIST OF ACTIVITIES IN SCHEDULE VII OF THE ACT	LOCAL AREA (YES/NO)	LOCATION OF THE PROJECT		AMOUNT SPENT ON THE PROJECT (IN ₹)	MODE OF IMPLEMENTATION DIRECT (YES/NO)	MODE OF IMPLEMENTATION THROUGH IMPLEMENTING AGENCY	
				STATE	DISTRICT			NAME	CSR REGISTRATION NUMBER
3	Enabling Pure Sciences Higher Education Research-Dr. Anji Reddy Chair	Education	Yes	Telangana	Hyderabad	5,000,000	No	University of Hyderabad	CSR00006281
4	School Construction	Education	No	Andhra Pradesh	West Godavari	4,000,000	No	Kakinada Engineering Alumni Trust for Service	CSR00008343
5	Skilling & Employability Program for Youth	Livelihood	No	Telangana, Kerala Madhya Pradesh, Tamil Nadu and Gujarat	Hyderabad, Ernakulam, Indore, Chennai, Rajkot, Navasari	66,348,107	No	Dr. Reddy's Foundation	CSR00000794
6	Making Integrated Transformation for Resourceful Agriculture (MITRA)	Livelihood	No	Bihar	Samastipur	54,324,284	No	Dr. Reddy's Foundation	CSR00000794
7	Farmer Livelihood Project	Livelihood	Yes	Andhra Pradesh	Alluri Sitharama Raju	9,927,266	No	Naandi Foundation	CSR00001184
8	Psychological health support	Health	Yes	Telangana	Hyderabad	1,220,000	No	Roshni Trust	CSR00000664
9	Community Health Intervention Programme	Health	Yes	Telangana and Andhra Pradesh	Vizianagaram and Srikakulam	15,000,000	No	NICE Foundation	CSR00000497
10	Healthcare support to Yanam Old Age Home	Health	No	Andhra Pradesh	East Godavari	2,000,000	No	Yanam Old Age Home	CSR00009815
11	Action for Climate and Environment	Environmental Sustainability	Yes	Andhra Pradesh and Telangana	Srikakulam and Nalgonda	29,340,609	No	Dr. Reddy's Foundation	CSR00000794
12	Community Development	Rural Development	Yes	Telangana	Hyderabad	4,137,898	Yes	NA	NA
13	Covid Relief Activities	Health	Yes	Telangana, Andhra Pradesh, Himachal Pradesh and Tamil Nadu	Hyderabad, Nalgonda, Visakhapatnam, Vizianagaram, Srikakulam, Solan and Nilgiris	79,000,000	No	Dr. Reddy's Foundation	CSR00000794
14	Covid Relief Activities	Health	Yes	Telangana	Hyderabad	711,250	Yes	NA	NA
	Total					**351,509,414**			

(d) Amount spent in administrative overheads: ₹ 2,799,289

(e) Amount spent on impact assessment, if applicable: Not applicable, impact assessment for the projects completed during FY2021 was done during FY2023.

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 448,100,643

(G) EXCESS AMOUNT FOR SET OFF, IF ANY:

SL. NO.	PARTICULARS	AMOUNT (IN ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5) of the Act	₹ 467,531,346
(ii)	Total amount spent for the financial year	₹ 467,898,966*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 367,620
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	**

** Including ₹ 19,798,323 (excess spent during FY2021) set off during the FY2022. The amount includes unspent CSR amount transferred to Unspent CSR account.*

*** The Company has decided not to avail the amount available for set-off from the excess CSR spend of FY2022.*

9. **(a) Details of unspent CSR amount for the preceding three financial years:** Not Applicable

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not Applicable

11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):** Not applicable, as the Company has transferred the amount unspent to the Unspent CSR account, in terms of Section 135(6) of the Act.

For and on behalf of the Board of Directors

	G V Prasad	**Prasad R Menon**
Place: Hyderabad	Co-Chairman and Managing Director	Chairman of CSR Committee
Date: May 19, 2022	DIN: 00057433	DIN: 00005078

ANNEXURE-IV (A)

EXECUTIVE SUMMARY OF IMPACT ASSESSMENT REPORT OF THE CSR PROJECTS COMPLETED DURING FY 2020-21, AS APPLICABLE

Impact Assessment of CSR projects has become mandatory *vide* MCA's Circular which revised CSR Rules in January 2021. As per the revised Rules, every Company having average CSR obligation of ten crore rupees or more in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, for their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. In line with the above requirement, Dr. Reddy's Laboratories Limited engaged Sattva Media and Consulting Private Limited for undertaking Impact Assessment for eligible CSR Projects.

FY2021 CSR Spent - The Company has spent ₹ 36.08 Crore as part of its Corporate Social Responsibility in the financial year 2021, out of which CSR projects of ₹ 25.75 Crore were eligible for impact assessment, as per the revised CSR Rules. Following is the summary of impact assessment report of eligible CSR Projects:

SR. NO.	THEME	PROJECTS	IMPLEMENTING AGENCY	SUB-PROJECT	LINK TO SCHEDULE VII ACTIVITIES	AMOUNT SPENT (₹ IN CRORE)	IMPACT ASSESSMENT SUMMARY
1	Education	Quality education support serving low income community schools	Dr. Reddy's Foundation	Kallam Anji Reddy Vidyalaya (KARV)	(ii) Promoting education	4.11	1. Out of the total 2,178 students enrolled in KARV, 80% students attended online classes during school closure (due to pandemic). 2. 107 students appeared in SSC Class Xth examination in KARV, out of which 22 students achieved 10/10 GPA and 24 students achieved 9.8 GPA.
				Kallam Anji Reddy Junior Vocational College (KAR-VJC)	(ii) Promoting education & vocational skills among children		1. Regular online classes have been conducted through zoom between April 2020 and December 2020 due to the pandemic. 2. Out of 705 students, 44% of them regularly attended online classes, others were not regular due to unavailability of smart phones, data connectivity, migration issues during lockdown. 3. In Intermediate Year 1 and 2 results, 40 students scored above 900 in second year and 95 students scored above 400 in first year. 4. 70 students were placed (average ₹ 13,000 monthly salary) and rest opted for higher studies.
2	Education	Providing quality education to low income through Pudami Schools	Pudami Educational Society	Pudami Schools	(ii) Promoting education	1.50	1. Eleven Pudami Schools provide quality education medium education to around 4,103 students. 47% of students attended online classes during lockdown. Lack of devices, smart phones and internet access emerged as some of the main reasons behind the low attendance. 2. 70 students had appeared in SSC Class Xth examination this year in Pudami Schools, out of which 30 students scored 10/10 GPA.

SR. NO.	THEME	PROJECTS	IMPLEMENTING AGENCY	SUB-PROJECT	LINK TO SCHEDULE VII ACTIVITIES	AMOUNT SPENT (₹ IN CRORE)	IMPACT ASSESSMENT SUMMARY
3	Education	School Improvement Programme (SIP) in Government Schools	Dr. Reddy's Foundation	School Improvement Programme	(ii) Promoting education	3.59	1. SIP was implemented in 229 Government schools (200 in Andhra Pradesh and 29 in Telangana), benefitting around 66,543 students. 2. Dr. Reddy's Scholarship for Meritorious Students was awarded to 319 students, out of which 60% 193 were girls. 3. As a part of promoting menstrual hygiene, SIP undertook 'gift a pad' campaign and distributed 15,632 sanitary napkins to 7,816 adolescent girls, particularly in remote areas, who had difficulty accessing sanitary napkins due to lockdown. 4. Further, to empower girls and equip them to take care of their menstrual health, 235 girl students and 33 teachers from 11 schools were trained to make their own pads.
4	Livelihood	Skilling & Employability Program for Youth	Dr. Reddy's Foundation	GROW	(ii) Livelihood enhancement projects	13.99	1. 371 youth were enrolled in the GROW Program of which 70% were placed on completion of training at an average monthly 50 to 74%. Salary of INR 11,371 (tier 1 cities salary is INR 12,532) in FY 20 21. 2. Family income of the youth enrolled in the program increased in the range of 50 % to 74%. 3. There are more females (57%) enrolled in the program than males (43%).
				GROW - Persons with Disability (PwD)	(ii) Promoting employment enhancing vocation skills especially among differently abled		1. 105 PwD were enrolled under the GROW PwD of which 70% were placed on completion of training, at an average monthly salary of INR 11,547 (tier 1 salary INR 12,348). 2. Family income of the PwDs enrolled in the program increased in the range of 50% to 75%.
				High Quality Health Care Skilling (HQHCS)/ Samhita	(ii) Promoting employment enhancing vocation skills especially among differently abled		1. Under healthcare training (HQHCS) 149 youth (121 General Duty Assistant) and (28 Emergency Medical Technician) completed their pending training from Govt. centers (as their training got stuck due to lockdown announced by State Govt. followed by nationwide lockdown. 2. 84% female and 16% male participation is impressive as it enabled more women to access this training and join the job. 3. 74% of the youth enrolled in program were placed by the end of Q4 in FY 21 at an average monthly salary of 12,824 (GDA - INR 12,764 and EMT INR 13,081). 4. Under Samhita (a training on non-pharmaceutical intervention to fight COVID-19), 7507 youth and community members completed this course and 96% of them got certified after passing the online assessment. The male to female ratio was 54:46.
				Making Integrated Transformation for Resourceful Agriculture (MITRA)	(ii) Livelihood enhancement		1. A total of 32,665 farmers have been impacted under the MITRA program which include 1,391 Lead farmers and 31,274 Fellow farmers. 2. Out of 31274, MITRA activities helped 30603 farmers to generate INR 9,000/acre additional income.
5	Livelihood	Farmer Livelihood Project	Naandi Foundation	Farmer Livelihood Project	(ii) Livelihood enhancement	1.06	1. 48,859 farmers across 303 villages were trained. Out of these, 12,499 farmers were direct beneficiaries of the program. These village volunteers further trained 36,360 farmers. 2. Majority of coffee lots in Araku farms have scored above 85 in the annual harvest and cupping festival, Gems of Araku 2020, indicating toward high quality coffee.

SR. NO.	THEME	PROJECTS	IMPLEMENTING AGENCY	SUB-PROJECT	LINK TO SCHEDULE VII ACTIVITIES	AMOUNT SPENT (₹ IN CRORE)	IMPACT ASSESSMENT SUMMARY
6	Health	Community Health Intervention Programme (CHIP)	NICE Foundation	Community Health Intervention Programme (CHIP)	(i) Promoting healthcare including preventive healthcare	1.50	1. The program supported a total of 81,953 beneficiaries catering to 41% of the population from the intervention villages through 5,631 Fixed Day Health Service sessions in 206 venues. 2. As a result of the orientation of the community on wellness activities for lifestyle modification like increased physical activity, eating nutritious food, no to tobacco and alcohol, 76% of the 4,066 registered Regular Medical Care have adopted healthier lifestyles.

ANNEXURE -V

Information in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(I) THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY AND THE PERCENTAGE INCREASE/(DECREASE) IN REMUNERATION OF EACH DIRECTOR, CEO, CFO AND CS FOR FY2022:

NAME	DESIGNATION	RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF EMPLOYEES	% INCREASE / (DECREASE) IN REMUNERATION DURING FOR FY2022
Mr. K Satish Reddy(1)	Chairman	198	(2)
Mr. G V Prasad(1)	Co-Chairman and Managing Director	303	1
Mr. Allan Oberman	Independent director	23	11
Dr. Bruce L A Carter	Independent director	23	11
Ms. Kalpana Morparia	Independent director	25	17
Mr. Leo Puri	Independent director	22	7
Mr. Prasad R Menon	Independent director	29	18
Ms. Shikha Sharma	Independent director	23	11
Mr. Sridar Iyengar	Independent director	26	17
Dr. K P Krishnan(2)	Independent director	7	NA
Ms. Penny Wan(3)	Independent director	6	NA
Mr. Erez Israeli(7)	Chief executive officer (CEO)	NA	19
Mr. Parag Agarwal(4)	Chief financial officer (CFO)	NA	NA
Mr. Sandeep Poddar(5)	Company secretary (CS)	NA	NA
Mr. K Randhir Singh(6)	Company secretary (CS)	NA	NA

(1) *Includes commission, salary and perquisites. They do not receive any amount as remuneration from any subsidiary Company.*

(2) *Appointed as an Independent Director, with effect from January 7, 2022.*

(3) *Appointed as an Independent Director, with effect from January 28, 2022.*

(4) *Remuneration in FY2021 was paid for part of the year, not comparable.*

(5) *Resigned with effect from close of business hours on November 18, 2021. Remuneration in FY2022 was paid for part of the year, not comparable.*

(6) *Appointed with effect from March 17, 2022. Remuneration in FY2022 was paid for part of the year, not comparable.*

(7) *Includes fixed pay, actual variable pay, fuel & maintenance on actuals and does not include value of stock options.*

(ii) The median remuneration of employees increased by 4.1% in FY2022.

(iii) The number of permanent employees on the rolls of the Company as on March 31, 2022, is 20,122.

(iv) Average percentage increase in the salaries of employees other than KMP for FY2022, was 10% as compared to FY2021. There was an increase of 6% in the total remuneration of Executive Directors and KMP for FY2022 on account of computation of remuneration, on accrual basis to Executive Directors and on actual basis for KMP. While calculating percentage of increase in remuneration of Executive Directors and KMP, the remuneration of CFO and CS for part of the year is not considered, as the same was not comparable.

(v) It is hereby affirmed that the remuneration for FY2022 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

K Satish Reddy
Chairman
DIN: 00129701

Place: Hyderabad
Date: May 19, 2022

ANNEXURE-VI

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) CONSERVATION OF ENERGY:

During the year, the Company has implemented energy conservation projects across its various business units and accrued savings of approximately ₹ 267 million against an investment of ₹ 343 million.

With the above energy saving projects implementation, we have reduced 43,808 tons of CO_2 emissions during the year.

Additional ₹ 436 million is being spent for the energy conservation and emission reduction projects including digital energy management system in FTO 11, FTO PU 1 and FTO 3 plants, Co-generation plant fuel conversion from fossil fuel to bio mass fuel in FY2023.

Major categories of energy projects are:

1. **Installation of Innovative technology:**

   Implemented Industrial Internet of Things (IIOT) for HVAC systems for continuous monitoring and automatic control on real time basis, based on demand /load and climate changes to reduce 20% to 25% power consumption across all FTOs. Replacement of conventional plug type or belt driven blowers with electronically commutated axial flow FLP motors with blower assembly to achieve 25% to 30% of power consumption reduction in AHUs across CTO-1, CTO-6, CTO-SEZ plants. Horizontal deployment of Electronically Commutated (EC) motor technology in HVAC systems across FTO sites. Replacement of the existing Aluminum/ GRP/ FRP fans with energy efficient E Glass Epoxy FRP fan assembly to achieve 20% to 33% of power consumption reduction in Cooling Towers. Installed 450 TR Magnetic levitated bearing chiller in place of traditional old chiller to reduce energy loss and improve heat transfer efficiency at FTO 3 plant. Replacement of twin lobe blowers with energy efficient blowers in sewerage treatment plants.

2. **Optimization of designs and operational efficiencies:**

   Replacement of 7 numbers of screw air compressors having specific power consumption of 0.21KW/ CFM with a single centrifugal air compressor having specific power consumption of 0.148 KW/CFM at CTO 6 plant. Replacement of existing screw air compressors (2 x 450 CFM) with single screw air compressor (900 CFM) to reduce the power consumption at CTO-1 plant. Replacement of existing multiple operating pumps with single pump with right head and flow for optimizing the power consumption. Existing 650 TR chiller replaced with VFD fitted energy efficient chiller in FTO 8 to reduce the power consumption.

   To reduce the power consumption, non-inverter AC units were replaced with DC inverter units. Steam condensate recovery improvement from 60% to 70%, to improve the boiler efficiency. Frigitech oil additives for HVAC chillers to increase heat transfer efficiency. Optimization of compressed air pressure, arresting the air leakages & reduction of the loading hours of air compressor units. Power consumption reduction by using heat pump instead of geyser for hot water generation. Moved from Furnace oil to Natural gas for steam generation in FTO-2, 3 & Biologics plants to reduce scope-1 emissions.

3. **Identifying renewable power sources at low cost:**

   Roof top solar power plants of 2.4 MW got commissioned in FTO-8, FTO-11, FTO-12 and biologics plants. 3 MW hydel power supply started to CTO-6 plant. 13 MW solar power supply started to FTO-2, 0.8 MW solar power supply to FTO-11 and 2.2 MW solar power supply started to IPDO.

   With above renewable power additions, the Company has reduced 29,650 tons of CO_2 emissions during the year.

   With the above renewable capacity additions, the total roof top capacity has become 5.6 MW, 51.5 MW third party PPA's and 15 MW through JVC.

(B) TECHNOLOGY ABSORPTION

i.	Efforts made towards technology absorption	The Company has a full-fledged R&D division continuously engaged in research on new products and process improvement on existing products as part of continuous improvement in and outside India. As a part of technology absorption and adoption, once technology is developed for a product, it is tested in a pilot plant and thereafter commercial production is performed. Innovation is embarked by an incremental approach towards cost, time, quality and complex product development by adopting cutting edge technology and our philosophy is to continuously upgrade the technology.
ii.	Benefits derived like product improvement, cost reduction, product development or import substitution	Successful development of complex generics products accomplished through innovation and science. Improved quality by adopting quality by design concept. Technology adoption yielded improvement in robustness and cost.

(B) TECHNOLOGY ABSORPTION

iii.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – a. Details of technology imported b. Year of import c. Whether the technology been fully absorbed If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.	No imported technology

iv.	Expenditure incurred on R&D	FY2022	FY2021
	Capital (₹ in million)	713	562
	Recurring* (₹ in million)	13,531	12,542
	Total (₹ in million)	14,244	13,104
	Total R&D expenditure as a % of total turnover	**9.89%**	**9.82%**

** Excluding depreciation and amortization*

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

Foreign exchange earned in terms of actual inflows and foreign exchange outgo in terms of actual outflows during the year:

PARTICULARS	FY2022
Foreign Exchange earned in terms of actual inflows (₹ in million)	101,544
Foreign Exchange outgo in terms of actual outflows (₹ in million)	40,401

For and on behalf of the Board of Directors

K Satish Reddy
Chairman
DIN: 00129701

Place: Hyderabad
Date: May 19, 2022

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR

To the Members of Dr. Reddy's Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements c
the Balance sheet as at 31 March 2022, the Statement of Profit and Lo
and the Statement of Changes in Equity for the year then ended, and
significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the e
give the information required by the Companies Act, 2013, as amende
in conformity with the accounting principles generally accepted in India
including other comprehensive income, its cash flows and the changes

Basis for Opinion

We conducted our audit of the standalone financial statements in accor
143(10) of the Act. Our responsibilities under those Standards are fu
Standalone Financial Statements' section of our report. We are indepen
the Institute of Chartered Accountants of India together with the ethical
under the provisions of the Act and the Rules thereunder, and we hav
requirements and the Code of Ethics. We believe that the audit evidenc
our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgmer
statements for the financial year ended 31 March 2022. These matters
statements as a whole, and in forming our opinion thereon, and we do n
our description of how our audit addressed the matter is provided in th

We have determined the matters described below to be the key au
responsibilities described in the Auditor's responsibilities for the audit o
relation to these matters. Accordingly, our audit included the performa
of material misstatement of the standalone financial statements. The re
address the matters below, provide the basis for our audit opinion on th

Key audit matters	How our audit addres
Assessment of carrying value of intangible assets, intangible assets und *significant accounting policies, and note 2.3, 2.4 and 2.5 for details and m* *development respectively in the standalone financial statements)*	
As at 31 March 2022, the Company has intangible assets, including intangible assets under development, of ₹ 20,551 million and goodwill of ₹ 853 million. The carrying value of these intangible assets are based on future cash flows and there is a risk that the assets may be impaired if cash flows are not in line with projections. Valuation of goodwill and intangible assets is subject to management's assessment of recoverable amount, being the higher of the value in use and fair value less costs to sell, involving significant judgment and are based on number of variables and estimates including projection of future sales, operating costs and profit margins; appropriate discount rate and terminal value growth rate; and probability of technical and regulatory success factors in applying discounted cash flow valuation methodology. As the assessment of recoverable amount involves significant degree of management judgement, we have identified this a key audit matter	Our audit procedures • We evaluated t controls in asse assets under de • We assessed th these assets are • We tested the methodologies significant assur • We compared t trends, to the Co • We performed s change in the r in underlying a performing sens • We tested the a

S' REPORT

of Dr. Reddy's Laboratories Limited ("the Company"), which comprise
ss, including Other Comprehensive Income, the Cash Flow Statement
notes to the standalone financial statements, including a summary of

xplanations given to us, the aforesaid standalone financial statements
ed ("the Act") in the manner so required and give a true and fair view
, of the state of affairs of the Company as at 31 March 2022, its profit
in equity for the year ended on that date.

dance with the Standards on Auditing (SAs),as specified under section
rther described in the 'Auditor's Responsibilities for the Audit of the
dent of the Company in accordance with the 'Code of Ethics 'issued by
requirements that are relevant to our audit of the financial statements
ve fulfilled our other ethical responsibilities in accordance with these
e we have obtained is sufficient and appropriate to provide a basis for

nt, were of most significance in our audit of the standalone financial
were addressed in the context of our audit of the standalone financial
ot provide a separate opinion on these matters. For each matter below,
at context.

dit matters to be communicated in our report. We have fulfilled the
f the standalone financial statements section of our report, including in
nce of procedures designed to respond to our assessment of the risks
esults of our audit procedures, including the procedures performed to
he accompanying standalone financial statements

sed the key audit matter
er development and goodwill *(as described in note 1.3(f) and 1.3(i) of the ovement in goodwill, other intangible assets and intangible assets under*
s, among others included the following: he design and tested the operating effectiveness of the Company's ssing the recoverable value of goodwill, intangible assets and intangible velopment. e Company's methodology applied in determining the CGUs to which allocated. estimated recoverable value of these assets and assessed the used by management in deriving the recoverable value and tested the mptions and the underlying data used by the Company in its analyses. he significant assumptions to current industry, market and economic ompany's historical data. ensitivity analyses of the significant assumptions to evaluate the potential ecoverable values of these assets resulting from hypothetical changes ssumptions. We also assessed the recoverable value headroom by itivity testing of key assumptions used. rithmetical accuracy of the models.

INDEPENDENT AUDITORS' REPORT (CON

Key audit matters	How our audit addre
Contingencies, including litigations and tax *(as described in note 1.3(i)* *contingencies in the standalone financial statements)*	
The Company is involved in disputes, lawsuits, claims, anti-trust, governmental and / or regulatory inspections, inquiries, investigations and proceedings, including patent, tax and commercial matters that arise from time to time in the ordinary course of business. Most of the claims involve complex issues. The Company assisted by their external legal counsel assesses the need to make provision or disclose a contingency on a case- to-case basis considering the underlying facts of each litigation. This area is significant to our audit, since the accounting and disclosure for contingent legal and tax liabilities is complex and judgmental (due to the difficulty in predicting the outcome of the matter and estimating the potential impact if the outcome is unfavourable), and the amounts involved are, or can be, material to the standalone financial statements.	Our audit procedur • We evaluated identification a in the Compar litigation, conti • We obtained a selected a sar said counsel c with the provis underlying cor or the continge • We obtained le matters includ connected witl • We inspected • We involved ta assessed the t relevant tax au • We also evalua
Returns, discounts and other deductions in Revenue *(as described in* *statements and note 2.13 of the standalone financial statements)*	
Revenue is recognised net of accrual for sales returns and discounts etc. The estimates relating to these accruals are important given the significance of revenue and also considering the distinctive terms of arrangement with customers. These estimates are complex and requires significant judgement and estimation by the Company for establishing an appropriate accrual. Accuracy of revenues may deviate on account of change in judgements and estimates. Accordingly, the same has been considered as a key audit matter.	Our audit procedur • We obtained effectiveness c • We also testec assumptions o • We tested ma calculations fo determination estimate to rat • We compared returns, as app • We also consic and assessed accrual balanc • We also testec completeness levels and volu • We tested rec procedures: • Performed trer • Verified sampl

Other Information

The Company's Board of Directors is responsible for the other informat discussion and analysis, corporate governance and Board's report inc auditor's report, and Corporate Overview and letter from Chairman a be made available to us after that date. The other information does n thereon.

Our opinion on the standalone financial statements does not cover conclusion thereon.

In connection with our audit of the standalone financial statements, our whether such other information is materially inconsistent with the fina appears to be materially misstated. If, based on the work we have per information, we are required to report that fact. We have nothing to re

Responsibilities of Management and Those Charged with Govern

The Company's Board of Directors is responsible for the matters stat standalone financial statements that give a true and fair view of the f income, cash flows and changes in equity of the Company in accordar

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essed the key audit matter
of the significant accounting policies, and note 2.30 containing details of
es, among others included the following: the design and tested the operating effectiveness of controls relating to nd evaluation of claims, proceedings and investigations at different levels ny, and the measurement of provisions for disputes, potential claims and ngent liabilities and disclosures. list of ongoing litigations from the Company's in-house legal counsel. We mple of litigations based on materiality and performed inquiries with the on the legal evaluation of these litigations. We compared the evaluation sion or disclosure in the standalone financial statements. We tested the mputation of the management in relation to the measurement of provision ency. egal letters from the Company's external legal advisors with respect to the ed in the summary. Where appropriate, we examined correspondences n the cases. relevant communication with tax authorities. x experts in assessing the nature and amount of material tax positions and echnical merits based on the correspondence and assessments from the thorities. ated the disclosures made in the standalone financial statements.
note 1.3(m) of the significant accounting policies of standalone financial
es, among others included the following: an understanding, evaluated the design and tested the operating of internal controls over the sales deduction processes. d management's controls over the methods for making estimates,data and f the estimates used to calculate the sales deductions. anagement's estimated sales deductions and obtained management's r the respective estimates. We tested management's estimates over the of sales deductions, accruals by comparing the rates used in management's es in the underlying contracts and historical sales deductions data. the assumptions to contracted prices and discounts, allowances and plicable to current payment trends. dered the historical accuracy of the management's estimates in prior years the estimated amounts, we evaluated trends in actual sales and discount es. d the underlying data used in management's calculations for accuracy and and verified source data supporting the historical sales and sales returns ume discounts settled during the period. cording of revenue in appropriate period which included the following nd analysis over sales levels as compared to previous periods; e sales transactions near period-end.

ion. The other information comprises the Statutory reports, Management cluded in the Annual report, which we obtained prior to the date of this and Co-Chairman included in the Annual report, which is expected to ot include the standalone financial statements and our auditor's report

the other information and we do not express any form of assurance

r responsibility is to read the other information and, in doing so, consider ancial statements or our knowledge obtained in the audit or otherwise rformed, we conclude that there is a material misstatement of this other port in this regard.

ance for the Standalone Financial Statements

ed in section 134(5) of the Act with respect to the preparation of these financial position, financial performance including other comprehensive nce with the accounting principles generally accepted in India, including

the Indian Accounting Standards (Ind AS) specified under section 133 of
2015, as amended. This responsibility also includes maintenance of ac
Act for safeguarding of the assets of the Company and for preventing a
of appropriate accounting policies; making judgments and estimates th
maintenance of adequate internal financial controls, that were operating e
records, relevant to the preparation and presentation of the standalone
material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is respons
disclosing, as applicable, matters related to going concern and using the
to liquidate the Company or to cease operations, or has no realistic altern

Those charged with governance are also responsible for overseeing the

Auditor's Responsibilities for the Audit of the Standalone Financial

Our objectives are to obtain reasonable assurance about whether the
misstatement, whether due to fraud or error, and to issue an auditor's r
of assurance, but is not a guarantee that an audit conducted in accordar
Misstatements can arise from fraud or error and are considered material i
influence the economic decisions of users taken on the basis of these sta

As part of an audit in accordance with SAs, we exercise professional judgm

- Identify and assess the risks of material misstatement of the standa
perform audit procedures responsive to those risks, and obtain audi
opinion. The risk of not detecting a material misstatement resulting
involve collusion, forgery, intentional omissions, misrepresentations,

- Obtain an understanding of internal control relevant to the audit in ord
Under section 143(3)(i) of the Act, we are also responsible for exp
financial controls with reference to financial statements in place and

- Evaluate the appropriateness of accounting policies used and the re
by management.

- Conclude on the appropriateness of management's use of the go
obtained, whether a material uncertainty exists related to events or
continue as a going concern. If we conclude that a material uncertaint
related disclosures in the financial statements or, if such disclosures
the audit evidence obtained up to the date of our auditor's report. H
to continue as a going concern.

- Evaluate the overall presentation, structure and content of the stand
standalone financial statements represent the underlying transactio

We communicate with those charged with governance regarding, among
audit findings, including any significant deficiencies in internal control tha

We also provide those charged with governance with a statement t
independence, and to communicate with them all relationships and other
and where applicable, related safeguards.

From the matters communicated with those charged with governance, w
of the standalone financial statements for the financial year ended March
matters in our auditor's report unless law or regulation precludes public
we determine that a matter should not be communicated in our report b
expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the O
(11) of section 143 of the Act, we give in the "Annexure 1" a statem

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanat
   the purposes of our audit;

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the Act read with the Companies (Indian Accounting Standards) Rules, dequate accounting records in accordance with the provisions of the and detecting frauds and other irregularities; selection and application hat are reasonable and prudent; and the design, implementation and ffectively for ensuring the accuracy and completeness of the accounting e financial statements that give a true and fair view and are free from

sible for assessing the Company's ability to continue as a going concern, e going concern basis of accounting unless management either intends native but to do so.

Company's financial reporting process.

Statements

e standalone financial statements as a whole are free from material report that includes our opinion. Reasonable assurance is a high level nce with SAs will always detect a material misstatement when it exists. f, individually or in the aggregate, they could reasonably be expected to andalone financial statements.

ment and maintain professional skepticism throughout the audit. We also:

alone financial statements, whether due to fraud or error, design and it evidence that is sufficient and appropriate to provide a basis for our g from fraud is higher than for one resulting from error, as fraud may , or the override of internal control.

er to design audit procedures that are appropriate in the circumstances. ressing our opinion on whether the Company has adequate internal the operating effectiveness of such controls.

easonableness of accounting estimates and related disclosures made

oing concern basis of accounting and, based on the audit evidence conditions that may cast significant doubt on the Company's ability to ty exists, we are required to draw attention in our auditor's report to the are inadequate, to modify our opinion. Our conclusions are based on owever, future events or conditions may cause the Company to cease

alone financial statements, including the disclosures, and whether the ns and events in a manner that achieves fair presentation.

other matters, the planned scope and timing of the audit and significant t we identify during our audit.

hat we have complied with relevant ethical requirements regarding r matters that may reasonably be thought to bear on our independence,

ve determine those matters that were of most significance in the audit h 31, 2022 and are therefore the key audit matters. We describe these disclosure about the matter or when, in extremely rare circumstances, because the adverse consequences of doing so would reasonably be n.

rder"), issued by the Central Government of India in terms of sub-section ent on the matters specified in paragraphs 3 and 4 of the Order.

ions which to the best of our knowledge and belief were necessary for

INDEPENDENT AUDITORS' REPORT (CON

(b) In our opinion, proper books of account as required by law ha of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including of Changes in Equity dealt with by this Report are in agreem

(d) In our opinion, the aforesaid standalone financial statements the Act, read with Companies (Indian Accounting Standards)

(e) On the basis of the written representations received fr Board of Directors, none of the directors is disqualified as Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial cont operating effectiveness of such controls, refer to our separat

(g) In our opinion, the managerial remuneration for the year en directors in accordance with the provisions of section 197 re

(h) With respect to the other matters to be included in the Aud Auditors) Rules, 2014, as amended in our opinion and to the

i. The Company has disclosed the impact of pending litig Refer Note 2.30(A) to the standalone financial statemen

ii. The Company has made provision, as required under losses, if any, on long-term contracts including derivative

iii. There has been no delay in transferring amounts, requ by the Company;

iv. a) The management has represented that, to the best invested (either from borrowed funds or share prem other persons or entities, including foreign entities or otherwise, that the Intermediary shall, whether, d in any manner whatsoever by or on behalf of the C the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the be Company from any persons or entities, including recorded in writing or otherwise, that the Company entities identified in any manner whatsoever by or guarantee, security or the like on behalf of the Ultim

c) Based on such audit procedures performed that ha nothing has come to our notice that has caused us any material misstatement.

v. a) The final dividend paid by the Company during the ye with section 123 of the Act to the extent it applies t

b) As stated in note 2.9 to the standalone financial st dividend for the year which is subject to the approva declared is in accordance with section 123 of the A

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 22213271AJFMRM8990

Place of Signature: Hyderabad
Date: 19 May 2022

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ave been kept by the Company so far as it appears from our examination

Other Comprehensive Income, the Cash Flow Statement and Statement
ent with the books of account;

comply with the Accounting Standards specified under Section 133 of
Rules, 2015, as amended;

om the directors as on 31 March 2022 taken on record by the
s on 31 March 2022 from being appointed as a director in terms of

trols with reference to these standalone financial statements and the
e Report in "Annexure 2" to this report;

nded 31 March 2022 has been paid / provided by the Company to its
ead with Schedule V to the Act;

itor's Report in accordance with Rule 11 of the Companies (Audit and
best of our information and according to the explanations given to us:

gations on its financial position in its standalone financial statements –
ts;

the applicable law or accounting standards, for material foreseeable
e contracts – Refer Note 2.28 to the standalone financial statements;

uired to be transferred, to the Investor Education and Protection Fund

of its knowledge and belief, no funds have been advanced or loaned or
nium or any other sources or kind of funds) by the Company to or in any
("Intermediaries"), with the understanding, whether recorded in writing
directly or indirectly lend or invest in other persons or entities identified
ompany ("Ultimate Beneficiaries") or provide any guarantee, security or

est of its knowledge and belief, no funds have been received by the
foreign entities ("Funding Parties"), with the understanding, whether
shall, whether, directly or indirectly, lend or invest in other persons or
on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any
mate Beneficiaries; and

ave been considered reasonable and appropriate in the circumstances,
to believe that the representations under sub-clause (a) and (b) contain

ear in respect of the same declared for the previous year is in accordance
o payment of dividend.

atements, the Board of Directors of the Company have proposed final
al of the members at the ensuing Annual General Meeting. The dividend
ct to the extent it applies to declaration of dividend.

ANNEXURE 1 REFERRED TO IN PARAGRAPH UND
AND REGULATORY REQUIREMENTS" OF OUR R

RE: DR. REDDY'S LABORATORIES LIMITED ("the Con

In terms of the information and explanations sought by us and given by
in the normal course of audit and to the best of our knowledge and beli

(i) (a) (A) The Company has maintained proper records showing full

(B) The Company has maintained proper records showing ful

(b) All Property, Plant and Equipment have not been physically programme of verification which, in our opinion, is reasonable No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than pr are duly executed in favour of the lessee) are held in the name

(d) The Company has not revalued its Property, Plant and Equipm ended 31 March 2022.

(e) There are no proceedings initiated or are pending against the Com Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the manageme management is reasonable and the coverage and procedure have been confirmed by them as at 31 March 2022. There w inventory.

(b) The Company has not been sanctioned working capital limits in during any point of time of the year on the basis of security of of the Order is not applicable to the Company.

(iii) (a) During the year the Company has not provided loans, advar companies, firms, Limited Liability Partnerships or any other p Order is not applicable to the Company.

(b) During the year the investments made, guarantees provided, s advances in the nature of loans, investments and guarantees are not prejudicial to the Company's interest.

(c) The Company has outstanding loans from subsidiary compani payment of interest has been stipulated and the repayment or

(d) There are no amounts of loans and advances in the nature of other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted which had fallen due during the year. Accordingly, the require Company.

(f) The Company has not granted any loans or advances in the n terms or period of repayment to companies, firms, Limited Liab report on clause 3(iii)(f) of the Order is not applicable to the Co

(iv) In our opinion and according to the information and explanations company in which the Director is interested to which provisions of opinion and according to the information and explanations giver provided security which is in compliance with the provisions of sec

(v) The Company has neither accepted any deposits from the public n meaning of sections 73 to 76 of the Act and the rules made thereu on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the the maintenance of cost records under section 148(1) of the Act, and have been made and maintained. We have not, however, made a c

DER THE HEADING “REPORT ON OTHER LEGAL
EPORT OF EVEN DATE

mpany”)

the company and the books of account and records examined by us
ef, we state that:

l particulars, including quantitative details and situation of fixed assets.

ll particulars of intangibles assets.

verified by the management during the year but there is a regular
having regard to the size of the Company and the nature of its assets.

operties where the Company is the lessee and the lease agreements
e of the company.

ent (including Right of use assets) or intangible assets during the year

pany for holding any benami property under the Prohibition of Benami

nt during the year. In our opinion, the frequency of verification by the
for such verification is appropriate. Inventories lying with third parties
were no discrepancies of 10% or more in aggregate for each class of

excess of ₹ five crores in aggregate from banks or financial institutions
current assets. Accordingly, the requirement to report on clause 3(ii)(b)

nces in the nature of loans, stood guarantee or provided security to
arties. Accordingly, the requirement to report on clause 3(iii)(a) of the

ecurity given and the terms and conditions of the grant of all loans and
to companies, firms, Limited Liability Partnerships or any other parties

ies during the year where the schedule of repayment of principal and
receipts are regular.

loans granted to companies, firms, limited liability partnerships or any

to companies, firms, Limited Liability Partnerships or any other parties
ement to report on clause 3(iii)(e) of the Order is not applicable to the

ature of loans, either repayable on demand or without specifying any
bility Partnerships or any other parties. Accordingly, the requirement to
ompany.

given to us, the Company has not advanced loans to directors / to a
section 185 of the Act apply and hence not commented upon. In our
to us, the Company has made investments and given guarantees/
tion 186 of the Act.

or accepted any amounts which are deemed to be deposits within the
under, to the extent applicable. Accordingly, the requirement to report

e Company pursuant to the rules made by the Central Government for
are of the opinion that *prima facie,* the specified accounts and records
detailed examination of the same.

ANNEXURE 1 REFERRED TO IN PARAGRAPH UN AND REGULATORY REQUIREMENTS" OF OUR

(vii) (a) The Company is regular in depositing with appropriate au provident fund, employees' state insurance, income-tax, sale and other statutory dues applicable to it. According to the in performed by us, no undisputed amounts payable in respect of more than six months from the date they became payable

(b) The dues of goods and services tax, provident fund, employ duty of excise, value added tax, cess, and other statutory due

Name of the statute	Nature of the dues	Amount ₹	Paic p
Income Tax Act, 1961	Income Tax	84	
		6	
Central Excise Act, 1944	Excise Duty, Interest and Penalty	1,629	
		584	
		52	
Customs Act, 1962	Custom Duty	41	
		6	
CGST Act, 2017	GST	386	
Finance Act, 1994	Cenvat Credit of Service Tax, Interest and Penalty	109	
		29	
	Service Tax and Penalty	194	
		4	
Central Sales Tax Act and Sales Tax Acts of various States	Sales Tax and Penalty	176	
		94	
		1	
		78	

(viii) The Company has not surrendered or disclosed any transaction, under the Income Tax Act, 1961 as income during the year. Accor applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or oth

(b) The Company has not been declared wilful defaulter by any

(c) The Company did not have any term loans outstanding durin is not applicable to the Company.

(d) On an overall examination of the standalone financial state used for long-term purposes by the Company.

(e) On an overall examination of the standalone financial staten entity or person on account of or to meet the obligations of i

(f) The Company has not raised loans during the year on the companies. Hence, the requirement to report on clause (ix)(f

(x) (a) The Company has not raised any money during the year by w hence, the requirement to report on clause 3(x)(a) of the Ord

(b) The Company has not made any preferential allotment or debentures during the year under audit and hence, the requ Company.

(xi) (a) No fraud by the Company or no material fraud on the Compa

(b) During the year, no report under sub-section (12) of section 1 in Form ADT – 4 as prescribed under Rule 13 of Companies (

(c) We have taken into consideration the whistle blower compl nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the is not applicable to the Company.

IDER THE HEADING "REPORT ON OTHER LEGAL REPORT OF EVEN DATE (CONTINUED)

thorities undisputed statutory dues including goods and services tax, s-tax, service tax, duty of customs, duty of excise, value added tax, cess formation and explanations given to us and based on audit procedures t of these statutory dues were outstanding, at the year end, for a period .

ees' state insurance, income-tax, sales-tax, service tax, duty of custom, es have not been deposited on account of any dispute, are as follows:

d under rotest	Period to which the amount relates	Forum where the dispute is pending
-	2017-2018	Commissioner Appeals
	2018-2019	
84	2001-2019	Appellate Authority – up to Commissioners
	2003-2019	CESTAT
	2002-2008	High Court
6	2010-2020	Appellate Authority – up to Commissioners
	2010-2011	High Court
-	2017-2019	Appellate Authority – up to Commissioners
5	2012-2016	CESTAT
	2004-2016	Appellate Authority – up to Commissioners
-	2010-2016	CESTAT
	2015-2016	Appellate Authority – up to Commissioners
201	2002-2017	Sales Tax Appellate Tribunal
	2003-2018	Appellate Tribunal – up to Commissioner
	2002-2004	Supreme Court
	2005-2014	High Court

previously unrecorded in the books of account, in the tax assessments dingly, the requirement to report on clause 3(viii) of the Order is not

her borrowings or in the payment of interest thereon to any lender.

bank or financial institution or government or any government authority.

g the year hence, the requirement to report on clause (ix)(c) of the Order

ments of the Company, no funds raised on short-term basis have been

nents of the Company, the Company has not taken any funds from any ts subsidiaries, associates or joint ventures.

pledge of securities held in its subsidiaries, joint ventures or associate) of the Order is not applicable to the Company.

vay of initial public offer / further public offer (including debt instruments) er is not applicable to the Company.

private placement of shares /fully or partially or optionally convertible irement to report on clause 3(x)(b) of the Order is not applicable to the

any has been noticed or reported during the year.

43 of the Act has been filed by cost auditor/ secretarial auditor or by us Audit and Auditors) Rules, 2014 with the Central Government.

aints received by the Company during the year while determining the

Act. Therefore, the requirement to report on clause 3(xii)(a) of the Order

(xiii) Transactions with the related parties are in compliance with secti
disclosed in the notes to the standalone financial statements, as re

(xiv) (a) The Company has an internal audit system commensurate wit

(b) The internal audit reports of the Company issued till the date o
us.

(xv) The Company has not entered into any non-cash transactions w
requirement to report on clause 3(xv) of the Order is not applicable

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act
to report on clause (xvi)(a) of the Order is not applicable to the

(b) The Company is not engaged in any Non-Banking Financial or
clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined
requirement to report on clause 3(xvi) of the Order is not appli

(d) There is no Core Investment Company as a part of the Group.
not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and

(xviii) There has been no resignation of the statutory auditors during th
Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 2.42 to the star
of financial assets and payment of financial liabilities, other informati
of the Board of Directors and management plans and based on our
come to our attention, which causes us to believe that any materia
not capable of meeting its liabilities existing at the date of balance
balance sheet date. We, however, state that this is not an assuran
reporting is based on the facts up to the date of the audit report ar
falling due within a period of one year from the balance sheet date

(xx) (a) In respect of other than ongoing projects, there are no unspe
Schedule VII of the Act, in compliance with second proviso to s
in note 2.20 to the standalone financial statements.

(b) All amounts that are unspent under section (5) of section 135 of
to special account in compliance of with provisions of sub sec
in note 2.20 to the financial statements.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 22213271AJFMRM8990

Place: Hyderabad
Date: 19 May 2022

DER THE HEADING “REPORT ON OTHER LEGAL
EPORT OF EVEN DATE (CONTINUED)

ons 177 and 188 of Act where applicable and the details have been
quired by the applicable accounting standards.

h the size and nature of its business.

f the audit report, for the period under audit have been considered by

with its directors or persons connected with its directors and hence
e to the Company.

, 1934, are not applicable to the Company. Accordingly, the requirement
Company.

r Housing Finance activities. Accordingly, the requirement to report on

d in the regulations made by Reserve Bank of India. Accordingly, the
cable to the Company.

Accordingly, the requirement to report on clause 3(xvi) of the Order is

preceding financial year.

e year and accordingly requirement to report on Clause 3(xviii) of the

ndalone financial statements, ageing and expected dates of realization
ion accompanying the standalone financial statements, our knowledge
examination of the evidence supporting the assumptions, nothing has
l uncertainty exists as on the date of the audit report that Company is
sheet as and when they fall due within a period of one year from the
ce as to the future viability of the Company. We further state that our
nd we neither give any guarantee nor any assurance that all liabilities
e, will get discharged by the Company as and when they fall due.

ent amounts that are required to be transferred to a fund specified in
sub section 5 of section 135 of the Act. This matter has been disclosed

Companies Act, pursuant to any ongoing project, has been transferred
ction (6) of section 135 of the said Act. This matter has been disclosed

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S FINANCIAL STATEMENTS OF DR. REDDY'S LAB

Report on the Internal Financial Controls under Clause (i) of Sub

We have audited the internal financial controls with reference to stand as of 31 March 2022 in conjunction with our audit of the standalone fi

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and ma financial reporting criteria established by the Company considering th on Audit of Internal Financial Controls Over Financial Reporting issue sponsibilities include the design, implementation and maintenance of ensuring the orderly and efficient conduct of its business, including a prevention and detection of frauds and errors, the accuracy and compl financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal fi based on our audit. We conducted our audit in accordance with the G porting (the "Guidance Note") and the Standards on Auditing, as speci of internal financial controls, both issued by ICAI. Those Standards an and plan and perform the audit to obtain reasonable assurance abou standalone financial statements was established and maintained and

Our audit involves performing procedures to obtain audit evidence a these standalone financial statements and their operating effectivene financial statements included obtaining an understanding of internal fi assessing the risk that a material weakness exists, and testing and eva on the assessed risk. The procedures selected depend on the auditor' ment of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and internal financial controls with reference to these standalone financial

Meaning of Internal Financial Controls With Reference to these

A company's internal financial controls with reference to standalone surance regarding the reliability of financial reporting and the prepar generally accepted accounting principles. A company's internal financ those policies and procedures that (1) pertain to the maintenance of re tions and dispositions of the assets of the company; (2) provide reaso preparation of financial statements in accordance with generally acce company are being made only in accordance with authorisations of m assurance regarding prevention or timely detection of unauthorised a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Referenc

Because of the inherent limitations of internal financial controls with r collusion or improper management override of controls, material miss projections of any evaluation of the internal financial controls with ref to the risk that the internal financial control with reference to standalo conditions, or that the degree of compliance with the policies or proce

Opinion

In our opinion, the Company has, in all material respects, adequate inte and such internal financial controls with reference to standalone finan on the internal control over financial reporting criteria established by stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 22213271AJFMRM8990

Place: Hyderabad
Date: 19 May 2022

S REPORT OF EVEN DATE ON THE STANDALONE BORATORIES LIMTED

-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

dalone financial statements of Dr. Reddy's Laboratories ("the Company") inancial statements of the Company for the year ended on that date.

intaining internal financial controls based on the internal control over e essential components of internal control stated in the Guidance Note ed by the Institute of Chartered Accountants of India ("ICAI"). These re- adequate internal financial controls that were operating effectively for dherence to the Company's policies, the safeguarding of its assets, the eteness of the accounting records, and the timely preparation of reliable

nancial controls with reference to these standalone financial statements uidance Note on Audit of Internal Financial Controls Over Financial Re- fied under section 143(10) of the Act, to the extent applicable to an audit d the Guidance Note require that we comply with ethical requirements t whether adequate internal financial controls with reference to these if such controls operated effectively in all material respects.

about the adequacy of the internal financial controls with reference to ess. Our audit of internal financial controls with reference to standalone nancial controls with reference to these standalone financial statements, luating the design and operating effectiveness of internal control based 's judgement, including the assessment of the risks of material misstate-

appropriate to provide a basis for our audit opinion on the Company's statements.

Standalone Financial Statements

financial statements is a process designed to provide reasonable as- ration of financial statements for external purposes in accordance with cial controls with reference to standalone financial statements includes cords that, in reasonable detail, accurately and fairly reflect the transac- onable assurance that transactions are recorded as necessary to permit epted accounting principles, and that receipts and expenditures of the management and directors of the company; and (3) provide reasonable cquisition, use, or disposition of the company's assets that could have a

ce to Standalone Financial Statements

eference to standalone financial statements, including the possibility of statements due to error or fraud may occur and not be detected. Also, erence to standalone financial statements to future periods are subject ne financial statements may become inadequate because of changes in edures may deteriorate.

ernal financial controls with reference to standalone financial statements cial statements were operating effectively as at 31 March 2022, based the Company considering the essential components of internal control

BALANCE SHEET

(A

Particulars
Assets
Non-current assets
Property, plant and equipment
Capital work-in-progress
Goodwill
Other intangible assets
Intangible assets under development
Financial assets
Investments
Trade receivables
Loans
Other financial assets
Deferred tax assets, net
Tax assets, net
Other non-current assets
Current assets
Inventories
Financial assets
Investments
Trade receivables
Derivative instruments
Cash and cash equivalents
Other bank balances
Other financial assets
Other current assets
Total current assets before assets held for sale
Assets held for sale
Total assets
Equity and Liabilities
Equity
Equity share capital
Other equity
Liabilities
Non-current liabilities
Financial liabilities
Lease liabilities
Provisions
Other non-current liabilities
Current liabilities
Financial liabilities
Borrowings
Lease liabilities
Trade payables
Total outstanding dues of micro enterprises and small enterprises
Total outstanding dues of creditors other than micro enterprises and s
Derivative instruments
Other financial liabilities
Provisions
Other current liabilities
Total equity and liabilities
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership No.: 213271

Place : Hyderabad
Date : 19 May 2022

for and on behalf of

K Satish Reddy
G V Prasad
Erez Israeli
Parag Agarwal
K Randhir Singh

Place : Hyderabad
Date : 19 May 2022

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
	2.1	40,240	35,792
	2.2	11,864	8,771
	2.3	853	853
	2.4	20,412	21,798
	2.5	139	237
	2.6 A	30,243	33,922
	2.6 B	54	118
	2.6 C	12	12
	2.6 D	2,514	492
	2.27	194	2,548
		3,115	2,151
	2.7 A	480	160
		110,120	**106,854**
	2.8	33,478	28,197
	2.6 A	19,124	12,570
	2.6 B	49,454	40,800
	2.28	1,903	915
	2.6 E	11,595	13,063
	2.6 F	8,710	3,402
	2.6 D	565	529
	2.7 B	9,981	9,966
		134,810	**109,442**
	2.6 A	26	-
		134,836	**109,442**
		244,956	**216,296**
	2.9	832	832
		182,530	169,005
		183,362	**169,837**
	2.10 B	197	177
	2.11 A	104	251
	2.12 A	842	428
		1,143	**856**
	2.10 A	21,711	11,809
	2.10 B	146	159
	2.10 C		
		120	152
mall enterprises		16,542	13,212
	2.28	472	306
	2.10 D	12,153	12,010
	2.11 B	3,222	2,987
	2.12 B	6,085	4,968
		60,451	**45,603**
		244,956	**216,296**

f the Board of Directors of **Dr. Reddy's Laboratories Limited**

Chairman, DIN: 00129701
Co-Chairman & Managing Director, DIN: 00057433
Chief Executive Officer
Chief Financial Officer
Company Secretary

STATEMENT OF PROFIT /

Particulars
Income
Sales
Service income and License fees
Other operating income
Total revenue from operations
Other income
Total income
Expenses
Cost of materials consumed
Purchase of stock-in-trade
Changes in inventories of finished goods, work-in-progress and stock-in-t
Employee benefits expense
Depreciation and amortisation expense
Impairment of non current assets
Finance costs
Selling and other expenses
Total expenses
Profit before tax
Tax expense
Current tax
Deferred tax
Profit for the year
Other comprehensive income (OCI)
A. (I) Items that will not be reclassified subsequently to profit or loss
(a) Changes in the fair value of financial instruments
(b) Actuarial loss on post-employment benefit obligations
(II) Tax impact on above items
B. (I) Items that will be reclassified subsequently to profit or loss
(a) Changes in the fair value of financial instruments
(b) Effective portion of changes in fair value of cash flow hedges, n
(II) Tax impact on above items
Total other comprehensive income for the year, net of tax
Total comprehensive income for the year
Earnings per share:
Basic earnings per share of ₹ 5/- each
Diluted earnings per share of ₹ 5/- each
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership No.: 213271

Place : Hyderabad
Date : 19 May 2022

for and on behalf

K Satish Reddy
G V Prasad
Erez Israeli
Parag Agarwal
K Randhir Singh

Place : Hyderabac
Date : 19 May 202

AND LOSS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
	2.13	138,864	132,094
	2.13	4,289	720
	2.14	899	677
		144,052	**133,491**
	2.15	4,820	8,011
		148,872	**141,502**
		33,784	32,663
		20,571	12,523
trade	2.16	(3,896)	(3,956)
	2.17	24,346	22,701
	2.18	8,143	8,350
		98	150
	2.19	380	467
	2.20	43,208	38,042
		126,634	**110,940**
		22,238	**30,562**
	2.27		
		3,926	5,401
		2,080	3,297
		16,232	**21,864**
		3	9
		(48)	(178)
		17	62
		(28)	**(107)**
		-	5
et		832	989
		(291)	(346)
		541	**648**
		513	**541**
		16,745	**22,405**
	2.23		
		97.85	131.84
		97.58	131.46

of the Board of Directors of **Dr. Reddy's Laboratories Limited**

Chairman, DIN: 00129701
Co-Chairman & Managing Director, DIN: 00057433
Chief Executive Officer
Chief Financial Officer
Company Secretary

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STATEMENT OF CHANGES IN EQUITY

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Particulars	Equity share capital	Other components of equity											Total equity
		Reserves and surplus								Other comprehensive income			
		Treasury shares(1)	Securities premium(2)	Share-based payment reserve(3)	Capital reserve(4)	Capital redemption reserve(5)	General reserve(6)	Retained earnings	Special economic zone re-investment reserve(10)	Cash flow hedge reserve(7)	FVTOCI** reserve(8)	Remeasurements of the net defined benefits plan(9)	
Balance as at 1 April 2021 (A)	**832**	**(1,967)**	**6,301**	**1,266**	**267**	**25**	**20,302**	**141,373**	**1,326**	**288**	**1**	**(177)**	**169,837**
Profit for the year	-	-	-	-	-	-	-	16,232	-	-	-	-	16,232
Net change in fair value of FVTOCI** equity instruments, net of tax benefit of ₹ 0*	-	-	-	-	-	-	-	-	-	-	3	-	3
Effective portion of changes in fair value of cash flow hedges, net of tax expense of ₹ 291 (Refer note 2.28)	-	-	-	-	-	-	-	-	-	541	-	-	541
Actuarial loss on post-employment benefit obligations, net of tax benefit of ₹ (17) (Refer note 2.26)	-	-	-	-	-	-	-	-	-	-	-	(31)	(31)
Total comprehensive income (B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16,232**	**-**	**541**	**3**	**(31)**	**16,745**
Transactions with owners of the Company													
Contributions and distributions													
Issue of equity shares on exercise of options (Refer note 2.9)	-*	366	393	(425)	-	-	-	-	-	-	-	-	334
Share-based payment expense (Refer note 2.25)	-	-	-	592	-	-	-	-	-	-	-	-	592
Dividend paid	-	-	-	-	-	-	-	(4,146)	-	-	-	-	(4,146)
Total contributions and distributions	-	366	393	167	-	-	-	(4,146)	-	-	-	-	(3,220)
Changes in ownership interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company (C)	-	366	393	167	-	-	-	(4,146)	-	-	-	-	(3,220)
Transfer from special economic zone re-investment reserve on utilization	-	-	-	-	-	-	-	571	(571)	-	-	-	-
Transfer from special economic zone re-investment reserve (D)	-	-	-	-	-	-	-	571	(571)	-	-	-	-
Balance as at 31 March 2022 [(A)+(B)+(C)+(D)]	**832**	**(1,601)**	**6,694**	**1,433**	**267**	**25**	**20,302**	**154,030**	**755**	**829**	**4**	**(208)**	**183,362**

Particulars	Equity share capital	Other components of equity											Total equity
		Reserves and surplus								Other comprehensive income			
		Treasury shares(1)	Securities premium(2)	Share-based payment reserve(3)	Capital reserve(4)	Capital redemption reserve(5)	General reserve(6)	Retained earnings	Special economic zone re-investment reserve(10)	Cash flow hedge reserve(7)	FVTOCI** reserve(8)	Remeasurements of the net defined benefits plan(9)	
Balance as at 1 April 2020 (A)	**831**	**(1,006)**	**5,909**	**1,038**	**267**	**25**	**20,302**	**124,979**	**-**	**(353)**	**(13)**	**(60)**	**151,919**
Profit for the year	-	-	-	-	-	-	-	21,864	-	-	-	-	21,864
Net change in fair value of FVTOCI** equity instruments, net of tax benefit of ₹ 0*	-	-	-	-	-	-	-	-	-	-	17	-	17
Transfer on disposal of equity instruments classified as FVTOCI instruments	-	-	-	-	-	-	-	3	-	-	(3)	-	-
Effective portion of changes in fair value of cash flow hedges, net of tax benefit of ₹ 346 (Refer note 2.28)	-	-	-	-	-	-	-	-	-	641	-	-	641
Actuarial loss on post-employment benefit obligations, net of tax expense of ₹ 62 (Refer note 2.26)	-	-	-	-	-	-	-	-	-	-	-	(117)	(117)
Total comprehensive income (B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**21,867**	**-**	**641**	**14**	**(117)**	**22,405**
Transactions with owners of the Company													
Contributions and distributions													
Issue of equity shares on exercise of options (Refer note 2.9)	1	232	392	(356)	-	-	-	-	-	-	-	-	269
Share-based payment expense (Refer note 2.25)	-	-	-	584	-	-	-	-	-	-	-	-	584
Purchase of treasury shares	-	(1,193)	-	-	-	-	-	-	-	-	-	-	(1,193)
Dividend paid (including dividend distribution tax)	-	-	-	-	-	-	-	(4,147)	-	-	-	-	(4,147)
Total contributions and distributions	**1**	**(961)**	**392**	**228**	**-**	**-**	**-**	**(4,147)**	**-**	**-**	**-**	**-**	**(4,487)**
Changes in ownership interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total transactions with owners of the Company (C)	**1**	**(961)**	**392**	**228**	**-**	**-**	**-**	**(4,147)**	**-**	**-**	**-**	**-**	**(4,487)**
Transfer to special economic zone (SEZ) re-investment reserve	-	-	-	-	-	-	-	(1,402)	1,402	-	-	-	-
Transfer from special economic zone re-investment reserve on utilization	-	-	-	-	-	-	-	76	(76)	-	-	-	-
Transfer to special economic zone re-investment reserve, net (D)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,326)**	**1,326**	**-**	**-**	**-**	
Balance as at 31 March 2021 [(A)+(B)+(C)]	**832**	**(1,967)**	**6,301**	**1,266**	**267**	**25**	**20,302**	**141,373**	**1,326**	**288**	**1**	**(177)**	**169,837**

* *Rounded off to millions.*

** *FVTOCI represents fair value through other comprehensive income*

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

(1) *Pursuant to the special resolution approved by the shareholders in the Annual General Meeting held on 27 July 2018, the Dr. Reddy's Employees ESOS Trust (the "ESOS Trust") was formed to support the Dr. Reddy's Employees Stock Option Scheme, 2018 by acquiring, including through secondary market acquisitions, equity shares which are used for issuance to eligible employees upon exercise of stock options thereunder. Refer note 2.25 of these financial statements for further details on the Dr. Reddy's Employees Stock Option Scheme, 2018.*

(2) *Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.*

(3) *Share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees as part of their remuneration. Refer note 2.25 for further details of these plans.*

(4) *The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.*

(5) *As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.*

(6) *The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.*

(7) *The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.*

(8) *This reserve represents mark to market gain or loss on financial assets classified as FVTOCI. Depending on the category and type of the financial asset, the mark to market gain or loss is either reclassified to statement of profit and loss or retained earnings upon disposal of the investment.*

(9) *Remeasurements of the net defined benefits plan reserve comprises the cumulative net gains/ losses on actuarial valuation of post-employment obligations. Refer note 2.26 for further details.*

(10) *The Company has created a Special Economic Zone ("SEZ") Reinvestment Reserve out of profits of its eligible SEZ Units in accordance with the terms of Section 10AA(1) of the Indian Income Tax Act, 1961. This reserve is to be utilised by the Company for acquiring Plant and equipment in accordance with Section 10AA(2) of such Act.*

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

for and on behalf of the Board of Directors of **Dr. Reddy's Laboratories Limited**

As per our report of even date attached
for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership No.: 213271

Place : Hyderabad
Date : 19 May 2022

for and on behalf of the Board of Directors of **Dr. Reddy's Laboratories Limited**

K Satish Reddy	Chairman, DIN: 00129701
G V Prasad	Co-Chairman & Managing Director, DIN: 00057433
Erez Israeli	Chief Executive Officer
Parag Agarwal	Chief Financial Officer
K Randhir Singh	Company Secretary

Place : Hyderabad
Date : 19 May 2022

STATEMENT OF CASH FL

(A

Particulars
Cash flows from/(used in) operating activities
Profit before tax
Adjustments:
Fair value changes and profit on sale of financial instruments measured
Depreciation and amortisation expense
Impairment of non current assets
Allowance for credit losses (on trade receivables and other advances)
Loss/(Profit) on sale/disposal of property , plant and equipment and othe
Foreign exchange loss / (gain), net
Interest income
Finance costs
Equity settled share-based payment expense
Dividend income
Changes in operating assets and liabilities:
Trade receivables
Inventories
Trade payables
Other assets and other liabilities, net
Cash generated from operations
Income taxes paid, net
Net cash from operating activities
Cash flows from/(used in) investing activities
Expenditures on property, plant and equipment
Proceeds from sale of property, plant and equipment
Expenditures on other intangible assets
Payment for acquisition of business
Proceeds from redemption of preference shares
Purchase of investments
Proceeds from sale of investments
Dividends received
Interest income received
Net cash used in investing activities
Cash flows from/(used in) financing activities
Proceeds from issuance of equity shares (including treasury shares)
Proceeds from short-term borrowings, net (Refer note 2.10 A)
Repayment of long-term borrowings (Refer note 2.10 A)
Payment of principal portion of lease liabilities (Refer note 2.10 B)
Dividends paid
Purchases of treasury shares
Interest paid
Net cash from/(used in) financing activities
Net increase / (decrease) in cash and cash equivalents
Effect of exchange rate changes on cash and cash equivalents
Cash and cash equivalents at the beginning of the year (Refer note 2.6 E)
Cash and cash equivalents at the end of the year (Refer note 2.6 E)

**Rounded off to millions.*

***FVTPL (fair value through profit or loss)*

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership No.: 213271

Place : Hyderabad
Date : 19 May 2022

for and on behalf o

K Satish Reddy
G V Prasad
Erez Israeli
Parag Agarwal
K Randhir Singh

Place : Hyderabad
Date : 19 May 2022

OWS

All amounts in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
	22,238	**30,562**
at FVTPL**, net	(233)	(510)
	8,143	8,350
	98	150
	65	69
er intangible assets, net	78	(4,711)
	(1,623)	(443)
	(1,669)	(1,223)
	380	467
	592	584
	-	-*
	(8,655)	7,137
	(5,281)	(5,827)
	3,298	2,680
	844	2,337
	18,275	**39,622**
	(4,888)	(4,480)
	13,387	**35,142**
	(13,113)	(8,575)
	94	4,900
	(543)	(2,364)
	-	(15,514)
	16,878	-
	(91,118)	(69,520)
	65,848	74,861
	-	-*
	1,574	1,632
	(20,380)	**(14,580)**
	334	269
	9,683	1,527
	-	(3,743)
	(172)	(38)
	(4,146)	(4,147)
	-	(1,193)
	(644)	(618)
	5,055	**(7,943)**
	(1,938)	12,619
	479	44
	13,054	391
	11,595	**13,054**

f the Board of Directors of **Dr. Reddy's Laboratories Limited**

Chairman, DIN: 00129701
Co-Chairman & Managing Director, DIN: 00057433
Chief Executive Officer
Chief Financial Officer
Company Secretary

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NOTE 1 DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

1.1 DESCRIPTION OF THE COMPANY

Dr. Reddy's Laboratories Limited ("Dr. Reddy's" or "the Company") is a leading India-based pharmaceutical company headquartered and having its registered office in Hyderabad, Telangana, India. Through its three businesses - Pharmaceutical Services and Active Ingredients, Global Generics and Proprietary Products – the Company offers a portfolio of products and services, including Active Pharmaceutical Ingredients ("APIs"), Custom Pharmaceutical Services ("CPS"), generics, biosimilars and differentiated formulations.

The Company's principal research and development facilities are located in the states of Telangana and Andhra Pradesh in India; its principal manufacturing facilities are located in the states of Telangana, Andhra Pradesh and Himachal Pradesh in India and its principal markets are in India, Russia, the United States, the United Kingdom and Germany. The Company's shares trade on the Bombay Stock Exchange, the National Stock Exchange, the NSE IFSC Limited in India and on the New York Stock Exchange in the United States.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Statement of compliance

These financial statements as of and for the year ended 31 March 2022 comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, and presentation requirements of Division II of Schedule III to the Companies Act, 2013, and as amended from time to time together with the comparative period data as at and for the year ended 31 March 2021.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date, 31 March 2022. These financial statements were authorised for issuance by the Company's Board of Directors on 19 May 2022.

b) Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- derivative financial instruments are measured at fair value;
- financial assets are measured either at fair value or at amortised cost depending on the classification;
- employee defined benefit assets/(liabilities) are recognised as the net total of the fair value of plan assets, adjusted for actuarial gains/(losses) and the present value of the defined benefit obligation;

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

- long-term borrowings are measured at amortised cost using the effective interest rate method;
- share-based payments are measured at fair value;
- assets held for sale are measured at fair value;
- assets acquired and liabilities assumed as part of business combinations are measured at fair value;
- Contingent consideration arising out of business combination are measured at fair value; and
- right-of-use the assets are recognised at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred, if any.

c) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 1.3 (b) — Assessment of functional currency;
- Note 1.3 (c) — Financial instruments;
- Note 1.3 (d) — Business combinations and goodwill;
- Notes 1.3 (e) and 1.3 (f) — Useful lives of property, plant and equipment and intangible assets;
- Notes 1.3(g) – Determination of cost for right-of-use assets and lease term;
- Note 1.3 (h) — Valuation of inventories;
- Note 1.3 (i) — Measurement of recoverable amounts of cash-generating units;
- Note 1.3 (j) — Assets and obligations relating to employee benefits;
- Note 1.3 (k) — Share-based payments;
- Note 1.3 (l) — Provisions and other accruals;
- Note 1.3 (m) —Measurement of transaction price in a revenue transaction (sales returns, rebates and chargeback provisions);

- Note 1.3 (p) — Evaluation of recoverability of deferred tax assets, and estimation of income tax payable and income tax expense in relation to uncertain tax positions; and
- Note 1.3 (l) — Contingencies

d) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, *Presentation of Financial Statements*.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within twelve months after the reporting date; or

d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the reporting date; or

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities include the current portion of non-current assets and liabilities respectively. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

f) **Prior period**

Prior period amounts have been reclassified to conform to the current year classification.

1.3 Significant accounting policies:

a) **New Standards adopted by the Company**

On 24 July 2020, the Ministry of Corporate Affairs (MCA) has issued amendments to certain Ind AS as summarised below:

Amendments to Ind AS 1 and Ind AS 8: *Definition of Material*

The amendments provided a new definition to the word material as follows:

'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

An information is considered to be obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information. The amendments provided examples of circumstances that may result in information being obscured.

An entity should apply the amendments prospectively for annual periods beginning on or after 1 April 2020.

The amendments to the definition of material had no impact on the financial statements of the Company.

Amendments to Ind AS 103: *Definition of a Business*

The amendments clarified the definition of a business for the purpose of identifying a business combination under Ind AS 103-"*Business Combinations*". As per the revised definition, business is 'an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities'.

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A related amendment has been made to the definition of 'output' as an element of business.

The amendments include an election to use a 'concentration test'. This is a simplified assessment that would cause in an acquisition to qualify as an asset acquisition. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets.

An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period.

This amendment had no impact on the financial statements of the Company but may impact future periods should the Company enter into any business combinations.

Amendments to Ind AS 109 and Ind AS 107: *Interest Rate Benchmark Reform*

The amendments to Ind AS 109 *"Financial Instruments"* provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The amendments to Ind AS 107 "*Financial Instruments: Disclosures*" prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied.

These amendments are applicable for annual periods beginning on or after the 1 April 2020.

These amendments had no impact on the financial statements of the Company as it does not have any interest rate hedge relationships.

Amendments Ind AS 116: *COVID-19 related rent concessions*

Ind AS 116 has been amended to provide limited relief to lessees in respect of rent concessions arising due to COVID-19 pandemic. No relief has been allowed to the lessors.

The amendments provide a practical expedient that lessees may elect to not treat any rent concessions, provided by lessors as a direct consequence of COVID-19 pandemic, as lease modifications. However, to be eligible for this relief:

- the revised consideration for the lease should be less than or equal to the lease consideration immediately before the change, the rent concession should be for a period that does not extend beyond 30 June 2021 (for example, lease rents are reduced for a period upto 30 June 2021 and increased for periods thereafter); and

- there should be no substantial modification to the other terms and conditions of the lease.

Lessee should apply the amendments for annual reporting periods beginning on or after 1 April 2020. In case a lessee has not yet approved the financial statements for issue before the issuance of the amendments, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019.

The aforesaid amendments had no impact on the financial statements of the Company.

b) Foreign currency

Functional and presentation currency

These financial statements are presented in Indian rupees, which is the functional currency of Dr. Reddy's Laboratories Limited. All financial information presented in Indian rupees has been rounded to the nearest million.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the statement of profit and loss in the period in which they arise.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income ("OCI"):

- certain debt instruments classified as measured at FVTOCI;
- certain equity instruments where the Company had made an irrevocable election to present in OCI subsequent changes in the fair value;

- a financial liability designated as a hedge of the net investment in a foreign operation, to the extent that the hedge is effective; and
- qualifying cash flow hedges, to the extent that the hedges are effective.

When several exchange rates are available, the rate used is that at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date.

c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (e.g., regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company's trade receivables do not contain any significant financing component and hence are measured at the transaction price measured under Ind AS 115 "*Revenue from Contracts with Customers*".

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost;
- Debt instruments at FVTOCI;
- Debt instruments, derivatives and equity instruments at FVTPL; and
- Equity instruments measured at FVTOCI.

Debt instruments at amortised cost

A "debt instrument" is measured at the amortised cost if both the following conditions are met:

a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method and are subject to impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statement of profit and loss and presented in other income. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A "debt instrument" is classified as at the FVTOCI if both of the following criteria are met:

a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest earned while holding a FVTOCI debt instrument is reported as interest income using the effective interest rate method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as an "accounting mismatch").

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Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made upon initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment.

However, on sale the Company may transfer the cumulative gain or loss within equity. Equity investments designated as FVTOCI are not subject to impairment assessment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Investments in subsidiaries and joint venture:

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1 April 2015.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive cash flows from the asset have expired; or
- Both (1) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through"

arrangements and (2) either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of trade receivables and other financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset.

For this purpose, the Company follows a "simplified approach" for recognition of impairment loss allowance on the trade receivable balances. The application of this simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains or losses attributable to changes in own credit risk are recognised in OCI. These gains or losses are not subsequently transferred to the statement of profit and loss.

However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as FVTPL.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derivative financial instruments

The Company is exposed to exchange rate risk which arises from its foreign exchange revenues and expenses, primarily in US dollars, UK pounds sterling, Russian roubles Brazilian reals, South African rands (“ZAR”), Romanian new leus (“RON”) and Euros, and foreign currency debt in US dollars, Russian roubles, Ukrainian hryvnias and Euros.

The Company uses derivative financial instruments such as foreign exchange forward contracts, option contracts and swap contracts to mitigate its risk of changes in foreign currency exchange rates. The Company also uses non-derivative financial instruments as part of its foreign currency exposure risk mitigation strategy. Derivatives are classified as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedges of highly probable forecasted transactions

The Company classifies its derivative financial instruments that hedge foreign currency risk associated with highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded in the Company’s hedging reserve as a component of equity and re-classified to the statement of profit and loss as part of the hedged item in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is recorded in the statement of profit and loss as finance costs immediately.

The Company also designates certain non-derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for hedge of foreign currency risk associated with highly probable forecasted transactions. Accordingly, the Company applies cash flow hedge accounting to such relationships. Remeasurement gain or loss on such non-derivative financial liabilities is recorded in the Company’s hedging reserve as a component of equity and reclassified to the statement of profit and loss as part of the hedged item in the period corresponding to the occurrence of the forecasted transactions.

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If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in OCI, remains there until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, then the balance in OCI is recognised immediately in the statement of profit and loss.

Hedges of recognised assets and liabilities

Changes in the fair value of derivative contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the statement of profit and loss. The changes in fair value of such derivative contracts, as well as the foreign exchange gains and losses relating to the monetary items, are recognised in the statement of profit and loss. If the hedged item is derecognised, the unamortised fair value is recognised immediately in the statement of profit and loss.

Hedges of changes in the interest rates

Consistent with its risk management policy, the Company uses interest rate swaps to mitigate the risk of changes in interest rates. The Company does not use them for trading or speculative purposes.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For this purpose, “short-term” means investments having original maturities of three months or less from the date of investment. Bank overdrafts that are repayable on demand form an integral part of the Company’s cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method regardless of whether equity instruments or other assets are acquired. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Company determines that it has acquired a business when the acquired set of activities and assets include an

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(All amounts in Indian Rupees millions, except share data and where otherwise stated)

input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

The consideration transferred for the acquisition of a subsidiary is comprised of:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

At the acquisition date, the identifiable assets acquired and liabilities and contingent liabilities assumed are, with limited exceptions, measured initially at their fair values.

For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in the statement of profit and loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Amounts classified as a financial liability are subsequently re-measured to fair value, with changes in fair value recognised in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of:

- the consideration transferred;
- the amount of any non-controlling interest in the acquired entity; and
- the acquisition-date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

e) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "Other income/ Selling and other expense" in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Depreciation

Depreciation is recognised in the statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment. Land is not depreciated but subject to impairment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and any changes are considered prospectively.

The estimated useful lives are as follows:

Particulars	Years
Buildings	
- Factory and administrative buildings	20 to 30
- Ancillary structures	3 to 10
Plant and equipment	3 to 15
Furniture, fixtures and office equipment	3 to 8
Vehicles	4 to 5

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Schedule II to the Companies Act, 2013 ("Schedule") prescribes t
assets, based on the technical evaluation and assessment, the C
period over which an asset is expected to be available for use. A
are different from those prescribed in the Schedule.

Software for internal use, which is primarily acquired from third-p
consultancy charges for implementing the software, is capitalised
maintaining such software are recognised as expense as incurre
the software or the remaining useful life of the tangible fixed ass

Advances paid towards the acquisition of property, plant and eq
plant and equipment not ready to use before such date are disc
depreciated but are tested for impairment.

f) Goodwill and other intangible assets

Recognition and measurement

Goodwill	Goodwill represents the controlling interest in the assets acquired. Goodwill is measured at investees, the carrying ar any impairment loss on s forms part of the carrying
Other intangible assets	Other intangible assets measured at cost less ac intangible assets acquired
Research and development	Expenditures on research knowledge and understar Development activities in products and processes. • development costs c • the product or proce • future economic ber • the Company intend sell the asset. The expenditures to be c to preparing the asset fo statement of profit and lo amounts has met the afor
Separate acquisition of intangible assets	Payments to third parties licensed products, comp for capitalisation of such Accounting Standard 38 intangible asset separate
In-Process Research and Development assets ("IPR&D") or Intangible assets under development	Acquired research and d as In-Process Research a IPR&D assets are not am there are indications that IPR&D assets is recorded

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(All amounts in Indian Rupees millions, except share data and where otherwise stated)

the useful lives for various classes of tangible assets. For certain class of Company believes that the useful lives adopted by it best represent the ccordingly, for these assets, the useful lives estimated by the Company

party vendors and which is an integral part of a tangible asset, including d as part of the related tangible asset. Subsequent costs associated with ed. The capitalised costs are amortised over the estimated useful life of et, whichever is lower.

quipment outstanding at each reporting date and the cost of property, losed under other non-current assets. Assets not ready for use are not

excess of consideration transferred, together with the amount of non- e acquiree, over the fair value of the Company's share of identifiable net

cost less accumulated impairment losses. In respect of equity accounted mount of goodwill is included in the carrying amount of the investment, and such an investment is not allocated to any asset, including goodwill, that value of the equity accounted investee.

that are acquired by the Company and that have finite useful lives are ccumulated amortisation and accumulated impairment losses. The cost of d in a business combination is their fair value at the date of acquisition.

activities undertaken with the prospect of gaining new scientific or technical nding are recognised in the statement of profit and loss when incurred.

volve a plan or design for the production of new or substantially improved Development expenditures are capitalised only if

can be measured reliably;

ss is technically and commercially feasible;

efits are probable and

s to, and has sufficient resources to complete development and to use or

apitalised include the cost of materials and other costs directly attributable r its intended use. Other development expenditures are recognised in the ss as incurred. As at 31 March 2022, none of the development expenditure resaid recognition criteria.

that generally take the form of up-front payments and milestones for in- ounds and intellectual property are capitalised. The Company's criteria assets are consistent with the guidance given in paragraph 25 of Indian ("Ind AS 38") (i.e., the receipt of economic benefits embodied in each ly purchased or licensed in the transaction is considered to be probable).

evelopment intangible assets that are under development are recognised nd Development assets ("IPR&D") or Intangible assets under development. ortised, but evaluated for potential impairment on an annual basis or when the carrying value may not be recoverable. Any impairment charge on such in the statement of profit and loss under "Impairment of non-current assets".

(A

Subsequent expenditure

Other intangible assets	Subsequent expenditures embodied in the specific as on internally generated go incurred.
In-Process Research and Development assets ("IPR&D") or Intangible assets under development	Subsequent expenditure or recognised as an intangible a) recognised as an expe b) recognised as an expe the criteria for recognit c) added to the carrying that satisfies the recog

Amortisation

Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets. The amortisation expense is recognised in the statement of profit and loss account in the expense category that is consistent with the function of the intangible asset. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful lives are as follows:

Particulars	Years
Product related intangibles	3 to 15
Other intangibles	3 to 5

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date. Changes in the expected useful lives or expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate and are treated as change in accounting estimate.

Goodwill, intangible assets relating to products in development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognised immediately in the statement of profit and loss under "Impairment of non-current assets".

Derecognition of intangible assets

Intangible assets are derecognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such derecognition are recorded in the statement of profit and loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as at the date of derecognition.

are capitalised only when they increase the future economic benefits
sset to which they relate. All other expenditures, including expenditures
odwill and brands, is recognised in the statement of profit and loss as

n an IPR&D asset acquired separately or in a business combination and
e asset is:

nse when incurred, if it is a research expenditure;

nse when incurred, if it is a development expenditure that does not satisfy
tion as an intangible asset in paragraph 57 of Ind AS 38; and

amount of the acquired IPR&D asset, if it is a development expenditure
nition criteria in paragraph 57 of Ind AS 38.

g) Leases

The Company assesses at contract inception whether a contract is or contains a lease, which applies if the contract conveys the right to control the use of the identified asset for a period of time in exchange for consideration. The Company recognises a right-of-use asset at the commencement date of the lease, i.e. the date the underlying asset is available for use. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments to be made over the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, then the lessee's incremental borrowing rate is used. Such borrowing rate is calculated as the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The Company's lease liabilities are included in borrowings.

Lease payments are allocated between principal and interest cost. The interest cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment comprised of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit and loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

The right-of-use assets are initially recognised on the balance sheet at cost, which is calculated as the amount of the initial measurement of the corresponding lease liability, adjusted for any lease payments made at or prior to the commencement date of the lease, any lease incentive received and any initial direct costs incurred by the Company.

h) Inventories

Inventories are valued at the lower of cost and net realisable value.

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods and are measured at the lower of cost and net realisable value.

The cost of all categories of inventories is based on the weighted average method.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares consists of packing materials, engineering spares (such as machinery spare parts) and consumables (such as lubricants, cotton waste and oils), which are used in operating machines or consumed as indirect materials in the manufacturing process.

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Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

i) Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at 31 March.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Goodwill that forms part of the carrying amount of an investment in joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in joint venture is tested for impairment as a single asset when there is objective evidence that the investment in joint venture may be impaired.

j) **Employee benefits**

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market interest rates on government bonds are used. The current service cost of the defined benefit plan, recognised in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised immediately in the statement of profit and loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognized in OCI in the period in which they arise.

When the benefits under a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

Termination benefits

Termination benefits are recognised as an expense in the statement of profit and loss when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense in the statement of profit and loss if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognised in the statement of profit and loss in the period in which they arise.

Compensated absences

The Company's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary.

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k) **Share-based payments**

Equity settled share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee benefit expense, in the statement of profit and loss, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and performance conditions at the vesting date. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

Cash settled share-based payment transactions

The fair value of the amount payable to employees in respect of share-based payment transactions which are settled in cash is recognised as an expense, with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is re-measured at each reporting date and at the settlement date based on the fair value of the share-based payment transaction. Any changes in the liability are recognised in the statement of profit and loss.

l) **Provisions**

A provision is recognised in the statement of profit and loss if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Restructuring

A provision for restructuring is recognised in the statement of profit and loss when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided.

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(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Onerous contracts

A provision for onerous contracts is recognised in the statement of profit and loss when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Reimbursement rights

Expected reimbursements for expenditures required to settle a provision are recognised in the statement of profit and loss only when receipt of such reimbursements is virtually certain. Such reimbursements are recognised as a separate asset in the balance sheet, with a corresponding credit to the specific expense for which the provision has been made.

Contingent liabilities and contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

m) Revenue

The Company's revenue is derived from sales of goods, service income and income from licensing arrangements. Most of such revenue is generated from the sale of goods. The Company has generally concluded that it is the principal in its revenue arrangements.

Sale of goods

Revenue is recognised when the control of the goods has been transferred to a third party. This is usually when the title passes to the customer, either upon shipment or upon receipt of goods by the customer. At that point, the customer has full discretion over the channel and price to sell the products, and there are no unfulfilled obligations that could affect the customer's acceptance of the product.

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Revenue from the sale of goods is measured at the transactio
taxes and applicable trade discounts and allowances. Reven

In arriving at the transaction price, the Company considers th
practices. The transaction price is the amount of considera
promised goods or services, excluding amounts collected o
of estimated rebates, returns and chargebacks, which are co

Any amount of variable consideration is recognised as reven
will not occur. The Company estimates the amount of variabl

Presented below are the points of recognition of reven

Particulars	Point of recognition o
Sales of generic products in India	Upon delivery of prod Control over the gener to distributors from cle
Sales of active pharmaceutical ingredients and intermediates in India	Upon delivery of produ of the Company.
Export sales and other sales outside of India	Upon delivery of the provide for specific re recognised once all su

Profit share revenues

The Company from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a non-refundable base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base sale price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

At the end of each reporting period, the Company updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

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All amounts in Indian Rupees millions, except share data and where otherwise stated)

n price which is the consideration received or receivable, net of returns, ue includes shipping and handling costs billed to the customer.

e terms of the contract with the customers and its customary business ation the Company is entitled to receive in exchange for transferring n behalf of third parties. The amount of consideration varies because onsidered to be key estimates.

ue only to the extent that it is highly probable that a significant reversal e consideration using the expected value method.

ue with respect to the Company's sale of goods:

f revenue
ucts to distributors by clearing and forwarding agents of the Company. ric products is transferred by the Company when the goods are delivered aring and forwarding agents.
cts to customers (generally formulation manufacturers), from the factories
products to the customers unless the terms of the applicable contract venue generating activities to be completed, in which case revenue is ch activities are completed.

Out licensing arrangements, milestone payments and royalties

Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. In cases where the transaction has two or more components, the Company accounts for the delivered item (for example, the transfer of title to the intangible asset) as a separate unit of accounting and record revenue upon delivery of that component, provided that the Company can make a reasonable estimate of the fair value of the undelivered component. Otherwise, non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the balance period in which the Company has pending performance obligations. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, over the performance period depending on the terms of the contract. If milestone payments are creditable against future royalty payments, the milestones are deferred and released over the period in which the royalties are anticipated to be paid.

Royalty income earned through a license is recognised when the underlying sales have occurred

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Provision for chargeback, rebates and discounts

Provisions for chargeback, rebates, discounts and Medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue. A chargeback claim is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Company. Provisions for such chargebacks are accrued and estimated based on historical average chargeback rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesalers/other customers.

Shelf stock adjustments

Shelf stock adjustments are credits issued to customers to reflect decreases in the selling price of products sold by the Company, and are accrued when the prices of certain products decline as a result of increased competition or otherwise. These credits are customary in the pharmaceutical industry, and are intended to reduce the customer inventory cost to better reflect the current market prices. The determination to grant a shelf stock adjustment to a customer is based on the terms of the applicable contract, which may or may not specifically limit the age of the stock on which a credit would be offered.

Refund Liability

The Company accounts for sales returns accrual by recording refund liability concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates. With respect to established products, the Company considers its historical experience of actual sales returns, levels of inventory in the distribution channel, estimated shelf life, any revision in the shelf life of the product, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors. At the time of recognising the refund liability the Company also recognises an asset, (i.e., the right to the returned goods) which is included in inventories for the products expected to be returned. The Company initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Along with re-measuring the refund liability at the end of each reporting period, the Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Services

Revenue from services rendered, which primarily relate to contract research, is recognised in the statement of profit and loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

License fees

License fees primarily consist of income from the out-licensing of intellectual property, and other licensing and supply arrangements with various parties. Revenue from license fees is recognised when control transfers to the third party and the Company's performance obligations are satisfied. Some of these arrangements include certain performance obligations by the Company. Revenue from such arrangements is recognised in the period in which the Company completes all its performance obligations.

n) Shipping and handling costs

Shipping and handling costs incurred to transport products to customers, and internal transfer costs incurred to transport the products from the Company's factories to its various points of sale, are included in selling and other expenses.

o) Other income and finance cost

Other income consists of interest income on funds invested, dividend income and gains on the disposal of assets. Interest income is recognised in the statement of profit and loss as it accrues, using the effective interest method. Dividend income is recognised in the statement of profit and loss on the date that the Company's right to receive payment is established. The associated cash flows are classified as investing activities in the statement of cash flows. Finance cost consist of interest expense on loans and borrowings.

Borrowing costs are recognised in the statement of profit and loss using the effective interest method. The associated cash flows are classified as financing activities in the statement of cash flows.

Foreign currency gains and losses are reported on a net basis within other income and / or selling and other expenses. These primarily include: exchange differences arising on the settlement or translation of monetary items; changes in the fair value of derivative contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied; and the ineffective portion of cash flow hedges.

p) Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;
- temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising upon the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

Any deferred tax asset or liability arising from deductible or taxable temporary differences in respect of unrealised inter-company profit or loss on inventories held by the Company in different tax jurisdictions is recognised using the tax rate of the jurisdiction in which such inventories are held. Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

Accruals for uncertain tax positions require management to make judgements of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the tax positions will probably be accepted by the tax authorities. This is based upon management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

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q) **Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

r) **Government grants and incentives**

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented as a reduction to the carrying amount of the related asset. Grants related to income are deducted in reporting the related expense in the statement of profit and loss.

Export entitlements from government authorities are recognised in the statement of profit and loss as a reduction from "Cost of materials consumed" when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

s) **Treasury shares**

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the securities premium.

t) **Rounding of amounts**

All amounts in Indian Rupees disclosed in the financial statements and notes have been rounded off to the nearest million unless otherwise stated.

1.4 Determination of fair values

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as assets acquired in a business combination and significant liabilities, such as contingent consideration. Involvement of external valuers is determined by the Management, based on market knowledge, reputation, independence and whether professional standards are maintained

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a) **Property, plant and equipment**

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

b) **Intangible assets**

The fair value of brands, technology related intangibles, and patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the "relief of royalty method"). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method. Under this method, value is estimated as the present value of the benefits anticipated from ownership of the intangible assets in excess of the returns required or the investment in the contributory assets necessary to realise those benefits.

c) **Inventories**

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

d) **Investments in equity and debt securities and units of mutual funds**

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

e) Derivatives

The fair value of foreign exchange forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of foreign currency option and swap contracts and interest rate swap contracts is determined based on the appropriate valuation techniques, considering the terms of the contract.

f) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the Company's borrowings that have floating rates of interest, their fair value approximates carrying value.

g) Share-based payment transactions

The fair value of employee stock options is measured using the Black-Scholes-Merton valuation model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on historical experience), expected dividends, and the risk free interest rate (based on government bonds).

h) Contingent consideration

The fair value of the contingent consideration arising out of business combination is estimated by applying the income approach. The fair value measurement is based on significant inputs that are not observable in the market, which Ind AS 103, "Fair Value Measurement" refers to as Level 3 inputs.

NOTES TO FINANCIAL S

2.1 Property, plant and equipment

Particulars	Land	Bui
Gross carrying value		
Balance as at 1 April 2020	1,674	1
Assets acquired through business combinations[1]	84	
Additions	13	
Disposals[2]	-	
Balance as at 31 March 2021	**1,771**	**1**
Balance as at 1 April 2021	1,771	1
Additions	-	
Disposals	-	
Balance as at 31 March 2022	**1,771**	**2**
Accumulated Depreciation		
Balance as at 1 April 2020	-	
Depreciation for the year	-	
Disposals[2]	-	
Balance as at 31 March 2021	**-**	
Balance as at 1 April 2021	-	
Depreciation for the year	-	
Disposals	-	
Balance as at 31 March 2022	**-**	
Net carrying value		
As at 31 March 2021	1,771	1
As at 31 March 2022	**1,771**	**1**

[1] *Refer note 2.39 of these financial statements for further details*

[2] *During the year ended 31 March 2021, the Company sold contract development and manufa Company. This sale was done by way of slump sale (as defined under section 2(42C) of Indi liabilities, and transfer of employees.*

Leases:

The Company has lease contracts for various items of plant and equipment amounts of right-of-use assets recognised and the movements during the

Particulars	Buildings
Gross carrying value	
Balance as at 1 April 2020	131
Additions	22
Disposals	-
Balance as at 31 March 2021	**153**
Balance as at 1 April 2021	153
Additions	27
Disposals	(43)
Balance as at 31 March 2022	**137**
Accumulated depreciation	
Balance as at 1 April 2020	37
Depreciation for the year	42
Disposals	2
Balance as at 31 March 2021	**81**
Balance as at 1 April 2021	81
Depreciation for the year	29
Disposals	(22)
Balance as at 31 March 2022	**88**
Net carrying value	
As at 31 March 2021	72
As at 31 March 2022	**49**

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

ildings	Plant and equipment	Furniture, fixtures and office equipment	Vehicles	Total
19,368	63,530	4,587	458	89,617
113	165	11	-	373
418	3,762	252	185	4,630
(9)	(1,143)	(132)	(127)	(1,411)
19,890	**66,314**	**4,718**	**516**	**93,209**
19,890	66,314	4,718	516	93,209
862	9,163	563	208	10,796
(43)	(1,036)	(75)	(144)	(1,298)
20,709	**74,441**	**5,206**	**580**	**102,707**
5,657	42,308	3,740	214	51,919
901	5,214	430	143	6,688
(1)	(990)	(117)	(82)	(1,190)
6,557	**46,532**	**4,053**	**275**	**57,417**
6,557	46,532	4,053	275	57,417
886	4,755	425	148	6,214
(22)	(954)	(75)	(113)	(1,164)
7,421	**50,333**	**4,403**	**310**	**62,467**
13,333	19,782	665	241	35,792
13,288	**24,108**	**803**	**270**	**40,240**

cturing organisation (CDMO) division of the Custom Pharmaceutical Services (CPS) business of the ian Income Tax Act,1961) including all related property, plant and equipment, current assets, current

, vehicles and other equipment used in its operations. Below are the carrying year included in the above property, plant and equipment:

Plant and equipment	Furniture, fixtures and office equipment	Vehicles	Total
3	45	312	491
-	7	177	206
-	(1)	(125)	(126)
3	**51**	**364**	**571**
3	51	364	571
-	16	188	231
-	-	(130)	(173)
3	**67**	**422**	**629**
1	13	108	159
-	12	126	180
-	(1)	(79)	(78)
1	**24**	**155**	**261**
1	24	155	261
1	12	132	174
-	-	(100)	(122)
2	**36**	**187**	**313**
2	27	209	310
1	**31**	**235**	**316**

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2.1 Property, plant and equipment (continued)

The following are the amounts recognised in the statement of profit and

Particulars
Depreciation expense of right-of-use assets
Interest expense on lease liabilities

The Company had total cash outflows for leases of ₹ 373 during the ye
disclosed in note 2.10 B of these financial statements.

Capital commitments
As of 31 March 2022 and 31 March 2021, the Company was committ
purchase property, plant and equipment. This amount is net of capital a

Interest capitalisation
During the years ended 31 March 2022 and 31 March 2021, the C
with respect to qualifying assets. The rate for capitalisation of interest
approximately 4.65% and 4.25% respectively.

Depreciation for the year includes an amount of ₹ 635 (31 March 2021: ₹ 5
year, the Company incurred ₹ 713 (31 March 2021: ₹ 522) towards cap

2.2 Capital work-in-progress

Particulars
Capital work-in-progress

Capital work-in-progress (CWIP) Ageing schedule

Particulars	Amo
	Less than 1 year
Projects in progress	5,858
Projects temporarily suspended	17
Balance as at March 2022	**5,875**
Projects in progress	4,933
Projects temporarily suspended	-
Balance as at March 2021	**4,933**

For CWIP, whose completion is overdue or has exceeded its cost comp
expected to be completed it given below:-

	Less than 1 year
Projects in progress	
Viral vaccine facility	530
Balance as at March 2022	**530**
Projects in progress	
FTO-11 oncology facility	-
FTO-11 line extension	-
Balance as at March 2021	**-**

TATEMENTS

All amounts in Indian Rupees millions, except share data and where otherwise stated)

d loss:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	174	180
	69	62
	243	**242**

ar ended 31 March 2022. The maturity analysis of lease liabilities are

ed to spend ₹ 7,695 and ₹ 9,560, respectively, under agreements to dvances paid in respect of such purchase commitments.

Company capitalised interest cost of ₹ 268 and ₹ 149, respectively, t cost for the years ended 31 March 2022 and 31 March 2021 was

595) pertaining to assets used for research and development. During the ital expenditure for research and development. (Refer note 2.41)

	As at 31 March 2022	As at 31 March 2021
	11,864	8,771

ount in CWIP for a period of			
1-2 years	2-3 years	More than 3 years	Total
4,517	731	7	11,113
46	230	458	751
4,563	**961**	**465**	**11,864**
2,546	781	275	8,535
18	62	156	236
2,564	**843**	**431**	**8,771**

pared to its original plan the project wise details of when the project is

To be completed in			
1-2 years	2-3 years	More than 3 years	Total
-	-	-	530
-	-	-	**530**
450	-	-	450
316	-	-	316
766	-	-	**766**

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2.3 Goodwill

Goodwill arising upon business combinations is not amortised but te
indication that the cash generating unit to which goodwill is allocated

Particulars
Gross carrying value
Opening balance
Goodwill arising on Business combination
Disposals
Closing balance
Impairment loss
Opening balance
Impairment loss
Disposals
Closing balance
Net carrying value

For the purpose of impairment testing, goodwill is allocated to a cash
which goodwill is monitored for internal management purposes and w

The carrying amount of goodwill was allocated to the cash generating

Particulars
Global Generics-Branded Formulations

The recoverable amounts of the above cash generating units have
calculated as the net present value of the projected post-tax cash flow
is allocated. Initially, a post-tax discount rate is applied to calculate th
which the Company has based its determinations of value-in-use inclu

a) Estimated cash flows for five years, based on management's proj

b) A terminal value arrived at by extrapolating the last forecasted y
0%. This long-term growth rate takes into consideration external n
does not exceed that of the relevant business and industry secto

c) The after tax discount rates used are based on the Company's we

d) The after tax discount rates used range from 11.7% to 14% for
12.72% to 17.92%.

The Company believes that any reasonably possible change in the key
the aggregate carrying amount to exceed the aggregate recoverable

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

sted for impairment at least annually or more frequently if there is any is impaired.

	As at 31 March 2022	As at 31 March 2021
	853	323
	-	530
	-	-
	853	**853**
	-	-
	-	-
	-	-
	-	-
	853	**853**

n generating unit, representing the lowest level within the Company at hich is not higher than the Company's operating segment.

units as follows:

	As at 31 March 2022	As at 31 March 2021
	853	**853**

been assessed using a value-in-use model. Value-in-use is generally s plus a terminal value of the cash generating unit to which the goodwill e net present value of the post-tax cash flows. Key assumptions upon ude:

ections.

ear cash flows to perpetuity, using a constant long-term growth rate of macroeconomic sources of data. Such long-term growth rate considered r.

eighted average cost of capital.

various cash generating units. The pre-tax discount rates range from

assumptions on which a recoverable amount is based would not cause amount of the cash-generating unit.

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2.4 Other intangible assets

Particulars
Gross carrying value
Balance as at 1 April 2020
Additions
Assets acquired through business combinations(1)
Disposals/ De- recognitions
Balance as at 31 March 2021
Balance as at 1 April 2021
Additions
Balance as at 31 March 2022
Amortisation/impairment loss
Balance as at 1 April 2020
Amortisation for the year
Disposals/ De- recognitions
Impairment loss (2)
Balance as at 31 March 2021
Balance as at 1 April 2021
Amortisation for the year
Balance as at 31 March 2022
Net carrying value
As at 31 March 2021
As at 31 March 2022

(1) *Refer note 2.39 of this financial statements for further details.*
(2) *Refer note 2.5 for Impairment losses recorded for the year ended 31 March 2021.*

Amortisation for the year includes an amount of ₹ 18 (31 March 2021: ₹ 1
year, the Company incurred ₹ 17 (31 March 2021: ₹ 40) towards capita

Details of significant intangible assets as at 31 March 2022:

Particulars
Select portfolio of branded generics business
Select portfolio of dermatology, respiratory and pediatric assets
Select Anti-allergy brands

2.5 Intangible assets under development

Particulars
Opening balance
Less: Impairments during the year(1)
Closing balance

(1) *Impairment losses recorded:*

During the year ended 31 March 2022, the Company recorded a impairment loss o of the Company's Global Generics segment, decrease in the market potential of pr line with projections.

As a result of the Company's decision to discontinue a few products pertaining to statement of Profit and loss for the year ended 31 March 2021 of which ₹ 43 was p was attributable to other product related intangibles.

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	Product related intangibles	Others	Total
	10,606	1,613	12,219
	2,110	273	2,383
	14,888	-	14,888
	(53)	(49)	(102)
	27,551	**1,837**	**29,388**
	27,551	1,837	29,388
	224	319	543
	27,775	**2,156**	**29,931**
	4,853	1,048	5,901
	1,418	244	1,662
	(53)	(30)	(83)
	110	-	110
	6,328	**1,262**	**7,590**
	6,328	1,262	7,590
	1,692	237	1,929
	8,020	**1,499**	**9,519**
	21,223	575	21,798
	19,755	**657**	**20,412**

17) pertaining to assets used for research and development. During the
l expenditure for research and development. (Refer note 2.41)

Acquired from	Carrying Cost
Wockhardt	13,440
UCB India Private Limited and affiliates	4,064
Glenmark	1,386

	For the year ended 31 March 2022	For the year ended 31 March 2021
	237	277
	(98)	(40)
	139	**237**

of ₹ 98 on account of decreased market potential of Cyanocobalamin, forming part roducts, increased competition leading to lower volumes, and revenues not being in

its Global Generics segment, ₹ 150 was recorded as total impairment charge in the ertaining to Doxercalciferol inj, ₹ 40 pertaining to Enalaprilat and the balance of `67

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2.5	Intangible assets under development (continued)

Intangible assets under development Ageing schedule

Particulars	Less than 1 year
Projects in progress	-
Balance as at 31 March 2022	**-**
Projects in progress	-
Balance as at 31 March 2021	**-**

2.6 Financial assets

2.6 A.	Investments

Investments consist of investments in units of equity securities, mut
commercial paper and term deposits with banks (i.e., certificates of d

Particulars
Investments at FVTOCI
Quoted equity shares *(fully paid-up)*
25,000 (31 March 2021: 25,000) equity shares of ₹ 1/- each of State Bank
Total investments at FVTOCI (A)
Investments carried at cost
Unquoted equity shares *(fully paid-up)*
I. In subsidiary companies
105,640,410 (31 March 2021: 105,640,410) equity shares of CHF 1 each of Switzerland
2,499,726 (31 March 2021: 2,499,726) equity shares of ₹ 10/- each of Ide Limited, India
90,544,104 (31 March 2021: 90,544,104) equity shares of ₹ 10/- each of Auri Limited, India
36,249,230 (31 March 2021: 36,249,230) shares of Real $ 1 each of Dr. Re Ltda., Brazil
140,526,270 (31 March 2021: 140,526,270) Series "A" shares of Peso 1 Falcon de Mexico S.A. de C.V., Mexico
58,932,070 (31 March 2021: 58,932,070) equity shares of ₹ 10/- each Limited, India
123,000 (31 March 2021: 123,000) equity shares of ₹ 100/- each of Imperia
5,000,000 (31 March 2021: 50,000) equity shares of ₹ 10/- each of S (Formerly Regkinetics Services Limited, India)
134,513 (31 March 2021: 134,513) equity shares of ₹ 10/- each of Cheminor
34 (31 March 2021: Nil) equity shares of US $ 10/- each of Dr. Reddy's Labo
50,000 (31 March 2021: Nil) equity shares of ₹ 10/- each of Dr. Reddy's For
Less: Impairment
Dr. Reddy's Farmaceutica Do Brasil Ltda., Brazil
Imperial Credit Private Limited, India
Less: Asset held for sale (net of impairment)
Imperial Credit Private Limited, India
Total unquoted investments in equity shares of subsidiary companies (I)

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Amount for a period of			Total
1-2 years	2-3 years	More than 3 years	
-	-	139	139
-	**-**	**139**	**139**
-	237	-	237
-	**237**	**-**	**237**

tual funds, preference shares, limited liability partnership firm, bonds, eposit having an original maturity period exceeding 3 months).

	As at 31 March 2022	As at 31 March 2021
k of India, India	12	9
	12	**9**
Dr. Reddy's Laboratories SA,	13,515	13,515
ea2Enterprises (India) Private	1,536	1,537
gene Discovery Technologies	974	974
ddy's Farmaceutica Do Brasil	825	825
each of Industrias Quimicas	709	709
of Dr. Reddy's Bio-sciences	515	515
l Credit Private Limited, India	31	31
vass Wellness Limited, India	50	1
Investments Limited, India	1	1
oratories Inc.	1	-
rmulations Limited	1	-
	18,158	**18,108**
	(622)	(622)
	(5)	-
	(26)	-
	17,505	**17,486**

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2.6 A. Investments (continued)

Particulars
II. In joint ventures
Equity shares held in Kunshan Rotam Reddy Pharmaceutical Co. Limited, C
8,580,000 (31 March 2021: 8,580,000) equity shares of ₹ 10/- each of DRES
Total unquoted investments in equity shares of joint ventures (II)
Total investments carried at cost (I+II)(B)

[1] *Shares held in Kunshan Rotam Reddy Pharmaceutical Co. Limited, China are not*

Particulars
Investments at FVTPL
I. Investment in unquoted equity shares
8,859 (31 March 2021: 8,859) equity shares of ₹ 100/- each of Jeedimetla India
Ordinary shares of Biomed Russia Limited, Russia[1] [2]
200,000 (31 March 2021: 200,000) equity shares of ₹ 10/- each of Altek Eng
24,000 (31 March 2021: 24,000) equity shares of ₹ 100/- each of Progressive India[2]
20,250 (31 March 2021: 20,250) equity shares of ₹ 10/- each of Shivalik Limited, India[2]
Total unquoted trade investments in equity shares of other companies (I)

[1] *Shares held in Biomed Russia Limited are not denominated in number of shares*

[2] *Rounded off to millions in the note above.*

Particulars
II. Investment in partnership firms
Investment in ABCD Technologies LLP
Total investment and partnership firms (II)
III. Investment in unquoted mutual funds
IV. Investment in quoted equity shares
545,131 (31 March 2021: Nil) equity shares of Journey Medical Corporation
Total investments at FVTPL (I + II + III + IV) (C)
Investments carried at amortised cost
I. Investments in Nil (31 March 2021: 2,000,000) preference shares of CHF Laboratories SA, Switzerland
II. Investment in 20,000,000 (31 March 2021: Nil) preference shares sha Wellness Limited, India (Formerly Regkinetics Services Limited, India)
III. Investments in bonds
IV. Investments in commercial paper
V. Investment in Non-convertible debentures of Dr. Reddy's Laboratories I
Total investments carried at amortised cost (D)
Total investments (A+B+C+D)
Current
Non-current
Aggregate book value of quoted investments
Aggregate market value of quoted investments
Aggregate value of unquoted investments
Aggregate amount of impairment in the value of investments in the unquot

TATEMENTS

ll amounts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
hina[1]	429	429
Energy Private Limited, India	86	86
	515	515
	18,020	**18,001**

denominated in number of shares as per the laws of the country.

Effluent Treatment Limited,	1	1
	-	-
gineering Limited, India[2]	-	-
e Effluent Treatment Limited,	-	-
Solid Waste Management	-	-
	1	**1**

as per the laws of the country.

	386	400
	386	**400**
	15,702	**12,048**
		-
	200	-
	16,289	**12,449**
100 each of Dr. Reddy's	-	15,511
res of ₹ 10/- each of Svass	200	-
	2,505	522
	973	-
nc	11,368	-
	15,046	**16,033**
	49,367	**46,492**
	19,124	12,570
	30,243	33,922
	49,367	**46,492**
	212	9
	212	9
	49,777	47,105
ed equity shares	622	622

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2.6 B. Trade receivables

Particulars
Trade receivables from other parties
Receivables from subsidiaries and joint ventures(Refer note 2.24)
Details of security
Considered good, unsecured
Credit impaired
Less: Allowance for credit losses
Current
Non-current [1]

[1] *Represents amounts receivable pursuant to an out-licensing arrangement with a the end of the reporting date, they are disclosed as non-current.*

In accordance with Ind AS 109, the Company uses the expected cre loss on its trade receivables or any contractual right to receive cash o scope of Ind AS 115. For this purpose, the Company uses a provision r The provision matrix takes into account external and internal credit r The details of changes in allowance for credit losses during the year e

Particulars
Balance at the beginning of the year
Provision made during the year, net of reversals
Trade receivables written off during the year
Effect of changes in the foreign exchange rates
Balance at the end of the year

Trade Receivables Ageing Schedule

Particulars	Outstand	
	Not due	Les
(i) Undisputed Trade receivables - considered good	37,183	
(ii) Undisputed Trade Receivables - credit impaired	-	
(iii) Disputed Trade Receivables - credit impaired	-	
Less: Allowance for credit losses		
Balance as at 31 March 2022		
(i) Undisputed Trade receivables - considered good	30,625	
(ii) Undisputed Trade Receivables - credit impaired	-	
(iii) Disputed Trade Receivables - credit impaired	-	
Less: Allowance for credit losses		
Balance as at 31 March 2021		

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(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
	14,399	13,594
	35,109	27,324
	49,508	**40,918**
	49,651	41,069
	279	289
	49,930	**41,358**
	(422)	(440)
	49,508	**40,918**
	49,454	40,800
	54	118
	49,508	**40,918**

customer. As these amounts are not expected to be realised within twelve months from

edit loss ("ECL") model for measurement and recognition of impairment r another financial asset that result from transactions that are within the matrix to compute the expected credit loss amount for trade receivables. isk factors and historical data of credit losses from various customers. ended 31 March 2022 and 31 March 2021 are as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	440	446
	31	64
	(49)	(70)
	-	-
	422	**440**

	ding for following periods from due date of payment					Total
	s than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
	12,038	430	-	-	-	49,651
	-	-	83	24	67	174
	-	-	58	3	44	105
						49,930
						(422)
						49,508
	10,444	-	-	-	-	41,069
	-	-	66	45	119	230
	-		1	-	58	59
						41,358
						(440)
						40,918

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2.6 C.	Loans
Particulars	
Considered good, unsecured	
Loans and advances to wholly owned subsidiaries[1]	
Others	
Less: Allowance for doubtful loans and advances	

[(1)] *Loans and advances to wholly owned subsidiaries comprise:*

Particulars	
	31 Marc
Wholly owned subsidiaries	
DRL Impex Limited, India	
Dr. Reddy's Bio-sciences Limited, India [(2)]	
Cheminor Investments Limited, India [(2)]	
Reddy Antilles N.V., Netherlands [(2)]	

[(2)] *Rounded off to millions.*

Loans and advances to wholly owned subsidiaries are given for the pu
of which is neither planned nor likely to occur in the next twelve month
Limited, India are interest free.

2.6 D.	Other financial assets
Particulars	
I. Non-current assets	
Considered good, unsecured	
Security deposits	
Term deposits with banks (remaining maturity more than 12 months)	
II. Current assets	
Considered good, unsecured	
Claims receivable	
Interest accrued but not due on investments	
Receivables from subsidiary companies including step down subsidiarie	
Dr. Reddy's Bio-sciences Limited, India	
Aurigene Pharmaceutical Services Limited	
Svass Wellness Limited, India (Formerly Regkinetics Services Limited	
Aurigene Discovery Technologies Limited, India	
Others	
Other assets	
Less: Allowance for doubtful advances	

ll amounts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
	12	12
	-	-
	12	**12**
	-	-
	12	**12**

Balance as at		Maximum amount outstanding at any time during the year ended	
h 2022	31 March 2021	31 March 2022	31 March 2021
11	11	11	11
1	1	1	1
-	-	-	-
-	-	-	-
12	**12**		

rpose of working capital and other business requirements, settlement
s. Loans given to DRL Impex Limited, India and Cheminor Investments

	As at 31 March 2022	As at 31 March 2021
	514	492
	2,000	-
	2,514	**492**
	101	167
	209	114
es: (refer note 2.24)		
	55	55
	42	48
, India)	22	-
	1	4
	6	8
	129	133
	565	**529**
	-	-
	565	**529**

NOTES TO FINANCIAL S

2.6 E. Cash and cash equivalents

Particulars
Balances with banks
In current accounts
In EEFC accounts
In term deposits with banks (original maturities less than 3 months)
Cash on hand
Other balances
In unclaimed dividend accounts
In unclaimed debentures and debenture interest account
LC and Bank guarantee margin money
Balances in Escrow account pursuant to the Business Transfer Agreem with Wockhardt Limited (Refer to Note 2.39 for details)
Cash and cash equivalents in the balance sheet
Less: Bank overdraft used for cash management purposes
Cash and cash equivalents in the statement of cash flow (including restr
Restricted cash balances included above
Balance in unclaimed dividend and debenture interest account
Other restricted cash balances

2.6 F. Other bank balances

Particulars
Term deposits with banks (original maturities more than 3 months but less

2.7 Other assets

Particulars
A. Non-current assets
Considered good, unsecured
Capital advances
Dues from joint ventures and other related parties
B. Current assets
Considered good, unsecured
Balances and receivables from statutory authorities [1]
Export benefits receivable[2]
Advances to material suppliers
Prepaid expenses
Dues from joint ventures and other related parties
Others
Considered doubtful, unsecured
Other advances
Less: Allowance for doubtful advances

[1] *Balances and receivables from statutory authorities primarily consist of amounts and from customs authorities of India.*

[2] *Export benefits receivables primarily consist of amounts receivable from vario Company.*

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(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
	9,272	4,094
	2,039	8,689
	88	54
	-	-
	86	86
	-	20
	70	80
nent	40	40
	11,595	**13,063**
	-	(9)
ricted cash)	**11,595**	**13,054**
	86	106
	110	120

	As at 31 March 2022	As at 31 March 2021
s than 12 months)	8,710	3,402
	8,710	**3,402**

	As at 31 March 2022	As at 31 March 2021
	403	159
	77	1
	480	**160**
	7,172	5,909
	1,016	2,070
	521	582
	706	738
	1	17
	565	650
	84	107
	10,065	10,073
	(84)	(107)
	9,981	**9,966**

s recoverable towards the goods and service tax ("GST"), excise duty, value added tax

us government authorities of India towards incentives on export sales made by the

NOTES TO FINANCIAL ST

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2.8 Inventories

Particulars
Raw materials (includes in transit ₹ 109 ; 31 March 2021: ₹ 53)
Work-in-progress
Finished goods
Stock-in-trade
Packing materials, stores and spares

During the year ended 31 March 2022, the Company recorded invento
of profit and loss.

2.9 Share capital

Particulars
Authorised share capital
240,000,000 equity shares of ₹ 5/- each (31 March 2021: 240,000,000)
Issued equity capital
166,426,049 equity shares of ₹ 5/- each fully paid-up (31 March 2021: 166,3
Subscribed and fully paid-up
166,425,849 equity shares of ₹ 5/- each fully paid-up (31 March 2021: 166,3
Add: Forfeited share capital (e)*

(a) Reconciliation of the equity shares outstanding is set out below:

Particulars
Opening number of equity shares/share capital
Add: Equity shares issued pursuant to employee stock option plan(1)
Closing number of equity shares/share capital
Treasury shares(2)

* *Rounded off to millions.*

(1) *During the years ended 31 March 2022 and 31 March 2021, equity shares were iss the Dr. Reddy's Employees Stock Option Plan, 2002 and Dr. Reddy's Employees S ₹ 2,814 or ₹ 3,679 per share. Upon the exercise of such options, the amount of co the "share-based payment reserve" was transferred to"securities premium" in the*

(2) *Pursuant to the special resolution approved by the shareholders in the Annual Gen Trust") was formed to support the Dr. Reddy's Employees Stock Option Scheme, 20 shares which are used for issuance to eligible employees (as defined therein) upo 31 March 2021, an aggregate of 106,730 and 85,250 equity shares, respectively we to the Dr. Reddy's Employees Stock Option Scheme, 2018. The options exercised ho options, the amount of compensation cost (computed using the grant date fair va "securities premium" in the statement of changes in equity. In addition, any differe was recognised in the "securities premium". As of 31 March 2022 and 31 March 202 purchased from the secondary market for an aggregate consideration of ₹ 1,601 an on the Dr. Reddy's Employees Stock Option Scheme, 2018.*

(b) Terms / rights attached to the equity shares

The Company has only one class of equity shares having a par valu meeting of the Company, every holder of an equity share, as refle shareholders meeting, shall have one vote in respect of each sha dividends will be paid in Indian rupees to each holder of equity shar outstanding as on that date. Indian law on foreign exchange gover of the Company, all preferential amounts, if any, shall be discharg distributed to the holders of equity shares in proportion to the numb

TATEMENTS

ll amounts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
	11,105	10,166
	11,100	8,886
	5,177	4,621
	2,631	1,505
	3,465	3,019
	33,478	**28,197**

ory write-down of ₹ 2,620 (31 March 2021: ₹ 1,242) in the statement

	As at 31 March 2022	As at 31 March 2021
	1,200	1,200
01,431)	832	832
01,231)	832	832
	-	-
	832	**832**

For the year ended 31 March 2022		For the year ended 31 March 2021	
No. of shares	Amount	No. of shares	Amount
166,301,231	832	166,172,082	831
124,618	-*	129,149	1
166,425,849	**832**	**166,301,231**	**832**
468,471	1,601	575,201	1,967

sued as a result of the exercise of vested options granted to employees pursuant to tock Option Plan, 2007. The options exercised had an exercise price of ₹ 5, ₹ 2,607, mpensation cost (computed using the grant date fair value) previously recognised in Statement of Changes in Equity.

eral Meeting held on 27 July 2018, the Dr. Reddy's Employees ESOS Trust (the "ESOS 18 by acquiring, from the Company or through secondary market acquisitions, equity n exercise of stock options thereunder. During the years ended 31 March 2022 and re issued as a result of the exercise of vested options granted to employees pursuant d an exercise price of ₹ 2,607, ₹ 2,814 or ₹ 3,679 per share. Upon the exercise of such ue) previously recognised in the "share based payment reserve" was transferred to nce between the carrying amount of treasury shares and the consideration received 1, the ESOS Trust had outstanding 468,471 and 575,201 shares, respectively, which it d ₹ 1,967, respectively. Refer note 2.25 of these financial statements for further details

ue of ₹ 5 per share. For all matters submitted to vote in a shareholders cted in the records of the Company as on the record date set for the are held. Should the Company declare and pay any dividends, such es in proportion to the number of shares held to the total equity shares ns the remittance of dividends outside India. In the event of liquidation ged by the Company. The remaining assets of the Company shall be per of shares held to the total equity shares outstanding as on that date.

NOTES TO FINANCIAL S

2.9 Share capital (continued)

Final dividends on equity shares are recorded as a liability on th recorded as a liability on the date of declaration by the Compar are as follows:

Particulars
Dividend per share (in absolute ₹)
Dividend paid during the year

At the Company's Board of Directors' meeting held on 19 May 20 to ₹ 4,993, which is subject to the approval of the Company's sha

(c) Details of shareholders holding more than 5% shares in the Compar

Particulars	No. c
Dr. Reddy's Holdings Limited (refer note 2.38)	
Life Insurance Corporation of India and their associates	

(d) 207,175 (31 March 2021: 217,253) stock options are outstandir accordance with the terms of exercise under the "Dr. Reddy's Em stock options are outstanding and are to be issued by the Compa under the "Dr. Reddy's Employees ADR Stock Option Plan, 2007" and are to be issued by the Company upon exercise of the same in Stock Option Scheme, 2018 ". (Refer note 2.25)

(e) Represents 200 equity shares of ₹ 5/- each, amount paid-up ₹ 500/ of allotment money.

(f) Details of shares held by promoters

Promoter Name	As at 31 March
	No. of shares at the end of the year
Dr. Reddy's Holdings Limited	41,325,300
Gunupati Venkateswara Prasad (HUF)	1,117,940
Samrajyam Reddy Kallam	1,115,360
Satish Reddy Kallam	898,432
Sharathchandra Reddy Gunupati	2,600
Anuradha Gunupati	1,496

The percentage shareholding above has been computed consider as at 31 March 2022 and 31 March 2021, respectively.

2.10 Financial liabilities

2.10 A. Current borrowings

Particulars
From Banks
Unsecured
Pre-shipment credit (a)
Bank overdraft
Others

(a) Packing credit loans for the year ended 31 March 2022, comp Bill plus 25 bps, 3-months Treasury Bill minus 5 bps and 3-mon drawdown. Packing credit loans for the year ended 31 March 2 Treasury Bill plus 30 bps and fixed rate of 5.75% and are repayab

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

e date of their approval by the shareholders and interim dividends are ny's Board of Directors. The details of dividends paid by the Company

	For the year ended 31 March 2022	For the year ended 31 March 2021
	25	25
	4,146	4,147

022, the Board proposed a dividend of ₹ 30 per share and aggregating areholders.

ny

As at 31 March 2022		As at 31 March 2021	
of shares held	% holding in the class	No. of shares held	% holding in the class
41,325,300	24.83	41,325,300	24.85
8,769,499	5.27	1,110,352	0.67

ng and are to be issued by the Company upon exercise of the same in ployees Stock Option Plan, 2002", 413,229 (31 March 2021: 412,339) any upon exercise of the same in accordance with the terms of exercise and 251,035 (31 March 2021: 385,930) stock options are outstanding accordance with the terms of exercise under the "Dr. Reddy's Employees

/- (rounded off to millions in the note above) forfeited due to non-payment

2022	As at 31 March 2021		
% of Total Shares	No. of shares at the end of the year	% of Total Shares	% change during the year
24.83%	41,325,300	24.85%	-
0.67%	1,117,940	0.67%	-
0.67%	1,115,360	0.67%	-
0.54%	898,432	0.54%	-
0.00%	2,600	0.00%	-
0.00%	1,496	0.00%	-

ring the outstanding number of shares of 166,425,849 and 166,301,231

	As at 31 March 2022	As at 31 March 2021
	18,211	10,300
	-	9
	3,500	1,500
	21,711	11,809

rised of INR denominated loans carrying rates of 3-months Treasury ths Treasury Bill and are repayable within 12 months from the date of 021, comprised of INR denominated loans carrying rates of 3-months ble within 12 months from the date of drawdown.

(A

2.10 A. Current borrowings (continued)

(b) The Company had uncommitted lines of credit of ₹ 25,489 and from its banks for working capital requirements. The Company ha capital requirements.

(c) **Reconciliation of liabilities arising from financing activities**

Particulars
Opening balance at the beginning of the year
Borrowings during the year
Borrowings repaid during the year
Effect of changes in foreign exchange rates
Closing balance at the end of the year

Particulars	Non-cur
Opening balance at the beginning of the year	
Borrowings (repaid)/made during the year	
Borrowings repaid during the year	
Effect of changes in foreign exchange rates	
Closing balance at the end of the year	

[1] *Does not include movement in bank overdraft*

[2] *Includes current portion also*

2.10 B. Lease liabilities

Particulars
Secured
Non-current
Long-term maturities of lease obligation
Current
Current maturities of lease obligation

(a) The aggregate maturities of long-term leases, based on contractua

Particulars
Maturing in the year ending 31 March
2023
2024
2025
2026
2027
Thereafter

ll amounts in Indian Rupees millions, except share data and where otherwise stated)

₹ 18,361 as of 31 March 2022 and 31 March 2021, respectively, as the right to draw upon these lines of credit based on its working

	For the year ended 31 March 2022
	Current borrowings[1]
	11,800
	40,580
	(30,897)
	228
	21,711

For the year ended 31 March 2021		
rent borrowings[2]	Current borrowings[1]	Total
3,783	10,435	14,218
-	19,083	19,083
(3,743)	(17,556)	(21,299)
(40)	(162)	(202)
-	**11,800**	**11,800**

	As at 31 March 2022	As at 31 March 2021
	197	177
	197	**177**
	146	159
	146	**159**

l maturities, as of 31 March 2022 were as follows:

	Obligations under leases
	146
	117
	56
	18
	6
	-
	343

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2.10 B. Lease liabilities (continued)

The aggregate maturities of long-term leases, based on contractual m

Particulars
Maturing in the year ending 31 March
2022
2023
2024
2025
2026
Thereafter

(b) Reconciliation of liabilities arising from financing activities:

Particulars
Opening balance at the beginning of the year
Recognition of right-of-use liability during the year
Payment of principal portion of lease liabilities
Closing balance at the end of the year

2.10 C. Trade payables

Particulars
Trade payables to third parties
Due to micro, small and medium enterprises[1]
Other parties
Trade payables to subsidiaries including step down subsidiaries (Refer no

[1] (a) *The principal amount remaining unpaid as at 31 March 2022 in respect of Act, 2006" (MSMED) is ₹ 120 (31 March 2021: ₹ 152). The interest amount comp ₹ 0.00) is remaining unpaid as of 31 March 2022. The interest amount of ` 0.0*

(b) *The amount of interest due and payable for the period of delay in making pay adding the interest specified under this Act is ₹ Nil (31 March 2021: ₹ Nil).*

(c) *The list of undertakings covered under MSMED was determined by the Comp by the auditors.*

For details regarding the Company's exposure to currency and liquidit

Trade Payables ageing schedule:

Particulars	C
	Less
(i) MSME	
(ii) Others	
(iii) Disputed dues - MSME	
(iv) Disputed dues - Others	
Balance as at March 2022	
(i) MSME	
(ii) Others	
(iii) Disputed dues - MSME	
(iv) Disputed dues - Others	
Balance as at March 2021	

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

aturities, as of 31 March 2021 were as follows:

	Obligations under leases
	159
	106
	57
	13
	1
	-
	336

	For the year ended 31 March 2022	For the year ended 31 March 2021
	336	350
	179	24
	(172)	(38)
	343	**336**

	As at 31 March 2022	As at 31 March 2021
	120	152
	15,541	12,559
te 2.24)	1,001	653
	16,662	**13,364**

enterprises covered under the "Micro, Small and Medium Enterprises Development puted based on the provisions under Section 16 of the MSMED is ₹ 0.00 (31 March 2021: 00 that remained unpaid as at 31 March 2021 was paid fully during the current year.

ment (which have been paid but beyond the appointed day during the year) but without

pany on the basis of information available with the Company and has been relied upon

ty risks, see note 2.29 of the financial statements under "Liquidity risk".

Outstanding for following periods from due date of payment				Total
than 1 year	1-2 Years	2-3 Years	More than 3 years	
120	-	-	-	120
16,103	317	68	54	16,542
-	-	-	-	-
-	-	-	-	-
				16,662
152	-	-	-	152
12,888	126	152	46	13,212
-	-	-	-	-
-	-	-	-	-
				13,364

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2.10 D. Other financial liabilities

Particulars
Accrued expenses
Payable to subsidiary companies including step down subsidiaries (Refer n
Capital creditors
Unclaimed dividends, debentures and debenture interest[1]
Trade and security deposits received
Interest accrued but not due on loans
Others

[1] *Unclaimed amounts are transferred to Investor Protection and Education Fund afte*

2.11 Provisions

Particulars
A. Non-current provisions
Provision for employee benefits (Refer note 2.26)
Compensated absences
Long service award benefit plan
B. Current provisions
Provision for employee benefits (Refer note 2.26)
Compensated absences
Gratuity
Long service award benefit plan
Other provisions [a]
Refund liability
Others

[a] *Details of changes in other provisions during the year ended 31 March 2022 are a*

Particulars
Balance as at beginning of the year
Provision made during the year, net of reversals
Provision used during the year
Balance as at end of the year

[1] *Refund liability is accounted for by recording a provision based on the Company's the Company's accounting policy on refund liability.*

[2] *Primarily consists of provision recorded towards the potential liability arising out 2.30 of these financial statements under "Product and patent related matters - N Cardiovascular and Anti-diabetic formulations" for further details.*

2.12 Other liabilities

Particulars
A. Non-current liabilities
Deferred revenue
B. Current liabilities
Salary and bonus payable
Due to statutory authorities
Advance from customers
Deferred revenue

ll amounts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
	6,760	6,705
ote 2.24)	2,459	3,049
	2,615	2,019
	86	106
	54	59
	4	-
	175	72
	12,153	**12,010**

er seven years from the due date.

	As at 31 March 2022	As at 31 March 2021
	47	195
	57	56
	104	**251**
	685	595
	544	631
	15	16
	1,303	1,134
	675	611
	3,222	**2,987**

s follows:

	Refund liability(1)	Others(2)
	1,134	611
	2,097	64
	(1,928)	-
	1,303	**675**

estimate of expected sales returns. See note 1.3(m) of these financial statements for

of a litigation relating to cardiovascular and anti-diabetic formulations. Refer note Matters relating to National Pharmaceutical Pricing Authority - Litigation relating to

	As at 31 March 2022	As at 31 March 2021
	842	428
	842	**428**
	2,281	2,022
	2,863	2,514
	588	296
	353	136
	6,085	**4,968**

NOTES TO FINANCIAL S

2.13 Revenue from contracts with customers and trade receivables

Revenue from contracts with customers:

Particulars
Sales
Service income
License fees[1]

[1] *During the year ended 31 March 2022, the Company entered into the following c*

a) An agreement with Alium JSC for the sale of the Company's territorial righ certain countries of the former Soviet Union. The consideration for the arrang obligations relating to the milestones met. This transaction pertains to the Co

b) An agreement with Mankind Pharma Limited towards the sale of two of the Co revenue of ₹ 390. This transaction pertains to the Company's Global Generic

Revenues by segments:

The following table shows the analysis of revenues (excluding other oper

Particulars
Global Generics
Pharmaceutical Services and Active Ingredients
Proprietary Products

Refund liabilities:

Particulars
Balance at the beginning of the year
Provision made during the year, net of reversals
Provision used during the year
Balance at the end of the year
Current
Non-current

Contract asset:

As mentioned in the accounting policies for refund liability set forth ir asset, (i.e., the right to the returned goods) which is included in inven measures this asset at the former carrying amount of the inventory, decreases in the value of the returned goods. Along with re-measurir updates the measurement of the asset recorded for any revisions to i value of the returned products.

As on 31 March 2022 and 31 March 2021, the Company had ₹ 4 returned goods.

Deferred revenue:

Tabulated below is the reconciliation of deferred revenue for the year

Particulars
Balance at the beginning of the year
Revenue recognised during the year
Milestone payment received during the year
Balance at the end of the year
Current
Non-current

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

s

	For the year ended 31 March 2022	For the year ended 31 March 2021
	138,864	132,094
	221	199
	4,068	521
	143,153	**132,814**

agreements:

nts relating to two of its anti-bacterial brands (Ciprolet® and Levolet®) in Russia and gement is ₹ 1,971 and the Company recognised revenue of ₹ 1,774 for the performance ompany's Global Generics segment.

ompany's brands (Daffy bar and Combihale) in India for which the Company recognised cs segment.

ating income) by segments:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	116,550	106,156
	25,013	26,188
	1,590	470
	143,153	**132,814**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	1,134	914
	2,097	248
	(1,928)	(28)
	1,303	**1,134**
	1,303	1,134
	-	-
	1,303	**1,134**

n note 1.3 (l) of these financial statements, the Company recognises an tories for the products expected to be returned. The Company initially less any expected costs to recover the goods, including any potential ng the refund liability at the end of each reporting period, the Company its expected level of returns, as well as any additional decreases in the

3 and ₹ 37, respectively as contract assets representing the right to

s ended 31 March 2022 and 31 March 2021:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	564	413
	(458)	(217)
	1,089	368
	1,195	**564**
	353	136
	842	428
	1,195	**564**

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2.13 Revenue from contracts with customers and trade receivables (

Contract liabilities :

Particulars
Advance from customers

2.14 Other operating income

Particulars
Sale of spent chemicals
Scrap sales
Miscellaneous income

2.15 Other income

Particulars
Interest income
On fixed deposits
On investment in non-convertible debentures of subsidiary[1]
On investment in preference shares of subsidiary[2]
Others
Profit on disposal of property, plant and equipment and other intangibles, n
Foreign exchange gain, net
Fair value gain on financial instruments measured at fair value through prof
Miscellaneous income, net

[1] *Includes ₹ 91 (31 March 2021 : ₹ Nil) of interest on Non-Convertible Debentures fro*

[2] *Includes ₹ 712 (31 March 2021 : ₹ 516) of preference dividend from Dr. Reddy's Labo*

[3] *Profit on disposal of property, plant and equipment and other intangibles includes ended 31 March 2021. The Company sold contract development and manufactur business of the Company. This sale was done by way of slump sale (as defined un and equipment, current assets, current liabilities, and transfer of employees.*

2.16 Changes in inventories of finished goods, work-in-progress and

Particulars	For 31
Opening	
Work-in-progress	8
Finished goods	4
Stock-in-trade	1
Closing	
Work-in-progress	11
Finished goods	5
Stock-in-trade	2

TATEMENTS

All amounts in Indian Rupees millions, except share data and where otherwise stated)

continued)

	For the year ended 31 March 2022	For the year ended 31 March 2021
	588	296
	588	**296**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	348	270
	170	115
	381	292
	899	**677**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	289	245
	91	-
	712	516
	577	462
et[3]	-	4,711
	2,209	1,237
it or loss	233	510
	709	330
	4,820	**8,011**

n Dr. Reddy's Laboratories Inc.

oratories S.A.

an amount of ₹ 4,772 representing the profit on sale of business unit during the year ing organisation ("CDMO") division of the Custom Pharmaceutical Services ("CPS") der section 2(42C) of Indian Income Tax Act,1961) including all related property, plant

l stock-in-trade

the year ended 31 March 2022		For the year ended 31 March 2021	
,886		5,960	
,621		3,477	
,505	**15,012**	1,619	**11,056**
,100		8,886	
,177		4,621	
,631	**18,908**	1,505	**15,012**
	(3,896)		**(3,956)**

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2.17 Employee benefits expense

Particulars
Salaries, wages and bonus
Contribution to provident and other funds
Staff welfare expenses
Share-based payment expenses

2.18 Depreciation and amortisation expense

Particulars
Depreciation of property, plant and equipment
Amortisation of intangible assets

2.19 Finance costs

Particulars
Interest on long-term borrowings
Interest on lease liabilities
Interest on other borrowings
Finance costs

2.20 Selling and other expenses

Particulars
Consumption of stores, spares and other materials
Clinical trial expenses
Other research and development expenses
Advertisements
Commission on sales
Carriage outward
Other selling expenses
Legal and professional
Power and fuel
Repairs and maintenance
Buildings
Plant and equipment
Others
Insurance
Travel and conveyance
Rent
Rates and taxes
Corporate Social Responsibility and donations(1)
Allowance for credit losses, net (Refer note 2.6 B)
Allowance for doubtful advances, net
Non-Executive Directors' remuneration
Auditors' remuneration (Refer note 2.22)
Loss on sale/disposal of property , plant and equipment and other intangi
Other general expenses

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
	20,026	18,876
	1,466	1,295
	2,235	1,917
	619	613
	24,346	**22,701**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	6,214	6,688
	1,929	1,662
	8,143	**8,350**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	-	2
	69	62
	311	403
	380	**467**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	5,321	5,275
	2,244	1,605
	3,598	3,612
	826	370
	253	181
	4,287	4,696
	11,484	8,744
	4,364	3,587
	3,268	2,913
	166	163
	728	760
	1,930	1,727
	676	456
	505	491
	115	87
	485	418
	480	479
	31	64
	34	5
	121	91
	15	16
bles, net	78	-
	2,199	2,302
	43,208	**38,042**

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2.20 Selling and other expenses (continued)

[(1)] *Details of Corporate Social Responsibility expenditure in accordance with section*

Particulars
i) Amount required to be spent by the company during the year
ii) Amount required to be set off for the financial year, if any
(iii) Total CSR obligation for the financial year
iv) Amount of expenditure incurred
(a) Construction/acquisition of any asset
(b) On purposes other than (a) above
v) Shortfall at the end of the year ((iii)-(iv))*
vi) Total of previous years shortfall
vii) Reason for shortfall
viii) Nature of CSR activities
ix) Details of related party transactions, e.g.,contribution to a trust co company in relation to CSR expenditure as per relevant Accountin
x) Where a provision is made with respect to a liability incurred by contractual obligation, the movements in the provision

[(1)] *Refer note 2.24 for Contributions towards social development*

* *Total amount unspent has been transferred to Unspent CSR Account on 28 Ap*

2.21 Research and development expenses

Details of research and development expenses (excluding depreciation a various heads of expenditures are given below:

Particulars
Employee benefits expense (included in note 2.17)
Other expenses (included in note 2.20)
Clinical trial expenses
Materials and consumables
Power and fuel
Other research and development expenses

TATEMENTS

All amounts in Indian Rupees millions, except share data and where otherwise stated)

135 of the Companies Act, 2013:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	468	341
	(20)	-
	448	**341**
	-	-
	355	361
	355	**361**
	93	-
	-	-
	Pertains to ongoing projects	NA
	Environmental Sustainability, promoting education, healthcare, livelihood enhancement projects, COVID-19 relief and rural development projects	
ntrolled by the g Standard[1]	310	232
entering into a	NA	NA

ril 2022

and amortisation expense) incurred during the year and included under

	For the year ended 31 March 2022	For the year ended 31 March 2021
	3,494	3,257
	2,244	1,605
	3,941	3,861
	254	207
	3,598	3,612
	13,531	**12,542**

NOTES TO FINANCIAL S

2.22 Auditors' remuneration

Particulars
Audit fees
Other charges – Certification fee
Reimbursement of out of pocket expenses

* *Rounded off to millions.*

2.23 Earnings per share (EPS)

Particulars
Earnings
Profit attributable to equity shareholders of the Company
Shares
Number of equity shares at the beginning of the year (excluding treasury
Effect of treasury shares during the year
Effect of equity shares issued on exercise of stock options
Weighted average number of equity shares – Basic
Dilutive effect of stock options outstanding(1)
Weighted average number of equity shares – Diluted
Earnings per share of par value ₹ 5/- – Basic (₹)
Earnings per share of par value ₹ 5/- – Diluted (₹)

(1) *As at 31 March 2022 and 31 March 2021, 13,284 and 235,460 options, respe calculation because their effect would have been anti-dilutive. The average mar stock options was based on quoted market prices for the year during which the*

2.24 Related parties

a) List of all subsidiaries, joint ventures and other consolidating entities

Subsidiaries including step down subsidiaries:	
1	Aurigene Discovery Technologies (Malaysia) Sdn. Bhd, Malaysia
2	Aurigene Discovery Technologies Inc., USA (liquidated on 23 March
3	Aurigene Discovery Technologies Limited, India
4	Aurigene Pharmaceutical Services Limited, India
5	beta Institut gemeinnützige GmbH, Germany
6	betapharm Arzneimittel GmbH, Germany
7	Cheminor Investments Limited, India
8	Chirotech Technology Limited, UK (under liquidation)
9	Dr Reddy's Laboratories LLP, Kazakhstan
10	Dr. Reddy's (Thailand) Limited, Thailand
11	Dr. Reddy's (WUXI) Pharmaceutical Co. Ltd, China (under liquidation)
12	Dr. Reddy's (Beijing) Pharmaceutical Co. Limited (from 19 August 202
13	Dr. Reddy's Bio-sciences Limited, India
14	Dr. Reddy's Formulations Limited, India (from 11 March 2021)
15	Dr. Reddy's Farmaceutica Do Brasil Ltda., Brazil
16	Dr. Reddy's Laboratories (Australia) Pty. Limited, Australia
17	Dr. Reddy's Laboratories (EU) Limited, UK
18	Dr. Reddy's Laboratories (Proprietary) Limited, South Africa
19	Dr. Reddy's Laboratories (UK) Limited, UK
20	Dr. Reddy's Laboratories B.V., Netherlands (Formerly Eurobridge Con
21	Dr. Reddy's Laboratories Canada, Inc., Canada

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
	14	14
	1	1
	-*	1
	15	**16**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	16,232	21,864
shares)	165,726,030	165,776,132
	-	(56,014)
	156,667	124,222
	165,882,697	**165,844,340**
	455,937	471,701
	166,338,634	**166,316,041**
	97.85	131.84
	97.58	131.46

ectively, were excluded from the diluted weighted average number of equity shares rket value of the Company's shares for the purpose of calculating the dilutive effect of options were outstanding.

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2.24	Related parties (continued)	
22	Dr. Reddy's Laboratories Inc., USA	
23	Dr. Reddy's Laboratories LLC, Ukraine	
24	Dr. Reddy's Laboratories Malaysia Sdn. Bhd., Malaysia	
25	Dr. Reddy's Laboratories New York, LLC (transfer of ownership from Dl to LLC effective 30 October 2020)	
26	Dr. Reddy's New Zealand Limited, New Zealand	
27	Dr. Reddy's Philippines Inc., Philippines	
28	Dr. Reddy's Research and Development B.V. (formerly Octoplus BV)	
29	Dr. Reddy's SRL, Italy	
30	Dr. Reddy's Laboratories Chile SPA., Chile	
31	Dr. Reddy's Laboratories Japan KK, Japan	
32	Dr. Reddy's Laboratories Louisiana LLC, USA	
33	Dr. Reddy's Laboratories Romania S.R.L., Romania	
34	Dr. Reddy's Laboratories SA, Switzerland	
35	Dr. Reddy's Laboratories SAS, Colombia	
36	Dr. Reddy's Laboratories Taiwan Limited, Taiwan	
37	Dr. Reddy's Venezuela, C.A., Venezuela	
38	Dr. Reddy's Laboratories LLC, Russia	
39	DRS LLC, Russia	
40	DRL Impex Limited, India	
41	Idea2Enterprises (India) Private Limited, India	
42	Imperial Credit Private Limited, India	
43	Industrias Quimicas Falcon de Mexico, S.A.de C.V, Mexico	
44	Lacock Holdings Limited, Cyprus	
45	Promius Pharma LLC, USA	
46	Reddy Holding GmbH, Germany	
47	Reddy Netherlands B.V., Netherlands	
48	Reddy Pharma Iberia SAU, Spain	
49	Reddy Pharma Italia S.R.L, Italy	
50	Reddy Pharma SAS, France	
51	Svaas Wellness Limited (formerly Regkinetics Services Limited) (name	
52	Nimbus Health GmbH (from 24 February 2022)	
Joint ventures		
53	Kunshan Rotam Reddy Pharmaceutical Company Limited ("Reddy Kunshan"), China	Enter ventu
54	DRES Energy Private Limited, India	Enter ventu
Other consolidating entities		
55	Cheminor Employees Welfare Trust, India	The signi
56	Dr. Reddy's Research Foundation, India	The signi
57	Dr. Reddy's Employees ESOS Trust, India (from 27 July 2018)	The signi

b)	List of other related parties with whom transactions have taken place	
1	Dr. Reddy's Institute of Life Sciences	Enterpris
2	Stamlo Industries Limited	Enterpris
3	Green Park Hotels and Resorts Limited	Enterpris
4	K Samrajyam	Mother c
5	G Anuradha	Spouse
6	K Deepti Reddy	Spouse

All amounts in Indian Rupees millions, except share data and where otherwise stated)

RL Swiss to DRL Inc. effective 29 October 2020 and conversion from Inc.

change effective 18 December 2020)

rprise over which the Company exercises joint control with other joint ure partners and holds 51.33% of equity shares

rprise over which the Company exercises joint control with other joint ure partners and holds 26% of equity shares

Company does not have any equity interests in this entity, but has ficant influence or control over it.

Company does not have any equity interests in this entity, but has ficant influence or control over it.

Company does not have any equity interests in this entity, but has ficant influence or control over it.

during the current and/or previous year:

se over which whole-time directors have significant influence

se controlled by whole-time directors

se controlled by relative of a whole-time director

of Chairman

of Co-chairman

of Chairman

NOTES TO FINANCIAL S

2.24	Related parties (continued)	
7	G Mallika Reddy	Daugh
8	G V Sanjana Reddy	Daugh
9	Akhil Ravi	Son-in-
10	Shravya Reddy Kallam	Daugh
11	Dr. Reddy's Foundation	Enterp influen
12	Pudami Educational Society	Enterp influen
13	Indus Projects Private Limited	Enterp
14	Green Park Hospitality Services Private Limited	Enterp
15	AverQ Inc.	Enterp
16	Shravya Publications Private Limited	Enterp influen
17	Cancelled Plans LLP	Enterp
18	Araku Originals Private Limited	Enterp
19	Samarjita Management Consultancy Private Limited	Enterp

c) In accordance with the provisions of Ind AS 24, *Related Party Disc* of the Company's Management Council and Company Secretary

List of Key Managerial Personnel of the Company is as below:		
1	K Satish Reddy	Who
2	G V Prasad	Who
3	Allan Oberman	Inde
4	Bharat Narotam Doshi (till 10 May 2021)	Inde
5	Dr. Bruce LA Carter	Inde
6	Dr. K P Krishnan (from 7 January 2022)	Inde
7	Kalpana Morparia	Inde
8	Leo Puri	Inde
9	Prasad R Menon	Inde
10	Penny Wan (from 28 January 2022)	Inde
11	Shikha Sharma	Inde
12	Sridar Iyengar	Inde
13	Anil Namboodiripad (till 1 June 2021)	Man
14	Archana Bhaskar	Man
15	Deepak Sapra	Man
16	Dr. Raymond de Vre (till 31 March 2021)	Man
17	Erez Israeli	Chie
18	Ganadhish Kamat (till 31 March 2021)	Man
19	Marc Kikuchi	Man
20	Mukesh Rathi (from 1 December 2020)	Man
21	M V Ramana	Man
22	Parag Agarwal (from 1 December 2020)	Man
23	Patrick Aghanian	Man
24	P Yugandhar (till 30 September 2021)	Man
25	Saumen Chakraborty (till 20 November 2021)	Man
26	Sanjay Sharma	Man
27	Sauri Gudlavalleti (till 13 January 2022)	Man
28	K Randhir Singh (from 17 March 2022)	Com
29	Sandeep Poddar (till 18 November 2021)	Com

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

ter of Co-chairman
ter of Co-chairman
-law of Co-chairman
ter of Chairman
rise over which whole-time directors and their relatives have significant ce
rise over which whole-time directors and their relatives have significant ce
rise over which relatives of whole-time directors have significant influence
rise controlled by relative of a whole-time director
rise over which Key Managerial Personnel have significant influence
rise over which whole-time directors and their relatives have significant ce
rise over which relatives of whole-time directors have significant influence
rise over which whole-time directors have significant influence
rise controlled by Key Managerial Personnel (till 30 November 2021)

closures and the Companies Act, 2013, Company's Directors, members are considered as Key Managerial Personnel.

le-time director (Chairman)
le-time director (Co-Chairman and Managing Director)
ependent director
ependent director
ependent director
ependent director
ependent director
ependent director
ependent director
ependent director
ependent director
ependent director
agement council member
agement council member
agement council member
agement council member
ef Executive Officer and Management council member
agement council member
agement council member
agement council member
agement council member
agement council member
agement council member
agement council member
agement council member
agement council member
agement council member
npany secretary
npany secretary

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2.24 Related parties (continued)

d) Particulars of related party transactions

The following is a summary of significant related party transactions:

Particulars
Revenues from:
Subsidiaries including step down subsidiaries:
Dr. Reddy’s Laboratories Inc.
Dr. Reddy’s Laboratories LLC, Russia
Dr. Reddy’s Laboratories SA
Dr. Reddy's Laboratories (Thailand) Limited
IndustriasQuimicas Falcon de Mexico, S.A. de CV
Dr. Reddy’s Laboratories (UK) Limited
Dr. Reddy’s Laboratories Canada, Inc.
Dr. Reddy’s Laboratories, LLC Ukraine
Dr Reddy’s Laboratories LLP, Kazakhstan
betapharmArzneimittel GmbH, Germany
Dr. Reddy’s Laboratories (Proprietary) Limited, South Africa
Others
Joint Ventures
Reddy Kunshan
Total
Interest income from subsidiaries including step down subsidiaries:
Dr. Reddy’s Laboratories SA[(1)]
Dr. Reddy’s Laboratories Inc. [(2)]
Svass Wellness Limited, India
Dr. Reddy’s Bio-sciences Limited, India
Total

* *Rounded off to millions.*
(1) *Represents preference dividend*
(2) *Represents Interest on Non-Convertible debentures*

Particulars
Service income from subsidiaries including step down subsidiaries:
Dr. Reddy’s Laboratories Inc.
Dr. Reddy’s Laboratories SA
Total
Joint Ventures
Reddy Kunshan
Total
License fees from subsidiaries including step down subsidiaries:
Dr. Reddy’s Laboratories Inc.
Joint Ventures
Reddy Kunshan
Total
Commission on guarantee to subsidiaries including step down subsidiarie
Aurigene Pharmaceutical Services Limited
Total

TATEMENTS

All amounts in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
	30,378	35,914
	13,975	13,410
	5,151	6,252
	3,304	184
	2,632	2,947
	2,410	1,704
	1,604	1,085
	1,591	1,544
	1,440	1,719
	1,101	2,044
	1,058	1,218
	4,948	3,354
	69,592	**71,375**
	21	22
	70,853	**71,397**
	712	516
	91	-
	-*	-
	-	-*
	803	**516**
	2	10
	51	44
	53	**54**
	-	39
	53	**93**
	1	3
	57	-
	58	**3**
es:		
	20	15
	20	**15**

NOTES TO FINANCIAL S

2.24	Related parties (continued)

Particulars
Lease rentals received from
Subsidiaries including step down subsidiaries:
Aurigene Discovery Technologies Limited
Aurigene Pharmaceutical Services Limited
Joint ventures
DRES Energy Private Limited
Total
Reimbursement of operating expenses by subsidiaries and step down su
Aurigene Discovery Technologies Limited
Aurigene Pharmaceutical Services Limited
Dr. Reddy's (Beijing) Pharmaceutical Co. Limited
Total
Purchases and services from
Subsidiaries including step down subsidiaries
Dr. Reddy's Laboratories LLC, Russia
Industrias Quimicas Falcon de Mexico, S.A. de CV
Dr. Reddy's Research and Development B.V.
Dr. Reddy's Laboratories LLC, Ukraine
Dr. Reddy's Laboratories Inc.
Dr. Reddy's Laboratories (EU) Limited
Aurigene Pharmaceutical Services Limited
Others
Total
Joint ventures
DRES Energy Private Limited
Other related parties
Dr. Reddy's Institute of Life Sciences
Indus Projects Private Limited
Samarjita Management Consultancy Private Limited
Others
Total
Sale of assets to subsidiaries including step down subsidiaries
Aurigene Pharmaceutical Services Limited
Purchase of assets from subsidiaries including step down subsidiaries
Dr. Reddy's Laboratories (EU) Limited
Dr. Reddy's Laboratories Louisiana LLC, USA
Total
Contributions towards social development
Dr. Reddy's Foundation
Pudami Educational Society
Total

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
	-	4
	53	44
	1	1
	54	**49**
ubsidiaries:		
	-	2
	34	19
	-	2
	34	**23**
	2,947	2,738
	1,027	952
	979	1,048
	542	664
	452	626
	541	533
	413	38
	849	650
	7,750	**7,249**
	124	127
	122	105
	52	55
	71	28
	3	2
	248	**190**
	-	5,346
	21	-
	37	-
	58	**-**
	310	217
	-	15
	310	**232**

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2.24 Related parties (continued)

Particulars
Catering services from Green Park Hospitality Services Private Limited
Facility management services from Green Park Hospitality Services Privat
Hotel expenses
Green Park Hotels and Resorts Limited
Stamlo Industries Limited
Total
Lease rentals paid under cancellable leases to
Key Managerial Personnel
K Satish Reddy
Relatives of Key Managerial Personnel
Total
Salaries to relatives of Key Managerial Personnel
Remuneration to Key Managerial Personnel
Salaries and other benefits[1]
Contributions to defined benefit plans
Commission to directors
Share-based payments expense
Total

[1] *Some of the Key Managerial Personnel of the Company are also covered unde*
Proportionate amounts of gratuity accrued under the Company's Gratuity Plan ha

Particulars
Investment made/(disposed) in
Subsidiaries
Dr. Reddy's Laboratories SA[1]
Dr. Reddy's Laboratories Inc. [2]
Svaas Wellness Limited (formerly Regkinetics Services Limited)
Dr. Reddy's Formulations Limited
Total

[1] *Represents redemption preference shares*

[2] *Represents Investment in Non-Convertible debentures ₹ 11,339 and Equity shares*

[3] *Represents Investment in Preference shares ₹ 200 and Equity shares ₹ 50*

Particulars
Movement in other assets / receivables from
Subsidiaries including step down subsidiaries:
Svaas Wellness Limited (formerly Regkinetics Services Limited)
Aurigene Pharmaceutical Services Limited
Aurigene Discovery Technologies Limited
Dr. Reddy's (Beijing) Pharmaceutical Co. Limited
Joint ventures
DRES Energy Private Limited
Total
Guarantee given/(released) on behalf of Subsidiaries including step down
Aurigene Pharmaceutical Services Limited

TATEMENTS

All amounts in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
	319	301
e Limited	36	36
	11	7
	7	1
	18	**8**
	15	14
	23	23
	38	**37**
	12	8
	479	575
	31	34
	305	301
	211	261
	1,026	**1,171**

er the Company's Gratuity Plan along with the other employees of the Company. ve not been separately computed or included in the above disclosure.

	(16,878)	-
	11,340	-
	250	-
	1	-
	(5,287)	**-**
₹ 1		
	22	-
	(6)	48
	(3)	(13)
	(2)	2
	-	(16)
	11	**21**
subsidiaries		
	-	4,000

NOTES TO FINANCIAL S

2.24 Related parties (continued)

e) The Company has the following amounts due from/to related par

Particulars
Due from related parties
Subsidiaries including step down subsidiaries (included in trade receiva
Dr. Reddy's Laboratories Inc.
Dr. Reddy's Laboratories LLC, Russia
Dr. Reddy's Laboratories SA
IndustriasQuimicas Falcon de Mexico, S.A. de CV
Dr. Reddy's Laboratories (UK) Limited
Others
Total
Joint ventures (included in other assets)
DRES Energy Private Limited
Others
Greenpark Hospitality Services Private Limited
Rental deposit to Key Managerial Personnel and their relatives
Others
Total

* *Rounded off to millions.*

Particulars
Due to related parties (included in trade payables and other current liab
Subsidiaries including step down subsidiaries and other consolidating e
Dr. Reddy's Laboratories LLC, Russia
Dr. Reddy's Research and Development B.V.
Dr. Reddy's Laboratories (EU) Limited
Industrias Quimicas Falcon de Mexico, S.A. de CV
Dr. Reddy's (Beijing) Pharmaceutical Co. Limited
Dr. Reddy's Laboratories LLC, Ukraine.
Dr. Reddy's Laboratories Inc.
Others
Total
Joint ventures
DRES Energy Private Limited
Others
Greenpark Hospitality Services Private Limited
Indus Projects Private Limited
Green Park Hotels & Resorts Limited
Dr. Reddy's Institute of Life Sciences
Stamlo Hotels Limited
Total

* *Rounded off to millions.*

Outstanding Guarantee given on behalf of Aurigene Pharmaceutical Ser

Equity held in subsidiaries and joint venture has been disclosed und subsidiaries and joint venture have been disclosed under "Loans" (N been disclosed under "Other financial assets" (Note 2.6 D).

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

ties:

	As at 31 March 2022	As at 31 March 2021
bles)		
	14,750	12,014
	7,859	4,677
	3,447	2,445
	3,031	1,974
	1,084	1,123
	4,938	5,091
	35,109	**27,324**
	1	1
	1	**1**
	-	17
	8	8
	-*	-*
	8	**25**
ilities)		
entities:		
	2,008	2,440
	450	251
	280	143
	201	238
	111	61
	111	161
	109	159
	190	249
	3,460	**3,702**
	-	3
	2	38
	7	17
	1	1
	-	34
	-*	-
	10	**90**
vices Limited	**4,000**	**4,000**

er "Financial assets-Investments" (Note 2.6 A). Loans and advances to
ote 2.6 C). Other receivables from subsidiaries and joint venture have

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2.25 Employee stock incentive plans

Dr. Reddy's Employees Stock Option Plan -2002 (the "DRL 2002

The Company instituted the DRL 2002 Plan for all eligible employees p
Annual General Meeting held on 24 September 2001. The DRL 2002 P
of the parent company and its subsidiaries (collectively, "eligible emplo
of the Board of the parent company (the "Committee") administers t
The Committee determines which eligible employees will receive option
period and the exercise period. The vesting period is determined for all
2002 Plan vest in periods ranging between one and four years and ger

The DRL 2002 Plan, as amended at annual general meetings of shareh
option grants in two categories:

Category A: 300,000 stock options out of the total of 2,295,478 optior
value of the underlying equity shares on the date of grant; and

Category B: 1,995,478 stock options out of the total of 2,295,478 opti
of the underlying equity shares (i.e., ₹ 5 per option).

Under the DRL 2002 Plan, the exercise price of the fair market value
the average closing price for 30 days prior to the grant in the stock
Notwithstanding the foregoing, the Committee may, after obtaining th
options with a per share exercise price other than fair market value and

After the stock split effected in the form of a stock dividend issued by
option grants in the above two categories as follows:

Particulars	Nu
Options reserved under original Plan	
Options exercised prior to stock dividend date (A)	
Balance of shares that can be allotted on exercise of options (B)	
Options arising from stock dividend (C)	
Options reserved after stock dividend (A+B+C)	

The term of the DRL 2002 plan was extended for a period of 10 years e
Annual General Meeting held on 20 July 2012.

Stock option activity under the DRL 2002 Plan for the two cate
31 March 2021 is as follows:

Category A — Fair Market Value Options: There was no stock activi
31 March 2021 and there were no stock options outstanding under this

ll amounts in Indian Rupees millions, except share data and where otherwise stated)

Plan"):

ursuant to the special resolution approved by the shareholders in the Plan covers all employees and directors (excluding promoter directors) oyees"). The Nomination, Governance and Compensation Committee he DRL 2002 Plan and grants stock options to eligible employees. ns, the number of options to be granted, the exercise price, the vesting options issued on the date of grant. The options issued under the DRL nerally have a maximum contractual term of five years.

olders held on 28 July 2004 and on 27 July 2005, provides for stock

ns reserved for grant having an exercise price equal to the fair market

ons reserved for grant having an exercise price equal to the par value

e options granted under Category A above is determined based on exchange where there is highest trading volume during that period. e approval of the shareholders in the annual general meeting, grant l par value of the equity shares.

the Company in August 2006, the DRL 2002 Plan provides for stock

mber of options reserved under category A	Number of options reserved under category B	Total
300,000	1,995,478	2,295,478
94,061	147,793	241,854
205,939	1,847,685	2,053,624
205,939	1,847,685	2,053,624
505,939	**3,843,163**	**4,349,102**

effective as of 29 January 2012 by the shareholders at the Company's

gories of options during the years ended 31 March 2022 and

ty under this category during the years ended 31 March 2022 and s category as of 31 March 2022 and 31 March 2021.

NOTES TO FINANCIAL S

2.25 Employee stock incentive plans

Category B — Par Value Options: Stock options activity under this cat
as set forth in the below table.

Particulars	Shares arising o
Outstanding at the beginning of the year	21
Granted during the year	10
Expired/forfeited during the year	(3
Exercised during the year	(8
Outstanding at the end of the year	**2**
Exercisable at the end of the year	[illegible]

Particulars	Shares arisi of o
Outstanding at the beginning of the year	23
Granted during the year	9
Expired/forfeited during the year	(3
Exercised during the year	(7
Outstanding at the end of the year	**2**
Exercisable at the end of the year	[illegible]

The weighted average grant date fair value of options granted during
₹ 3,677 per option, respectively. The weighted average share price or
and 31 March 2021 was ₹ 4,948 and ₹ 4,565 per share, respectively.

The aggregate intrinsic value of options exercised during the years
respectively. As of 31 March 2022, options outstanding had an aggre
intrinsic value of ₹ 91.

Dr. Reddy's Employees ADR Stock Option Plan, 2007 (the "DRL

The Company instituted the DRL 2007 Plan for all eligible employee
in the Annual General Meeting held on 27 July 2005. The DRL 2007
22 January 2007. The DRL 2007 Plan covers all employees and directo
"eligible employees"). The Committee administers the DRL 2007 P
determines which eligible employees will receive the options, the num
the exercise period. The vesting period is determined for all options is
vest in periods ranging between one and four years and generally hav

The DRL 2007 Plan provides for option grants in two categories:

Category A: 382,695 stock options out of the total of 1,530,779 stoc
market value of the underlying equity shares on the date of grant; anc

Category B: 1,148,084 stock options out of the total of 1,530,779 sto
value of the underlying equity shares (i.e., ₹ 5 per option).

Stock options activity under the DRL 2007 Plan for the above two
31 March 2021 was as follows:

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

tegory during the years ended 31 March 2022 and 31 March 2021 was

For the year ended 31 March 2022			
out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
17,253	5.00	5.00	69
06,870	5.00	5.00	91
0,322)	5.00	5.00	-
6,626)	5.00	5.00	-
207,175	**5.00**	**5.00**	**74**
21,235	**5.00**	**5.00**	**43**

For the year ended 31 March 2021			
ng out options	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
32,837	5.00	5.00	69
92,092	5.00	5.00	93
5,646)	5.00	5.00	-
2,030)	5.00	5.00	-
17,253	**5.00**	**5.00**	**69**
46,130	**5.00**	**5.00**	**44**

the years ended 31 March 2022 and 31 March 2021 was ₹ 4,985 and
n the date of exercise of options during the years ended 31 March 2022

s ended 31 March 2022 and 31 March 2021 was ₹ 428 and ₹ 328,
gate intrinsic value of ₹ 899 and options exercisable had an aggregate

2007 Plan"):

s in pursuance of the special resolution approved by the shareholders
Plan became effective upon its approval by the Board of Directors on
rs (excluding promoter directors) of DRL and its subsidiaries (collectively,
Plan and grants stock options to eligible employees. The Committee
nber of options to be granted, the exercise price, the vesting period and
sued on the date of grant. The options issued under the DRL 2007 Plan
ve a maximum contractual term of five years.

ck options reserved for grant having an exercise price equal to the fair
d

ock options reserved for grant having an exercise price equal to the par

categories of options during the years ended 31 March 2022 and

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2.25 Employee stock incentive plans (continued)

Category A -Fair Market Value Options	
Particulars	Shares arising o opt
Outstanding at the beginning of the year	270
Granted during the year	5
Expired/forfeited during the year	(3,
Exercised during the year	(6,
Outstanding at the end of the year	**266**
Exercisable at the end of the year	**132**

Category A - Fair Market Value Options	
Particulars	Shares arising o opt
Outstanding at the beginning of the year	202
Granted during the year	96
Expired/forfeited during the year	(13,
Exercised during the year	(15,
Outstanding at the end of the year	**270**
Exercisable at the end of the year	**69**

The weighted average grant date fair value of options granted during th
₹ 1,255 per option, respectively. The weighted average share prices on
and 31 March 2021 was ₹ 4,967 and ₹ 4,506 per share, respectively.

The aggregate intrinsic value of options exercised during the years end
As of 31 March 2022, options outstanding had an aggregate intrinsic
value of ₹ 196.

Category B — Par Value Options	
Particulars	Shares arising o opt
Outstanding at the beginning of the year	141
Granted during the year	55
Expired/forfeited during the year	(18,
Exercised during the year	(31,
Outstanding at the end of the year	**14**
Exercisable at the end of the year	**27**

TATEMENTS

All amounts in Indian Rupees millions, except share data and where otherwise stated)

For the year ended 31 March 2022			
out of tions	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
,340	1,982.00 to 3,679.00	2,791.65	67
,144	5,301.00	5,301.00	90
,150)	3,679.00	3,679.00	-
,120)	2,607.00 to 3,679.00	3,078.55	-
5,214	**1,982.00 to 5,301.00**	**2,823.04**	**56**
,845	**1,982.00 to 3,679.00**	**2,457.33**	**41**

For the year ended 31 March 2021			
out of tions	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
,760	1,982.00 to 2,814.00	2,353.62	72
,080	3,679.00	3,679.00	90
,348)	2,607.00/ 2,814.00	2,678.03	-
,152)	2,607.00/ 2,814.00	2,643.48	-
,340	**1,982.00 to 3,679.00**	**2,791.65**	**67**
,530	**1,982.00 to 2,814.00**	**2,182.21**	**45**

he years ended 31 March 2022 and 31 March 2021 was ₹ 1,841 and the date of exercise of options during the years ended 31 March 2022

ed 31 March 2022 and 31 March 2021 was ₹ 12 and 28, respectively. c value of ₹ 392 and options exercisable had an aggregate intrinsic

For the year ended 31 March 2022			
out of tions	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
,999	5.00	5.00	71
,884	5.00	5.00	90
,996)	5.00	5.00	-
,872)	5.00	5.00	-
7,015	**5.00**	**5.00**	**68**
7,929	**5.00**	**5.00**	**40**

NOTES TO FINANCIAL S

2.25 Employee stock incentive plans (continued)

Category B — Par Value Options

Particulars	Shares arising o
Outstanding at the beginning of the year	15
Granted during the year	5
Expired/forfeited during the year	(1
Exercised during the year	(4
Outstanding at the end of the year	**14**
Exercisable at the end of the year	**1**

The weighted average grant date fair value of options granted durin and ₹ 3,631, respectively. The weighted average share price on the d 31 March 2021 was ₹ 4,975 and ₹ 4,334, respectively.

The aggregate intrinsic value of options exercised during the years respectively. As of 31 March 2022, options outstanding had an aggre intrinsic value of ₹ 120.

Dr. Reddy's Employees Stock Option Scheme, 2018 (the "DRL 2

The Company instituted the DRL 2018 Plan for all eligible employees Annual General Meeting held on 27 July 2018. The DRL 2018 Plan co directors) of the parent company and its subsidiaries (collectively, "e DRL 2018 Plan, the applicable equity shares may be issued directly the Dr. Reddy's Employees ESOS Trust (the "ESOS Trust") to the eligib primary issuances by the Company and/or by way of secondary marke Governance and Compensation Committee of the Board of the paren Plan and grants stock options to eligible employees, but may delegat Plan to the ESOS Trust. The Compensation Committee determines whi be granted, the exercise price, the vesting period and the exercise per of grant. The options issued under the DRL 2018 Plan vest in periods maximum contractual term of five years.

The DRL 2018 Plan provides for option grants having an exercise pric date of grant as follows:

Particulars	
Options reserved against equity shares	
Options reserved against ADRs	
Total	

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended 31 March 2021		
out of ptions	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
51,583	5.00	5.00	73
52,316	5.00	5.00	89
9,933)	5.00	5.00	-
1,967)	5.00	5.00	-
41,999	**5.00**	**5.00**	**71**
15,393	**5.00**	**5.00**	**41**

ng the years ended 31 March 2022 and 31 March 2021 was ₹ 5,235 date of exercise of options during the years ended 31 March 2022 and

s ended 31 March 2022 and 31 March 2021 was ₹ 158 and ₹ 182, gate intrinsic value of ₹ 631 and options exercisable had an aggregate

2018 Plan"):

pursuant to the special resolution approved by the shareholders at the vers all employees and directors (excluding independent and promoter eligible employees"). Upon the exercise of options granted under the by the Company to the eligible employee or may be transferred from ble employee. The ESOS Trust may acquire such equity shares through t acquisitions funded through loans from the Company. The Nomination, t company (the "Compensation Committee") administers the DRL 2018 e functions and powers relating to the administration of the DRL 2018 ich eligible employees will receive the options, the number of options to riod. The vesting period is determined for all options issued on the date s ranging between the end of one and five years, and generally have a

ce equal to the fair market value of the underlying equity shares on the

Number of securities to be acquired from secondary market	Number of securities to be issued by the Company	Total
2,500,000	1,500,000	4,000,000
-	1,000,000	1,000,000
2,500,000	**2,500,000**	**5,000,000**

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2.25 Employee stock incentive plans (continued)

As at 31 March 2022, the outstanding shares purchased from secondary

Stock option activity under the DRL 2018 Plan during the years ended

Fair Market Value Options	
Particulars	Shares arising o opt
Outstanding at the beginning of the year	385
Granted during the year	8
Expired/forfeited during the year	(37,
Exercised during the year	(106,
Outstanding at the end of the year	**251**
Exercisable at the end of the year	**68**

Fair Market Value Options	
Particulars	Shares arising o opt
Outstanding at the beginning of the year	375
Granted during the year	150
Expired/forfeited during the year	(55,
Exercised during the year	(85,
Outstanding at the end of the year	**385**
Exercisable at the end of the year	**71**

The weighted average grant date fair value of options granted during th
₹ 1,255 per option, respectively. The weighted average share price on t
and 2021 was ₹ 4,922 and ₹ 4,609 per share, respectively.

The aggregate intrinsic value of options exercised during the years e
respectively. As of 31 March 2022, options outstanding had an aggreg
intrinsic value of ₹ 77.

Valuation of stock options:

The fair value of services received in return for stock options granted to
granted. The fair value of stock options granted under the DRL 2002 P
using the Black–Scholes-Merton model at the date of the grant.

The Black-Scholes-Merton model includes assumptions regarding divid
rates. In respect of par value options granted, the expected term of an
contractual term, as well as the expected exercise behavior of the em
granted, the option life is estimated based on the simplified method. E
a period equivalent to the option life, of the observed market prices o
options is based on recent dividend activity. Risk-free interest rates are
grant. These assumptions reflect management's best estimates, but thes
conditions generally outside of the Company's control. As a result, if o
compensation expense could have been materially impacted. Further, if r
compensation expense could be materially impacted in future years.

All amounts in Indian Rupees millions, except share data and where otherwise stated)

market are 468,471 shares for an aggregate consideration of ₹ 1,601.

31 March 2022 and 31 March 2021 was as follows:

	For the year ended 31 March 2022		
out of tions	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
,930	2,607.00 to 3,679.00	3,056.51	71
,856	4,662.70/ 5,310.00	5,289.76	90
,021)	2,607.00 to 5,310.00	3,157.39	-
,730)	2,607.00 to 3,679.00	2,938.55	-
,035	**2,607.00 to 5,310.00**	**3,170.57**	**64**
3,130	**2,607.00 to 3,679.00**	**2,859.13**	**47**

	For the year ended 31 March 2021		
out of tions	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
,775	2,607.00/ 2,814.00	2,697.12	75
,740	3,679.00	3,679.00	90
,335)	2,607.00 to 3,679.00	2,904.51	-
,250)	2,607.00/ 2,814.00	2,671.71	-
,930	**2,607.00 to 3,679.00**	**3,056.51**	**71**
,225	**2,607.00/ 2,814.00**	**2,665.63**	**51**

he years ended 31 March 2022 and 31 March 2021 was ₹ 1,848 and
the date of exercise of options during the years ended 31 March 2022

ended 31 March 2022 and 31 March 2021 was ₹ 212 and ₹ 165,
ate intrinsic value of ₹ 282 and options exercisable had an aggregate

employees is measured by reference to the fair value of stock options
Plan, the DRL 2007 Plan and the DRL 2018 Plan has been measured

dend yields, expected volatility, expected terms and risk free interest
n option (or "option life") is estimated based on the vesting term and
nployees receiving the option. In respect of fair market value options
Expected volatility of the option is based on historical volatility, during
of the Company's publicly traded equity shares. Dividend yield of the
e based on the government securities yield in effect at the time of the
se assumptions involve inherent market uncertainties based on market
other assumptions had been used in the current period, stock-based
management uses different assumptions in future periods, stock-based

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2.25 Employee stock incentive plans (continued)

The estimated fair value of stock options is recognised in the statem
period for each separately vesting portion of the award as if the award

The weighted average inputs used in computing the fair value of optio

Particulars	17 J
Expected volatility	
Exercise price	
Option life	
Risk-free interest rate	
Expected dividends	
Grant date share price	

Particulars	28 O
Expected volatility	
Exercise price	
Option life	
Risk-free interest rate	
Expected dividends	
Grant date share price	

Particulars	27 O
Expected volatility	
Exercise price	
Option life	
Risk-free interest rate	
Expected dividends	
Grant date share price	

Share-based payment expense

Particulars
Equity settled share-based payment expense(1)
Cash settled share-based payment expense(2)

(1) *As of 31 March 2022, and 31 March 2021, there was ₹ 701 and ₹ 612, respectively*
is expected to be recognised over a weighted-average period of 1.93 years and

(2) *Certain of the Company's employees are eligible for share-based payment awar*
the exercise date, subject to vesting upon satisfaction of certain service conditio
on the price of the Company's ADSs at the time of vesting. As of 31 March 202
compensation cost related to unvested awards. This cost is expected to be recog
scheme does not involve dealing in or subscribing to or purchasing securities of

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

ent of profit and loss on a straight-line basis over the requisite service d was, in-substance, multiple awards.

ons granted were as follows:

Grants made on		
anuary 2022	28 October 2021	28 October 2021
28.60%	29.20%	28.53%
₹ 5.00	₹ 4,663.00	₹ 5.00
6.5 Years	5.0 Years	2.5 Years
6.52%	5.94%	4.86%
0.54%	0.55%	0.55%
₹ 4,672.00	₹ 4,570.00	₹ 4,570.00

Grants made on		
ctober 2021	13 May 2021	13 May 2021
29.04%	29.38%	30.02%
₹ 5.00	₹ 5,301.00	₹ 5.00
5.0 Years	5.0 Years	2.5 Years
5.99%	5.70%	4.64%
0.54%	0.47%	0.47%
₹ 4,570.00	₹ 5,301.00	₹ 5,301.00

Grants made on		
ctober 2020	19 May 2020	19 May 2020
30.81%	29.12%	30.47%
₹ 5.00	₹ 3,679.00	₹ 5.00
2.5 Years	5.0 Years	2.5 Years
4.36%	5.67%	4.62%
0.49%	0.68%	0.68%
₹ 5,099.00	₹ 3,700.00	₹ 3,700.00

For the year ended 31 March 2022	For the year ended 31 March 2021
592	584
27	29
619	**613**

, of total unrecognised compensation cost related to unvested stock options. This cost 1.95 years, respectively.

ds that are settled in cash. These awards entitle the employees to a cash payment, on ons which range from 1 to 4 years. The amount of cash payment is determined based 22 and 31 March 2021, there was ₹ 101 and ₹ 126, respectively, of total unrecognised gnised over a weighted-average period of 1.82 years and 1.88 years, respectively. This the Company, directly or indirectly.

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2.26 Employee benefits

Total employee benefit expenses, including share-based payments, in
amounted to ₹ 24,346 and ₹ 22,701, respectively.

Gratuity benefits provided by the Company

In accordance with applicable Indian laws, the Company has a defin
Plan") and covers certain categories of employees in India. The Gratuity
retirement or termination of their employment. The amount of the paym
years of employment with the Company. Effective 1 September 1999, th
"Gratuity Fund") to fund the Gratuity Plan. Liabilities in respect of the Gra
the Company makes contributions to the Gratuity Fund. Trustees admini
to the Gratuity Fund are invested in bonds issued by the Government of

The components of gratuity cost recognised in the statement of profit an
of the following:

Particulars
Current service cost
Interest on net defined benefit liability
Gratuity cost recognised in statement of profit and loss

Details of the employee benefits obligations and plan assets are provid

Particulars
Present value of funded obligations
Fair value of plan assets
Net defined benefit liability recognised

Details of changes in the present value of defined benefit obligations a

Particulars
Defined benefit obligations at the beginning of the year
Current service cost
Interest on defined obligations
Re-measurements due to:
Actuarial loss/(gain) due to change in financial assumptions
Actuarial loss/(gain) due to demographic assumptions
Actuarial loss/(gain) due to experience changes
Benefits paid
Liabilities (transferred)/ assumed*
Defined benefit obligations at the end of the year

* *Liabilities assumed/transferred:*

During the year ended 31 March 2022, ₹ (4) represents the transfer of the liabilities o

During the year ended 31 March 2021, ₹ 25 is comprised of

a. ₹ 70 increase in liabilities on account of acquisition, employees pursuant to t
financial statements for further details.

b. ₹ 45 transfer of liabilities on account of restructuring of the pharmaceutical ser curred during the years ended 31 March 2022 and 31 March 2021

ll amounts in Indian Rupees millions, except share data and where otherwise stated)

ed benefit plan which provides for gratuity payments (the "Gratuity
y Plan provides a lump sum gratuity payment to eligible employees at
ment is based on the respective employee's last drawn salary and the
e Company established the Dr. Reddy's Laboratories Gratuity Fund (the
atuity Plan are determined by an actuarial valuation, based upon which
ster the contributions made to the Gratuity Fund. Amounts contributed
India and in debt securities and equity securities of Indian companies.

d loss for the years ended 31 March 2022 and 31 March 2021 consist

	For the year ended 31 March 2022	For the year ended 31 March 2021
	328	281
	33	8
	361	**289**

ed below:

	As at 31 March 2022	As at 31 March 2021
	2,894	2,628
	(2,350)	(1,997)
	544	**631**

re as follows:

	As at 31 March 2022	As at 31 March 2021
	2,628	2,349
	328	281
	144	140
	7	153
	24	(26)
	60	51
	(293)	(345)
	(4)	25
	2,894	**2,628**

n account of transfer of employees between the parent company and its subsidiaries.

the Business Transfer Agreement with Wockhardt limited. Refer note 2.39 of these

vices business between the parent company and its subsidiary.

NOTES TO FINANCIAL S

2.26 Employee benefits (continued)

Details of changes in the fair value of plan assets are as follows:

Particulars
Fair value of plan assets at the beginning of the year
Employer contributions
Interest on plan assets
Re-measurements due to:
Return on plan assets excluding interest on plan assets
Benefits paid
Assets (transferred)/acquired*
Plan assets at the end of the year

* *Assets acquired/transferred:*

During the year ended 31 March 2022 of ₹ (4) represents the transfer of plan a subsidiaries.

During the year ended 31 March 2021 of ₹ 26 is comprised of

a. ₹ 70 increase in assets on account of transfer of employees pursuant to the E statements for further details.

b. ₹ 44 transfer of assets on account of restructuring of the pharmaceutical serv

Sensitivity Analysis:

Particulars
Defined benefit obligation without effect of projected salary growth
Add: Effect of salary growth
Defined benefit obligation with projected salary growth
Defined benefit obligation, using discount rate minus 50 basis points
Defined benefit obligation, using discount rate plus 50 basis points
Defined benefit obligation, using salary growth rate plus 50 basis points
Defined benefit obligation, using salary growth rate minus 50 basis points

Summary of the actuarial assumptions: The actuarial assumptions use

The assumptions used to determine benefit obligations:

Particulars
Discount rate
Rate of compensation increase

The assumptions used to determine gratuity cost:

Particulars
Discount rate
Rate of compensation increase

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(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
	1,997	2,160
	496	25
	111	132
	43	(1)
	(293)	(345)
	(4)	26
	2,350	**1,997**

assets on account of the transfer of employees between the parent company and its

Business Transfer Agreement with Wockhardt limited. Refer note 2.39 of these financial

vices business between the parent company and its subsidiary.

	As at 31 March 2022
	1,904
	990
	2,894
	2,978
	2,815
	2,976
s	2,816

d in accounting for the Gratuity plan are as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	6.45%	6.00%
	8.50%	8.00%

	For the year ended 31 March 2022	For the year ended 31 March 2021
	6.00%	6.65%
	8.00%	7.50%

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2.26 Employee benefits (continued)

Contributions: The Company expects to contribute ₹ 229 to the Gratuity

Disaggregation of plan assets: The Gratuity Plan's weighted-average ass was as follows:

Particulars
Funds managed by insurers
Others

The expected future cash flows in respect of gratuity as at 31 March 20

Particulars
Expected contributions
During the year ended 31 March 2023 (estimated)
Expected future benefit payments
31 March 2023
31 March 2024
31 March 2025
31 March 2026
31 March 2027
Thereafter

Provident fund benefits

Certain categories of employees of the Company receive benefits from employer each make monthly contributions to a government administ The Company has no further obligations under the plan beyond its mo provident fund plan during the years ended 31 March 2022 and 31 Ma

Superannuation benefits

Certain categories of employees of the Company participate in superan Corporation of India. The Company makes monthly contributions ba The Company has no further obligations under the plan beyond its mo superannuation plan during the years ended 31 March 2022 and 31 M

Compensated absences

The Company provides for accumulation of compensated absences forward a portion of the unutilised compensated absences and utilis Company's policy. The Company records a liability for compensated ab increases this entitlement. The total liability recorded by the Company t 31 March 2021, respectively.

All amounts in Indian Rupees millions, except share data and where otherwise stated)

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y Plan during the year ending 31 March 2023.

set allocation at 31 March 2022 and 31 March 2021, by asset category,

	As at 31 March 2022	As at 31 March 2021
	100%	100%
	-	-

022 were as follows:

	Amount
	229
	481
	409
	398
	372
	346
	2,437

a provident fund, a defined contribution plan. Both the employee and ered fund equal to 12% of the covered employee's qualifying salary. nthly contributions. The Company contributed ₹ 945 and ₹ 854 to the rch 2021, respectively.

nuation, a defined contribution plan administered by the Life Insurance sed on a specified percentage of each covered employee's salary. onthly contributions. The Company contributed ₹ 83 and ₹ 84 to the arch 2021, respectively.

by certain categories of its employees. These employees can carry e them in future periods or receive cash in lieu thereof as per the sences in the period in which the employee renders the services that owards this obligation was ₹ 732 and ₹ 790 as at 31 March 2022 and

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2.27 Income taxes

a) Income tax expense/ (benefit) recognised in the statement of profit

Income tax expense recognised in the statement of profit and loss co

Particulars
Current taxes
Deferred taxes expense/(benefit)
Total income tax expense recognised in the statement of profit and loss

b) Income tax expense/(benefit) recognised directly in equity

Income tax expense/(benefit) recognised directly in equity consist of t

Particulars
Tax effect on effective portion of change in fair value of cash flow hedges
Tax effect on actuarial gains/losses on defined benefit obligations
Total income tax expense/(benefit) recognised in the equity

c) Reconciliation of effective tax rate

The following is a reconciliation of the Company's effective tax rates f

Particulars
Profit before income taxes
Enacted tax rate in India
Computed expected tax expense
Effect of:
Differential Tax rate impact on dividend income received from Subsidi
Income exempt from income taxes
Income from sale of capital assets
Other items
Income tax expense
Effective tax rate

The Company's average effective tax rate for the years ended 31 March 20

d) Deferred tax assets and liabilities

The tax effects of significant temporary differences that resulted in def
these differences is given below:

Particulars
Deferred tax assets/(liabilities):
Minimum Alternate Tax*
Trade receivables
Operating tax loss/capital loss
Current liabilities and provisions
Loans
Property , plant and equipment
Investments
Net deferred tax assets/(Liabilities)

* *As per Indian tax laws, companies are liable for a Minimum Alternate Tax ("MAT"*
Act"), is determined to be below the MAT computed under section 115JB of the T
credit of MAT paid over and above the normal tax liability in the subsequent yea
current tax liabilities over a period of 15 years starting from the succeeding fiscal

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

and loss

nsists of the following:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	3,926	5,401
	2,080	3,297
	6,006	**8,698**

he following:

	For the year ended 31 March 2022	For the year ended 31 March 2021
s	291	346
	(17)	(62)
	274	**284**

or the years ended 31 March 2022 and 31 March 2021:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	22,238	**30,562**
	34.94%	34.94%
	7,770	10,678
ary/JV outside India	(124)	(87)
	(1,369)	(1,504)
	(305)	-
	34	(389)
	6,006	**8,698**
	27.00%	**28.46%**

022 and 31 March 2021 were 27.00% and 28.46%, respectively.

erred tax assets and liabilities and a description of the items that created

	As at 31 March 2022	As at 31 March 2021
	3,929	4,749
	270	255
	-	355
	208	462
	(53)	(65)
	(4,169)	(3,091)
	9	(117)
	194	**2,548**

) when current tax, as computed under the provisions of the Income Tax Act, 1961 ("Tax ax Act. If in any year the Company pays liability as per MAT, then it is entitled to claim rs. The MAT credit is eligible to be carried forward and set-off in the future against the year in which such credit was generated.

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2.27 Income taxes (continued)

In assessing whether the deferred income tax assets will be realised,
income tax assets will not be realised. The ultimate realisation of the def
the generation of future taxable income during the periods in which the t
scheduled reversals of deferred tax liabilities, projected future taxable i
the level of historical taxable income and projections of future taxable in
management believes that the Company will realise the benefits of thos

Recoverability of deferred tax assets is based on estimates of future taxab
recoverability of deferred tax assets.

e) Movement in deferred tax assets and liabilities during the years ende

Particulars	1 April
Deferred tax assets/(liabilities)	
Minimum Alternate Tax	4
Trade receivables	
Operating tax loss/capital loss	
Current liabilities and provisions	
Loans	
Property , plant and equipment	(3
Investments	(
Net deferred tax assets/(liabilities)	2

Particulars	1 April 2
Deferred tax assets/(liabilities)	
Minimum Alternate Tax	6
Trade receivables	
Operating tax loss/capital loss	1
Current liabilities and provisions	
Loans	
Property , plant and equipment	(2
Investments	(
Net deferred tax assets/(liabilities)	(

f) Uncertain tax positions

The Company is contesting various disallowances by the Indian Incom
more likely than not to be accepted by Tax authorities is ₹ 2,726, and
31 March 2022.

TATEMENTS

All amounts in Indian Rupees millions, except share data and where otherwise stated)

management considers whether some portion or all of the deferred
erred income tax assets and tax loss carry forwards is dependent upon
emporary differences become deductible. Management considers the
ncome and tax planning strategy in making this assessment. Based on
come over the periods in which the deferred tax assets are deductible,
se recognised deductible differences and tax loss carry forwards.

le income. Any changes in such future taxable income would impact the

ed 31 March 2022 and 31 March 2021

As at 2021	Recognised in the statement of profit and loss	Recognised in equity	As at 31 March 2022
,749	(820)	-	3,929
255	15	-	270
355	(355)	-	-
462	20	(274)	208
(65)	12		(53)
,091)	(1,078)	-	(4,169)
(117)	126	-	9
,548	**2,080**	**(274)**	**194**

As at 2020	Recognised in the statement of profit and loss	Recognised in equity	As at 31 March 2021
,247	(1,498)	-	4,749
243	12	-	255
,651	(1,296)	-	355
597	149	(284)	462
(65)	-	-	(65)
,331)	(760)	-	(3,091)
(213)	96	-	(117)
6,129	**(3,297)**	**(284)**	**2,548**

e Tax authorities. The associated tax impact for disallowances being
accordingly, no provision is made in these financial statements as of

NOTES TO FINANCIAL S

2.28 Financial instruments

The carrying value and fair value of financial instruments as at 31 Mar

Particulars	As a
	Total carrying
Financial assets	
Cash and cash equivalents	1
Other bank balances	
Investments*	4
Trade receivables	4
Loans	
Derivative instruments	
Other financial assets	
Total	1
Financial liabilities	
Trade payables	1
Short-term borrowings	2
Lease Liabilities	
Derivative instruments	
Other financial liabilities	1
Total	

* *Interest accrued but not due on investments is included in other financial assets.*

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical ass

Level 2 - Inputs other than quoted prices included within Level 1 that indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on obser

The following table presents the fair value hierarchy of assets and liab

Particulars	L
FVTPL - Financial asset - Investments in units of mutual funds	1
FVTPL - Financial asset – Investment in limited liability partnership firm	
FVTPL - Financial asset - Investment in equity securities	
FVTOCI - Financial asset - Investment in equity securities	
Derivative financial instruments – net gain/(loss) on outstanding foreign exchange forward, option and swap contracts and interest rate swap contracts(1)	

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

ch 2022 and 31 March 2021 were as follows:

at 31 March 2022		As at 31 March 2021	
value	Total fair value/ amortised cost	Total carrying value	Total fair value/ amortised cost
1,595	11,595	13,063	13,063
8,710	8,710	3,402	3,402
9,367	49,367	46,492	46,492
9,508	49,508	40,918	40,918
12	12	12	12
1,903	1,903	915	915
3,079	3,079	1,021	1,021
24,174	**124,174**	**105,823**	**105,823**
6,662	16,662	13,364	13,364
1,711	21,711	11,809	11,809
343	343	336	336
472	472	306	306
2,153	12,153	12,010	12,010
51,341	**51,341**	**37,825**	**37,825**

sets or liabilities.

are observable for the asset or liability, either directly (i.e., as prices) or

vable market data (unobservable inputs).

bilities measured at fair value on a recurring basis as of 31 March 2022:

Level 1	Level 2	Level 3	Total
5,702	-	-	15,702
-	-	386	386
200	-	1	201
12	-	-	12
-	1,431	-	1,431

(A

2.28 Financial instruments (continued)

The following table presents the fair value hierarchy of assets and liabil

Particulars	Le
FVTPL - Financial asset - Investments in units of mutual funds	12
FVTPL - Financial asset – Investment in limited liability partnership firm	
FVTPL - Financial asset - Investment in equity securities	
FVTOCI - Financial asset - Investment in equity securities	
Derivative financial instruments – net gain/(loss) on outstanding foreign exchange forward, option and swap contracts and interest rate swap contracts(1)	
Contingent consideration pursuant to the Business Transfer Agreement with Wockhardt Limited (Refer to Note 2.39 for details)	

(1) *The Company enters into derivative financial instruments with various counterpa techniques with market observable inputs are mainly interest rate swaps, foreign e techniques include forward pricing, swap models and Black-Scholes-Merton mod various inputs including foreign exchange forward rates, interest rate curves and f*

As at 31 March 2022 and 31 March 2021, the changes in counterparty c for derivatives designated in hedge relationships and other financial ins

Derivative Financial instruments

The Company had a derivative financial asset and derivative financial compared to derivative financial asset and derivative financial liability derivative financial instruments.

Details of gain/(loss) recognised in respect of derivative contracts

The following table presents details in respect of the gain/(loss) recognis

Particulars
Net gain/ (loss) recognised as part of statement of profit and loss in re derivative contracts and cross currency interest rate swaps contracts
Net gain/(loss) recognised in equity in respect of hedges of highly probable amounts reclassified from equity and recognised as component of revenue
Net gain/(loss) reclassified from equity and recognised as component forecasted transaction

The net carrying amount of the Company's "hedging reserve" as a compo 31 March 2022, as compared to a gain of ₹ 452 as at 31 March 2021.

Outstanding foreign exchange derivative contracts

The following table gives details in respect of the notional amount of ou

Category	Instrument
Hedges of recognised assets and liabilities	Forward contract
	Forward contract
	Forward contract
	Forward contract
	Forward contract
	Forward contract
	Forward contract
	Forward contract
	Forward contract

ities measured at fair value on a recurring basis as of 31 March 2021:

evel 1	Level 2	Level 3	Total
,048	-	-	12,048
-	-	400	400
-	-	1	1
9	-	-	9
-	609	-	609
-	-	420	420

rties, principally financial institutions and banks. Derivatives valued using valuation exchange forward option and swap contracts. The most frequently applied valuation els (for option valuation), using present value calculations. The models incorporate orward rate curves.

redit risk had no material effect on the hedge effectiveness assessment struments recognised at fair value.

liability of ₹ 1,903 and ₹ 472, respectively, as at 31 March 2022 as of ₹ 915 and ₹ 306, respectively, as at 31 March 2021 towards these

sed in respect of derivative contracts during the applicable year ended:

	For the year ended 31 March 2022	For the year ended 31 March 2021
espect of foreign exchange	329	2,377
forecast transactions, net of	832	987
of revenue occurrence of	524	354

nent of equity before adjusting for tax impact was a gain of ₹ 1,284 as at

tstanding foreign exchange derivative contracts as of 31 March 2022:

Currency[1]	Cross Currency[1]	Amounts in millions	Buy/Sell
US $	INR	US $ 720	Sell
RUB	INR	RUB 7,171	Sell
GBP	INR	GBP 9	Sell
AUD	INR	AUD 10	Sell
US $	MXN	US $ 21	Buy
EUR	INR	EUR 2	Sell
US $	COP	US $ 7	Buy
US $	THB	US $ 2	Buy
ZAR	INR	ZAR 31	Sell

NOTES TO FINANCIAL S

2.28 Financial instruments (continued)

Category	Instrument
Hedges of recognised assets and liabilities	Forward contract
	Forward contract
	Forward contract
	Forward contract
	Option contract
Hedges of highly probable forecast transactions	Forward contract
	Forward contract
	Forward contract
	Forward contract
	Option contract

The following table gives details in respect of the notional amount of c

Category	Instrument
Hedges of recognised assets and liabilities	Forward contract
	Forward contract
	Forward contract
	Forward contract
	Forward contract
	Forward contract
	Forward contract
	Forward contract
Hedges of highly probable forecast transactions	Forward contract
	Forward contract
	Option contract
	Forward contract

(1) *"INR" means Indian Rupees, "US$" means United States dollars, "RUB" means "CHF" means Swiss francs, "ZAR" means South AftricanRands, "MXN" means Colombian Peso, "THB" means Thai Baht, "KZT" means Kazakhstani Tenge, "BRL*

The table below summarises the periods when the cash flows associat flow hedges are expected to occur:

Particulars
Cash flows in US$
Not later than one month
Later than one month and not later than three months
Later than three months and not later than six months
Later than six months and not later than one year
Cash flows in Russian Roubles
Not later than one month
Later than one month and not later than three months
Later than three months and not later than six months
Later than six months and not later than one year

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Currency[1]	Cross Currency[1]	Amounts in millions	Buy/Sell
US $	KZT	US $ 9	Buy
US $	BRL	US $ 3	Buy
US $	RON	US $ 3	Buy
US $	CLP	US $ 3	Buy
US $	INR	US $ 60	Sell
AUD	INR	AUD 4	Sell
ZAR	INR	ZAR 122	Sell
RUB	INR	RUB 9,600	Sell
US $	INR	US $ 68	Sell
US $	INR	US $ 275	Sell

utstanding foreign exchange derivative contracts as of 31 March 2021:

Currency[1]	Cross Currency[1]	Amounts in millions	Buy/Sell
AUD	INR	AUD 7	Sell
CHF	INR	CHF 200	Sell
GBP	INR	GBP 8	Sell
RUB	INR	RUB 2,799	Sell
US $	INR	US $ 353	Sell
US $	MXN	US $ 10	Buy
US $	UAH	US $ 9	Buy
ZAR	INR	ZAR 111	Sell
AUD	INR	AUD 10	Sell
RUB	INR	RUB 6,850	Sell
US $	INR	US $ 645	Sell
ZAR	INR	ZAR 148	Sell

Russian roubles. "GBP" means U.K. Pounds Sterling, "AUD" means Australian dollars, Mexican Peso, "UAH" means Ukrainian Hryvnia, "EUR" means Euro, "COP" means " means Brazilian Real, and "RON" means Romanian Leu, "CLP" means Chilean pesos.

ted with highly probable forecast transactions that are classified as cash

	As at 31 March 2022	As at 31 March 2021
	2,653	3,656
	5,305	7,311
	6,139	12,063
	11,824	24,126
	25,921	**47,156**
	460	437
	1,513	874
	3,528	1,748
	3,331	3,593
	8,832	**6,651**

(A

2.28	Financial instruments (continued)

Particulars
Cash flows in South African Rands
Not later than one month
Later than one month and not later than three months
Later than three months and not later than six months
Later than six months and not later than one year
Cash flows in Australian Dollars
Not later than one month
Later than one month and not later than three months
Later than three months and not later than six months
Later than six months and not later than one year

Hedges of changes in the interest rates:

Consistent with its risk management policy, the Company uses interest
the risk of changes in interest rates. The Company does not use them f

A net gain/loss of ₹ Nil, representing the changes in the fair value of int
recognised in the statement of other comprehensive income. For balance
interest rate swaps) are recognised as part of the foreign exchange gain
as part of statement of profit and loss, a net gain of ₹ 32 and ₹ 164 for t

The Company had outstanding cross currency swap against INR borrow
The swap hedges the principal repayment of underlying INR liability and

2.29. Financial risk management

The Company's activities expose it to a variety of financial risks, includ
risk management focus is to minimise potential adverse effects of mark
assessment and policies and processes are established to identify and
and controls, and to monitor such risks and compliance with the same. R
regularly to reflect changes in market conditions and the Company's act
for overseeing the Company's risk assessment and management polici

a. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash
(such as interest rates, foreign currency exchange rates and commodity
of such adverse changes in market rates and prices. Market risk is att
currency receivables and payables and all short-term and long-term deb
exchange rate risk, interest rate risk and the market value of its invest
investing and borrowing activities and revenue generating and operatin

Foreign exchange risk

The Company's foreign exchange risk arises from its foreign operations
dollars, Russian roubles, U.K pounds sterling and Euros) and foreign curr
in these foreign currencies, while a significant portion of its costs are in
relative to these foreign currencies, the Company's revenues measur
Indian rupee and these foreign currencies has changed substantially in r
Consequently, the Company uses both derivative and non-derivative fina
contracts, currency swap contracts and foreign currency financial liabilit
in respect of its highly probable forecast transactions and recognised a

All amounts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
	41	61
	98	121
	146	182
	350	364
	635	**728**
	10	46
	60	92
	48	139
	134	277
	252	**555**

t rate swaps (including cross currency interest rate swaps) to mitigate for trading or speculative purposes.

terest rate swaps used as hedging instrument in a cash flow hedge is e interest rate swaps, the changes in fair value (including cross currency and losses and finance costs. Accordingly the Company has recorded, the year ended 31 March 2022 and 31 March 2021 respectively.

wing of ₹ Nil as at 31 March 2022 and ₹ 7,240 as on 31 March 2021. d transforms it into US $ principal repayment liability.

ding market risk, credit risk and liquidity risk. The Company's primary ket risk on its financial performance. The Company's risk management analyse the risks faced by the Company, to set appropriate risk limits isk assessment and management policies and processes are reviewed tivities. The Board of Directors and the Audit Committee is responsible es and processes.

flows that may result from adverse changes in market rates and prices y prices) or in the price of market risk-sensitive instruments as a result tributable to all market risk-sensitive financial instruments, all foreign ot. The Company is exposed to market risk primarily related to foreign tments. Thus, the Company's exposure to market risk is a function of ng activities in foreign currencies.

s, foreign currency revenues and expenses, (primarily in United States rency borrowings. A significant portion of the Company's revenues are Indian rupees. As a result, if the value of the Indian rupee appreciates ed in Indian rupees may decrease. The exchange rate between the recent periods and may continue to fluctuate substantially in the future. ancial instruments, such as foreign exchange forward contracts, option ies, to mitigate the risk of changes in foreign currency exchange rates ssets and liabilities.

NOTES TO FINANCIAL S

2.29 Financial risk management (continued)

The details in respect of the outstanding foreign exchange forward an

In respect of the Company's forward and option contracts, a 10% decre
underlying such contracts would have resulted in:

- a ₹ 3,169/(2,937) increase/(decrease) in the Company's hedgin
Company's profit from such contracts, as at 31 March 2022;
- a ₹ 4,895/(4,267) increase/(decrease) in the Company's hedging
Company's profit from such contracts, as at 31 March 2021;

The following table analyses foreign currency risk from non-derivative

Particulars	US$
Assets:	
Cash and cash equivalents	11,121
Trade receivables	33,184
Investments	11,368
Other financial assets	99
Total	**55,772**
Liabilities:	
Trade payables	3,286
Long-term borrowings	-
Short-term borrowings	-
Other financial liabilities	867
Total	**4,153**

The following table analyses foreign currency risk from non-derivative

Particulars	US$
Assets:	
Cash and cash equivalents	12,400
Trade receivables	28,132
Investments	-
Other financial assets	30
Total	**40,562**
Liabilities:	
Trade payables	1,658
Long-term borrowings	-
Short-term borrowings	-
Other financial liabilities	615
Total	**2,273**

(1) *Others include currencies such as Mexican pesos, U.K pounds sterling and Swiss*

For the years ended 31 March 2022 and 31 March 2021, every 10
rupee and the respective currencies for the above mentioned financia
₹ 5,897, respectively.

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

nd option contracts are given in note 2.28 above.

ease/increase in the respective exchange rates of each of the currencies

g reserve before tax and a ₹ 6,351/(6,354) increase/(decrease) in the

g reserve before tax and a ₹ 5,063/(5,063) increase/(decrease) in the

financial instruments as at 31 March 2022:

(All figures in equivalent Indian Rupees millions)

Euro	Russian roubles	Others [(1)]	Total
9	76	35	11,241
976	8,774	2,398	45,332
-	-	-	11,368
18	3	1	121
1,003	**8,853**	**2,434**	**68,062**
651	455	440	4,832
-	1	4	5
-	-	-	-
324	2,134	408	3,733
975	**2,590**	**852**	**8,570**

financial instruments as at 31 March 2021:

(All figures in equivalent Indian Rupees millions)

Euro	Russian roubles	Others [(1)]	Total
5	29	73	12,507
1,692	5,391	2,388	37,603
-	-	15,511	15,511
18	3	12	63
1,715	**5,423**	**17,984**	**65,684**
390	-	643	2,691
-	15	4	19
-	-	-	-
209	2,521	658	4,003
599	**2,536**	**1,305**	**6,713**

s francs.

% depreciation/appreciation in the exchange rate between the Indian l assets/liabilities would affect the Company's net profit by ₹ 5,950 and

(A

2.29 **Financial risk management** (continued)

Interest rate risk

As of 31 March 2022, the Company had loans with floating interest r
3 Months India Treasury Bill and ₹ 4,000 of loans carrying a floating inter
carrying a floating interest rate of 3 Months India Treasury Bill plus 25 bp
rates as follows: ₹ 8,800 of loans carrying a floating interest rate of 3 Mo
to risk of changes in interest rates. The Company's treasury departmen
risk based on its policies, which include entering into interest rate swap

For details of the Company's short-term and long-term loans and bo
financial statements.

For the years ended 31 March 2022 and 31 March 2021, every 10% inc
bill) applicable to its loans and borrowings would affect the Company's

The Company's investments in term deposits (i.e, certificates of deposit
durations, and therefore do not expose the Company to significant inte

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily aris
ingredients, including the raw material components for such active phar
may fluctuate significantly over short periods of time. The prices of the
cycles, although the prices of raw materials used in the Company's ac
Cost of raw materials forms the largest portion of the Company's op
managed through operating procedures and sourcing policies. As of 31
contracts to hedge exposure to fluctuations in commodity prices.

b. Credit risk

Credit risk is the risk of financial loss to the Company if a customer o
obligations, and arises principally from the Company's receivables fr
an allowance for doubtful debts and impairment that represents its es
and investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the in
customer, including the default risk of the industry and country in which t
Credit risk is managed through credit approvals, establishing credit lim
which the Company grants credit terms in the normal course of busines

Investments

The Company limits its exposure to credit risk by generally investing
credit rating. The Company does not expect any losses from non-perf
concentration of exposures to specific industry sectors or specific coun

Details of financial assets – not due, past due and impaired

None of the Company's cash equivalents, including term deposits (i.e.
31 March 2022. The Company's credit period for trade receivables pay

ates as follows: ₹ 13,800 of loans carrying a floating interest rate of rest rate of 3 Months India Treasury Bill minus 5 bps and ₹ 411 of loans ps. As of 31 March 2021, the Company had loans with floating interest onths India Treasury Bill plus 30 bps. These loans expose the Company nt monitors the interest rate movement and manages the interest rate ps as considered necessary.

rrowings, including interest rate profiles, refer note 2.10A of these

rease or decrease in the floating interest rate component (i.e., Treasury net profit by ₹ 68 and ₹ 29, respectively.

) with banks and short-term liquid mutual funds are for short and long rest rates risk.

es from the Company's purchases and sales of active pharmaceutical rmaceutical ingredients. These are commodity products, whose prices e Company's raw materials generally fluctuate in line with commodity tive pharmaceutical ingredients business are generally more volatile. erating expenses. Commodity price risk exposure is evaluated and March 2022, the Company had not entered into any material derivative

or counterparty to a financial instrument fails to meet its contractual om customers and investment securities. The Company establishes stimate of expected losses in respect of trade and other receivables

ndividual characteristics of each customer. The demographics of the he customer operates, also has an influence on credit risk assessment. its and continuously monitoring the creditworthiness of customers to ss.

g in liquid securities and only with counterparties that have a good ormance by these counter-parties, and does not have any significant try risks.

, certificates of deposit) with banks, were past due or impaired as at able by its customers generally ranges from 20 - 180 days.

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2.29 Financial risk management (continued)

The ageing of trade receivables is given below:

Particulars
Neither past due nor impaired
Past due but not impaired
Less than 365 days
More than 365 days
Less: Allowance for credit losses
Total

Refer note 2.6 B of these financial statements for the activity in the all

Loans and advances

Loans and advances are predominantly given to subsidiaries for the p

Refer note 2.6 C of these financial statements for the activity in the all

Other than trade receivables and loans and advances, the Company ha

c. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its liquidity risk by ensuring, as far as possible, that it will always have su stressed conditions, without incurring unacceptable losses or risk to th

As at 31 March 2022 and 31 March 2021, the Company had uncomm

As at 31 March 2022, the Company had working capital of ₹ 74,385, deposits with banks (i.e., deposits having original maturities more than ₹ 2,505, investment in commercial paper of ₹ 973 and investments m

As at 31 March 2021, the Company had working capital of ₹ 63,839, deposits with banks (i.e., deposits having original maturities more than ₹ 522, investment in commercial paper of ₹ Nil and investments mutu

The table below provides details regarding the contractual maturities obligations under leases, which have been disclosed in note 2.10 B to

Particulars	2023
Trade payables	16,662
Short-term borrowings	21,711
Other financial liabilities	12,153
Derivative financial instruments – liabilities	472

The table below provides details regarding the contractual maturities and obligations under finance leases, which have been disclosed in n

Particulars	2022
Trade payables	13,364
Short-term borrowings	11,809
Other financial liabilities	12,010
Derivative financial instruments – liabilities	306

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
	37,183	30,625
	12,468	10,444
	279	289
	51,140	**41,358**
	(422)	(440)
	49,508	**40,918**

owance for credit losses.

urpose of working capital and other business requirements.

owance for doubtful advances.

s no significant class of financial assets that is past due but not impaired.

financial obligations as they become due. The Company manages its fficient liquidity to meet its liabilities when due, under both normal and he Company's reputation.

nitted lines of credit from banks of ₹ 25,489 and ₹ 18,361 respectively.

, including cash and cash equivalents of ₹ 11,595, investments in term 3 months but less than 12 months) of ₹ 8,710, investments in bonds of utual funds of ₹ 15,702.

, including cash and cash equivalents of ₹ 13,063, investments in term 3 months but less than 12 months) of ₹ 3,402, investments in bonds of al funds of ₹ 12,048.

s of significant financial liabilities (other than long-term borrowings and o these financial statements) as at 31 March 2022:

2024	2025	2026	Thereafter	Total
-	-	-	-	16,662
-	-	-	-	21,711
-	-	-	-	12,153
-	-	-	-	472

of significant financial liabilities (other than long-term loans, borrowings ote 2.10 A to these financial statements) as at 31 March 2021:

2023	2024	2025	Thereafter	Total
-	-	-	-	13,364
-	-	-	-	11,809
-	-	-	-	12,010
-	-	-	-	306

NOTES TO FINANCIAL ST

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2.30. Contingent liabilities and commitments

A. Contingent liabilities (claims against the Company not

The Company is involved in disputes, lawsuits, claims, governmental an including patent and commercial matters that arise from time to time discussed below. Most of the claims involve complex issues. Often, thes loss, if any, being sustained and an estimate of the amount of any loss is not possible to make a reasonable estimate of the expected financial ef This is due to a number of factors, including: the stage of the proceedin and extent of pre-trial discovery; the entitlement of the parties to an acti governing law; uncertainties in timing of litigation; and the possible ne of damages, if any. In these cases, the Company based on internal and and facts of the case.

The Company also believes that disclosure of the amount sought by pla legal proceedings.

Although there can be no assurance regarding the outcome of any of Company does not expect them to have a materially adverse effect on of amounts accrued (if any) is not probable. However, if one or more of such judgements could be material to its results of operations in a given

(i) Product and patent related matters

Matters relating to National Pharmaceutical Pricing Authority

Norfloxacin, India litigation

The Company manufactures and distributes Norfloxacin, a formulations norfloxacin. Under the Drugs (Prices Control) Order (the "DPCO"), the N the Government of India had the authority to designate a pharmaceutic for such product. In 1995, the NPPA issued a notification and designate price. In 1996, the Company filed a statutory Form III before the NPPA fo in the Andhra Pradesh High Court (the "High Court") challenging the val DPCO were not complied with while fixing the maximum selling price. T Company; however it subsequently dismissed the case in April 2004.

The Company filed a review petition in the High Court in April 2004 which the Company appealed to the Supreme Court of India, New Delhi (the "

During the year ended 31 March 2006, the Company received a notice Company for sales of Norfloxacin in excess of the maximum selling pric

The Company filed a writ petition in the High Court challenging this de interim order, directing the Company to deposit 50% of the principal am this amount with the NPPA in November 2005. In February 2008, the ₹ 30, which was deposited by the Company in March 2008. In Novemb additional legal grounds that the Company believed strengthened its de

For example, the Company added as grounds that trade margins should it was necessary for the NPPA to set the active pharmaceutical ingredien price. In October 2013, the Company filed an additional writ petition be "specified product" under the DPCO. In January 2015, the NPPA filed upon the recommendation of a committee consisting of experts in the concerning the inclusion of Norfloxacin as a "specified product" under three months ended 30 September 2016, the Supreme Court dismis Norfloxacin formulations.

t acknowledged as debts)

d/or regulatory inspections, inquiries, investigations and proceedings, in the ordinary course of business. The more significant matters are se issues are subject to uncertainties and therefore the probability of a s difficult to ascertain. Consequently, for a majority of these claims, it is ffect, if any, that will result from ultimate resolution of the proceedings. gs (in many cases trial dates have not been set) and the overall length ion to appeal a decision; clarity as to theories of liability; damages and ed for further legal proceedings to establish the appropriate amount external legal advice discloses information with respect to the nature

aintiffs, if that is known, would not be meaningful with respect to those

f the legal proceedings or investigations referred to in this Note, the its financial position, as it believes that the likelihood of loss in excess such proceedings were to result in judgements against the Company, n period.

product, and in limited quantities, the active pharmaceutical ingredient National Pharmaceutical Pricing Authority (the "NPPA") established by cal product as a "specified product" and fix the maximum selling price ed Norfloxacin as a "specified product" and fixed the maximum selling or the upward revision of the maximum selling price and a writ petition idity of the designation on the grounds that the applicable rules of the he High Court had previously granted an interim order in favour of the

n was also dismissed by the High Court in October 2004. Subsequently, Supreme Court") by filing a Special Leave Petition.

e from the NPPA demanding the recovery of the price charged by the e fixed by the NPPA, which was ₹ 285 including interest.

mand order. The High Court admitted the writ petition and granted an nount claimed by the NPPA, which was ₹ 77. The Company deposited High Court directed the Company to deposit an additional amount of er 2010, the High Court allowed the Company's application to include efense against the demand.

l not be included in the computation of amounts overcharged, and that t price before the process of determining the ceiling on the formulation efore the Supreme Court challenging the inclusion of Norfloxacin as a a counter affidavit stating that the inclusion of Norfloxacin was based e field. On 20 July 2016, the Supreme Court remanded the matters the DPCO back to the High Court for further proceedings. During the ssed the Special Leave Petition pertaining to the fixing of prices for

NOTES TO FINANCIAL S

2.30 Contingent liabilities and commitments (continued)

During the three months ended 31 December 2016, a writ petition p
Court. In addition, the Company have filed writ petitions challenging th
Ciprofloxacin as "specified product" as per DPCO 1995 and the relat
with the Norfloxacin matter and have been adjourned to 20 January 2

Based on its best estimate, the Company has recorded a provision f
prices, including the interest thereon, and believes that the likelihood
this litigation is not probable.

Litigation relating to Cardiovascular and Anti-diabetic formulatio

In July 2014, the NPPA, pursuant to the guidelines issued in May 201
(Price Control) Order, 2013, issued certain notifications regulating t
therapeutic areas. The Indian Pharmaceutical Alliance ("IPA"), in which t
challenging the notifications issued by the NPPA on the grounds that t
issued an order to stay the writ in July 2014. On 26 September 2016,
upheld the validity of the notifications/orders passed by the NPPA in
Petition with the Supreme Court, which was dismissed by the Suprem

During the three months ended 31 December 2016, the NPPA issued
the notified maximum prices for 11 of its products. The Company has

On 20 March 2017, the IPA filed an application before the Bombay Hig
26 September 2016. This recall application filed by the IPA was dism
December 2017, the IPA filed a Special Leave Petition with the Suprem
4 October 2017, which was dismissed by Supreme Court on 10 Janua

During the three months ended 31 March 2017, the NPPA issued n
products for the allegedly overcharged amounts, along with interest. C
filed, the Delhi High Court set aside all the demand notices of the NPP
and pass a speaking order. A personal hearing in this regard was h
order along with the demand notice directing the Company to pay an
challenging the speaking order and the demand notice. Upon hearing
of the demand order and directed the Company to deposit ₹ 100 and t
deposited ₹ 100 on 13 September 2017 and submitted a bank guaran
High Court. On 22 November 2017, the Delhi High Court directed the U
to which the Company could file a rejoinder. On 10 May 2018, the cour
filed a rejoinder and both were taken on record by the Delhi High Cou

Based on its best estimate, the Company has recorded a provision of ₹
proceeds in excess of the notified selling prices, including the interest
arise on account of penalties pursuant to this litigation is not probable

However, if the Company is unsuccessful in such litigation, it will be re
to the Government of India with interest and could potentially include

Class Action and Other Civil Litigation on Pricing/Reimburseme

On 30 December 2015 and on 4 February 2016, respectively, a class
(not a class action) (the "Second Pricing Complaint") were filed agains
Court in the Commonwealth of Pennsylvania. In these actions, the
individually or in some cases in concert with one another, have en
Pennsylvania state laws. More specifically, the plaintiffs allege that: (
third party drug compendia companies for the Company's generic dru
that reimbursed for drugs sold by the Company in the United States,
unfairly raise the prices of generic divalproex sodium ER (bottle of 80,
10 mg tablets).

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(All amounts in Indian Rupees millions, except share data and where otherwise stated)

pertaining to Norfloxacin was filed by the Company with the Delhi High he inclusion and designation of Theophylline/Doxofylline, Cloxacillin and ted Demand Notices issued thereunder. The matters are tagged along 2023 for hearing.

for potential liability for sale proceeds in excess of the notified selling of any further liability that may arise on account of penalties pursuant to

ns

4 and the powers granted by the Government of India under the Drugs he prices for 108 formulations in the cardiovascular and antidiabetic the Company is a member, filed a writ petition in the Bombay High Court hey were ultra vires, ex facie and ab initio void. The Bombay High Court , the Bombay High Court dismissed the writ petition filed by the IPA and July 2014. Further, on 25 October 2016, the IPA filed a Special Leave e Court.

show-cause notices relating to allegations that the Company exceeded responded to these notices.

gh Court for the recall of the judgement of the Bombay High Court dated missed by the Bombay High Court on 4 October 2017. Further, on 13 he Court for the recall of the judgement of the Bombay High Court dated ary 2018.

otices to the Company demanding payments relating to the foregoing On 13 July 2017, in response to a writ petition which the Company had A and directed the NPPA to provide a personal hearing to the Company eld on 21 July 2017. On 27 July 2017, the NPPA passed a speaking amount of ₹ 776. On 3 August 2017, the Company filed a writ petition the matter on 8 August 2017, the Delhi High Court stayed the operation furnish a bank guarantee for ₹ 676. Pursuant to the order, the Company ntee of ₹ 676 dated 15 September 2017 to the Registrar General, Delhi Union of India to file a final counter affidavit within six weeks, subsequent nter affidavit was filed by the Union of India. The Company subsequently urt. The matter has been adjourned to 14 November 2022 for hearing.

₹ 353 under "Selling and other expenses" as a potential liability for sale thereon, and believes that the likelihood of any further liability that may .

quired to remit the sale proceeds in excess of the notified selling prices penalties, which amounts are not readily ascertainable.

ent Matters

s action complaint (the "First Pricing Complaint") and another complaint t the Company and eighteen other pharmaceutical defendants in State class action plaintiffs allege that the Company and other defendants, gaged in pricing and price reporting practices in violation of various (1) the Company provided false and misleading pricing information to ugs, and such information was relied upon by private third party payers and (2) the Company acted in concert with certain other defendants to 500 mg tablets ER 24H) and generic pravastatin sodium (bottle of 500,

2.30 Contingent liabilities and commitments (continued)

The First Pricing Complaint was removed to the U.S. District Court fo
and, pending the outcome of the First Pricing Complaint, the Second
Federal Court dismissed all the claims of the plaintiffs in the First Pric
Subsequent to this decision, the plaintiffs' right to appeal the dismissal

Further, on 17 November 2016, certain class action complaints were
companies as defendants in the E.D.P.A. Federal Court. Subsequently,
part of a multi-district, multi product litigation pending with the E.D.P.A. F
named defendants have engaged in a conspiracy to fix prices and to all
divalproex sodium extended-release tablets in the United States.

In March 2017, plaintiffs agreed by stipulation to dismiss Dr. Reddy's La
related to pravastatin sodium tablets without prejudice. The Compan
these allegations.

In response to the consolidated new complaint, the Company filed a m
motion to dismiss in December 2017 and a reply was filed by the Com
to dismiss on the grounds that the allegations pled leave open the po
this possibility.

The Company believes that the asserted claims are without merit and
liability that may arise on account of these claims is unascertainable. Ac

(ii) Civil litigation with Mezzion

On 13 January 2017, Mezzion Pharma Co. Ltd. and Mezzion Internatio
Superior Court against the Company and its wholly owned subsidiary
supply of the active pharmaceutical ingredient ("API") for udenafil (a pa
period from calendar years 2007 to 2015. Mezzion alleges that the Com
Practices ("cGMP") at the time of manufacture of the API and finished do
in the filing of a NDA for the product by Mezzion. The Company filed a
the Court lacks jurisdiction over the Company. In January 2018, the C
jurisdictional matter. The Company's interlocutory appeal of said denial

The Company denies any wrongdoing or liability in this regard, and in
complaint. Any liability that may arise on account of this claim is unascerta

(iii) Securities Class Action Litigation

On 25 August 2017, a securities class action lawsuit was filed agai
Officer in the United States District Court for the District of New Je
Dr. Reddy's Laboratories, Inc., were also subsequently named as defen
made false or misleading statements or omissions in its public filings, in
price dropped and its investors were affected. On 9 May 2018, the Cor
the United States District Court for the District of New Jersey.

On 25 June 2018, the plaintiffs filed an opposition to the motion to dis
dismiss was filed by the Company. In August 2018, oral argument on th

On 21 March 2019, the District Court issued its decision granting in par
the Court dismissed the plaintiffs claims with respect to seventeen out o

On 15 May 2020, Dr. Reddy's Laboratories Limited, Dr. Reddy's Laborato
officers, have entered into a Stipulation and Agreement of Settlement (
System of Mississippi in the putative securities class action filed agains
New Jersey. As consideration for the settlement of the class action, the

or the Eastern District of Pennsylvania (the "E.D.P.A. Federal Court") Pricing Complaint was stayed. On 25 September 2017, the E.D.P.A. cing Complaint and denied leave to amend such complaint as futile. of the First Pricing Complaint expired.

e filed against the Company and a number of other pharmaceutical these complaints were consolidated into one amended complaint as ederal Court. These complaints allege that the Company and the other ocate bids and customers in the sale of pravastatin sodium tablets and

aboratories Inc. and Dr. Reddy's Laboratories Limited from the actions y denies any wrongdoing and intends to vigorously defend against

otion to dismiss in October 2017. The plaintiffs filed opposition to the pany in January 2018. In October 2018, the Court denied the motion ossibility of conspiracy. Therefore, discovery will proceed to look into

l intends to vigorously defend itself against the allegations. Also any ccordingly, no provision was made in the financial statements.

onal LLC (collectively, "Mezzion") filed a complaint in the New Jersey y in the United States. The complaint pertains to the production and tented compound) and an udenafil finished dosage product during a npany failed to comply with the U.S. FDA's current Good Manufacturing osage forms of udenafil and, consequently, that this resulted in a delay motion to dismiss Mezzion's complaint on the technical grounds that Court denied the Company's motion to dismiss the complaint on the was also denied. The case is continuing in pretrial discovery.

ntends to vigorously defend against the claims asserted in Mezzion's ainable. Accordingly, no provision was made in the financial statements.

nst the Company, its Chief Executive Officer and its Chief Financial rsey. The Company's Co-Chairman, its Chief Operating Officer, and dants in the case. The operative complaint alleges that the Company violation of U.S. federal securities laws, and that the Company's share mpany and other defendants filed a motion to dismiss the complaint in

miss and, on 25 July 2018, a further reply in support of the motion to e motion to dismiss was heard by the Court.

rt and denying in part the motion to dismiss. Pursuant to that decision, of the twenty two alleged misstatements and omissions.

ries, Inc., and certain of the Company's current or former directors and (the "Stipulation") with lead plaintiff the Public Employees' Retirement st the defendants in the United States District Court for the District of e Company has agreed to pay US $ 9 million.

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2.30 Contingent liabilities and commitments (continued)

The settlement is subject to the approval of the court and may be ter
set forth in the Stipulation. Subject to the terms of the Stipulation, in e
the settlement class who do not opt-out of this settlement would releas
have asserted, in this class action. In entering into the settlement, the
of any kind. Subject to the terms of the Stipulation, the settlement res

As the Company is adequately insured with respect to the aforesai
statement of profit and loss for the year ended 31 March 2020.

The amount payable to the plaintiffs on account of the settlement and th
"other current financial assets" and "other current financial liabilities",

On 23 December 2020, the court issued a final order and judgment
escrow was funded on 4 January 2021. The effective date of the set
fund balance into the final escrow account. As the transfer of funds to
of liability has been derecognised during the year ended 31 March 20

(iv) Internal Investigation

The Company received an anonymous complaint in September 202
other countries were provided with improper payments by or on beh
the U.S. Foreign Corrupt Practices Act. The Company disclosed the ma
Commission ("SEC") and Securities Exchange Board of India. The C
instruction of a committee of the Company's Board of Directors. On
production of related documents, which were provided to the SEC.

The Company shared the report with respect to one country with the
and certain other countries in the three months ended 31 March 20
its listing obligations as it relates to updating the regulatory agenci
government enforcement actions against the Company in the United
sanctions under relevant laws, the outcomes including liabilities are n

(v) Environmental matters

Land pollution

The Indian Council for Environmental Legal Action filed a writ in 198
and others in the Supreme Court of India for the safety of people livi
existing undivided state of Andhra Pradesh. The Company has been
District Judge proposed that the polluting industries compensate far
effluents which damaged the farmers' agricultural land. The compe
acre for wet land. Accordingly, the Company has paid a total comp
petition on 12 February 2013 and transferred the case to the Nation
the writ petitions will continue until the matter is decided by the NGT.
Fact Finding Committee. The NGT has also permitted the alleged po
Committee. However, the Company, along with the alleged polluting
Finding Committee. The NGT has directed that until all the applicat
Committee are disposed of, the Fact Finding Committee shall not com

The NGT, Chennai in a judgement dated 24 October 2017, disposed o
in which the Company is a member, subsequently filed a review petiti

The NGT, Delhi, in a judgement dated 16 November 2017 in anothe
imposed in the Patancheru and Bollaram areas shall continue until th
keeping in view the needs of the environment and public health. The

The High Court of Hyderabad heard the Company's appeal challengin
response within a period of four weeks. During the three months end
matter has now been adjourned for final hearing.

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minated prior to court approval pursuant to the grounds for termination xchange for the settlement consideration, lead plaintiff and members of se, among other things, the claims that were asserted, or that they could defendants do not admit, and explicitly deny, any liability or wrongdoing olves the remainder of the litigation.

d liability, the settlement did not have any impact on the Company's

e corresponding receivable from the insurer have been presented under respectively, in the balance sheet of the Company as at 31 March 2020.

approving the settlement. Pursuant to the settlement/court order, the tlement occurred on 1 February 2021, upon transfer of the settlement the final escrow account constitutes settlement of liability, the amount 021.

20, alleging that healthcare professionals in Ukraine and potentially in alf of the Company in violation of U.S. anti-corruption laws, specifically atter to the U.S. Department of Justice ("DOJ"), Securities and Exchange Company engaged a U.S. law firm to conduct the investigation at the 6 July 2021 the Company received a subpoena from the SEC for the

SEC and the DOJ during the three months ended 30 September 2021, 22, and subsequent to the year end. The Company is complying with es. While the findings from the aforesaid investigations could result in States and/or foreign jurisdictions, which can lead to civil and criminal ot reasonably ascertainable at this time.

under Article 32 of the Constitution of India against the Union of India ng in the Patancheru and Bollaram areas of Medak district of the then named in the list of polluting industries. In 1996, the Andhra Pradesh mers in the Patancheru, Bollaram and Jeedimetla areas for discharging nsation was fixed at ₹ 0.0013 per acre for dry land and ₹ 0.0017 per ensation of ₹ 3. The Andhra Pradesh High Court disposed of the writ al Green Tribunal ("NGT"), Chennai, India. The interim orders passed in The NGT has, through its order dated 30 October 2015, constituted a luting industries to appoint a person on their behalf in the Fact Finding industries, has challenged the constitution and composition of the Fact ons challenging the constitution and composition of the Fact Finding mence its operation.

the matter. The Bulk Drug Manufacturers Association of India ("BDMAI"), on against the judgement on various aspects.

r case in which the Company is not a party, stated that the moratorium e Ministry of Environment, Forest and Climate Change passes an order Company filed an appeal challenging this judgement.

g this judgement in July 2018 and directed the respondents to file their ed 30 September 2018, the respondents filed counter affidavits and the

NOTES TO FINANCIAL ST

(A

2.30 Contingent liabilities and commitments (continued)

The appeal came up for hearing before the High Court of Hyderabad o

On 24 April 2019, based upon the judgement of the NGT, Chennai
G.O.Ms. No 24 of 2019 that allows for expansion of production of all ki
– Bollaram upon depositing an amount equivalent to 1% of the annu
31 March 2019. Accordingly, the Company made a provision of ₹ 29.4
31 March 2019.

During the three months ended 30 September 2019, the Telangana Stat
basis the NGT, Chennai Order dated 24 October 2017, G.O.Ms. No. 24 da
recover retrospectively an amount of 0.5% of the annual turnover from th
in Patancheru and Bollaram for the purposes of restoration of the said eff
and Bollaram. The Consent For Operation ("CFO") for change of produc
been recommended for issuance of CFO with change of product mix o
2016-2017 to 2018- 2019 to the TSPCB. The Company intends to vigoro

In November 2019, demand notices were issued by the TSPCB for co
year turnover as per Operational Guidelines dated 3 August 2019 issue
G O Ms No 31 dated 24 May 2019 and basis the judgement of NGT, C
-2019 received by CTO-1, CTO-2, CTO-3 and CTO-5 of the Company.

On 22 November 2019, The Hon'ble High Court of Judicature at Hy
condition that the Company deposit ₹ 60 as the remediation fee for the
₹ 60 was made and the Interim Order is continuing. The matter was adjo
of the Court due to the COVID-19 lockdown, and a new date has not ye

The Company believes that any additional liability that might arise in th
claims has been made in the financial statements.

Water pollution and air pollution

During the year ended 31 March 2012, the Company, along with 14 o
Control Board (the "APP Control Board") to show cause as to why actio
Water Pollution Act and the Indian Air Pollution Act. Furthermore, the A
of all new products at the Company's manufacturing facilities in Hyder
manufacturing products at such facilities in excess of certain quantities
to assure compliance with the APP Control Board's orders.

The Company appealed the APP Control Board orders to the Andh
The APP Appellate Board, on the basis of a report of a fact-finding adv
to allow expansion of units fully equipped with Zero-Liquid Discharge
certain conditions).

The APP Appellate Board's decision was challenged by one of the petitio

Separately, the Andhra Pradesh Government, following recommendati
that allowed expansion of production of all types of existing bulk drug an
of ZLD facilities and the outcome of cases pending in the NGT. Impor
assessed at the point of discharge (if any) as opposed to the point of ge

In September 2013, the Ministry of Environment and Forests, based o
notification that re-imposed a moratorium on expansion of industries in
are located. This notification overrides the Andhra Pradesh Governmen

n 25 October 2018 and has been adjourned for further hearing.

dated 24 October 2017, the Government of Telangana has issued nds of existing industrial units located within the stretch of Patancheru ual turnover of the respective unit for the concluded fiscal year i.e., , representing the probable cost of expansion, during the year ended

e Pollution Control Board ("TSPCB") has issued Operational Guidelines ted 24 April 2019 and G.O.Ms. No. 31 dated 24 May 2019 and sought to e fiscal years 2016-2017 to 2018-2019 for all the industrial units situated ected area. The Company has four industrial units situated in Patancheru t mix application filed by one of the industrial unit of the Company has nly upon payment of 0.5% of the annual turnover from the fiscal years usly defend itself against the Operational Guidelines.

llection of Corpus Fund of 0.5 % as remediation fee on the previous d by TSPCB under the guise of G O Ms No 24 dated 24 April 2019 and hennai dated 24 October 2017 for the fiscal years 2015-2016 to 2018

rderabad issued an Interim Order which stayed the demand on the e fiscal year 2018-2019 payable in the year 2019-2020. The deposit of urned to 22 April 2020, but has been delayed as a result of the closure t been rescheduled.

his regard is not probable. Accordingly, no provision relating to these

ther companies, received a notice from the Andhra Pradesh Pollution on should not be initiated against them for violations under the Indian PP Control Board issued orders to the Company to (i) stop production abad, India without obtaining a "Consent for Establishment", (ii) cease specified by the APP Control Board and (iii) furnish a bank guarantee

ra Pradesh Pollution Appellate Board (the "APP Appellate Board"). visory committee, recommended to the Andhra Pradesh Government ("ZLD") facilities and otherwise found no fault with the Company (on

ners that was pending in the National Green Tribunal, (the "NGT"), Delhi.

ons of the APP Appellate Board, published a notification in July 2013 d bulk drug intermediate manufacturing units subject to the installation tantly, the notification directed pollution load of industrial units to be eneration.

on the revised Comprehensive Environment Pollution Index, issued a n certain areas where some of the Company's manufacturing facilities t's notification that conditionally permitted expansion.

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2.30 Contingent liabilities and commitments (continued)

The appeals filed by Mr. K. Chidambaram against the Orders of the
not survive for consideration as the G.O. based on which the then AP
the Appellate Authority has itself been amended vide order 25 July 2
pollution to be considered by the Joint Committee of Central Pollution C
the Telangana State Pollution Control Board to ascertain the present
and Nalagonda districts in the State of Telangana particularly in the Pa
months before the NGT, Delhi.

(vi) Fuel Surcharge Adjustments

The Andhra Pradesh Electricity Regulatory Commission (the "APERC")
("FSA") charges for the period from 1 April 2008 to 31 March 2013
in the then existing undivided state of Andhra Pradesh, India where
located. Separate writ petitions filed by the Company for various peri
FSA charges by the APERC, are pending before the High Court of And

The total amount approved by APERC for collection by the power di
the period from 1 April 2008 to 31 March 2013 is ₹ 482. After takin
Company has recorded ₹ 219 as the potential liability towards FSA c
₹ 354 as demanded by the power distribution companies as part of
financial liability should the orders passed by the APERC be upheld by

During the three months ended 30 June 2016, the Supreme Court
this regard for the period from 1 April 2012 to 31 March 2013. As a
an expenditure of ₹ 55 (by de-recognising the payments under pro
to 31 March 2013.

(vii) Indirect taxes related matters

Value Added Tax ("VAT") matter

The Company has received various demand notices from the Gover
Company's methodology of calculation of VAT input credit. The belo
demanded and the current status of the Company's responsive action

Period covered under the notice	Amount demanded	Statu
April 2006 to March 2009	₹ 66 plus 10% penalty	The S autho Comp
April 2009 to March 2011	₹ 59 plus 10% penalty	The C matte re-ca
April 2011 to March 2014	₹ 27 plus 10% penalty	The A Comp

The Company has recorded a provision of ₹ 51 as of 31 March 2022,
account of the ongoing litigation is not probable.

Notices from Commissioner of Goods and Services Tax, India

In the months of January 2020, the Commissioner of Goods and Servic
has irregularly availed input tax credit of ₹ 307. The Company had re
Tax in favor of the Company. Subsequently the tax authorities have fil
has correctly distributed and availed the input tax credit within the pro
in this regard.

With reference to availment of input tax credit relating to education ce
GST authorities of various states pursuant to which it has recorded a p

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Appellate Authority, Andhra Pradesh are disposed off as the same do PPCB had passed its order which was subject matter of appeal before 2013. However, the NGT, Delhi has passed a direction for the issue of Control Board, National Environmental Engineering Institute (NEERI), and status of pollution issues in the Medak, Ranga Reddy, Mahaboobnagar atancheru and Bollaram industrial clusters and file a report within three

passed various orders approving the levy of Fuel Surcharge Adjustment by power distribution companies from all the consumers of electricity the Company's headquarters and principal manufacturing facilities are ods, challenging and questioning the validity and legality of this levy of dhra Pradesh and the Supreme Court of India.

stribution companies from the Company in respect of FSA charges for g into account all of the available information and legal provisions, the harges. However, the Company has paid, under protest, an amount of monthly electricity bills. The Company remains exposed to additional y the Courts.

of India dismissed the Special Leave Petition filed by the Company in result, for the quarter ended 30 June 2016, the Company recognised test) representing the FSA charges for the period from 1 April 2012

rnment of Telangana's Commercial Taxes Department objecting to the w table shows the details of each of such demand notice, the amount s.

IS
State VAT Appellate Tribunal has remanded the matter to the assessing ority to re-compute the eligibility and penalty orders are set-aside. The pany filed appeal against the same with the High Court, Telangana.
Company has filed an appeal before the Sales Tax Appellate Tribunal - The er was remanded to the original adjudicating authority with a direction to lculate the eligibility for the year ended 31 March 2010.
Appellate Deputy Commissioner issued an order partially in favour of the pany

and believes that the likelihood of any further liability that may arise on

ces Tax, India issued notices to the Company alleging that the Company ceived order from the Additional Commissioner of Goods and Services ed an appeal against the favorable order. The Company believes that it visions of the applicable Act and hence no additional liability will accrue

ess, the Company has received order with tax demand of ₹ 31 from the provision of ₹ 31 as of 31 March 2022.

(A

2.30	Contingent liabilities and commitments (continued)

In the month of February 2022, on a Goods and Service Tax (GST) matt
amount of ₹ 123. The Company believes that such GST amount paid is
upon the refund claim by the Company.

Other indirect tax related matters

Additionally, the Company is in receipt of various demand notices from
₹ 463. The Company has responded to such demand notices and belie
than probable. Accordingly, no provision is made in these financial state

(viii) Others

Additionally, the Company is involved in other disputes, lawsuits, claims
and proceedings, including patent and commercial matters that arise fro
above, the Company does not believe that there are any such continge
its financial statements.

B. Commitments:

Particulars
Estimated amounts of contracts remaining to be executed on capital accou of advances)

2.31	Dividend remittance in foreign currency

The Company does not make any direct remittances of dividends in
The Company remits the equivalent of the dividends payable to the AD
shareholder on record for all owners of the Company's ADRs. The custo
bank which inturn remits the dividends to the ADR holders..

2.32	Segment reporting

In accordance with Ind AS 108, *Operating Segments,* segment infor
Dr. Reddy's Laboratories Limited and therefore no separate disclosure o

2.33	Capital management

For the purposes of the Company's capital management, capital include
the Company's capital management is to maximise shareholder value. T
the light of changes in economic environment and the requirements of
ratio, which is total debt divided by total capital plus debt. The capital g
7%, respectively.

2.34	Impact of COVID – 19 and military conflict between Russia and

Impact of COVID – 19

The Company considered the uncertainty relating to the COVID-19
intangible assets, investments and other assets. For this purpose, the
to the date of approval of these financial statements. The Company bas
analysis, expects to fully recover the carrying amount of receivables, go
will continue to closely monitor any material changes to future economi

All amounts in Indian Rupees millions, except share data and where otherwise stated)

er under reverse charge, the company has paid under protest GST an not payable and the entire amount will be refundable to the company

the Indian Sales and Service Tax authorities. The disputed amount is eves that the chances of any liability arising from such notices are less ements as of 31 March 2022.

, governmental and/or regulatory inspections, inquiries, investigations om time to time in the ordinary course of business. Except as discussed ent liabilities that are expected to have any material adverse effect on

	As at 31 March 2022	As at 31 March 2021
nt and not provided for (net	7,695	9,560

foreign currencies to American Depository Receipts (ADRs) holders. DR holders in Indian Rupees to the custodian, which is the registered odian purchases the foreign currencies and remits it to the depository

rmation has been given in the consolidated financial statements of on segment information is given in these financial statements.

s issued capital and all other equity reserves. The primary objective of The Company manages it's capital structure and makes adjustments in the financial covenants. The Company monitors capital using gearing gearing ratio as on 31 March 2022 and 31 March 2021 was 11% and

Ukraine

pandemic in assessing the recoverability of receivables, goodwill, Company considered internal and external sources of information up sed on its judgements, estimates and assumptions including sensitivity odwill, intangible assets, investments and other assets. The Company c conditions.

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2.34 Impact of COVID – 19 and military conflict between Russia an

Impact of military conflict between Russia and Ukraine

The Company considered the uncertainty relating to the military co
receivables, goodwill, intangible assets, investments and other asset
adverse impact on the macroeconomic environment. Management h
global sanctions and other restrictive measures against Russia and a
considered internal and external sources of information up to the date

The Company's supply chain has been impacted primarily in Russia
lead time by suppliers. However, the Company has been able to s
The Company based on its judgments, estimates and assumptions inc
of receivables, inventory, goodwill, intangible assets, investments and
impact of this conflict on the Company's operations and financial condi
material changes to future economic conditions.

2.35 Update on Cyber Incident

On 22 October 2020, the Company experienced a cybersecurity incid
security incident response firms to assist with the investigation process
remediation was undertaken to ensure all traces of infection are c
strengthened a series of technical controls to augment the current cy
improvements to its cyber and data security systems to safeguard fror

2.36 The Code on Social Security, 2020

India's Code on Social Security, 2020, which aims to consolidate, cod
assent in September 2020 and has been published in the Gazette c
the date on which this Code will come into effect has not been anno
thereunder when they come into effect.

2.37 Regulatory Inspection of facilities

Tabulated below are the details of the U.S. FDA inspections carried ou

Located in India

Month and year	Unit	Details of observ
January 2019	Formulations Srikakulam Plant (SEZ) Unit I	Four observation Establishment In issued by the U.S
January 2019	API manufacturing Plant at Miryalaguda, Nalgonda	One observation In May 2019, an inspection classi
January 2019	Formulations manufacturing facility at Bachupally, Hyderabad	Eleven observati 2019. In April 2019, an inspection classi
June 2019	Formulations manufacturing plants, Duvvada {Vizag SEZ plant 1 (FTO VII) and Vizag SEZ plant 2(FTO IX)}	Two observation In September 20 these facilities.
July 2019	API Hyderabad plant 2, Bollaram, Hyderabad	Five observation observations in A In October 2019, inspection classi

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

d Ukraine (continued)

onflict between Russia and Ukraine in assessing the recoverability of ts. The outcome of the war is difficult to predict, and it could have an has considered all potential impacts of the war including adherence of any retaliatory actions taken by Russia. For this purpose, the Company e of approval of these financial statements.

and Ukraine, both in terms of higher freight costs and increase in the ervice its customers without any significant shortages or disruptions. cluding sensitivity analysis, expects to fully recover the carrying amount d other assets. Accordingly, during the year ended 31 March 2022, the ition was not material. The Company will continue to closely monitor any

ent related to ransom-ware. The Company employed two leading cyber s. The incident was contained in a timely fashion and an enterprise-wide ompletely removed from the network. Since then, the Company has ber security posture and has also focused on implementing significant m such risks in the future.

ify and revise certain existing social security laws, received Presidential f India. However, the related final rules have not yet been issued and unced. The Company will assess the impact of this Code and the rules

ut at various facilities of the Company :

vations
ns were noted. The Company responded to the observations and an spection Report ("EIR") indicating the closure of audit for this facility was S. FDA in April 2019.
was noted. The Company responded to the observation. EIR was issued by the U.S. FDA indicating the closure of audit and the fication of the facility was determined as Voluntary Action Initiated ("VAI").
ons were noted. The Company responded to the observations in January EIR was issued by the U.S. FDA indicating the closure of audit and the fication of the facility was determined as VAI.
s were noted. The Company responded to the observations. 019, an EIR was issued by the U.S. FDA indicating the closure of audit of
s were noted during U.S. FDA inspection. The Company responded to the ugust 2019. an EIR was issued by the U.S. FDA indicating the closure of audit and the fication of the facility was determined as VAI.

(A

2.37	Update on the warning letter from U.S. FDA (continued)	
Month and year	**Unit**	**Details of observa**
August 2019	Formulations manufacturing plants, (Vizag SEZ plant 1), Duvvada, Visakhapatnam (FTO VII)	Eight observations 2019. In February 2020, inspection classific
October 2019	API Srikakulam plant (SEZ), Andhra Pradesh	Four observations 2019. In May 2020, an EI
February 2020	Formulations Srikakulam Plant (SEZ) Unit I	No observations w In May 2020, an E inspection classific
February 2020	Formulations manufacturing facility at Bachupally, Hyderabad (FTO Unit III)	One observation v In May 2020, an E inspection classific
February 2020	Integrated Product Development Organization (IPDO) at Bachupally, Hyderabad	No observation wa In May 2020, an E inspection classific
March 2020	API manufacturing Plant at Miryalaguda, Nalgonda	Three observation 2020. In April 2020, an E inspection classific
April 2021	Integrated Product Development Organization (IPDO), Bachupally, Hyderabad, India	No observations n EIR/Remote Recor concluded that this
October 2021	Formulations manufacturing facilities {Vizag SEZ plant 1 (FTO VII) and Vizag SEZ plant 2 (FTO IX)} at Duvvada, Visakhapatnam, India	Eight observations indicating the closu

2.38 Merger of Dr. Reddy's Holdings Limited into Dr. Reddy's Labora

The Board of Directors, at its meeting held on 29 July 2019, had appr entity held by the Promoter Group, which holds 24.83% of Dr. Reddy's was subject to the approval of shareholders, stock exchanges, the Na relevant regulators as per the provisions of Section 230 to 232 and any

The Scheme would lead to simplification of the shareholding structure a would continue to hold the same number of shares in the Company, pre to the Scheme were borne out of the surplus assets of DRHL. Further, a directly by the Promoters.

During the fiscal year ended 31 March 2020, the Scheme was approve Company. The no-observation letters from the BSE Limited and Nation comments received from Securities and Exchange Board of India ("SE Hon'ble NCLT, Hyderabad Bench.

The aforementioned Scheme was approved by the NCLT, Hyderabad E filed the NCLT order, with the Ministry of Company Affairs on 8 April 2 Arrangement as approved by the NCLT, an aggregate of 41,325,300 eq the Company have been cancelled and an equivalent 41,325,300 num shareholders of DRHL. There is no change in the total equity shareholdi allotment/ cancellation of equity shares pursuant to the approved Sche

The Scheme also provides that the Promoters of the Company will join its directors, employees, officers, representatives, or any other person claim, or demand, which may devolve upon the Company on account o

TATEMENTS

All amounts in Indian Rupees millions, except share data and where otherwise stated)

tions
were noted. The Company responded to the observations in September an EIR was issued by the U.S. FDA indicating the closure of audit and the cation of the facility was determined as VAI.
were noted. The Company responded to the observations in November IR was issued by the US FDA indicating the closure of the audit.
vere noted. EIR was issued by the US FDA indicating the closure of the audit and the cation of the facility was determined as NAI.
was noted. The Company responded to the observation in March 2020. IR was issued by the U.S. FDA indicating the closure of the audit and the cation of the facility was determined as VAI.
s noted. IR was issued by the U.S. FDA indicating the closure of the audit and the cation of the facility was determined as NAI.
s were noted. The Company responded to the observations in March EIR was issued by the U.S. FDA indicating the closure of the audit and the cation of the facility was determined as VAI.
oted. d Review Summary was received on 10 August 2021 and the U.S. FDA s remote record review is closed.
s were noted. In February 2022, an EIR was issued by the U.S. FDA ure of the audit.

tories Limited

roved the amalgamation of Dr. Reddy's Holdings Limited ("DRHL"), an Laboratories Limited into the Company (the "Scheme"). This Scheme ational Company Law Tribunal, Hyderabad Bench ("NCLT") and other other applicable provisions of the Companies Act, 2013.

and reduction of shareholding tiers. The Promoter Group cumulatively and post the amalgamation. All costs, charges and expenses relating ny expense, if exceeding the surplus assets of DRHL, would be borne

ed by the board of directors, members and unsecured creditors of the al Stock Exchange of India Limited were received on the basis of no BI"). The petition for approval of the said Scheme was filed with the

Bench vide its Order dated 5 April 2022. Subsequently, the Company 2022 ('Effective Date'). Pursuant to the Scheme of Amalgamation and quity shares face value of ₹ 5 each held by DRHL in the share capital of nber of equity shares of face value ₹ 5 each have been allotted to the ing (Promoter/Public Shareholding) of the Company, on account of the me.

ntly and severally indemnify, defend and hold harmless the Company, authorized by the Company (excluding the Promoters) for any liability, f this amalgamation.

NOTES TO FINANCIAL S

2.39 Business Transfer Agreement with Wockhardt Limited

In February 2020, the Company signed a Business Transfer Agree
divisions of its branded generics business in India and the territories o

The business consists of a portfolio of 62 brands in multiple therapy ar
gastroenterology, pain and vaccines. This entire portfolio was to be tra
the manufacturing plant located in Baddi, Himachal Pradesh and all p
involved 2,051 employees engaged in operations of the acquired Bus

As of 31 March 2020, the acquisition of this Business Undertaking was
and lenders of Wockhardt and other requisite approvals under applic
ended 31 March 2020.

Due to the COVID-19 pandemic and the consequent government re
the products forming part of the Business Undertaking during March
Company and Wockhardt agreed that the consideration shall now be

a) an amount of ₹ 14,830 to be paid on the date of closing;

b) an amount of ₹ 670 to be deposited in an escrow account which s
employee liabilities and certain other contractual and statutory li

c) an amount of ₹ 3,000 (the “Holdback Amount”) which shall be re
   - If the revenue from sales of the products forming part of t
     exceeds ₹ 4,800, the Company will be required to pay to
     revenue exceeds ₹ 4,800, subject to the maximum of the H

The acquisition was in line with the Company’s strategic focus on Inc
domestic Indian market. The Company believes that the acquired Bus
portfolio and products in the Indian market.

The transaction was completed on 10 June 2020.

The Company has accounted for the transaction under Ind AS 103, “E

As of 30 June 2020, the purchase price allocation was preliminary.

During the three months ended 30 September 2020, the Company
values of the assets acquired, including goodwill, and liabilities assum

Particulars
Cash
Payment through Escrow account
Contingent consideration (Holdback Amount)
Total consideration
Assets acquired
Goodwill
Property, plant and equipment
Product related intangibles
Inventories
Other assets
Liabilities assumed
Employee benefits (Gratuity- ₹ 70 and compensated absences- ₹ 75)
Refund liability
Total net assets

The total goodwill of ₹ 530 consists largely of the synergies and econ
value of the workforce acquired. Acquisition related costs amounted t
recognised as expense under “Selling and other expenses” in the Sta

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

ment ("BTA") with Wockhardt Limited ("Wockhardt") to acquire select
f Nepal, Sri Lanka, Bhutan and Maldives for a consideration of ₹ 18,500.

eas, such as respiratory, neurology, venous malformations, dermatology,
nsferred to the Company, along with related sales and marketing teams,
lant employees (together the "Business Undertaking"). The transaction
siness Undertaking.

subject to certain closing conditions, such as approval from shareholders
able statutes. Hence, the transaction was not accounted for in the year

strictions, there has been a reduction in the revenue from the sales of
and April 2020. Accordingly, through an amendment to the BTA, the
upto ₹ 18,500, to be paid as per the following terms:

hall be released subject to adjustments for, inter alia, net working capital,
abilities;

leased as follows:
the Business Undertaking during the twelve (12) months post-closing
Wockhardt an amount equal to two (2) times the amount by which the
Holdback Amount.

dia and has paved a path for accelerated growth and leadership in the
siness Undertaking offers to strengthen the Company's pharmaceutical

Business Combinations".

completed the purchase price allocation. Tabulated below are the fair
ed on the acquisition date:

	Amount
	14,990
	564
	561
	16,115
	530
	373
	14,888
	466
	245
	(145)
	(242)
	16,115

omies of scale expected from the acquired business, together with the
o ₹ 60 and were excluded from the consideration transferred and were
tement of profit and loss for the year ended 31 March 2021.

NOTES TO FINANCIAL ST

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2.39 Business Transfer Agreement with Wockhardt Limited (continued)

The fair value of the contingent consideration of ₹ 561 was estimated by a
significant inputs that are not observable in the market, which Ind AS 113
unobservable inputs in the valuation is the estimated sales forecast. D
account the revenue of the products until twelve months post-closing (9

As on 31 March 2022 the outstanding amount of contingent considerat

The amount of revenue included in the Statement of profit and loss for
since 10 June 2020 is ₹ 3,887 and for the year ended 31 March 2022

The acquired business has been integrated into the Company's exis
Company profit in the year.

2.40 Restructuring of pharmaceutical services business

The Board of Directors of the Company, in their meeting held on 27 Ma
pharmaceutical services business that involves setting up a wholly own
contracts, permission, consents, rights, registrations, personnel and em
tax law concept which refers to the transfer of a business as a going con
to the newly incorporated wholly owned subsidiary. During the year e
manufacturing organisation (CDMO) division of the Custom Pharmaceu
way of slump sale (as defined under section 2(42C) of Indian Income Tax
assets, current liabilities, and transfer of employees.

As the transaction is between the Company and its subsidiaries, no furt

2.41 Property, plant and equipment and other intangible assets used

Particulars	Gross carrying value				
	As at 1 April 2021	Additions[(a)]	Disposals [(b)]	As at 31 March 2022	1
Property, plant and equipment					
Land	70	-	-	70	
Buildings	1,115	2	(13)	1,104	
Plant and equipment	6,341	665	(135)	6,871	
Furniture and fixtures	206	3	-	209	
Office equipment	400	43	(13)	430	
Total (A)	**8,132**	**713**	**(162)**	**8,684**	
Intangible assets					
Softwares	256	17	-	273	
Others	104	-	-	104	
Total (B)	**360**	**17**	**-**	**377**	
Total (A+B)	**8,492**	**730**	**(162)**	**9,061**	
Previous year	8,664	562	(734)	8,492	

(a) *Additions include transfers from non-research and development group to researcl*
(31 March 2021: ₹ 34) and accumulated depreciation/amortisation is ₹ 4 (31 March 2

(b) *Disposals include transfers from research and development group to non-research*
(31 March 2021: ₹ 62) and accumulated depreciation/amortisation is ₹ 39 (31 March

The Company has also incurred capital expenditure of ₹ 103 towards re
as on 31 March 2022.

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All amounts in Indian Rupees millions, except share data and where otherwise stated)

applying the income approach. The fair value measurement is based on 3, "Fair Value Measurement" refers to as Level 3 inputs. The significant uring the year ended 31 March 2021, the Company, after taking into 9 June 2021), re-measured the contingent consideration to ₹ 420.

tion is ₹ 194.

r the year ended 31 March 2021 pertaining to the acquired business is ₹ 5,474.

ting activities and it is not practicable to identify the impact on the

arch 2020, had approved the plan for restructuring of the Company's ned subsidiary and transferring the all tangible and intangible assets, nployees, other assets and liabilities on a slump sale basis (an Indian ncern without values being assigned to individual assets and liabilities) nded 31 March 2021, the Company sold contract development and tical Services (CPS) business of the Company. This sale was done by Act,1961) including all related property, plant and equipment, current

her disclosures are made in this regard.

d for research and development (included in note 2.1 and note 2.4)

Accumulated depreciation/amortisation				Net carrying value	
As at April 2021	For the year[a]	Disposals [b]	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
-	-	-	-	70	70
445	43	-	488	616	670
4,321	545	(111)	4,755	2,116	2,020
179	10	-	189	20	27
343	37	(13)	367	63	57
5,288	**635**	**(124)**	**5,799**	**2,885**	**2,844**
219	18	-	237	36	37
44	-	-	44	60	60
263	**18**	**-**	**280**	**96**	**97**
5,551	**653**	**(124)**	**6,079**	**2,981**	**2,941**
5,504	612	(565)	5,551	2,941	

n and development group. The gross carrying value of such transferred assets is ₹ 5 2021: ₹ 16).

n and development group. The gross carrying value of such transferred assets is ₹ 60 h 2021: ₹ 38).

search and development expenditure lying in Capital work in progress

NOTES TO FINANCIAL S

2.42. Ratio Analysis and its elements

Ratio	Numerator	Denc
Current ratio	Current Assets	Curre
Debt- Equity Ratio	Total Debt	Share
Debt Service Coverage ratio	Earnings for debt service[(1)]	Debt
Return on Equity ratio	Net Profits after taxes	Avera
Inventory Turnover ratio	Cost of goods sold	Avera
Trade Receivable Turnover Ratio	Revenue	Avera
Trade Payable Turnover Ratio	Net credit purchases	Avera
Net Capital Turnover Ratio	Revenue	Work
Net Profit ratio	Net Profit	Reve
Return on Capital Employed	Earnings before interest and taxes	Capit
Return on Investment	Income generated from investments	Time inves

(1) *Net profit after taxes + non-cash and non-operating expenses + Interest + Other*

(2) *Interest + lease payments + principal repayments.*

(3) *Tangible Net Worth + total debt.*

(4) *Increase in current borrowings.*

(5) *During FY 2021, debt service includes repayment of long-term borrowings.*

(6) *Price erosion and increase in selling and other expenses resulted in reduction in*

2.43 Other Statutory Information

(i) The Company does not have any Benami property, where any pro any Benami property.

(ii) The Company does not have any transactions with struck off com

(iii) The Company does not have any charges or satisfaction which is

(iv) The Company has not traded or invested in Crypto currency or V

(v) The Company has not advanced or loaned or invested funds to an with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entitie (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of

(vi) The Company has not received any fund from any person(s) or ent (whether recorded in writing or otherwise) that the Company shal

(a) directly or indirectly lend or invest in other persons or entitie Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the U

(vii) The Company has not entered in to any transaction which is r disclosed as income during the year in the tax assessments un relevant provisions of the Income Tax Act, 1961).

(viii) The Company has not been declared as wilful defaulter by any ba

(ix) The Company has complied with the number of layers prescrib (Restriction on number of Layers) Rules, 2017.

(x) No Scheme of Arrangements has been approved by the Compete during the year.

(xi) The Company does not have any borrowings from banks or finan

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(All amounts in Indian Rupees millions, except share data and where otherwise stated)

ominator	31 March 2022	31 March 2021	Variance (in %)
ent Liabilities	2.23	2.40	(7.06)
eholder's Equity	0.12	0.07	68.19(4)
service(2)	27.04	5.59	383.55(5)
age Shareholder's Equity	0.09	0.14	(32.22)(6)
age Inventory	1.64	1.65	(0.58)
age Trade Receivable	3.19	3.00	6.26
age Trade Payables	3.71	3.95	(6.06)
king capital	1.94	2.09	(7.39)
enue	11.27%	16.38%	(31.20)(6)
tal Employed(3)	12.30%	19.82%	(37.92)(6)
weighted average stments	4.83%	5.26%	(8.11)

adjustments like loss on sale of fixed assets etc.

margins.

oceeding has been initiated or pending against the Company for holding

npanies

yet to be registered with ROC beyond the statutory period,

irtual Currency during the financial year.

y other person(s) or entity(ies), including foreign entities (Intermediaries)

es identified in any manner whatsoever by or on behalf of the company

the Ultimate Beneficiaries

tity(ies), including foreign entities (Funding Party) with the understanding l:

es identified in any manner whatsoever by or on behalf of the Funding

Ultimate Beneficiaries,

not recorded in the books of accounts that has been surrendered or der the Income Tax Act, 1961 (such as, search or survey or any other

ank or financial institution or other lender.

ed under clause (87) of section 2 of the Act read with the Companies

ent Authority in terms of sections 230 to 237 of the Companies Act, 2013,

cial institutions against security of its current assets.

NOTES TO FINANCIAL ST

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2.44 Subsequent events

Please refer to notes 2.9, 2.20 and 2.38 of these financial statements fo
contingencies and Merger of Dr. Reddy's Holdings Limited into Dr. Redd

In addition to the above, on 1 April 2022, the Company has entered int
Cidmus® in India. Under the agreement, the Company completed the
consideration of US$ 61 million.

2.45 Amounts for previous year have been regrouped / reclassifi

As per our report of even date attached
for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership No.: 213271

Place : Hyderabad
Date : 19 May 2022

for and on behalf of

K Satish Reddy
G V Prasad
Erez Israeli
Parag Agarwal
K Randhir Singh

Place : Hyderabad
Date : 19 May 2022

TATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

or the details of subsequent events relating to the proposed dividend, dy's Laboratories Limited, respectively.

o an agreement with Novartis AG to acquire the cardiovascular brand acquisition of the Cidmus® trademark in India from Novartis AG for a

ied wherever considered necessary.

f the Board of Directors of **Dr. Reddy's Laboratories Limited**

Chairman, DIN: 00129701
Co-Chairman & Managing Director, DIN: 00057433
Chief Executive Officer
Chief Financial Officer
Company Secretary

CONSOLIDAT
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TED

INDEPENDENT AUDITOR'S

To the Members of Dr. Reddy's Laboratories Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of
Company"), its subsidiaries (the Holding Company and its subsidiaries tog
consolidated Balance sheet as at 31 March 2022, the consolidated Stateme
idated Cash Flow Statement and the consolidated Statement of Changes i
statements, including a summary of significant accounting policies and ot
financial statements").

In our opinion and to the best of our information and according to the exp
auditors on separate financial statements and on the other financial inform
give the information required by the Companies Act, 2013, as amended ("the
with the accounting principles generally accepted in India, of the consolidate
consolidated profit including other comprehensive income, their consolidate
year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordar
of the Act. Our responsibilities under those Standards are further described i
Statements' section of our report. We are independent of the Group and its j
of Chartered Accountants of India together with the ethical requirements tha
of the Act and the Rules thereunder, and we have fulfilled our other ethica
Ethics. We believe that the audit evidence we have obtained is sufficient an
financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were
for the financial year ended 31 March 2022. These matters were addresse
whole, and in forming our opinion thereon, and we do not provide a separat
our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matte
described in the Auditor's responsibilities for the audit of the consolidated fi
ters. Accordingly, our audit included the performance of procedures designe
consolidated financial statements. The results of audit procedures performe
by them in their audit reports furnished to us by the management, includin
basis for our audit opinion on the accompanying consolidated financial state

Key audit matters	How our audit addres
Assessment of carrying value of intangible assets, intangible assets under dev *accounting policies, and note 2.3, 2.4 and 2.5 for details and movement in* *respectively in the consolidated financial statements)*	
As at 31 March 2022, the Group has intangible assets, including intangible assets under development, of ₹ 27,011 million and goodwill of ₹ 5,473 million. The carrying value of these intangible assets are based on future cash flows and there is a risk that the assets may be impaired if cash flows are not in line with projections. Valuation of goodwill and intangible assets is subject to management's assessment of recoverable amount, being the higher of the value in use and fair value less costs to sell, involving significant judgment and are based on number of variables and estimates including projection of future sales, operating costs and profit margins; appropriate discount rate and terminal value growth rate; and probability of technical and regulatory success factors in applying discounted cash flow valuation methodology. As the assessment of recoverable amount involves significant degree of management judgement, we have identified this a key audit matter.	**Our audit procedures,** • We evaluated the assessing the reco development. • We assessed the assets are allocate • We tested the methodologies us significant assump • We compared the the Group's histori • We performed ser change in the rec underlying assump sensitivity testing • We tested the arit
Contingencies, including litigations and tax *(as described in note 1.3(m)* *of contingencies in the consolidated financial statements)*	

S REPORT

Dr. Reddy's Laboratories Limited (hereinafter referred to as "the Holding
ether referred to as "the Group") and its joint ventures comprising of the
ent of Profit and Loss, including other comprehensive income, the consol-
n Equity for the year then ended, and notes to the consolidated financial
her explanatory information (hereinafter referred to as "the consolidated

planations given to us and based on the consideration of reports of other
nation of the subsidiaries, the aforesaid consolidated financial statements
e Act") in the manner so required and give a true and fair view in conformity
ed state of affairs of the Group and joint ventures as at 31 March 2022, their
ed cash flows and the consolidated statement of changes in equity for the

nce with the Standards on Auditing (SAs), as specified under section 143(10)
in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial
oint ventures in accordance with the 'Code of Ethics' issued by the Institute
at are relevant to our audit of the financial statements under the provisions
l responsibilities in accordance with these requirements and the Code of
d appropriate to provide a basis for our audit opinion on the consolidated

e of most significance in our audit of the consolidated financial statements
d in the context of our audit of the consolidated financial statements as a
e opinion on these matters. For each matter below, our description of how

rs to be communicated in our report. We have fulfilled the responsibilities
nancial statements section of our report, including in relation to these mat-
d to respond to our assessment of the risks of material misstatement of the
d by us and by other auditors of components not audited by us, as reported
g those procedures performed to address the matters below, provide the
ements.

sed the key audit matter
elopment and goodwill *(as described in note 1.3(g) and 1.3(j) of the significant goodwill, other intangible assets and intangible assets under development*
, among others included the following: design and tested the operating effectiveness of the Group's controls in overable value of goodwill, intangible assets and intangible assets under Group's methodology applied in determining the CGUs to which these d. estimated recoverable value of these assets and assessed the sed by management in deriving the recoverable value and tested the tions and the underlying data used by the Group in its analyses. significant assumptions to current industry, market and economic trends, to cal data. nsitivity analyses of the significant assumptions to evaluate the potential coverable values of these assets resulting from hypothetical changes in tions. We also assessed the recoverable value headroom by performing of key assumptions used. hmetical accuracy of the models.
of the significant accounting policies, and note 2.33 (A) containing details

INDEPENDENT AUDITOR'S REPORT

Key audit matters	How our audit addre
The Company and certain of its subsidiaries are involved in disputes, lawsuits, claims, anti-trust, governmental and / or regulatory inspections, inquiries, investigations and proceedings, including patent, tax and commercial matters that arise from time to time in the ordinary course of business. Most of the claims involve complex issues. The Group assisted by their external legal counsel assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation. This area is significant to our audit, since the accounting and disclosure for contingent legal and tax liabilities is complex and judgmental (due to the difficulty in predicting the outcome of the matter and estimating the potential impact if the outcome is unfavourable), and the amounts involved are, or can be, material to the consolidated financial statements.	**Our audit procedur** • We evaluated th identification an in the Group, a litigation, contin • We obtained a selected a samp said counsel on with the provisio underlying comp or the continger • We obtained leg matters include connected with • We inspected re • We involved tax assessed the te relevant tax auth • We also evaluate
Rebates, discounts, chargebacks, and other deductions in Revenue *(as c financial statements and note 2.14 of the consolidated financial stateme*	
Revenue is recognised net of accrual for chargeback, rebates, sales returns and discounts, etc. The estimates relating to these accruals are important given the significance of revenue and also considering the distinctive terms of arrangement with customers. These estimates are complex and requires significant judgement and estimation by the Company for establishing an appropriate accrual. Accuracy of revenues may deviate on account of change in judgements and estimates. Accordingly, the same has been considered as a key audit matter.	**Our audit procedur** • We obtained an of internal contro • We also tested assumptions of th • We tested manag for the respectiv sales deductions the underlying co • We compared th and returns, as a • We also conside assessed the est balances. • We also tested completeness ar subsequent to p settled during the • We tested record ◦ Performed tre ◦ Tested manag ◦ Verified samp

Other Information

The Holding Company's Board of Directors is responsible for the o Management discussion and analysis, corporate governance and B to the date this auditor's report and Corporate Overview and lett which is expected to be made available to us after that date. The otl Consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cove conclusion thereon.

In connection with our audit of the consolidated financial statement consider whether such other information is materially inconsistent w in the audit or otherwise appears to be materially misstated. If, basec misstatement of this other information, we are required to report tha

(CONTINUED)

essed the key audit matter
es, among others included the following: he design and tested the operating effectiveness of controls relating to d evaluation of claims, proceedings and investigations at different levels and the measurement of provisions for disputes, potential claims and gent liabilities and disclosures. list of ongoing litigations from the Group's in-house legal counsel. We ple of litigations based on materiality and performed inquiries with the the legal evaluation of these litigations. We compared the evaluation on or disclosure in the consolidated financial statements. We tested the putation of the management in relation to the measurement of provision ncy. gal letters from the Group's external legal advisors with respect to the d in the summary. Where appropriate, we examined correspondences the cases. elevant communication with tax authorities. experts in assessing the nature and amount of material tax positions and chnical merits based on the correspondence and assessments from the horities. ed the disclosures made in the consolidated financial statements.
described in note 1.3(n) of the significant accounting policies of consolidated nts)
es, among others included the following: understanding, evaluated the design and tested the operating effectiveness ls over the sales deduction processes. management's controls over the methods for making estimates, data and he estimates used to calculate the sales deductions. gement's estimated sales deductions and obtained management's calculations e estimates. We tested management's estimates over the determination of accruals by comparing the rates used in management's estimate to rates in ontracts and historical sales deductions data. e assumptions to contracted prices, historical rebates, discounts, allowances pplicable to current payment trends. red the historical accuracy of the management's estimates in prior years and timated amounts, we evaluated trends in actual sales and discount accrual the underlying data used in management's calculations for accuracy and nd verified source data supporting the inventory levels, rebate claims paid eriod end, the historical sales and sales return levels and volume discounts e period. ing of revenue in appropriate period which included the following procedures: end analysis over sales levels as compared to previous periods; gement's monitoring process over distributors' stocking levels; le sales transactions near period-end.

ther information. The other information comprises, Statutory reports, oard's report included in the Annual report, which we obtained prior er from Chairman and Co-Chairman included in the Annual report, her information does not include the Standalone financial statements,

r the other information and we do not express any form of assurance

s, our responsibility is to read the other information and, in doing so, with the consolidated financial statements or our knowledge obtained d on the work we have performed, we conclude that there is a material t fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governa

The Holding Company's Board of Directors is responsible for the prepa terms of the requirements of the Act that give a true and fair view of th including other comprehensive income, consolidated cash flows and ventures in accordance with the accounting principles generally acc specified under section 133 of the Act read with the Companies (Indi Board of Directors of the companies included in the Group and its joir records in accordance with the provisions of the Act for safeguarding c and detecting frauds and other irregularities; selection and application that are reasonable and prudent; and the design, implementation and m effectively for ensuring the accuracy and completeness of the accou consolidated financial statements that give a true and fair view and are have been used for the purpose of preparation of the consolidated finan

In preparing the consolidated financial statements, the respective Boa ventures are responsible for assessing the ability of the Group and of its j matters related to going concern and using the going concern basis of or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing th

Auditor's Responsibilities for the Audit of the Consolidated Financ

Our objectives are to obtain reasonable assurance about whether the misstatement, whether due to fraud or error, and to issue an auditor's r of assurance, but is not a guarantee that an audit conducted in accordar Misstatements can arise from fraud or error and are considered material to influence the economic decisions of users taken on the basis of thes

As part of an audit in accordance with SAs, we exercise professional juc also:

- Identify and assess the risks of material misstatement of the conso perform audit procedures responsive to those risks, and obtain auc opinion. The risk of not detecting a material misstatement resultin involve collusion, forgery, intentional omissions, misrepresentation
- Obtain an understanding of internal control relevant to the auc circumstances. Under section 143(3)(i) of the Act, we are also resp has adequate internal financial controls with reference to financial
- Evaluate the appropriateness of accounting policies used and the r by management.
- Conclude on the appropriateness of management's use of the g obtained, whether a material uncertainty exists related to events o and its joint ventures to continue as a going concern. If we concluc in our auditor's report to the related disclosures in the consolidated our opinion. Our conclusions are based on the audit evidence obta conditions may cause the Group and its joint ventures to cease to
- Evaluate the overall presentation, structure and content of the con the consolidated financial statements represent the underlying trar
- Obtain sufficient appropriate audit evidence regarding the financia which we are the independent auditors and whose financial infor financial statements. We are responsible for the direction, supervis entities included in the consolidated financial statements of which v consolidated financial statements, which have been audited by oth supervision and performance of the audits carried out by them. We

We communicate with those charged with governance of the Holding C statements of which we are the independent auditors regarding, among audit findings, including any significant deficiencies in internal control th

ance for the Consolidated Financial Statements

aration and presentation of these consolidated financial statements in
he consolidated financial position, consolidated financial performance
consolidated statement of changes in equity of the Group and joint
epted in India, including the Indian Accounting Standards (Ind AS)
an Accounting Standards) Rules, 2015, as amended. The respective
nt ventures are responsible for maintenance of adequate accounting
of the assets of the Group and of its joint ventures and for preventing
of appropriate accounting policies; making judgments and estimates
aintenance of adequate internal financial controls, that were operating
unting records, relevant to the preparation and presentation of the
free from material misstatement, whether due to fraud or error, which
cial statements by the Directors of the Holding Company, as aforesaid.

rd of Directors of the companies included in the Group and its joint
oint ventures to continue as a going concern, disclosing, as applicable,
accounting unless management either intends to liquidate the Group

e financial reporting process of the Group and of its joint ventures.

ial Statements

consolidated financial statements as a whole are free from material
report that includes our opinion. Reasonable assurance is a high level
nce with SAs will always detect a material misstatement when it exists.
if, individually or in the aggregate, they could reasonably be expected
e consolidated financial statements.

dgment and maintain professional skepticism throughout the audit. We

lidated financial statements, whether due to fraud or error, design and
dit evidence that is sufficient and appropriate to provide a basis for our
g from fraud is higher than for one resulting from error, as fraud may
s, or the override of internal control.

dit in order to design audit procedures that are appropriate in the
onsible for expressing our opinion on whether the Holding Company
statements in place and the operating effectiveness of such controls.

easonableness of accounting estimates and related disclosures made

oing concern basis of accounting and, based on the audit evidence
r conditions that may cast significant doubt on the ability of the Group
de that a material uncertainty exists, we are required to draw attention
d financial statements or, if such disclosures are inadequate, to modify
ained up to the date of our auditor's report. However, future events or
continue as a going concern.

solidated financial statements, including the disclosures, and whether
nsactions and events in a manner that achieves fair presentation.

l information of the entities or business activities within the Group of
rmation we have audited, to express an opinion on the consolidated
sion and performance of the audit of the financial statements of such
we are the independent auditors. For the other entities included in the
her auditors, such other auditors remain responsible for the direction,
e remain solely responsible for our audit opinion.

Company and such other entities included in the consolidated financial
other matters, the planned scope and timing of the audit and significant
hat we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

We also provide those charged with governance with a statement
independence, and to communicate with them all relationships and oth
and where applicable, related safeguards.

From the matters communicated with those charged with governance
of the consolidated financial statements for the financial year ended 31
matters in our auditor's report unless law or regulation precludes publi
we determine that a matter should not be communicated in our repor
expected to outweigh the public interest benefits of such communicat

Other Matter

a) We did not audit the financial statements and other financial in
include total assets of ₹ 27,526 million as at 31 March 2022, and
for the year ended on that date. These financial statement and
financial statements, other financial information and auditor's rep
consolidated financial statements, in so far as it relates to the a
our report in terms of sub-sections (3) of Section 143 of the Act, in
report(s) of such other auditors.

These subsidiaries are located outside India whose financial stater
with accounting principles generally accepted in their respective c
accepted auditing standards applicable in their respective count
statements of such subsidiaries located outside India from acc
accounting principles generally accepted in India. We have auc
management. Our opinion in so far as it relates to the balances an
of other auditors and the conversion adjustments prepared by th

b) Our opinion above on the consolidated financial statements, and
modified in respect of the above matters with respect to our rel
financial statements and other financial information certified by th

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("t
section (11) of section 143 of the Act, based on our audit and on the
under Section 139 of the Act, of its subsidiary companies and join
on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and c
statements and the other financial information of subsidiaries, as r
that:

   (a) We/the other auditors whose report we have relied upon hav
   best of our knowledge and belief were necessary for the pur

   (b) In our opinion, proper books of account as required by law
   statements have been kept so far as it appears from our exa

   (c) The Consolidated Balance Sheet, the Consolidated Stateme
   Income, the Consolidated Cash Flow Statement and Consol
   agreement with the books of account maintained for the pur

   (d) In our opinion, the aforesaid consolidated financial statemen
   the Act, read with Companies (Indian Accounting Standards)

   (e) On the basis of the written representations received from t
   record by the Board of Directors of the Holding Company an
   139 of the Act, of its subsidiary companies and joint ventures
   and its joint ventures, incorporated in India, is disqualified as
   164 (2) of the Act;

   (f) With respect to the adequacy and operating effectiveness o
   statements of the Holding Company and its subsidiary com
   Report in "Annexure 2" to this report;

(CONTINUED)

that we have complied with relevant ethical requirements regarding
er matters that may reasonably be thought to bear on our independence,

, we determine those matters that were of most significance in the audit
March 2022 and are therefore the key audit matters. We describe these
c disclosure about the matter or when, in extremely rare circumstances,
t because the adverse consequences of doing so would reasonably be
tion.

nformation, in respect of two subsidiaries, whose financial statements
total revenues of ₹ 29,238 million and net cash inflows of ₹ 416 million
other financial information have been audited by other auditors, which
orts have been furnished to us by the management. Our opinion on the
mounts and disclosures included in respect of these subsidiaries, and
n so far as it relates to the aforesaid subsidiaries, is based solely on the

ments and other financial information have been prepared in accordance
ountries and which have been audited by other auditors under generally
ries. The Holding Company's management has converted the financial
ounting principles generally accepted in their respective countries to
dited these conversion adjustments made by the Holding Company's
d affairs of such subsidiaries located outside India is based on the report
e management of the Holding Company and audited by us.

d our report on Other Legal and Regulatory Requirements below, is not
iance on the work done and the reports of the other auditors and the
he Management.

he Order"), issued by the Central Government of India in terms of sub-
consideration of the reports of the statutory auditors who are appointed
t venture incorporated in India, we give in the "Annexure 1" a statement

on the consideration of report of the other auditors on separate financial
noted in the 'other matter' paragraph we report, to the extent applicable,

e sought and obtained all the information and explanations which to the
rposes of our audit of the aforesaid consolidated financial statements;

relating to preparation of the aforesaid consolidation of the financial
mination of those books and reports of the other auditors;

ent of Profit and Loss including the Statement of Other Comprehensive
idated Statement of Changes in Equity dealt with by this Report are in
pose of preparation of the consolidated financial statements;

ts comply with the Accounting Standards specified under Section 133 of
Rules, 2015, as amended;

he directors of the Holding Company as on 31 March 2022 taken on
d the reports of the statutory auditors who are appointed under Section
s incorporated in India, none of the directors of the Group's companies
on 31 March 2022 from being appointed as a director in terms of Section

of the internal financial controls with reference to consolidated financial
panies and joint ventures, incorporated in India, refer to our separate

(g) In our opinion and based on the consideration of reports of
Act, of its subsidiary companies and joint ventures incorporate
2022 has been paid / provided by the Holding Company, its su
accordance with the provisions of section 197 read with Sched

(h) With respect to the other matters to be included in the Audi
Auditors) Rules, 2014, as amended, in our opinion and to the
and based on the consideration of the reports of the other aud
companies and joint venture incorporated in India, as noted in

i. The consolidated financial statements disclose the impa
Group in its consolidated financial statements – Refer No

ii. Provision has been made in the consolidated financial stat
for material foreseeable losses, if any, on long-term contra
financial statements.

iii. There has been no delay in transferring amounts, require
the Holding Company, its subsidiaries and joint venture in

iv. a) The respective managements of the Holding Com
incorporated in India whose financial statements hav
auditors of such subsidiaries and joint ventures resp
been advanced or loaned or invested (either from bo
by the Holding Company or any of such subsidiaries
foreign entities ("Intermediaries"), with the understan
shall, whether, directly or indirectly lend or invest in o
behalf of the respective Holding Company or any of s
any guarantee, security or the like on behalf of the U

b) The respective managements of the Holding Com
incorporated in India whose financial statements hav
auditors of such subsidiaries and joint ventures resp
been received by the respective Holding Company
entity(ies), including foreign entities ("Funding Partie
that the Holding Company or any of such subsidia
invest in other persons or entities identified in any
Beneficiaries") or provide any guarantee, security or

c) Based on the audit procedures that have been cons
by us and that performed by the auditors of the subs
whose financial statements have been audited unde
caused us or the other auditors to believe that the r
statement.

v. The final dividend paid by the Holding Company, during
accordance with section 123 of the Act to the extent it ap

As stated in note 2.10 to the consolidated financial statem
final dividend for the year which is subject to the appro
declared is in accordance with section 123 of the Act to th

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 22213271AJFMUH6455
Place of Signature: Hyderabad
Date: 19 May 2022

other statutory auditors who are appointed under Section 139 of the ed in India, the managerial remuneration for the year ended 31 March ubsidiaries and joint ventures incorporated in India to their directors in dule V to the Act;

tor's Report in accordance with Rule 11 of the Companies (Audit and best of our information and according to the explanations given to us ditors who are appointed under Section 139 of the Act, of its subsidiary 'Other matter' paragraph:

ct of pending litigations on its consolidated financial position of the te 2.33 (A) to the consolidated financial statements;

ements, as required under the applicable law or accounting standards, cts including derivative contracts – Refer Note 2.31 to the consolidated

d to be transferred, to the Investor Education and Protection Fund by ncorporated in India during the year ended 31 March 2022.

pany and its subsidiaries and joint ventures which are companies ve been audited under the Act have represented to us and the other pectively that, to the best of its knowledge and belief, no funds have rrowed funds or share premium or any other sources or kind of funds) s and joint venture to or in any other person(s) or entity(ies), including nding, whether recorded in writing or otherwise, that the Intermediary other persons or entities identified in any manner whatsoever by or on uch subsidiaries and joint venture ("Ultimate Beneficiaries") or provide ltimate Beneficiaries;

pany and its subsidiaries and joint ventures which are companies ve been audited under the Act have represented to us and the other pectively that, to the best of its knowledge and belief, no funds have or any of such subsidiaries and joint ventures from any person(s) or s"), with the understanding, whether recorded in writing or otherwise, aries and joint ventures shall, whether, directly or indirectly, lend or manner whatsoever by or on behalf of the Funding Party ("Ultimate the like on behalf of the Ultimate Beneficiaries; and

sidered reasonable and appropriate in the circumstances performed idiaries, and joint ventures which are companies incorporated in India er the Act, nothing has come to our or other auditor's notice that has epresentations under sub-clause (a) and (b) contain any material mis-

the year in respect of the same declared for the previous year is in plies to payment of dividend.

nents, the Board of Directors of the Holding Company have proposed oval of the members ensuing Annual General Meeting. The dividend he extent it applies to declaration of dividend.

ANNEXURE '1' REFERRED TO IN PARAGRAPH U AND REGULATORY REQUIREMENTS" OF OUR R

Re: Dr. Reddy's Laboratories Limited ("the Holding Company")

In terms of the information and explanations sought by us and given b in the normal course of audit and to the best of our knowledge and be

xxi There are no qualifications or adverse remarks by the respectiv the companies included in the consolidated financial statements not applicable to the Holding Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 22213271AJFMUH6455
Place of Signature: Hyderabad
Date: 19 May 2022

NDER THE HEADING “REPORT ON OTHER LEGAL REPORT OF EVEN DATE

by the company and the books of account and records examined by us elief, we state that:

e auditors in the Companies (Auditors Report) Order (CARO) reports of s. Accordingly, the requirement to report on clause 3(xxi) of the Order is

ANNEXURE '2' TO THE INDEPENDENT AUDITOR
CONSOLIDATED FINANCIAL STATEMENTS OF DI

Report on the Internal Financial Controls under Clause (i) of Sub-s

In conjunction with our audit of the consolidated financial statements of D
Company") as of and for the year ended 31 March 2022, we have audite
statements of the Holding Company and its subsidiaries (the Holding C
its joint ventures, which are companies incorporated in India, as of that

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Grou
responsible for establishing and maintaining internal financial controls ba
by the Holding Company considering the essential components of inte
Controls Over Financial Reporting issued by the Institute of Chartered
implementation and maintenance of adequate internal financial control
conduct of its business, including adherence to the respective company
of frauds and errors, the accuracy and completeness of the accounting
required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company'
statements based on our audit. We conducted our audit in accordance
Financial Reporting (the "Guidance Note") and the Standards on Auditin
to an audit of internal financial controls, both, issued by ICAI. Those St
requirements and plan and perform the audit to obtain reasonable assura
to consolidated financial statements was established and maintained an

Our audit involves performing procedures to obtain audit evidence ab
consolidated financial statements and their operating effectiveness. O
financial statements included obtaining an understanding of internal fi
assessing the risk that a material weakness exists, and testing and evalua
the assessed risk. The procedures selected depend on the auditor's judg
of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evid
to in the Other Matters paragraph below, is sufficient and appropriate to
with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consoli

A company's internal financial control with reference to consolidated finan
regarding the reliability of financial reporting and the preparation of fin
accepted accounting principles. A company's internal financial contro
policies and procedures that (1) pertain to the maintenance of records
and dispositions of the assets of the company; (2) provide reasonab
preparation of financial statements in accordance with generally accep
company are being made only in accordance with authorisations of ma
assurance regarding prevention or timely detection of unauthorised acc
material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference

Because of the inherent limitations of internal financial controls with re
of collusion or improper management override of controls, material m
Also, projections of any evaluation of the internal financial controls with
subject to the risk that the internal financial controls with reference to c
changes in conditions, or that the degree of compliance with the policie

’S REPORT OF EVEN DATE ON THE
R. REDDY’S LABORATORIES LIMITED

section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

Dr. Reddy’s Laboratories Limited (hereinafter referred to as the “Holding d the internal financial controls with reference to consolidated financial Company and its subsidiaries together referred to as “the Group”) and date.

p and its joint ventures, which are companies incorporated in India, are ased on the internal control over financial reporting criteria established rnal control stated in the Guidance Note on Audit of Internal Financial Accountants of India (ICAI). These responsibilities include the design, s that were operating effectively for ensuring the orderly and efficient ’s policies, the safeguarding of its assets, the prevention and detection records, and the timely preparation of reliable financial information, as

s internal financial controls with reference to consolidated financial e with the Guidance Note on Audit of Internal Financial Controls Over g, specified under section 143(10) of the Act, to the extent applicable tandards and the Guidance Note require that we comply with ethical ance about whether adequate internal financial controls with reference nd if such controls operated effectively in all material respects.

bout the adequacy of the internal financial controls with reference to Our audit of internal financial controls with reference to consolidated inancial controls with reference to consolidated financial statements, ting the design and operating effectiveness of internal control based on gement, including the assessment of the risks of material misstatement

dence obtained by the other auditors in terms of their reports referred o provide a basis for our audit opinion on the internal financial controls

dated Financial Statements

ncial statements is a process designed to provide reasonable assurance ancial statements for external purposes in accordance with generally l with reference to consolidated financial statements includes those that, in reasonable detail, accurately and fairly reflect the transactions le assurance that transactions are recorded as necessary to permit pted accounting principles, and that receipts and expenditures of the anagement and directors of the company; and (3) provide reasonable quisition, use, or disposition of the company’s assets that could have a

e to Consolidated Financial Statements

ference to consolidated financial statements, including the possibility nisstatements due to error or fraud may occur and not be detected. n reference to consolidated financial statements to future periods are onsolidated financial statements may become inadequate because of es or procedures may deteriorate.

ANNEXURE ‘2’ TO THE INDEPENDENT AUDITO
CONSOLIDATED FINANCIAL STATEMENTS OF D

Opinion

In our opinion, the Group and its joint ventures, which are companies i
internal financial controls with reference to consolidated financial state
financial statements were operating effectively as at 31 March 2022, b
by the Holding Company considering the essential components of int

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and op
consolidated financial statements of the Holding Company, in so far
companies incorporated in India, is based on the corresponding repo
in India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Shankar Srinivasan
Partner
Membership Number: 213271
UDIN: 22213271AJFMUH6455
Place of Signature: Hyderabad
Date: 19 May 2022

R'S REPORT OF EVEN DATE ON THE
DR. REDDY'S LABORATORIES LIMTED (CONTINUED)

ncorporated in India, have, maintained in all material respects, adequate
ments and such internal financial controls with reference to consolidated
based on the internal control over financial reporting criteria established
ernal control stated in the Guidance Note issued by the ICAI.

erating effectiveness of the internal financial controls with reference to
as it relates to the subsidiary companies and joint ventures, which are
rts of the auditors of such subsidiaries and joint ventures incorporated

CONSOLIDATED BALANC

(All amounts i

Particulars
Assets
Non-current assets
Property, plant and equipment
Capital work-in-progress
Goodwill
Other intangible assets
Intangible assets under development
Investment in equity accounted investees
Financial assets
Investments
Trade receivables
Other financial assets
Deferred tax assets, net
Tax assets, net
Other non-current assets
Current assets
Inventories
Financial assets
Investments
Trade receivables
Derivative financial instruments
Cash and cash equivalents
Other bank balances
Other financial assets
Other current assets
Total current assets before assets held for sale
Assets held for sale
Total assets
Equity and Liabilities
Equity
Equity share capital
Other equity
Liabilities
Non-current liabilities
Financial Liabilities
Borrowings
Lease liabilities
Provisions
Deferred tax liabilities, net
Other non-current liabilities
Current liabilities
Financial Liabilities
Borrowings
Lease liabilities
Trade payables
Total outstanding dues of micro enterprises and small enterprises
Total outstanding dues of creditors other than micro enterprises and s
Derivative financial instruments
Other financial liabilities
Liabilities for current tax, net
Provisions
Other current liabilities
Total equity and liabilities

The accompanying notes are an integral part of consolidated financial stat

As per our report of even date attached
for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership No: 213271

Place : Hyderabad
Date : 19 May 2022

for and on behalf of

K Satish Reddy
G V Prasad
Erez Israeli
Parag Agarwal
K Randhir Singh

Place : Hyderabad
Date : 19 May 2022

CE SHEET

n Indian Rupees millions, except share data and where otherwise stated)

	Note	As at 31 March 2022	As at 31 March 2021
	2.1	48,869	47,322
	2.2	12,796	9,539
	2.3	5,473	5,599
	2.4	26,873	29,136
	2.5	138	6,112
	2.6	4,318	3,375
	2.7 A	1,668	4,958
	2.7 B	54	118
	2.7 C	2,773	768
	2.30	12,770	10,686
		3,285	2,745
	2.8 A	629	307
		119,646	**120,665**
	2.9	50,884	45,412
	2.7 A	20,173	13,785
	2.7 B	66,764	49,641
	2.31	1,906	1,218
	2.7 D	14,852	14,829
	2.7 E	9,340	5,959
	2.7 C	1,574	1,858
	2.8 B	12,330	12,650
		177,823	**145,352**
	2.1	-	**151**
		177,823	**145,503**
		297,469	**266,168**
	2.10	832	832
		191,292	175,585
		192,124	**176,417**
	2.11 A	3,800	3,800
	2.11 C	1,946	2,499
	2.12 A	258	508
	2.30	14	289
	2.13 A	1,669	1,617
		7,687	**8,713**
	2.11 B	27,082	23,145
	2.11 C	1,017	864
	2.11 E		
		125	158
mall enterprises		22,537	17,951
	2.31	479	326
	2.11 D	24,832	23,417
		5,442	1,388
	2.12 B	5,866	5,015
	2.13 B	10,278	8,774
		97,658	**81,038**
		297,469	**266,168**

ements.

f the Board of Directors of **Dr. Reddy's Laboratories Limited**

Chairman, DIN: 00129701
Co-Chairman & Managing Director, DIN: 00057433
Chief Executive Officer
Chief Financial Officer
Company Secretary

CONSOLIDATED STATEMEN

(All amounts

Particulars
Income
Sales
Service income and License fees
Other operating income
Total revenue from operations
Other income
Total income
Expenses
Cost of materials consumed
Purchase of stock-in-trade
Changes in inventories of finished goods, work-in-progress and stock-in-
Employee benefits expense
Depreciation and amortisation expense
Impairment of non-current assets
Finance costs
Selling and other expenses
Total expenses
Profit before tax and share of equity accounted investees
Share of profit of equity accounted investees, net of tax
Profit before tax
Tax expense
Current tax
Deferred tax
Profit for the year
Other comprehensive income (OCI)
A. (I) Items that will not be reclassified subsequently to profit or loss
(a) Changes in the fair value of financial instruments
(b) Actuarial loss on post-employment benefit obligations
(II) Tax impact on above items
B. (I) Items that will be reclassified subsequently to profit or loss
(a) Changes in the fair value of financial instruments
(b) Foreign currency translation adjustments
(c) Effective portion of changes in fair value of cash flow hedges, n
(II) Tax impact on above items
Total other comprehensive income/(loss) for the year, net of tax
Total comprehensive income for the year
Profit for the year
Attributable to:
Equity holders of the parent
Non-controlling interests
Total comprehensive income for the year
Attributable to:
Equity holders of the parent
Non-controlling interests
Earnings per share:
Basic earnings per share of ₹ 5/- each
Diluted earnings per share of ₹ 5/- each
The accompanying notes are an integral part of consolidated financial st

As per our report of even date attached
for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership No: 213271

Place : Hyderabad
Date : 19 May 2022

for and on behalf

K Satish Reddy
G V Prasad
Erez Israeli
Parag Agarwal
K Randhir Singh

Place : Hyderabad
Date : 19 May 202

NT OF PROFIT AND LOSS

s in Indian Rupees millions, except share data and where otherwise stated)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
	2.14	205,144	184,202
	2.14	9,247	5,520
	2.15	1,061	753
		215,452	**190,475**
	2.16	4,844	2,914
		220,296	**193,389**
		43,124	42,958
		34,837	25,736
trade	2.17	(3,539)	(7,905)
	2.18	38,858	36,299
	2.19	11,652	12,288
		9,304	6,768
	2.20	958	970
	2.21	55,191	47,920
		190,385	**165,034**
		29,911	**28,355**
		703	480
		30,614	**28,835**
	2.30		
		11,013	8,172
		(2,224)	1,147
		21,825	**19,516**
		(3,534)	4,243
		(34)	(216)
		305	(220)
		(3,263)	**3,806**
		-	7
		(229)	783
net		882	1,123
		(288)	(319)
		365	**1,594**
		(2,898)	**5,400**
		18,927	**24,916**
		21,825	19,516
		-	-
		18,927	24,916
		-	-
	2.24		
		131.57	117.67
		131.21	117.34

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of the Board of Directors of **Dr. Reddy's Laboratories Limited**

Chairman, DIN: 00129701
Co-Chairman & Managing Director, DIN: 00057433
Chief Executive Officer
Chief Financial Officer
Company Secretary

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Particulars	Equity share capital	Other components of equity													Total equity
		Reserves and surplus									Other comprehensive income				
		Treasury shares[1]	Securities premium[2]	Share-based payment reserve[3]	Capital reserve[4]	Capital redemption reserve[5]	General reserve[6]	Special economic zone re-investment reserve[7]	Debenture Redemption Reserve [8]	Retained earnings	Cash flow hedge reserve[9]	FVTOCI** [10]	Remeasure-ments of the net defined benefits plan[11]	Foreign currency translation reserve[12]	
Balance as at 1 April 2021 (A)	832	(1,967)	6,308	1,266	267	173	20,374	1,326	-	142,395	241	430	(197)	4,969	176,417
Profit for the year	-	-	-	-	-	-	-	-	-	21,825	-	-	-	-	21,825
Net change in fair value of FVTOCI** equity instruments and debt instruments, net of tax benefit of ₹ 293	-	-	-	-	-	-	-	-	-	-	-	(3,241)	-	-	(3,241)
Foreign currency translation adjustments, net of tax benefit of ₹ 0*	-	-	-	-	-	-	-	-	-	-	-	-	-	(229)	(229)
Effective portion of changes in fair value of cash flow hedges, net of tax expense of ₹ 288 (Refer note 2.31)	-	-	-	-	-	-	-	-	-	-	594	-	-	-	594
Actuarial loss on post-employment benefit obligations, net of tax benefit of ₹ 12 (Refer note 2.28)	-	-	-	-	-	-	-	-	-	-	-	-	(22)	-	(22)
Total comprehensive income (B)	-	-	-	-	-	-	-	-	-	21,825	594	(3,241)	(22)	(229)	18,927
Transactions with owners of the Company															
Contributions and distributions															
Issue of equity shares on exercise of options (Refer note 2.10)	-*	366	393	(425)	-	-	-	-	-	-	-	-	-	-	334

Share-based payment expense (Refer note 2.29)	-	-	-	592	-	-	-	-	-	-	-	-	-	-	592
Dividend paid	-	-	-	-	-	-	-	-	-	(4,146)	-	-	-	-	(4,146)
Total contributions and distributions	-	366	393	167	-	-	-	-	-	(4,146)	-	-	-	-	(3,220)
Changes in ownership interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company (C)	**-**	**366**	**393**	**167**	**-**	**-**	**-**	**-**		**(4,146)**	**-**	**-**	**-**	**-**	**(3,220)**
Transfer to debenture redemption reserve	-	-	-	-	-	-	-	-	304	(304)	-	-	-	-	-
Transfer from special economic zone re-investment reserve on utilization	-	-	-	-	-	-	-	(571)	-	571	-	-	-	-	-
Total (D)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(571)**	**304**	**267**	**-**	**-**	**-**	**-**	**-**
Balance as at 31 March 2022 [(A)+(B)+(C)+(D)]	**832**	**(1,601)**	**6,701**	**1,433**	**267**	**173**	**20,374**	**755**	**304**	**160,341**	**835**	**(2,811)**	**(219)**	**4,740**	**192,124**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Particulars	Equity share capital	Other components of equity													Total equity
		Reserves and surplus									Other comprehensive income				
		Treasury shares[1]	Securities premium[2]	Share-based payment reserve[3]	Capital reserve[4]	Capital redemption reserve[5]	General reserve[6]	Special economic zone re-investment reserve[7]	Debenture Redemption Reserve [8]	Retained earnings	Cash flow hedge reserve[9]	FVTOCI** [10]	Remeasure-ments of the net defined benefits plan[11]	Foreign currency translation reserve[12]	
Balance as at 1 April 2020 (A)	831	(1,006)	5,916	1,038	267	173	20,374	-	-	128,349	(563)	(3,523)	(54)	4,186	155,988
Profit for the year	-	-	-	-	-	-	-	-	-	19,516	-	-	-	-	**19,516**
Net change in fair value of FVTOCI** equity instruments and debt instruments, net of tax expense of ₹ 293	-	-	-	-	-	-	-	-	-	-	-	3,956	-	-	**3,956**
Transfer on disposal of equity instruments classified as FVTOCI**	-	-	-	-	-	-	-	-	-	3	-	(3)	-	-	**-**
Foreign currency translation adjustments, net of tax benefit of ₹ 0*	-	-	-	-	-	-	-	-	-	-		-	-	783	**783**
Effective portion of changes in fair value of cash flow hedges, net of tax expense of ₹ 319 (Refer note 2.31)	-	-	-	-	-	-	-	-	-	-	804	-	-	-	**804**
Actuarial loss on post-employment benefit obligations, net of tax benefit of ₹ 73 (Refer note 2.28)	-	-	-	-	-	-	-	-	-	-	-	-	(143)	-	**(143)**
Total comprehensive income (B)	-	-	-	-	-	-	-	-	-	19,519	804	3,953	(143)	783	24,916
Transactions with owners of the Company															

Contributions and distributions															
Issue of equity shares on exercise of options (Refer note 2.10)	1	232	392	(356)	-	-	-	-	-	-	-	-	-	-	**269**
Share-based payment expense (Refer note 2.29)	-	-	-	584	-	-	-	-	-	-	-	-	-	-	**584**
Purchase of treasury shares	-	(1,193)	-	-	-	-	-	-	-	-	-	-	-	-	**(1,193)**
Dividend paid	-	-	-	-	-	-	-	-	-	(4,147)	-	-	-	-	**(4,147)**
Total contributions and distributions	1	(961)	392	228	-	-	-	-	-	(4,147)	-	-	-	-	**(4,487)**
Changes in ownership interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Total transactions with owners of the Company (C)	**1**	**(961)**	**392**	**228**	**-**	**-**	**-**	**-**	**-**	**(4,147)**	**-**	**-**	**-**	**-**	**(4,487)**
Transfer to special economic zone re-investment reserve	-	-	-	-	-	-	-	1,402	-	(1,402)	-	-	-	-	**-**
Transfer from special economic zone re-investment reserve on utilization	-	-	-	-	-	-	-	(76)	-	76	-	-	-	-	**-**
Total (D)	-	-	-	-	-	-	-	**1,326**	-	**(1,326)**	-	-	-	-	**-**
Balance as at 31 March 2021 [(A)+(B)+(C)+(D)]	**832**	**(1,967)**	**6,308**	**1,266**	**267**	**173**	**20,374**	**1,326**	**-**	**142,395**	**241**	**430**	**(197)**	**4,969**	**176,417**

* *Rounded off to millions*

** *FVTOCI represents fair value through other comprehensive income.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

(1) *Pursuant to the special resolution approved by the shareholders in the Annual General Meeting held on 27 July 2018, the Dr. Reddy's Employees ESOS Trust (the "ESOS Trust") was formed to support the Dr. Reddy's Employees Stock Option Scheme, 2018 by acquiring, including through secondary market acquisitions, equity shares which are used for issuance to eligible employees upon exercise of stock options thereunder. Refer to note 2.29 of these consolidated financial statements for further details on the Dr. Reddy's Employees Stock Option Scheme, 2018.*

(2) *Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.*

(3) *Share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 2.29 for further details of these plans.*

(4) *The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.*

(5) *As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.*

(6) *The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to consolidated statement of profit and loss.*

(7) *The Company has created a Special Economic Zone ("SEZ") Reinvestment Reserve out of profits of its eligible SEZ Units in accordance with the terms of Section 10AA(1) of the Indian Income Tax Act, 1961. This reserve is to be utilised by the Company for acquiring Plant and Machinery in accordance with Section 10AA(2) of such Act.*

(8) *The Company has created a Debenture Redemption Reserve out of profits of its subsidiary issuing debentures in accordance with the terms of Section 18(7)(iv) & 18(7)(v) AA(1) of the of Companies (Share Capital and Debentures) Rules, 2014. This reserve is to be utilised by the Company for payment of dividend and redemption of debentures.*

(9) *The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to consolidated statement of profit and loss in the period in which the hedged transaction occurs.*

(10) *This reserve represents mark to market gain or loss on financial assets classified as FVTOCI. Depending on the category and type of the financial asset, the mark to market gain or loss is either reclassified to profit and loss account or retained earnings upon disposal of the investment.*

(11) *Remeasurements of the net defined benefits plan reserve comprises the cumulative net gains/ losses on actuarial valuation of post-employment obligations. Refer note 2.28 for further details.*

(12) *The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.*

The accompanying notes are an integral part of consolidated financial statements.

As per our report of even date attached
for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership No: 213271

Place : Hyderabad
Date : 19 May 2022

for and on behalf of the Board of Directors of **Dr. Reddy's Laboratories Limited**

K Satish Reddy	Chairman, DIN: 00129701
G V Prasad	Co-Chairman & Managing Director, DIN: 00057433
Erez Israeli	Chief Executive Officer
Parag Agarwal	Chief Financial Officer
K Randhir Singh	Company Secretary

Place : Hyderabad
Date : 19 May 2022

CONSOLIDATED STATEM

(All amount

Particulars
Cash flows from/(used in) operating activities
Profit before tax
Adjustments for:
Fair value changes and profit on sale of financial instruments measure
Depreciation and amortisation expense
Impairment of non-current assets
Allowance for credit losses (on trade receivables and other advances)
(Profit)/loss on sale/disposal of property, plant and equipment and oth
Share of profit of equity accounted investees
Foreign exchange (gain)/loss, net
Interest income
Finance costs
Equity settled share-based payment expense
Dividend income
Changes in operating assets and liabilities:
Trade and other receivables
Inventories
Trade and other payables
Other assets and other liabilities, net
Cash generated from operations
Income tax paid, net
Net cash from operating activities
Cash flows from/(used in) investing activities
Expenditures on property, plant and equipment
Proceeds from sale of property, plant and equipment
Expenditures on other intangible assets
Proceeds from sale of other intangible assets
Payment for acquisition of business, net of cash acquired (Refer note 2
Purchase of investments
Proceeds from sale of investments
Interest and dividend received
Net cash used in investing activities
Cash flows from/(used in) financing activities
Proceeds from issuance of equity shares (including treasury shares)
Purchase of treasury shares
Proceeds from short-term loans and borrowings, net (Refer note 2.11 A
Proceeds from long-term loans and borrowings (Refer note 2.11 A & 2.1
Repayment of long-term loans and borrowings (Refer note 2.11 A & 2.11
Payment of principal portion of lease liabilities (Refer note 2.11 C)
Dividends paid
Interest paid
Net cash used in financing activities
Net increase/(decrease) in cash and cash equivalents
Effect of exchange rate changes on cash and cash equivalents
Cash and cash equivalents at the beginning of the year (Refer note 2.7 D)
Cash and cash equivalents at the end of the year (Refer note 2.7 D)

* *Rounded off to millions.*

** *FVTPL (fair value through profit or loss)*

(1) *Cash and cash equivalents acquired under business combination ₹ 11 and ₹ Nil for the perio*

The accompanying notes are an integral part of consolidated financial sta

As per our report of even date attached
for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership No.: 213271

Place : Hyderabad
Date : 19 May 2022

for and on behalf

K Satish Reddy
G V Prasad
Erez Israeli
Parag Agarwal
K Randhir Singh

Place : Hyderabad
Date : 19 May 202

MENT OF CASH FLOWS

s in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
	30,614	**28,835**
d at FVTPL**, net	(277)	(557)
	11,652	12,288
	9,304	6,768
	70	230
er intangible assets, net	(1,119)	42
	(703)	(480)
	(758)	1,853
	(965)	(826)
	958	970
	592	584
	-	-*
	(17,012)	2,081
	(5,328)	(9,881)
	4,412	2,861
	4,105	(3,349)
	35,545	**41,419**
	(7,437)	(5,716)
	28,108	**35,703**
	(14,660)	(9,741)
	370	85
	(4,389)	(2,820)
	2,946	-
2.41 and 2.42 for details)(1)	(326)	(15,514)
	(88,972)	(75,418)
	77,771	79,528
	873	1,220
	(26,387)	**(22,660)**
	334	269
	-	(1,193)
& 2.11 B)	3,520	6,791
1 B)	-	3,800
B)	-	(3,743)
	(785)	(754)
	(4,146)	(4,147)
	(1,345)	(1,321)
	(2,422)	**(298)**
	(701)	12,745
	733	113
	14,820	1,962
	14,852	**14,820**

ds ended 31 March 2022 and 31 March 2021, respectively.

tements.

of the Board of Directors of **Dr. Reddy's Laboratories Limited**

Chairman, DIN: 00129701
Co-Chairman & Managing Director, DIN: 00057433
Chief Executive Officer
Chief Financial Officer
Company Secretary

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NOTE 1 DESCRIPTION OF THE COMPANY AND SIGNIFIC

1.1 Description of the Group

Dr. Reddy's Laboratories Limited (the "parent company"), together with its subsidiaries and joint ventures (collectively, the "Company"), is a leading India-based pharmaceutical company headquartered and having its registered office in Hyderabad, Telangana, India. Through its three businesses - Pharmaceutical Services and Active Ingredients, Global Generics and Proprietary Products – the Company offers a portfolio of products and services, including Active Pharmaceutical Ingredients ("APIs"), Custom Pharmaceutical Services ("CPS"), generics, biosimilars and differentiated formulations.

The Company's principal research and development facilities are located in the states of Telangana and Andhra Pradesh in India, Cambridge in the United Kingdom and Leiden in the Netherlands; its principal manufacturing facilities are located in the states of Telangana, Andhra Pradesh and Himachal Pradesh in India, Cuernavaca-Cuautla in Mexico, Mirfield in the United Kingdom, and Louisiana in the United States and its principal markets are in India, Russia, the United States, the United Kingdom and Germany. The Company's shares trade on the Bombay Stock Exchange, the National Stock Exchange, the NSE IFSC Limited in India and on the New York Stock Exchange in the United States.

Please refer note 2.27 for list of subsidiaries, step-down subsidiaries and joint ventures of the parent company.

1.2 Basis of preparation of consolidated financial statements

a) Statement of compliance

These consolidated financial statements as at and for the year ended 31 March 2022 comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015, and presentation requirements of Division II of Schedule III to the Companies Act, 2013, and as amended from time to time together with the comparative period data as at and for the year ended 31 March 2021.

These consolidated financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective or elected for early adoption at the Company's annual reporting date, 31 March 2022. These consolidated financial statements were authorised for issuance by the Company's Board of Directors on 19 May 2022.

b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- derivative financial instruments are measured at fair value;

- financial assets are measured either at fair value or at amortised cost, depending on the classification;
- employee defined benefit assets/(liabilities) are recognised as the net total of the fair value of plan assets, adjusted for actuarial gains/(losses) and the present value of the defined benefit obligation;
- long-term borrowings are measured at amortised cost using the effective interest rate method;
- share-based payments are measured at fair value;
- investments in joint ventures are accounted for using the equity method;
- assets held for sale are measured at fair value;
- assets acquired and liabilities assumed as part of business combinations are measured at fair value;
- contingent consideration arising out of business combination are measured at fair value; and
- right-of-use the assets are recognised at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred, if any.

c) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 1.3(b) — Evaluation of joint arrangements;
- Note 1.3(c) — Assessment of functional currency;
- Note 1.3(d) — Financial instruments;
- Note 1.3(e) — Business combinations and goodwill;
- Notes 1.3(f) and 1.3(g) — Useful lives of property, plant and equipment and intangible assets;
- Notes 1.3(h) – Determination of cost for right-of-use assets and lease term;
- Note 1.3(i) — Valuation of inventories;

NOTES TO THE CONSOLIDATE

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- Note 1.3(j) — Measurement of recoverable amounts of cash-generating units;
- Note 1.3(k) — Assets and obligations relating to employee benefits;
- Note 1.3(l) — Share-based payments;
- Note 1.3(m) — Provisions and other accruals;
- Note 1.3(n) — Measurement of transaction price in a revenue transaction (sales returns, rebates and chargeback provisions);
- Note 1.3(q) — Evaluation of recoverability of deferred tax assets, and estimation of income tax payable and income tax expense in relation to uncertain tax positions; and
- Note 1.3(m) — Contingencies

d) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, "*Presentation of Financial Statements*".

Assets:

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is expected to be realised within twelve months after the reporting date; or

d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within twelve months after the reporting date; or

D FINANCIAL STATEMENTS

ts in Indian Rupees millions, except share data and where otherwise stated)

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities include the current portion of non-current assets and liabilities respectively. All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

1.3 Significant accounting policies:

a) New Standards adopted by the Company

On 24 July 2020, the Ministry of Corporate Affairs (MCA) has issued amendments to certain Ind AS as summarised below:

Amendments to Ind AS 1 and Ind *AS 8: Definition of Material*

The amendments provided a new definition to the word material as follows:

'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

An information is considered to be obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information. The amendments provided examples of circumstances that may result in information being obscured.

An entity should apply the amendments prospectively for annual periods beginning on or after 1 April 2020.

The amendments to the definition of material had no impact on the consolidated financial statements of the Company.

Amendments to Ind AS 103: *Definition of a Business*

The amendments clarified the definition of a business for the purpose of identifying a business combination under Ind AS 103 "*Business Combinations*". As per the revised definition, business is 'an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities'.

A related amendment has been made to the definition of 'output' as an element of business.

The amendments include an election to use a 'concentration test'. This is a simplified assessment that would cause in an acquisition to qualify as an asset acquisition. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets.

An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period.

This amendment had no impact on the consolidated financial statements of the Company but may impact future periods should the Company enter into any business combinations.

Amendments to *Ind AS 109 and Ind AS 107: Interest Rate Benchmark Reform*

The amendments to Ind AS 109 "*Financial Instruments*" provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The amendments to Ind AS 107 "*Financial Instruments: Disclosures*" prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied.

These amendments are applicable for annual periods beginning on or after the 1 April 2020.

These amendments had no impact on the consolidated financial statements of the Company as it does not have any interest rate hedge relationships.

Amendments Ind AS 116: *COVID-19 related rent concessions*

Ind AS 116 has been amended to provide limited relief to lessees in respect of rent concessions arising due to COVID-19 pandemic. No relief has been allowed to the lessors.

The amendments provide a practical expedient that lessees may elect to not treat any rent concessions, provided by lessors as a direct consequence of COVID-19 pandemic, as lease modifications. However, to be eligible for this relief:

- the revised consideration for the lease should be less than or equal to the lease consideration immediately before the change;
- the rent concession should be for a period that does not extend beyond 30 June 2021 (for example, lease rents are reduced for a period upto 30 June 2021 and increased for periods thereafter); and
- there should be no substantial modification to the other terms and conditions of the lease.

Lessee should apply the amendments for annual reporting periods beginning on or after 1 April 2020. In case a lessee has not yet approved the financial statements for issue before the issuance of the amendments, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019.

The aforesaid amendments had no impact on the consolidated financial statements of the Company.

b) Basis of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2022. Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

NOTES TO THE CONSOLIDATE

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Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a subsidiary of the Company uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Company's accounting policies.

Joint arrangements (equity accounted investees)

Joint arrangements are those arrangements over which the parties have joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

With respect to joint operations, the Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

Investments in joint ventures are accounted for using the equity method and are initially recognised at cost. The carrying value of the Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Company does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investments in such entities are accounted by the equity method of accounting. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

For the purpose of preparing these consolidated financial statements, the accounting policies of joint ventures have been changed where necessary to align them with the policies adopted by the Company. Furthermore, the financial statements of the joint ventures are prepared for the same reporting period as of the Company.

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Consolidation procedure

For the purpose of preparing these consolidated financial statements, intra-group transactions are consolidated using the following procedures:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Changes in ownership interests

Acquisition of some or all of the NCI is accounted for as a transaction with equity holders in their capacity as equity holders. Consequently, the difference arising between the fair value of the purchase consideration paid and the carrying value of the NCI is recorded as an adjustment to retained earnings that is attributable to the parent company. The associated cash flows are classified as financing activities. No goodwill is recognised as a result of such transactions.

Loss of Control

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- derecognises the carrying amount of any non-controlling interests
- derecognises the cumulative translation differences recorded in equity
- recognises the fair value of the consideration received
- recognises the fair value of any investment retained
- recognises any surplus or deficit in profit or loss
- recognise that distribution of shares of subsidiary to Group in Group's capacity as owners
- reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

c) **Foreign currency**

Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, which is the functional currency of the parent company. All financial information presented in Indian rupees has been rounded to the nearest million.

In respect of certain non-Indian subsidiaries that operate as marketing arms of the parent company in their respective countries/regions, the functional currency has been determined to be the functional currency of the parent company (i.e., the Indian rupee). The operations of these entities are largely restricted to importing of finished goods from the parent company in India, sales of these products in the foreign country and making of import payments to the parent company. The cash flows realised from sales of goods are available for making import payments to the parent company and cash is paid to the parent company on a regular basis. The cash flows realised from sales of goods are available for making import payments to the parent company and cash is paid to the parent company on a regular basis. The costs incurred by these entities are primarily the cost of goods imported from the parent company. The financing of these subsidiaries is done directly or indirectly by the parent company.

In respect of subsidiaries whose operations are self-contained and integrated within their respective countries/regions, the functional currency has been generally determined to be the local currency of those countries/regions, unless use of a different currency is considered appropriate.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the consolidated statement of profit and loss in the period in which they arise.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income ("OCI"):

- certain debt instruments classified as measured at FVTOCI;
- certain equity instruments where the Company had made an irrevocable election to present in OCI subsequent changes in the fair value;
- a financial liability designated as a hedge of the net investment in a foreign operation, to the extent that the hedge is effective; and
- qualifying cash flow hedges, to the extent that the hedges are effective.

When several exchange rates are available, the rate used is that at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date.

Foreign operations

Foreign exchange gains and losses arising from a monetary item receivable from a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation and are recognised in OCI and presented within equity as foreign currency translation reserve ("FCTR").

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the monthly average exchange rates prevailing during the year. Resulting foreign currency differences are recognised in OCI and presented within equity as part of FCTR. When a foreign operation is disposed of, in part or in full, such that control, significant influence or joint control is lost, the relevant amount in the FCTR is reclassified to the consolidated statement of profit and loss.

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d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (e.g., regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company's trade receivables do not contain any significant financing component and hence are measured at the transaction price measured under Ind AS 115 "*Revenue from Contracts with Customers*".

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost;
- Debt instruments at FVTOCI;
- Debt instruments, derivatives and equity instruments at FVTPL; and
- Equity instruments measured at FVTOCI.

Debt instruments at amortised cost

A "debt instrument" is measured at the amortised cost if both the following conditions are met:

a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

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ts in Indian Rupees millions, except share data and where otherwise stated)

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method and are subject to impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in consolidated statement of profit and loss and presented in other income. The losses arising from impairment are recognised in the consolidated statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A "debt instrument" is classified as at the FVTOCI if both of the following criteria are met:

a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

b) the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the consolidated statement of profit and loss. Interest earned while holding a FVTOCI debt instrument is reported as interest income using the effective interest rate method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as an "accounting mismatch").

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

Equity investments

All equity investments within the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made upon initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the consolidated statement of profit and loss, even on sale of investment.

However, on sale the Company may transfer the cumulative gain or loss within equity. Equity investments designated as FVTOCI are not subject to impairment assessment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated balance sheet) when:

- the rights to receive cash flows from the asset have expired; or
- Both (1) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and (2) either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of trade receivables and other financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on trade receivables or any contractual right to receive cash or another financial asset.

For this purpose, the Company follows a "simplified approach" for recognition of impairment loss allowance on the trade receivable balances. The application of this simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains or losses are not subsequently transferred to the consolidated statement of profit and loss.

However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss. The Company has not designated any financial liability as FVTPL.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit and loss over the period of the borrowings using the effective interest method.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the consolidated statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Derivative financial instruments

The Company is exposed to exchange rate risk which arises from its foreign exchange revenues and expenses, primarily in US dollars, UK pounds sterling, Russian roubles, Brazilian reals, Swiss francs, South African rands, Kazakhstan tenges, Romanian new leus, Australian dollars and Euros, and foreign currency debt in US dollars, Russian roubles, South African rands, Mexican pesos, Ukrainian hryvnias and Brazilian reals.

The Company uses derivative financial instruments such as foreign exchange forward contracts, option contracts and swap contracts to mitigate its risk of changes in foreign currency exchange rates. The Company also uses non-derivative financial instruments as part of its foreign currency exposure risk mitigation strategy. Derivatives are classified as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedges of highly probable forecasted transactions

The Company classifies its derivative financial instruments that hedge foreign currency risk associated with highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded in the Company's hedging reserve as a component of equity and re-classified to the consolidated statement of profit and loss as part of the hedged item in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is recorded in the consolidated statement of profit and loss as finance costs immediately.

The Company also designates certain non-derivative financial liabilities, such as foreign currency borrowings from banks, as hedging instruments for hedge of foreign currency risk associated with highly probable forecasted transactions. Accordingly, the Company applies cash flow hedge accounting to such relationships. Remeasurement gain or loss on such non-derivative financial liabilities is recorded in the Company's hedging reserve as a component of equity and reclassified to the consolidated statement of profit and loss as part of the hedged item in the period corresponding to the occurrence of the forecasted transactions.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in OCI, remains there until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, then the balance in OCI is recognised immediately in the consolidated statement of profit and loss.

Hedges of recognised assets and liabilities

Changes in the fair value of derivative contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the consolidated statement of profit and loss. The changes in fair value of such derivative contracts, as well as the foreign exchange gains and losses relating to the monetary items, are recognised in the consolidated statement of profit and loss. If the hedged item is derecognised, the unamortised fair value is recognised immediately in the consolidated statement of profit and loss.

Hedges of changes in the interest rates

Consistent with its risk management policy, the Company uses interest rate swaps to mitigate the risk of changes in interest rates. The Company does not use them for trading or speculative purposes.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For this purpose, "short-term" means investments having original maturities of three months or less from the date of investment. Bank overdrafts that are repayable on demand form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

e) Business combinations and goodwill

Business combinations are accounted for using the acquisition method, regardless of whether equity instruments or other assets are acquired. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

The consideration transferred for the acquisition of a subsidiary is comprised of:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

At the acquisition date, the identifiable assets acquired, and liabilities and contingent liabilities assumed are, with limited exceptions, measured initially at their fair values. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in the consolidated statement of profit and loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Amounts classified as a financial liability are subsequently re-measured to fair value, with changes in fair value recognised in the consolidated statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of:

- the consideration transferred,
- the amount of any non-controlling interest in the acquired entity, and

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- the acquisition-date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

f) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "Other income/ Selling and other expense" in the consolidated statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the consolidated statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Depreciation

Depreciation is recognised in the consolidated statement of profit and loss on a straight line basis over the estimated useful lives of property, plant and equipment. Land is not depreciated but subject to impairment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and any changes are considered prospectively.

The estimated useful lives are as follows:

Particulars	**Years**
Buildings	
- Factory and administrative buildings	20 to 50
- Ancillary structures	3 to 15
Plant and equipment	3 to 15
Furniture, fixtures and office equipment	3 to 10
Vehicles	4 to 5

Schedule II to the Companies Act, 2013 ("Schedule") prescribes the useful lives for various classes of tangible assets. For certain class of assets, based on the technical evaluation and assessment, the Company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule.

(All amounts

Software for internal use, which is primarily acquired from t including consultancy charges for implementing the software associated with maintaining such software are recognised a estimated useful life of the software or the remaining useful l

Advances paid towards the acquisition of property, plant and plant and equipment not ready to use before such date are not depreciated but are tested for impairment.

g) **Goodwill and other intangible assets**

Recognition and measurement

Goodwill	Goodwill represents the excess o interest in the acquiree, over the fa Goodwill is measured at cost less a the carrying amount of goodwill is loss on such an investment is not value of the equity accounted inve
Other intangible assets	Other intangible assets that are a at cost less accumulated amortisa acquired in a business combinatio
Research and development	Expenditures on research activitie knowledge and understanding are Development activities involve a pl and processes. Development expe • development costs can be me • the product or process is techn • future economic benefits are p • the Company intends to, and h asset. The expenditures to be capitalise preparing the asset for its intended statement of profit and loss as incu has met the aforesaid recognition
Separate acquisition of intangible assets	Payments to third parties that gen products, compounds and intellec such assets are consistent with th AS 38") (i.e., the receipt of econom licensed in the transaction is consi
In-Process Research and Development assets ("IPR&D") or Intangible assets under development	Acquired research and developme Process Research and Developme assets under development are not when there are indications that the intangible assets under developm under "Impairment of non-current

Subsequent expenditure

Other intangible assets	Subsequent expenditures are embodied in the specific asse internally generated goodwill a as incurred.
In-Process Research and Development assets ("IPR&D") or Intangible assets under development	Subsequent expenditure on separately or in a business con • recognised as an expense • recognised as an expense the criteria for recognition • added to the carrying amo satisfies the recognition cr

s in Indian Rupees millions, except share data and where otherwise stated)

third-party vendors and which is an integral part of a tangible asset, e, is capitalised as part of the related tangible asset. Subsequent costs as expense as incurred. The capitalised costs are amortised over the life of the tangible fixed asset, whichever is lower.

equipment outstanding at each reporting date and the cost of property, disclosed under other non-current assets. Assets not ready for use are

f consideration transferred, together with the amount of non-controlling air value of the Company's share of identifiable net assets acquired. accumulated impairment losses. In respect of equity accounted investees, s included in the carrying amount of the investment, and any impairment allocated to any asset, including goodwill, that forms part of the carrying estee.
cquired by the Company and that have finite useful lives are measured ation and accumulated impairment losses. The cost of intangible assets n is their fair value at the date of acquisition.
es undertaken with the prospect of gaining new scientific or technical recognised in the consolidated statement of profit and loss when incurred. an or design for the production of new or substantially improved products enditures are capitalised only if: asured reliably; nically and commercially feasible; probable and has sufficient resources to complete development and to use or sell the ed include the cost of materials and other costs directly attributable to use. Other development expenditures are recognised in the consolidated rred. As at 31 March 2022, none of the development expenditure amounts criteria.
erally take the form of up-front payments and milestones for in-licensed tual property are capitalised. The Company's criteria for capitalisation of he guidance given in paragraph 25 of Indian Accounting Standard ("Ind mic benefits embodied in each intangible asset separately purchased or dered to be probable).
ent intangible assets that are under development are recognised as In- ent assets ("IPR&D") or intangible assets under development. Intangible t amortised, but evaluated for potential impairment on an annual basis or e carrying value may not be recoverable. Any impairment charge on such ment assets is recorded in the consolidated statement of profit and loss assets".
e capitalised only when they increase the future economic benefits t to which they relate. All other expenditures, including expenditures on and brands, is recognised in the consolidated statement of profit and loss
an IPR&D or intangible assets under development project acquired mbination and recognised as an intangible asset is: when incurred, if it is a research expenditure; when incurred, if it is a development expenditure that does not satisfy as an intangible asset in paragraph 57 of Ind AS 38; and unt of the acquired IPR&D asset, if it is a development expenditure that iteria in paragraph 57 of Ind AS 38.

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Amortisation

Amortisation is recognised in the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets. The amortization expense is recognised in the statement of profit and loss account in the expense category that is consistent with the function of the intangible asset. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful lives are as follows:

Particulars	Years
Product related intangibles	3 to 20
Other intangibles	3 to 15

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date. Changes in the expected useful lives or expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate and are treated as change in accounting estimate.

Goodwill, intangible assets relating to products in development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognised immediately in the consolidated statement of profit and loss under “Impairment of non-current assets”.

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the consolidated statement of profit and loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as at the date of de-recognition.

h) Leases

The Company assesses at contract inception whether a contract is or contains a lease, which applies, if the contract conveys the right to control the use of the identified asset for a period of time in exchange for consideration. The Company recognises a right-of-use asset at the commencement date of the lease, i.e. the date the underlying asset is available for use. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments to be made over the lease term:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, then the lessee's incremental borrowing rate is used. Such borrowing rate is calculated as the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and interest cost. The interest cost is charged to consolidated statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment comprised of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in consolidated statement of profit and loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(All amounts

The right-of-use assets are initially recognised on the consolidated balance sheet at cost, which is calculated as the amount of the initial measurement of the corresponding lease liability, adjusted for any lease payments made at or prior to the commencement date of the lease, any lease incentive received and any initial direct costs incurred by the Company.

i) Inventories

Inventories are valued at the lower of cost and net realisable value.

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares consists of packing materials, engineering spares (such as machinery spare parts) and consumables (such as lubricants, cotton waste and oils), which are used in operating machines or consumed as indirect materials in the manufacturing process.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

j) Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at 31 March 2022.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in the consolidated statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Goodwill that forms part of the carrying amount of an investment in joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in joint venture is tested for impairment as a single asset when there is objective evidence that the investment in joint venture may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognised in the consolidated statement of profit and loss, and reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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k) **Employee benefits**

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contributions to defined contribution plans are charged to the consolidated statement of profit and loss as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market interest rates on government bonds are used. The current service cost of the defined benefit plan, recognised in the consolidated statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised immediately in the consolidated statement of profit and loss. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognised in OCI in the period in which they arise.

When the benefits under a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the consolidated statement of profit and loss. The Company recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

Termination benefits

Termination benefits are recognised as an expense in the consolidated statement of profit and loss when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense in the consolidated statement of profit and loss if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognised in the consolidated statement of profit and loss in the period in which they arise.

Compensated absences

The Company's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary.

l) Share-based payments

Equity settled share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee benefit expense in the consolidated statement of profit and loss, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and performance conditions at the vesting date. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

Cash settled share-based payment transactions

The fair value of the amount payable to employees in respect of share-based payment transactions which are settled in cash is recognised as an expense, with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment.

The liability is re-measured at each reporting date and at the settlement date based on the fair value of the share-based payment transaction. Any changes in the liability are recognised in the consolidated statement of profit and loss.

m) Provisions

A provision is recognised in the consolidated statement of profit and loss if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Restructuring

A provision for restructuring is recognised in the consolidated statement of profit and loss when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided.

Onerous contracts

A provision for onerous contracts is recognised in the consolidated statement of profit and loss when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Reimbursement rights

Expected reimbursements for expenditures required to settle a provision are recognised in the consolidate statement of profit and loss only when receipt of such reimbursements is virtually certain. Such reimbursements are recognised as a separate asset in the balance sheet, with a corresponding credit to the specific expense for which the provision has been made.

Contingent liabilities and contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the consolidated financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

n) Revenue

The Company's revenue is derived from sales of goods, service income and income from licensing arrangements. Most of such revenue is generated from the sale of goods. The Company has generally concluded that it is the principal in its revenue arrangements.

Sale of goods

Revenue is recognised when the control of the goods has been transferred to a third party. This is usually when the title passes to the customer, either upon shipment or upon receipt of goods by the customer. At that point, the customer has full discretion over the channel and price to sell the products, and there are no unfulfilled obligations that could affect the customer's acceptance of the product.

Revenue from the sale of goods is measured at the transaction price which is the consideration received or receivable, net of returns, taxes and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

In arriving at the transaction price, the Company considers the terms of the contract with the customers and its customary business practices. The transaction price is the amount of consideration the Company is entitled to receive in exchange for transferring promised goods or services, excluding amounts collected on behalf of third parties. The amount of consideration varies because of estimated rebates, returns and chargebacks, which are considered to be key estimates. Any amount of variable consideration is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur. The Company estimates the amount of variable consideration using the expected value method.

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Presented below are the points of recognition of revenue v

Particulars	Point of recognition of re
Sales of generic products in India	Upon delivery of products over the generic products from clearing and forward
Sales of active pharmaceutical ingredients and intermediates in India	Upon delivery of product the Company.
Export sales and other sales outside of India	Upon delivery of the proc for specific revenue gene all such activities are com

Profit share revenues

The Company from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a non-refundable base purchase price agreed upon in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base sale price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

At the end of each reporting period, the Company updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Out licensing arrangements, milestone payments and royalties

Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. In cases where the transaction has two or more components, the Company accounts for the delivered item (for example, the transfer of title to the intangible asset) as a separate unit of accounting and record revenue upon delivery of that component, provided that the Company can make a reasonable estimate of the fair value of the

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ts in Indian Rupees millions, except share data and where otherwise stated)

vith respect to the Company's sale of goods:

venue
s to distributors by clearing and forwarding agents of the Company. Control s is transferred by the Company when the goods are delivered to distributors ding agents.
s to customers (generally formulation manufacturers), from the factories of
ducts to the customers unless the terms of the applicable contract provide rating activities to be completed, in which case revenue is recognised once npleted.

undelivered component. Otherwise, non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the balance period in which the Company has pending performance obligations. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, over the performance period depending on the terms of the contract. If milestone payments are creditable against future royalty payments, the milestones are deferred and released over the period in which the royalties are anticipated to be paid.

Royalty income earned through a license is recognised when the underlying sales have occurred.

Provision for chargeback, rebates and discounts

Provisions for chargeback, rebates, discounts and Medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue. A chargeback claim is a claim made by the wholesalers for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Company. Provisions for such chargebacks are accrued and estimated based on historical average chargeback rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesalers/other customers.

Shelf stock adjustments

Shelf stock adjustments are credits issued to customers to reflect decreases in the selling price of products sold by the Company, and are accrued when the prices of certain products decline as a result of increased competition or otherwise. These credits are customary in the pharmaceutical industry, and are intended to reduce the customer inventory cost to better reflect the current market prices. The determination to grant a shelf stock adjustment to a customer is based on the terms of the applicable contract, which may or may not specifically limit the age of the stock on which a credit would be offered.

Refund Liability

The Company accounts for sales returns accrual by recording refund liability concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates. With respect to established products, the Company considers its historical experience of actual sales returns, levels of inventory in the distribution channel, estimated shelf life, any revision in the shelf life of the product, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors. At the time of recognising the refund liability, the Company also recognises an asset, (i.e., the right to the returned goods) which is included in inventories for the products expected to be returned. The Company initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Along with re-measuring the refund liability at the end of each reporting period, the Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Services

Revenue from services rendered, which primarily relate to contract research, is recognised in the consolidated statement of profit and loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

License fees

License fees primarily consist of income from the out-licensing of intellectual property, and other licensing and supply arrangements with various parties. Revenue from license fees is recognised when control transfers to the third party and the Company's performance obligations are satisfied. Some of these arrangements include certain performance obligations by the Company. Revenue from such arrangements is recognised in the period in which the Company completes all its performance obligations.

o) Shipping and handling costs

Shipping and handling costs incurred to transport products to customers, and internal transfer costs incurred to transport the products from the Company's factories to its various points of sale, are included in selling and other expenses.

p) Other income and finance cost

Other income consists of interest income on funds invested, dividend income and gains on the disposal of assets. Interest income is recognised in the consolidated statement of profit and loss as it accrues, using the effective interest method. Dividend income is recognised in the consolidated statement of profit and loss on the date that the Company's right to receive payment is established. The associated cash flows are classified as investing activities in the statement of cash flows. Finance cost consist of interest expense on loans and borrowings.

Borrowing costs are recognised in the consolidated statement of profit and loss using the effective interest method. The associated cash flows are classified as financing activities in the statement of cash flows.

Foreign currency gains and losses are reported on a net basis within other income and / or selling and other expenses. These primarily include: exchange differences arising on the settlement or translation of monetary items; changes in the fair value of derivative contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied; and the ineffective portion of cash flow hedges.

q) Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in the consolidated statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;

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- temporary differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising upon the initial recognition of goodwill.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

Any deferred tax asset or liability arising from deductible or taxable temporary differences in respect of unrealised inter-company profit or loss on inventories held by the Company in different tax jurisdictions is recognised using the tax rate of the jurisdiction in which such inventories are held. Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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Current and deferred tax is recognised in consolidated statement of profit and loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

Accruals for uncertain tax positions require management to make judgements of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the tax positions will probably be accepted by the tax authorities. This is based upon management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

r) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

s) Government grants and incentives

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented as a reduction to the carrying amount of the related asset. Grants related to income are deducted in reporting the related expense in the consolidated statement of profit and loss.

Export entitlements from government authorities are recognised in the consolidated statement of profit and loss as a reduction from "Cost of materials consumed" when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

t) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

u) **Treasury shares**

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the securities premium.

v) **Non-currents assets held for sale**

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Property, plant and equipment are not depreciated or amortised once classified as held for sale. Assets classified as held for sale are presented separately as current items in the consolidated balance sheet.

w) **Rounding of amounts**

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million unless otherwise stated.

1.4 Determination of fair values

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as assets acquired in a business combination and significant liabilities, such as contingent consideration. Involvement of external valuers is determined by the Management, based on market knowledge, reputation, independence and whether professional standards are maintained.

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a) **Property, plant and equipment**

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

b) **Intangible assets**

The fair value of brands, technology related intangibles, and patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the “relief of royalty method”). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method. Under this method, value is estimated as the present value of the benefits anticipated from ownership of the intangible assets in excess of the returns required or the investment in the contributory assets necessary to realise those benefits.

c) **Inventories**

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

d) **Investments in equity and debt securities and units of mutual funds**

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

e) Derivatives

The fair value of foreign exchange forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of foreign currency option and swap contracts and interest rate swap contracts is determined based on the appropriate valuation techniques, considering the terms of the contract.

f) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. In respect of the Company's borrowings that have floating rates of interest, their fair value approximates carrying value.

g) Share-based payment transactions

The fair value of employee stock options is measured using the Black-Scholes-Merton valuation model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historical volatility), expected life of the instrument (based on historical experience), expected dividends, and the risk free interest rate (based on government bonds).

h) Contingent consideration

The fair value of the contingent consideration arising out of business combination is estimated by applying the income approach. The fair value measurement is based on significant inputs that are not observable in the market, which Ind AS 103, "*Fair Value Measurement*" refers to as Level 3 inputs.

(All amounts

2.1	Property, plant and equipment

Particulars	Land
Gross carrying value	
Balance as at 1 April 2020	4,149
Assets acquired through business combinations[1]	84
Additions	13
Disposals	-
Assets held for sale (A)	(18)
Effect of changes in foreign exchange rates	38
Balance as at 31 March 2021	**4,266**
Balance as at 1 April 2021	4,266
Assets acquired through business combinations[2]	-
Additions	-
Disposals	-
Assets held for sale (A)	-
Effect of changes in foreign exchange rates	10
Balance as at 31 March 2022	**4,276**
Accumulated Depreciation	
Balance as at 1 April 2020	-
Depreciation for the year	-
Impairment for the year	4
Disposals	-
Assets held for sale (B)	(4)
Effect of changes in foreign exchange rates	-
Balance as at 31 March 2021	**-**
Balance as at 1 April 2021	-
Depreciation for the year	-
Impairment for the year[3]	64
Disposals	-
Assets held for sale (B)	-
Effect of changes in foreign exchange rates	-
Balance as at 31 March 2022	**64**
Net carrying value	
As at 31 March 2021	**4,266**
As at 31 March 2022	**4,212**
Assets held for sale [(A)-(B)]	
As at 31 March 2021	**(14)**
As at 31 March 2022	**-**

[1] *Refer note 2.42 of these financial statements for further details*

[2] *Refer note 2.41 of these financial statements for further details*

s in Indian Rupees millions, except share data and where otherwise stated)

	Buildings	Plant and Equipment	Furniture, fixtures and office equipment	Vehicles	Total
	24,915	74,393	5,972	1,210	110,639
	113	165	11	-	373
	2,720	4,544	437	220	7,934
	(35)	(852)	(134)	(182)	(1,203)
	(245)	(334)	(58)	-	(655)
	3	201	30	8	280
	27,471	**78,117**	**6,258**	**1,256**	**117,368**
	27,471	78,117	6,258	1,256	117,368
	1	-	1	-	2
	1,037	9,941	738	621	12,337
	(221)	(1,219)	(186)	(391)	(2,017)
	-	-	-	-	-
	78	311	10	(32)	377
	28,366	**87,150**	**6,821**	**1,454**	**128,067**
	8,175	49,180	4,907	598	62,860
	1,689	5,926	553	342	8,510
	32	9	1	-	46
	(26)	(773)	(125)	(136)	(1,060)
	(140)	(306)	(54)	-	(504)
	13	156	25	-	194
	9,743	**54,192**	**5,307**	**804**	**70,046**
	9,743	54,192	5,307	804	70,046
	1,718	5,541	576	309	8,144
	872	1,626	7	1	2,570
	(118)	(1,092)	(182)	(342)	(1,734)
	-	-	-	-	-
	16	167	2	(13)	172
	12,231	**60,434**	**5,710**	**759**	**79,198**
	17,728	**23,925**	**951**	**452**	**47,322**
	16,135	**26,716**	**1,111**	**695**	**48,869**
	(105)	**(28)**	**(4)**	**-**	**(151)**
	-	**-**	**-**	**-**	**-**

NOTES TO THE CONSOLIDATE

(All amoun

2.1 Property, plant and equipment (continued)

(3) *During the year ended 31 March 2022, there was a significant decline in the expe (Shreveport Cash Generating Unit ("CGU")). Consequently, the Company tested generate cash inflows that are largely independent of the cash inflows from othe lower than its carrying amount. Accordingly, the Company recognised an impairm*

a) Impairment of Property, Plant and Equipment - ₹ 2,570

b) Impairment of Goodwill - ₹ 311

c) Impairment in Capital work-in-progress - ₹ 74

The impairment losses forms part of the Company's Global Generics segment.

Leases

The Company has lease contracts for various items of plant and equipm carrying amounts of right-of-use assets recognised and the movements d

Particulars
Gross carrying value
Balance as at 1 April 2020
Additions[1]
Disposals
Effect of changes in foreign exchange rates
Balance as at 31 March 2021
Balance as at 1 April 2021
Additions
Disposals
Effect of changes in foreign exchange rates
Balance as at 31 March 2022
Accumulated Depreciation
Balance as at 1 April 2020
Depreciation for the year
Disposals
Effect of changes in foreign exchange rates
Balance as at 31 March 2021
Balance as at 1 April 2021
Depreciation for the year
Disposals
Effect of changes in foreign exchange rates
Balance as at 31 March 2022
Net carrying value
As at 31 March 2021
As at 31 March 2022

(1) *Additions for the year ended 31 March 2021 include recognition of a right-of-use

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ts in Indian Rupees millions, except share data and where otherwise stated)

ected cash flows of the Company's subsidiary, Dr. Reddy's Laboratories Louisiana, LLC the carrying amount of the CGU, being the smallest identifiable group of assets that er assets or group of assets. This resulted in the recoverable amount of the CGU being ment loss ₹ 2,955 was recorded for the year ended 31 March 2022 as below:

ment, vehicles and other equipment used in its operations. Below are the uring the year included in the above property, plant and equipment:

Land	Buildings	Plant and Equipment	Furniture, fixtures and office equipment	Vehicles	Total
78	1,688	18	45	530	2,359
-	2,212	-	7	194	2,413
-	-	-	(1)	(120)	(121)
3	(14)	-	-	-	(11)
81	**3,886**	**18**	**51**	**604**	**4,640**
81	3,886	18	51	604	4,640
-	98	-	16	360	474
-	(202)	(1)	-	(199)	(402)
(2)	(23)	(1)	-	(10)	(36)
79	**3,759**	**16**	**67**	**755**	**4,676**
-	744	14	13	199	970
-	616	1	12	202	831
-	-	-	-	(78)	(78)
-	(25)	-	-	(2)	(27)
-	**1,335**	**15**	**25**	**321**	**1,696**
-	1,335	15	25	321	1,696
-	656	1	12	189	858
-	(99)	(1)	-	(155)	(255)
-	(19)	(1)	(1)	(3)	(24)
-	**1,873**	**14**	**36**	**352**	**2,275**
81	**2,551**	**3**	**26**	**283**	**2,944**
79	**1,886**	**2**	**31**	**403**	**2,401**

asset of ₹ 1,852 relating to a warehousing services agreement in the United States.

(All amounts

2.1 Property, plant and equipment (continued)

The following are the amounts recognised in consolidated statement of pro

Particulars
Depreciation expense of right-of-use assets
Interest expense on lease liabilities

The Company had total cash outflows for leases of ₹ 1,341 and ₹ 1,252 d
The maturity analysis of lease liabilities are disclosed in note 2.11 C of

Capital commitments

As at 31 March 2022 and 31 March 2021, the Company was committ
purchase property, plant and equipment. This amount is net of capital a

Interest capitalisation

During the years ended 31 March 2022 and 31 March 2021, the Compar
to qualifying assets. The rate for capitalisation of interest cost for the y
4.65% and 4.25%, respectively.

2.2 Capital work-in-progress

Particulars
Capital work-in-progress[(1)]

Capital work-in-progress (CWIP) Ageing schedule

Particulars	Less than 1 year
Projects in progress	6,452
Projects temporarily suspended	17
Balance as at 31 March 2022	**6,469**
Projects in progress	5,567
Projects temporarily suspended	-
Balance as at 31 March 2021	**5,567**

(1) *Refer note 2.1 for details*

For capital-work-in progress, whose completion is overdue or has exce
when the project is expected to be completed it given below:

Particulars	Less than 1 year
Projects in progress	
Viral vaccine facility	530
Balance as at 31 March 2022	**530**
Projects in progress	
FTO-11 oncology facility	-
FTO-11 line extension	-
Balance as at 31 March 2021	-

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s in Indian Rupees millions, except share data and where otherwise stated)

ofit and loss:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	858	831
	221	227
	1,079	**1,058**

uring the year ended 31 March 2022 and 31 March 2021, respectively.
these consolidated financial statements.

ed to spend ₹ 7,991 and ₹ 9,841, respectively, under agreements to
dvances paid in respect of such purchase commitments.

y capitalised interest cost of ₹ 268 and ₹ 149, respectively, with respect
years ended 31 March 2022 and 31 March 2021 was approximately

	As at 31 March 2022	As at 31 March 2021
	12,796	9,539

Amount in CWIP for a period of			
1-2 years	2-3 years	More than 3 years	Total
4,753	828	12	12,045
46	230	458	751
4,799	**1,058**	**470**	**12,796**
2,612	821	304	9,303
18	62	156	236
2,630	**883**	**460**	**9,539**

eeded its cost compared to its original plan the project wise details of

To be completed in			
1-2 years	2-3 years	More than 3 years	Total
-	-	-	530
-	-	-	530
450	-	-	450
316	-	-	316
766	-	-	**766**

NOTES TO THE CONSOLIDATE

(All amoun

2.3 Goodwill

Goodwill arising upon business combinations is not amortised but te
indication that the cash generating unit to which goodwill is allocate
respect to goodwill represent Indian GAAP balances, that have been c
the transition date i.e., 1 April 2015.

Particulars
Gross carrying value
Opening balance
Goodwill arising on business combinations[(1)(2)]
Disposals
Effect of changes in foreign exchange rates
Closing balance
Accumulated amortisation
Opening balance
Impairment loss[(3)]
Effect of changes in foreign exchange rates
Closing balance
Net carrying value

(1) *Refer note 2.42 of these financial statements for further details*

(2) *Refer note 2.41 of these financial statements for further details*

(3) ***Impairment losses recorded for the year ended 31 March 2022***
During the year ended 31 March 2022, the Company recorded impairment loss o
included as part of "Global Generics-North America Operations" in the below me

For the purpose of impairment testing, goodwill is allocated to a cash
which goodwill is monitored for internal management purposes and w

The carrying amount of goodwill (other than those arising upon inves
follows:

Particulars
Global Generics-Germany Operations
Global Generics-Complex Injectables
Global Generics-Branded Formulations
PSAI-Active Pharmaceutical Operations
Global Generics-North America Operations

The recoverable amounts of the above cash generating units have
calculated as the net present value of the projected post-tax cash flow
is allocated. Initially, a post-tax discount rate is applied to calculate th
which the Company has based its determinations of value-in-use inclu

a) Estimated cash flows for five years, based on management's proj
b) A terminal value arrived at by extrapolating the last forecasted y
0% to 2%. This long-term growth rate takes into consideration e
considered does not exceed that of the relevant business and inc
c) The after tax discount rates used are based on the Company's we
d) The after tax discount rates used range from 11.7% to 14% for vario
to 17.92%.

The Company believes that any reasonably possible change in the key
the aggregate carrying amount to exceed the aggregate recoverable

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ts in Indian Rupees millions, except share data and where otherwise stated)

sted for impairment at least annually or more frequently if there is any d is impaired. Gross carrying value and accumulated amortisation with arried forward as such, relating to business combination entered before

	As at 31 March 2022	As at 31 March 2021
	38,909	37,186
	260	530
	-	-
	(593)	1,193
	38,576	**38,909**
	33,310	32,273
	311	-
	(518)	1,037
	33,103	**3,3310**
	5,473	**5,599**

of ₹ 311 pertaining to Shreveport CGU. Refer Note 2.1 for details. The said goodwill was entioned schedule for allocation of goodwill among CGUs.

n generating unit, representing the lowest level within the Company at hich is not higher than the Company's operating segment.

stment in a joint venture) was allocated to the cash generating units as

	As at 31 March 2022	As at 31 March 2021
	2,506	2,288
	1,894	1,928
	905	905
	167	170
	1	308
	5,473	**5,599**

been assessed using a value-in-use model. Value in use is generally s plus a terminal value of the cash generating unit to which the goodwill e net present value of the post-tax cash flows. Key assumptions upon ude:

ections.

ear cash flows to perpetuity, using a constant long-term growth rate of external macroeconomic sources of data. Such long-term growth rate dustry sector.

eighted average cost of capital.

ous cash generating units. The pre-tax discount rates range from 12.72%

y assumptions on which a recoverable amount is based would not cause amount of the cash-generating unit.

(All amounts

2.4 Other intangible assets

Particulars	Product rel intang
Gross carrying value	
Balance as at 1 April 2020	43,
Additions(1)	2,
Assets acquired through business combinations(2)	14,
Disposals/ De- recognitions	(
Effect of changes in foreign exchange rates	(5
Balance as at 31 March 2021	**60**
Balance as at 1 April 2021	60,
Additions	
Assets acquired through business combinations(3)	
Disposals/ De- recognitions	
Effect of changes in foreign exchange rates	
Balance as at 31 March 2022	**61,**
Amortisation/impairment loss	
Balance as at 1 April 2020	28,
Amortisation for the year	3,
Impairment loss(4)	
Disposals/ De- recognitions	(
Effect of changes in foreign exchange rates	(3
Balance as at 31 March 2021	**31**
Balance as at 1 April 2021	31,
Amortisation for the year	3,
Impairment loss(4)	
Disposals/ De- recognitions	
Effect of changes in foreign exchange rates	
Balance as at 31 March 2022	**35,**
Net carrying value	
As at 31 March 2021	**28,**
As at 31 March 2022	**25,**

(1) *During the year ended 31 March 2021, the Company entered into a definitive agreen other rights of select brands in four "Emerging Markets" countries. The acquired bra of mometasone with azelastine, and are indicated for the treatment of seasonal a principles of Ind AS 38, "Intangible assets", the Company recognised the acquired Generics segment.*

(2) *Refer Note 2.42 of these financial statements for further details.*

(3) *Refer Note 2.41 of these financial statements for further details.*

(4) *Refer note 2.5 for Impairment losses recorded for the year ended 31 March 2022 a*

s in Indian Rupees millions, except share data and where otherwise stated)

ated ibles	Customer related intangibles(2)	Others	Total
,416	-	2,114	45,530
,550	-	304	2,854
,888	-	-	14,888
152)	-	-	(152)
532)	-	2	(530)
),170	**-**	**2,420**	**62,590**
,170	-	2,420	62,590
663	-	379	1,042
5	98	3	106
(21)	-	(5)	(26)
610	-	(1)	609
,427	**98**	**2,796**	**64,321**
,353	-	1,366	29,719
,481	-	297	3,778
443	-	-	443
152)	-	-	(152)
335)	-	1	(334)
,790	**-**	**1,664**	**33,454**
,790	-	1,664	33,454
,251	-	257	3,508
76	-	-	76
(21)	-	(2)	(23)
432	-	1	432
,528	**-**	**1,920**	**37,447**
,380	**-**	**756**	**29,136**
899	**98**	**876**	**26,873**

nent with Glenmark Pharmaceuticals Limited to acquire marketing authorizations and ands represent two products, (a) a mometasone mono product and (b) a combination nd perennial allergic rhinitis. The total consideration paid was ₹ 1,516. Following the d brands at their acquisition cost. The acquisition pertains to the Company's Global

and 31 March 2021.

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(All amoun

2.5 Intangible assets under development

Particulars
Balance at the beginning of the year
Add: Additions during the year[(1)]
Less: Disposals/De-recognitions[(2)]
Less: Impairment during the year[(3)]
Effect of changes in exchange rates
Balance at end of the year

[(1)] *Additions during the year ended 31 March 2022 and 31 March 2021, include ₹ 1,*
property rights relating to Xeglyze® forming part of the Company's Proprietary Pr

[(2)] *Disposals/de-recognitions for the year ended 31 March 2022 represents ₹ 1,879*
Pharmaceuticals, Inc. ("Citius").

[(3)] ***Impairment losses recorded for the year ended 31 March 2022***
During the year ended 31 March 2022, there were significant changes to the m
impairment loss of ₹ 6,349 on various non-current assets. This includes:

a) ₹ 4,337 relating to PPC-06 (Tepilamide Fumarate Extended Release Tablets)
Products segment

b) ₹ 1,838 relating to the product Xeglyze®, an intangible assets under develop

c) ₹ 98 towards other intangible assets under development and ₹ 76 relating to

The Co ny used the discounted cash flow approach to calculate the value-in-use w
estimated price erosion, the useful life of the asset and the net cash flows have

Impairment losses recorded for the year ended 31 March 2021
Total impairment charges for the year ended 31 March 2021 were ₹ 6,722 whic
of profit and loss, of which ₹ 3,180 was attributable to impairment of gNuvaring
attributable to other product related intangibles.

Impairment of gNuvaring
During the year ended 31 March 2021, there were significant changes to the ge
Nuvaring®), one of the 8 ANDAs acquired from Teva in June 2016. The changes i
Due to these adverse market developments, the Company tested the carrying va
identifiable group of assets that generate cash inflows that are largely independ
was determined by reference to the product's value-in-use or fair value less cos
value of the product. Accordingly, the Company recorded an impairment loss
Company's Global Generics segment. With this impairment, the carrying value of

Impairment of Xeglyze®.
Consequent to the decline in the market potential of the product Xeglyze® form
amount of ₹ 1,471 as impairment loss for the year ended 31 March 2021.

Other intangible assets
With respect to the saxagliptin/metformin (generic version of Kombiglyze®-XR)
acquired from Teva in June 2016, there has been a significant decrease in the m
Accordingly, the Company assessed the recoverable amount by revisiting market
of ₹ 1,587 as impairment loss for the year ended 31 March 2021. This impairment

In view of the specific triggers occurring in the year with respect to some othe
segment, the Company determined that there was a decrease in the market
increased competition leading to lower volumes. Consequently, the Company re

The Company used the discounted cash flow approach to calculate the value
penetration, estimated price erosion, the useful life of the asset and the net cash

Interest capitalisation

During the years ended 31 March 2022 and 31 March 2021, the Co
respect to certain qualifying assets. The rate for capitalisation of intere
from 4.42% to 4.89% and from 3.95% to 4.74%, respectively.

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ts in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
	6,112	10,987
	1,991	1,737
	(1,879)	-
	(6,273)	(6,279)
	187	(333)
	138	**6,112**

838 and ₹ 1,471 respectively, representing the expenditure for purchase of intellectual roducts segment.

upon sale of all rights relating to anti-cancer agent E7777 (denileukin diftitox) to Citius

arket conditions for certain of the products. Consequently, the Company recorded an

), an intangible assets under development forming part of the Company's Proprietary

ment forming part of the Company's Proprietary Products segment; and

other intangible assets forming part of the Company's Global Generics segment.

vhich considered assumptions such as revenue projections, rate of generic penetration, been discounted based on post tax discount rate.

ch were recorded in impairment of non-current assets in the consolidated statement g, ₹ 1,471 was attributable to impairment of Xeglyze® and the balance of ₹ 2,071 was

nerics market for Ethinyl estradiol/Ethenogestral vaginal ring (a generic equivalent to nclude the launch by a competitor of a generic version of the product in January 2021. lue of this product at the product cash generating unit ("CGU") level, being the smallest ent of the cash inflows from other assets or groups of assets. The recoverable amount sts to sell, whichever is higher. This resulted in the value-in-use being the recoverable of ₹ 3,180 for the year ended 31 March 2021. This impairment loss pertained to the the asset has been reduced to ₹ Nil.

ning part of the Company's Proprietary Products segment, the Company recorded an

and phentermine and topiramate (generic version of Qsymia®), two of the 8 ANDAs arket potential of these products, primarily due to higher than expected value erosion. t volume, share and price assumptions for these two products and recorded an amount t loss pertained to the Company's Global Generics segment.

er product related intangible assets forming part of the Company's Global Generics potential of these products primarily due to higher than expected price erosion and corded an amount of ₹ 484 as impairment loss for the year ended 31 March 2021.

e-in-use which considered assumptions such as revenue projections, rate of generic flows have been discounted based on post tax discount rate.

ompany capitalised interest cost of ₹ 153 and ₹ 266, respectively, with est cost for the years ended 31 March 2022 and 31 March 2021 ranged

(All amounts

2.5 Intangible assets under development (continued)

Details of significant intangible assets (including intangible assets und

Particulars	Acqu
Select portfolio of branded generics business	Wock
Select portfolio of dermatology, respiratory and pediatric assets	UCB
Various ANDAs	Teva
Select Anti-Allergy brands	Glenr
Habitrol® brand	Nova

Intangible assets under development Ageing schedule

Particulars	Amou	
	Less than 1 year	1-2 y
Projects in progress	-	
Balance as at 31 March 2022	-	
Projects in progress	-	
Balance as at 31 March 2021	-	

2.6 Investment in equity accounted investees

Particulars
Investment in unquoted equity shares
Equity shares held in Kunshan Rotam Reddy Pharmaceutical Company Limi
8,580,000 (31 March 2021: 8,580,000) equity shares of ₹ 10/- each of DRES E

(1) *Shares held in Kunshan Rotam Reddy Pharmaceutical Company Limited, China are*

Details of the Company's investment in Kunshan Rotam Reddy Pharmac

Kunshan Rotam Reddy Pharmaceuticals Company Limited ("Reddy Kuns in China. The Company's interest in Reddy Kunshan was 51.33% as of are on the board of Reddy Kunshan, which consists of total eight directo with respect to operating activities, significant financing and other activ Reddy Kunshan's board. As the Company does not control Reddy Kunsh the Company's interest in Reddy Kunshan has been accounted for unde

Summary financial information of Reddy Kunshan, as translated into the r ownership held by the Company, is as follows:

Particulars
Ownership
Total current assets
Total non-current assets
Total assets
Equity
Total current liabilities
Total equity and liabilities
Revenues
Expenses
Profit for the year
Company's share of profits for the year
Carrying value of the Company's investment(1)
Translation adjustment arising out of translation of foreign currency balance

(1) *Includes ₹ 181 representing the goodwill on acquisition of investment.*

s in Indian Rupees millions, except share data and where otherwise stated)

er development) as at 31 March 2022:

ired from	Carrying Cost
hardt Limited	13,440
India Private Limited and affiliates	4,064
and an affiliate of Allergan	3,327
mark Pharmaceuticals Limited	1,386
rtis Consumer Health Inc.	1,053

nt for a period of			
ears	2-3 years	More than 3 years	Total
-	-	138	138
-	**-**	**138**	**138**
-	237	5,875	6,112
-	**237**	**5,875**	**6,112**

	As at 31 March 2022	As at 31 March 2021
ted, China[(1)]	4,259	3,307
Energy Private Limited, India	59	68
	4,318	**3,375**

e not denominated in number of shares as per the laws of the country.

ceuticals Company Limited :

shan") is engaged in manufacturing and marketing of finished dosages 31 March 2022 and 31 March 2021. Four directors of the Company rs. Under the terms of the joint venture agreement, all major decisions rities are taken by the approval of at least five of the eight directors of han's board and the other partners have significant participation rights, er the equity method of accounting.

eporting currency of the Company and not adjusted for the percentage

	As at/ For the year ended 31 March 2022	As at/ For the year ended 31 March 2021
	51.3%	51.3%
	7,569	8,778
	2,460	892
	10,029	**9,670**
	7,944	6,088
	2,085	3,582
	10,029	**9,670**
	9,867	9,017
	8,480	8,118
	1,387	**899**
	712	461
	4,259	3,307
es	678	438

NOTES TO THE CONSOLIDATE

(All amoun

2.7 Financial assets

2.7 A. Investments

Investments consist of investments in units of mutual funds, market linke partnership firm and term deposits with banks (i.e., certificates of deposit

Particulars
Investments at FVTOCI
I. Equity instruments
Quoted equity shares *(fully paid up)*
5,465,693 (31 March 2021: 5,465,693) equity shares of US$ 0.05 each of
25,000 (31 March 2021: 25,000) equity shares of ₹ 1/- each of State Bank
Total investments at FVTOCI (I) (A)
Investments at FVTPL
I. Investment in unquoted equity shares
8,859 (31 March 2021: 8,859) equity shares of ₹ 100/- each of Jeedimetla Eff
Ordinary shares of Biomed Russia Limited, Russia(1)(2)
200,000 (31 March 2021: 200,000) equity shares of ₹ 10/- each of Altek E
24,000 (31 March 2021: 24,000) equity shares of ₹ 100/- each of Progressiv India(2)
20,250 (31 March 2021: 20,250) equity shares of ₹ 10/- each of Shival Limited, India(2)
II. Investment in unquoted mutual funds
III. Investment in partnership firms
ABCD Technologies LLP
IV. Investment in quoted equity shares
545,131 (31 March 2021: Nil) equity shares of Journey Medical Corporation
Total investments at FVTPL (I+II+III+IV) (B)
Investments carried at amortised cost
I. Investment in bonds
II. Investment in commercial paper
III. Others
Total investments carried at amortised cost (C)
Total investments (A+B+C)
Current
Non-current
Aggregate carrying value of quoted investments
Aggregate market value of quoted investments
Aggregate carrying value of unquoted investments
Aggregate amount of impairment in value of investment in unquoted equ

(1) *Shares held in Biomed Russia Limited, Russia are not denominated in number of*

(2) *Rounded off to millions.*

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ts in Indian Rupees millions, except share data and where otherwise stated)

ed debentures, equity securities, bonds, commercial paper, limited liability having an original maturity period exceeding 3 months).

	As at 31 March 2022	As at 31 March 2021
Curis, Inc. (Refer note 2.34)	986	4,523
of India	12	9
	998	**4,532**
fluent Treatment Limited, India	1	1
	-	-
ngineering Limited, India[(2)]	-	-
ve Effluent Treatment Limited,	-	-
ik Solid Waste Management	-	-
	1	**1**
	16,751	13,263
	386	400
	200	-
	17,338	**13,664**
	2,505	522
	973	-
	26	25
	3,504	**547**
	21,841	**18,743**
	20,173	13,785
	1,668	4,958
	21,841	**18,743**
	1,198	4,532
	1,198	4,532
	20,643	14,211
ity shares	-	-

f shares as per the laws of the country.

(All amounts

2.7 B. Trade receivables

Particulars
Trade receivables
Details of security
Considered good, Unsecured
Credit impaired
Less: Allowance for credit losses
Current
Non-current[(1)]

[(1)] *Represents amounts receivable pursuant to an out-licensing arrangement with a cu*
the end of the reporting date, they are disclosed as non-current.

During the year ended 31 March 2021, pursuant to an arrangement with
forming part of its Global Generics segment, on a non-recourse basis.
considering the creditworthiness and contractual terms with the custome
from the contracted amounts. As a result, the receivables sold are not m
transferred substantially all the risks and rewards of ownership of such re
in the consolidated balance sheet. As on 31 March 2022 and 31 March
aforesaid arrangement was ₹ Nil (US$ Nil million) and ₹ 9,254 (US$ 127

In accordance with Ind AS 109, the Company uses the expected cred
loss on its trade receivables or any contractual right to receive cash or
scope of Ind AS 115. For this purpose, the Company uses a provision ma
The provision matrix takes into account external and internal credit ris
The details of changes in allowance for credit losses during the year en

Particulars
Balance at the beginning of the year
Provision made during the year, net of reversals
Trade receivables written off during the year and effect of changes in the fo
Balance at the end of the year

Trade Receivables Ageing Schedule

Particulars	Not due	Ou Less r
(i) Undisputed Trade receivables - considered good	51,505	
(ii) Undisputed Trade Receivables - credit impaired	-	
(iii) Disputed Trade Receivables - credit impaired	-	
Less: Allowance for credit losses		
Balance as at 31 March 2022		
(i) Undisputed Trade receivables - considered good	41,350	
(ii) Undisputed Trade Receivables - credit impaired	-	
(iii) Disputed Trade Receivables - credit impaired	-	
Less: Allowance for credit losses		
Balance as at 31 March 2021		

s in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
	66,818	49,759
	66,818	**49,759**
	67,006	49,948
	1,006	1,107
	68,012	**51,055**
	(1,194)	(1,296)
	66,818	**49,759**
	66,764	49,641
	54	118
	66,818	**49,759**

ustomer. As these amounts are not expected to be realised within twelve months from

n a bank, the Company sold to the bank certain of its trade receivables The receivables sold were mutually agreed upon with the bank after r including any gross to net adjustments (due to rebates, discounts etc.) more than the total net amount of trade receivables. The Company has ceivables sold to the bank and accordingly, the same are derecognised 2021, the amount of trade receivables de-recognised pursuant to the 7 million), respectively.

it loss ("ECL") model for measurement and recognition of impairment another financial asset that result from transactions that are within the atrix to compute the expected credit loss amount for trade receivables. k factors and historical data of credit losses from various customers. nded 31 March 2022 and 31 March 2021 are as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	1,296	1,202
	(3)	176
oreign exchange rates	(99)	(82)
	1,194	**1,296**

tstanding for following periods from due date of payment					
than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	Total
14,725	776	-	-	-	67,006
-	-	325	24	183	532
-	-	60	114	300	474
					68,012
					(1,194)
					66,818
8,598	-	-	-	-	**49,948**
-	-	203	91	393	**687**
-	-	96	51	273	**420**
					51,055
					(1,296)
					49,759

NOTES TO THE CONSOLIDATE

(All amoun

2.7 C. Other financial assets

Particulars
I. Non-current assets
Considered good, Unsecured
Term deposits with banks (remaining maturity more than 12 months)
Security deposits
Other assets
II. Current assets
Considered good, Unsecured
Claims receivable
Other assets(1)

(1) *Others primarily includes security deposits, interest accrued but not due on inves*

2.7 D. Cash and cash equivalents

Particulars
Balances with banks
In current accounts
In EEFC accounts
In term deposits with banks (original maturities less than 3 months)
Cash on hand
Others
In unclaimed dividend accounts
In unclaimed debentures and debenture interest account
LC and Bank guarantee margin money
Balances in Escrow account pursuant to the Business Transfer Agree (Refer note 2.42 for details)
Balances in Escrow account pursuant to the Business Transfer Agr GmbH (Refer note 2.41 for details)
Cash and cash equivalents in the consolidated balance sheet
Less: Bank overdraft used for cash management purposes (Refer note 2.1
Cash and cash equivalents in the consolidated statement of cash flow
Restricted cash balances included above
Balance in unclaimed dividend and debenture interest account
Other restricted cash balances

2.7 E. Other bank balances

Particulars
Term deposits with banks (original maturities more than 3 months but less

D FINANCIAL STATEMENTS

ts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
	2,000	-
	670	666
	103	102
	2,773	**768**
	127	187
	1,447	1,671
	1,574	**1,858**

stments and other advances.

	As at 31 March 2022	As at 31 March 2021
	12,259	5,442
	2,065	8,776
	245	384
	1	1
	86	86
	-	20
	72	80
ment with Wockhardt Limited	40	40
eement with Nimbus Health	84	-
	14,852	**14,829**
1 B)	-	(9)
v (including restricted cash)	**14,852**	**14,820**
	86	106
	196	120

	As at 31 March 2022	As at 31 March 2021
s than 12 months)	9,340	5,959
	9,340	**5,959**

NOTES TO THE CONSOLIDATED

(All amounts

2.8	Other assets

Particulars
A. Non-current assets
Unsecured, considered good
Capital advances
Others
Dues from joint ventures and other related parties
B. Current assets
Unsecured, considered good
Balances and receivables from statutory authorities[1]
Export benefits receivable[2]
Prepaid expenses
Dues from other related parties
Others[3]
Unsecured, considered doubtful
Other advances
Less: Allowance for doubtful advances

[1] *Balances and receivables from statutory authorities primarily consist of amounts re tax and from customs authorities of India.*

[2] *Export benefits receivables primarily consist of amounts receivable from various Company.*

[3] *Others primarily includes advances given to vendors and employees.*

2.9	Inventories

Particulars
Raw materials (includes in transit 31 March 2022: ₹ 131; 31 March 2021: ₹ 13
Work-in-progress
Finished goods
Stock-in-trade
Packing material , stores and spares

During the year ended 31 March 2022, the Company recorded inventory wri of profit and loss.

2.10	Share capital

Particulars
Authorised share capital
240,000,000 equity shares of ₹ 5/- each (31 March 2021: 240,000,000)
Issued equity capital
166,426,049 equity shares of ₹ 5/- each fully paid-up (31 March 2021: 166,3
Subscribed and fully paid-up
166,425,849 equity shares of ₹ 5/- each fully paid-up (31 March 2021: 166,3
Add: Forfeited share capital (e)

s in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
	508	240
	121	66
	-	1
	629	**307**
	8,441	7,227
	1,030	2,070
	1,138	1,141
	1	17
	1,720	2,195
	145	157
	12,475	**12,807**
	(145)	(157)
	12,330	**12,650**

ecoverable towards the goods and service tax ("GST"), excise duty, and value added

s government authorities of India towards incentives on export sales made by the

	As at 31 March 2022	As at 31 March 2021
9)	13,707	12,287
	12,886	10,009
	13,865	13,732
	6,626	6,097
	3,800	3,287
	50,884	**45,412**

te-down of ₹ 4,584 (31 March 2021 : ₹ 2,521) in the consolidated statement

	As at 31 March 2022	As at 31 March 2021
	1,200	1,200
01,431)	832	832
01,231)	832	832
	-	-
	832	**832**

NOTES TO THE CONSOLIDATE

(All amoun

2.10 Share capital (continued)

a) Reconciliation of the equity shares outstanding is set out below:

Particulars
Opening number of equity shares/share capital
Add: Equity shares issued pursuant to employee stock option plan[1]
Closing number of equity shares/share capital
Treasury shares[2]

* *Rounded off to millions.*

(1) *During the years ended 31 March 2022 and 31 March 2021, equity shares were*
the Dr. Reddy's Employees Stock Option Plan, 2002 and Dr. Reddy's Employees
₹ 2,814 or ₹ 3,679 per share. Upon the exercise of such options, the amount of c
the "share-based payment reserve" was transferred to"securities premium" in th

(2) *Pursuant to the special resolution approved by the shareholders in the Annual Ge*
Trust") was formed to support the Dr. Reddy's Employees Stock Option Scheme, 2
shares which are used for issuance to eligible employees (as defined therein) upo
March 2021, an aggregate of 106,730 and 85,250 equity shares, respectively wer
the Dr. Reddy's Employees Stock Option Scheme, 2018. The options exercised ho
options, the amount of compensation cost (computed using the grant date fair v
"securities premium" in the statement of changes in equity. In addition, any differ
was recognised in the "securities premium". As of 31 March 2022 and 31 March 2
it purchased from the secondary market for an aggregate consideration of ₹ 1,60
for further details on the Dr. Reddy's Employees Stock Option Scheme, 2018.

b) Terms/rights attached to the equity shares

The Company has only one class of equity shares having a par va
meeting of the Company, every holder of an equity share, as ref
shareholders meeting, shall have one vote in respect of each sh

Should the Company declare and pay any dividends, such divi
proportion to the number of shares held to the total equity share
the remittance of dividends outside India.

In the event of liquidation of the Company, all preferential amou
of the Company shall be distributed to the holders of equity shar
outstanding as on that date.

Final dividends on equity shares are recorded as a liability on th
recorded as a liability on the date of declaration by the Company
as follows:

Particulars
Dividend per share (in absolute ₹)
Dividend paid during the year

At the Company's Board of Directors' meeting held on 19 May 2022
₹ 4,993, which is subject to the approval of the Company's sharehold

c) Details of shareholders holding more than 5% shares in the Compa

Particulars	No. of s
Dr. Reddy's Holdings Limited	4
Life Insurance Corporation of India and their associates	

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ts in Indian Rupees millions, except share data and where otherwise stated)

For the year ended 31 March 2022		For the year ended 31 March 2021	
No of shares	Amount	No of shares	Amount
166,301,231	832	166,172,082	831
124,618	-*	129,149	1
166,425,849	**832**	**166,301,231**	**832**
468,471	1,601	575,201	1,967

issued as a result of the exercise of vested options granted to employees pursuant to Stock Option Plan, 2007. The options exercised had an exercise price of ₹ 5, ₹ 2,607, ompensation cost (computed using the grant date fair value) previously recognised in e Consolidated Statement of Changes in Equity.

eneral Meeting held on 27 July 2018, the Dr. Reddy's Employees ESOS Trust (the "ESOS 2018 by acquiring, from the Company or through secondary market acquisitions, equity on exercise of stock options thereunder. During the years ended 31 March 2022 and 31 e issued as a result of the exercise of vested options granted to employees pursuant to ad an exercise price of ₹ 2,607, ₹ 2,814 or ₹ 3,679 per share. Upon the exercise of such value) previously recognised in the "share based payment reserve" was transferred to rence between the carrying amount of treasury shares and the consideration received 2021, the ESOS Trust had outstanding 468,471 and 575,201 shares, respectively, which 01 and ₹ 1,967, respectively. Refer note 2.29 of these consolidated financial statements

alue of ₹ 5 per share. For all matters submitted to vote in a shareholders flected in the records of the Company as on the record date set for the are held.

dends will be paid in Indian rupees to each holder of equity shares in es outstanding as on that date. Indian law on foreign exchange governs

unts, if any, shall be discharged by the Company. The remaining assets res in proportion to the number of shares held to the total equity shares

ne date of their approval by the shareholders and interim dividends are 's Board of Directors. The details of dividends paid by the Company are

For the year ended 31 March 2022	For the year ended 31 March 2021
25	25
4,146	4,147

, the Board proposed a dividend of ₹ 30 per share and aggregating to ers.

ny

As at 31 March 2022		As at 31 March 2021	
hares held	% holding	No. of shares held	% holding
1,325,300	24.83	41,325,300	24.85
8,769,499	5.27	1,110,352	0.67

(All amounts

2.10	Share capital (continued)

(d) 207,175 (31 March 2021: 217,253) stock options are outstanding accordance with the terms of exercise under the "Dr. Reddy's Emp stock options are outstanding and are to be issued by the Compar under the "Dr. Reddy's Employees ADR Stock Option Plan, 2007" a and are to be issued by the Company upon exercise of the same in a Stock Option Scheme, 2018 ". (Refer note 2.29)

e) Represents 200 equity shares of ₹ 5/- each, amount paid-up ₹ 500/- of allotment money.

f) Details of shares held by promoters

Promoter Name	As at 31 March 2022	
	No. of shares at the end of the year	% of Tot
Dr. Reddy's Holdings Limited	41,325,300	
Gunupati Venkateswara Prasad (HUF)	1,117,940	
Samrajyam Reddy Kallam	1,115,360	
Satish Reddy Kallam	898,432	
Sharathchandra Reddy Gunupati	2,600	
Anuradha Gunupati	1,496	

The percentage shareholding above has been computed considering the ou 2022 and 31 March 2021, respectively.

2.11 Financial Liabilities

2.11 A.	Non-current borrowings

Particulars
Unsecured
Non-convertible debentures by the APSL subsidiary[(1)]

2.11 B.	Current borrowings

Particulars
From Banks
Unsecured
Pre-shipment credit (c and d)
Other working capital borrowings (c and d)
Bank overdraft

[(1)] *"APSL subsidiary" refers to Aurigene Pharmaceutical Services Limited.*
During the year ended 31 March 2021, the APSL subsidiary issued non-convertible par after 3 years following the date of issue.

a) The interest rate profiles of long-term borrowings as at 31 March 2

Particulars
Non-convertible debentures

s in Indian Rupees millions, except share data and where otherwise stated)

g and are to be issued by the Company upon exercise of the same in
loyees Stock Option Plan, 2002", 413,229 (31 March 2021: 412,339)
ny upon exercise of the same in accordance with the terms of exercise
and 251,035 (31 March 2021: 385,930) stock options are outstanding
ccordance with the terms of exercise under the "Dr. Reddy's Employees

(rounded off to millions in the note above) forfeited due to non-payment

	As at 31 March 2021		
tal Shares	No. of shares at the end of the year	% of Total Shares	% change during the year
24.83%	41,325,300	24.85%	-
0.67%	1,117,940	0.67%	-
0.67%	1,115,360	0.67%	-
0.54%	898,432	0.54%	-
0.00%	2,600	0.00%	-
0.00%	1,496	0.00%	-

tstanding number of shares of 166,425,849 and 166,301,231 as at 31 March

	As at 31 March 2022	As at 31 March 2021
	3,800	3,800
	3,800	**3,800**

	As at 31 March 2022	As at 31 March 2021
	18,211	10,300
	8,871	12,836
	-	9
	27,082	**23,145**

debentures for ₹ 3,800. The aforesaid non-convertible debentures are repayable at

022 and 31 March 2021 were as follows:

As at 31 March 2022		As at 31 March 2021	
Currency	Interest Rate	Currency	Interest Rate
INR	6.77%	INR	6.77%

NOTES TO THE CONSOLIDATE

(All amoun

2.11 A&B Borrowings (continued)

b) The aggregate maturities of long-term loans and borrowings, bas

Particulars
Maturing in
Less than 1 year
1-2 years
2-3 years
3-4 years
4-5 years
Thereafter

c) Short-term borrowings primarily consist of "pre-shipment credit" parent company and certain of its subsidiaries in Russia, Brazil, U date of drawdown.

d) The interest rate profile of short-term borrowings from banks is give

Particulars	As at 31 March 2022	
	Currency[(1)]	Inte
Pre-shipment credit	INR	3 Mont
	INR	3 M
	INR	3 Month
Other working capital borrowings	US$	1M Li
	MXN	TII
	RUB	
	BRL	CD
	INR	
	UAH	

(1) *"INR" means Indian rupees, "US$" means United States Dollars, "MXN" means means Ukrainian hryvnia.*

(2) *"T-Bill" means India Treasury Bill, "LIBOR" means the London Inter-bank Offe Interbancaria de Equilibrio), "MosPrime" means the Moscow Prime Offered Rate rate).*

e) The Company had uncommitted lines of credit of ₹ 39,989 and ₹ 38, working capital requirements. The Company draw upon these lines o

f) Reconciliation of liabilities arising from financing activities

Particulars
Opening balance
Borrowings made during the year
Borrowings repaid during the year
Effect of changes in foreign exchange rates
Closing balance

(1) *Does not include movement in bank overdraft*

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ts in Indian Rupees millions, except share data and where otherwise stated)

ed on contractual maturities.

	As at 31 March 2022	As at 31 March 2021
	-	-
	3,800	-
	-	3,800
	-	-
	-	-
	-	-
	3,800	**3,800**

drawn by the parent company and other unsecured loans drawn by the Ukraine and Switzerland which are repayable within 12 months from the

n below:

	As at 31 March 2021	
rest Rate[2]	Currency[1]	Interest Rate[2]
h T-Bill- 5 bps	INR	3 Month T-Bill + 30 bps
lonth T-Bill	INR	5.75%
T-Bill + 25 bps	INR	-
bor + 80 bps	US$	(2.20%) to (1.80%)
E + 1.15%	MXN	TIIE + 1.2%
8.88%	RUB	3.00% to 3.40% and 5.55%
I + 1.79%	BRL	4.00%
4.00%	INR	4.00%
13.00%	UAH	4.75%

s Mexican pesos, "RUB" means Russian roubles, "BRL" means Brazilian reals, "UAH"

red Rate, "TIIE" means the Equilibrium Inter-banking Interest Rate (Tasa de Interés e and "CDI" means Brazilian interbank deposit (Certificado de Depósito Interbancário

766 as of 31 March 2022 and 31 March 2021, respectively, from its banks for f credit based on its working capital requirements.

	For the year ended 31 March 2022		
	Non-current borrowings	Current borrowings[1]	Total
	3,800	23,136	26,936
	-	51,518	51,518
	-	(47,998)	(47,998)
	-	426	426
	3,800	**27,082**	**30,882**

(All amounts

2.11 A&B Borrowings (continued)

Particulars
Opening balance
Borrowings made during the year
Borrowings repaid during the year
Effect of changes in foreign exchange rates
Closing balance

[1] *Does not include movement in bank overdraft*

2.11 C. Lease liabilities

Particulars
Secured
Non-current Lease liabilities
Long-term maturities of lease obligation
Current Lease liabilities
Current maturities of lease obligation

a) The aggregate maturities of long-term leases, based on contractual matu

Particulars
Maturing in
Less than 1 year
1-2 years
2-3 years
3-4 years
4-5 years
Thereafter

b) Reconciliation of lease liabilities arising from financing activities

Particulars
Opening balance
Recognition of right-of-use liability during the year
Payment of principal portion of lease liabilities
Effect of changes in foreign exchange rates
Closing balance

2.11 D. Other financial liabilities

Particulars
Current financial liabilities
Accrued expenses
Capital creditors
Interest accrued but not due on loans
Trade and security deposits received
Unclaimed dividends, debentures and debenture interest[1]
Others

[1] *Unclaimed amounts are transferred to Investor Protection and Education Fund afte*

s in Indian Rupees millions, except share data and where otherwise stated)

For the year ended 31 March 2021		
Non-current borrowings	Current borrowings(1)	Total
3,783	16,441	20,224
3,800	44,469	48,269
(3,743)	(37,678)	(41,421)
(40)	(96)	(136)
3,800	**23,136**	**26,936**

As at 31 March 2022	As at 31 March 2021
1,946	2,499
1,946	**2,499**
1,017	864
1,017	**864**

urities

As at 31 March 2022	As at 31 March 2021
1,017	864
868	802
809	745
155	734
65	118
49	100
2,963	**3,363**

For the year ended 31 March 2022	For the year ended 31 March 2021
3,363	1,787
327	2,393
(785)	(754)
58	(63)
2,963	**3,363**

As at 31 March 2022	As at 31 March 2021
20,055	17,729
2,910	3,807
128	94
159	178
86	106
1,494	1,503
24,832	**23,417**

er seven years from the due date.

NOTES TO THE CONSOLIDATE

(All amoun

2.11 E. Trade payables

Particulars
Due to micro, small and medium enterprises
Others

For details regarding the Company's exposure to currency and liquidit
"Liquidity risk".

Trade payables and other financial liabilities includes amount due to r
refer note 2.25 of these consolidated financial statements.

Trade Payables ageing schedule

Particulars	Outstanding for followi	
	Less than 1 year	1-2
(i) MSME	125	
(ii) Others	22,008	
(iii) Disputed dues - MSME	-	
(iv) Disputed dues - Others	-	
Balance as at 31 March 2022	**22,133**	
(i) MSME	158	
(ii) Others	17,570	
(iii) Disputed dues - MSME	-	
(iv) Disputed dues - Others	-	
Balance as at 31 March 2021	**17,728**	

2.12 Provisions

Particulars
A. Non-current provisions
Provision for employee benefits (Refer note 2.28)
Long service award benefit plan
Pension, seniority and severance indemnity plans
Compensated absences
Other provisions (a)
B. Current provisions
Provision for employee benefits (Refer note 2.28)
Gratuity
Long service award benefit plan
Pension, seniority and severance indemnity plans
Compensated absences
Other provisions (a)
Refund liability
Others

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ts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
	125	158
	22,537	17,951
	22,662	18,109

y risks, refer note 2.32 of these consolidated financial statements under

related party ₹ 10 and ₹ 93 as on 31 March 2022 and 31 March 2021,

ng periods from due date of payment			
2 Years	2-3 Years	More than 3 years	Total
-	-	-	125
350	105	75	22,537
-	-	-	-
-	-	-	-
350	105	75	22,662
-	-	-	158
159	165	57	17,951
-	-	-	-
-	-	-	-
159	165	57	18,109

	As at 31 March 2022	As at 31 March 2021
	59	58
	69	153
	73	239
	57	58
	258	508
	597	656
	15	16
	8	17
	988	891
	3,583	2,824
	675	611
	5,866	5,015

(All amounts

2.12	Provisions (continued)

a) Details of changes in other provisions during the year ended 31 March

Particulars	Refund liab
Balance at the beginning of the year	2
Provision made during the year, net of reversals	4
Provision used during the year	(3,
Effect of changes in foreign exchange rates	
Balance at end of the year	**3**
Current	3
Non- current	
	3

(1) *Refund liability is accounted for by recording a provision based on the Company's statements for the Company's accounting policy on refund liability.*

(2) *As a result of the acquisition of a unit of The Dow Chemical Company in April 20 of ₹ 39 (carrying value ₹ 57). The seller is required to indemnify the Company fo consolidated financial statements.*

(3) *Primarily consists of provision recorded towards the potential liability arising out of of these consolidated financial statements under "Product and patent related m relating to Cardiovascular and Anti-diabetic formulations" for further details.*

2.13	Other liabilities

Particulars
A. Non-current liabilities
Deferred revenue[1]
Other non-current liabilities
B. Current liabilities
Salary and bonus payable
Statutory dues payable
Deferred revenue[1]
Advance from customers
Others

(1) *Refer note 2.14 for details of deferred revenue.*

2.14	Revenue from contracts with customers and trade receivables

Revenue from contracts with customers:

Particulars
Sales
Service income
License fees[1]

(1) During the year ended 31 March 2022, the Company entered into the following a

a) An agreement with Alium JSC for the sale of the Company's territorial righ certain countries of the former Soviet Union. The consideration for the arran obligations relating to the milestones met. This transaction pertains to the C

b) An agreement with Mankind Pharma Limited towards the sale of two of recognised revenue of ₹ 390. This transaction pertains to the Company's G

s in Indian Rupees millions, except share data and where otherwise stated)

2022 are as follows:

ility[1]	Environmental liability[2]	Legal and others[3]	Total
,824	58	611	3,493
,406	-	64	4,470
699)	-	-	(3,699)
52	(1)	-	51
,583	**57**	**675**	**4,315**
,583	-	675	4,258
-	57	-	57
,583	**57**	**675**	**4,315**

estimate of expected sales returns. Refer note 1.3 (n) of these consolidated financial

08, the Company assumed a liability for contamination of the Mirfield site acquired r this liability. Accordingly, a corresponding asset has also been recorded in these

f a litigation relating to cardiovascular and anti-diabetic formulations. Refer note 2.33 atters - Matters relating to National Pharmaceutical Pricing Authority and Litigation

As at 31 March 2022	As at 31 March 2021
1,597	1,531
72	86
1,669	**1,617**
3,853	3,576
3,675	2,968
1,235	1,052
1,341	981
174	197
10,278	**8,774**

For the year ended 31 March 2022	For the year ended 31 March 2021
205,144	184,202
4,380	4,105
4,867	1,415
214,391	**189,722**

greements:

nts relating to two of its anti-bacterial brands (Ciprolet® and Levolet®) in Russia and gement is ₹ 1,971 and the Company recognised revenue of ₹ 1,774 for the performance Company's Global Generics segment.

the Company's brands (Daffy bar and Combihale) in India for which the Company lobal Generics segment.

NOTES TO THE CONSOLIDATE

(All amoun

2.14 Revenue from contracts with customers and trade receivables

c) A definitive agreement with BioDelivery Sciences International, Inc. ("BDS (celecoxib oral solution) 25 mg/mL, to BDSI. Under the terms of agreemen US$9 million one year from the closing. Further, the Company is entitled t sales-based milestone payments upon achievement of certain net sales t (which varies based on sales volumes) of net sales of the product in th customary closing conditions including the applicable waiting period u successful completion of the closing conditions, the Company recognised to the Company's Proprietary Products segment.

Analysis of revenues by segments:

The following table shows the analysis of revenues (excluding other oper

Particulars
Global Generics
PSAI
Proprietary products
Others

Analysis of revenues within the Global Generics segment:

An analysis of revenues (excluding other operating income) by therapeuti

Particulars
Nervous System
Gastrointestinal
Anti-Infective
Pain Management
Oncology
Respiratory
Cardiovascular
Hematology
Dermatology
Nutraceuticals
Others

Analysis of revenues within the PSAI segment:

An analysis of revenues (excluding other operating income) by therapeuti

Particulars
Cardiovascular
Anti-Infective
Pain Management
Nervous System
Oncology
Gastrointestinal
Genitourinary
Resipratory
Diabetology
Dermatology
Others

D FINANCIAL STATEMENTS

ts in Indian Rupees millions, except share data and where otherwise stated)

S (continued)

I"), pursuant to which the Company sold its U.S. and Canada territory rights for ELYXYB
t, the Company was entitled to receive US$6 million up front at the closing followed by
o event based milestone payments upon achievement of certain regulatory approvals;
hresholds in a calendar year; and quarterly earn-out payments based on a percentage
he territory. The closing of the transaction was subject to satisfactory completion of
nder the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. Upon
d an amount of ₹ 1,084 as a licensee fee from this transaction. This transaction pertains

ating income) by segments:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	179,170	154,404
	30,740	31,982
	1,611	523
	2,870	2,813
	214,391	**189,722**

c areas in the Company's Global Generics segment is given below:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	26,159	29,040
	23,386	21,132
	22,526	12,906
	18,437	15,531
	17,051	16,842
	15,085	11,089
	14,856	15,460
	11,737	4,959
	6,797	5,240
	4,530	4,059
	18,606	18,146
	179,170	154,404

c areas in the Company's PSAI segment is given below:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	7,729	9,834
	5,450	4,126
	4,513	4,657
	3,017	2,704
	2,526	2,385
	982	1,098
	705	825
	676	1,317
	544	350
	498	768
	4,100	3,918
	30,740	**31,982**

(All amounts

2.14 Revenue from contracts with customers and trade receivables (

Analysis of revenues by geography:

The following table shows the distribution of the Company's revenues (exc customers:

Particulars
India
United States
Russia
Others(1)

(1) *Others include Germany, the United Kingdom, Ukraine, China, Canada and other c*

Information about major customers

Revenues from two customers of the Company's Global Generics segmen respectively, of the Company's total revenues for the year ended 31 March

Revenues from two customers of the Company's Global Generics segme respectively, of the Company's total revenues for the year ended 31 March

Details of significant gross to net adjustments relating to Company's N

A roll-forward for each major accrual for the Company's North America Ger 2021 is as follows:

Particulars	Chargeb
Balance as at 1 April 2020	
Current provisions relating to sales during the year(1)	
Provisions and adjustments relating to sales in prior years	
Credits and payments**	(1
Balance as at 31 March 2021	
Balance as at 1 April 2021	
Current provisions relating to sales during the year(2)	
Provisions and adjustments relating to sales in prior years	
Credits and payments**	(1
Balance as at 31 March 2022	

* *Currently, we do not separately track provisions and adjustments, in each case expected to be non-material. The volumes used to calculate the closing balance corresponds to the pending chargeback claims yet to be processed.*

** *Currently, the Company does not separately track the credits and payments, in payments or refund liability.*

(1) *Chargebacks provisions and payments for the year ended 31 March 2021 were higher sales volumes and also due to higher pricing rates per unit for chargebac retail part of the supply chain for certain of the Company's products. The rebat compared to the year ended 31 March 2020, primarily as a result of lower pricing certain of the Company's products and also due to reduction in the contract price of the Company's products, which were partially off-set by higher sales volumes c*

(2) *Chargebacks provisions and payments for the year ended 31 March 2022 were higher sales volumes and also due to higher pricing rates per unit for chargebac retail part of the supply chain for certain of the Company products, which were pa rates were primarily on account of a reduction in the invoice price to wholesaler year ended 31 March 2022 were each lower as compared to the year ended 31 reduction in the contract prices through which the product is resold in the retail p*

(3) *The Company's overall refund liability as at 31 March 2022 relating to the Compa US$19 million as at 31 March 2021. This increase in liability was primarily attribut year ended 31 March 2022, as compared to the year ended 31 March 2021.*

s in Indian Rupees millions, except share data and where otherwise stated)

continued)

cluding other operating income) by country, based on the location of the

	For the year ended 31 March 2022	For the year ended 31 March 2021
	43,986	36,252
	80,564	76,702
	20,879	15,816
	68,962	60,952
	214,391	**189,722**

countries across the world.

nt were ₹ 20,596 and ₹ 10,339, representing approximately 10% and 5% 2022.

ent were ₹ 19,341 and ₹ 9,867, representing approximately 10% and 5% 2021.

orth America Generics business (amounts in US$ millions)

nerics business for the financial years ended 31 March 2022 and 31 March

All values in US$ millions

acks	Rebates	Medicaid	Refund Liability[3]
156	80	11	24
1,702	245	21	15
*	-	-	-
,656)	(247)	(19)	(20)
202	**78**	**13**	**19**
202	78	13	19
1,897	235	23	25
*	-	-	-
,836)	(219)	(23)	(20)
263	**94**	**13**	**24**

to the extent relating to prior years for chargebacks. However, the adjustments are of chargebacks represent approximately 1.1 to 1.4 months equivalent of sales, which

each case to the extent relating to prior years for chargebacks, rebates, medicaid

each higher as compared to the year ended 31 March 2020, primarily as a result of cks, due to reduction in the contract prices through which the product is resold in the es provisions and payments for the year ended 31 March 2021 were each lower as g rates per unit for rebates, due to a reduction in the invoice price to wholesalers for es through which the product is resold in the retail part of the supply chain for certain during the year ended 31 March 2021 as compared to the year ended 31 March 2020.

each higher as compared to the year ended 31 March 2021, primarily as a result of cks, due to reduction in the contract prices through which the product is resold in the rtially off-set due to a lower pricing rates per unit for chargebacks. Such lower pricing s for certain of the Company products The rebates provisions and payments for the 1 March 2021, primarily as a result of lower pricing rates per unit for rebates, due to part of the supply chain for certain of the Company products.

ny North America Generics business was US$24 million, as compared to a liability of able to certain product mix changes and recent trends in actual sales returns for the

NOTES TO THE CONSOLIDATE

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2.14 Revenue from contracts with customers and trade receivables

The estimates of "gross-to-net" adjustments for operations in India a liability in all such operations, and certain rebates to healthcare insur refund liability is generally consistent with gross sales. In Germany, contractually fixed in nature and do not involve significant estimations

Details of refund liabilities:

Particulars
Balance at the beginning of the year
Provision made during the year, net of reversals
Provision used during the year
Effect of changes in foreign exchange rates
Balance at end of the year
Current
Non-current

Details of contract asset:

As mentioned in the accounting policies for refund liability set forth i recognises an asset, (i.e., the right to the returned goods), which is incluc initially measures this asset at the former carrying amount of the invento decreases in the value of the returned goods. Along with re-measurin updates the measurement of the asset recorded for any revisions to i value of the returned products.

As on 31 March 2022 and 31 March 2021, the Company had ₹ 43 anc goods.

Details of deferred revenue:

Tabulated below is the reconciliation of deferred revenue for the years er

Particulars
Balance at the beginning of the year
Revenue recognised during the year
Milestone payment received during the year
Balance at end of the year
Current
Non-current

Details of contract liabilities:

Particulars
Advance from customers

D FINANCIAL STATEMENTS

ts in Indian Rupees millions, except share data and where otherwise stated)

s (continued)

nd other countries outside of the United States relate mainly to refund ance providers are specific to German operations. The pattern of such the rebates to healthcare insurance providers mentioned above are .

	For the year ended 31 March 2022	For the year ended 31 March 2021
	2,824	3,252
	4,406	2,934
	(3,699)	(3,309)
	52	(53)
	3,583	**2,824**
	3,583	2,824
	-	-
	3,583	**2,824**

n note 1.3 (n) of these consolidated financial statements, the Company led in inventories for the products expected to be returned. The Company ory, less any expected costs to recover the goods, including any potential ng the refund liability at the end of each reporting period, the Company its expected level of returns, as well as any additional decreases in the

d ₹ 37, respectively, as contract assets representing the right to returned

nded 31 March 2022 and 31 March 2021:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	2,583	3,198
	(1,961)	(1,089)
	2,210	474
	2,832	**2,583**
	1,235	1,052
	1,597	1,531
	2,832	**2,583**

	As at 31 March 2022	As at 31 March 2021
	1,341	981
	1,341	**981**

(All amounts

2.15 Other operating income

Particulars
Sale of spent chemicals
Scrap sales
Miscellaneous income, net

2.16 Other income

Particulars
Interest income
Fair value gain on financial instruments measured at fair value through prof
Foreign exchange gain, net
Profit on disposal of property, plant and equipment and other intangible ass
Miscellaneous income, net

(1) *During the year ended 31 March 2022, the Company entered into a definitive agree to its anti-cancer agent E7777 (denileukin diftitox) to Citius. The Company receive Further, the Company is entitled to additional payments on achievement of miles regulatory approval, up to US$70 million in milestone payments upon additional inc payments. Consequently, an amount of ₹ 1,064, representing the excess of sale co assets. The transaction pertains to the Company's Proprietary Products segment.*

2.17 Changes in inventories of finished goods, work-in-progress and

Particulars
Opening
Work-in-progress
Finished goods
Stock-in-trade
Closing
Work-in-progress
Finished goods
Stock-in-trade

2.18 Employee benefits expense

Particulars
Salaries, wages and bonus
Contribution to provident and other funds
Staff welfare expenses
Share-based payment expenses

2.19 Depreciation and amortisation expense

Particulars
Depreciation of property, plant and equipment
Amortisation of other intangible assets

s in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
	348	270
	206	142
	507	341
	1,061	**753**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	965	826
fit or loss	277	557
	1,829	1,243
sets,net[1]	1,119	-
	654	288
	4,844	**2,914**

ement with Citius Pharmaceuticals, Inc. ("Citius") for the sale of all of its rights relating d ₹ 2,951 (US$40 million) as an up front amount upon the closing of the transaction. tones of up to US$40 million upon the CTCL (cutaneous Tcell lymphoma) indication lication regulatory approvals, and certain sales-based milestones and tiered earn-out nsideration over the carrying cost, has been recognized as gain on sale of intangible

l stock-in-trade

For the year ended 31 March 2022		For the year ended 31 March 2021	
10,009		6,806	
13,732		8,254	
6,097	29,838	6,873	21,933
12,886		10,009	
13,865		13,732	
6,626	33,377	6,097	29,838
	(3,539)		**(7,905)**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	32,149	30,407
	2,940	2,599
	3,029	2,552
	740	741
	38,858	**36,299**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	8,144	8,510
	3,508	3,778
	11,652	**12,288**

NOTES TO THE CONSOLIDATE

(All amoun

2.20 Finance costs

Particulars
Interest on long-term borrowings
Interest on other borrowings

2.21 Selling and other expenses

Particulars
Consumption of stores, spares and other materials
Clinical trials and other R&D expenses
Advertisements
Commission on sales
Carriage outward
Other selling expenses
Legal and professional
Power and fuel
Repairs and maintenance
Buildings
Plant and equipment
Others
Insurance
Travel and conveyance
Rent
Rates and taxes
Loss on sale/disposal of property , plant and equipment and other intangi
Corporate social responsibility and donations[1]
Allowance for credit losses, net (Refer note 2.7 B)
Allowance for doubtful advances, net
Non-Executive Directors' remuneration
Auditors' remuneration (Refer note 2.23)
Other general expenses

[1] *Details of Corporate Social Responsibility expenditure in accordance with sectio*

	Particulars
i)	Amount required to be spent by the company during the year
ii)	Amount required to be set off for the financial year, if any
(iii)	Total CSR obligation for the financial year
iv)	Amount of expenditure incurred
	(a) Construction/acquisition of any asset
	(b) On purposes other than (a) above
v)	Shortfall at the end of the year ((iii)-(iv))*
vi)	Total of previous years shortfall
vii)	Reason for shortfall
viii)	Nature of CSR activities
ix)	Details of related party transactions, e.g.,contribution to a trust co company in relation to CSR expenditure as per relevant Accounti
x)	Where a provision is made with respect to a liability incurred by e contractual obligation, the movements in the provision

[1] *Refer note 2.25 for Contributions towards social development*

* *Total amount unspent has been transferred to Unspent CSR Account on 2*

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ts in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
	218	94
	740	876
	958	**970**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	5,803	5,852
	6,171	6,561
	2,167	1,637
	1,824	453
	5,406	5,871
	9,795	7,716
	6,585	5,095
	3,905	3,205
	284	228
	1,197	944
	2,567	2,159
	923	676
	1,386	995
	350	271
	1,187	1,160
ble assets, net	-	42
	526	504
	(3)	176
	73	54
	121	91
	17	18
	4,907	4,212
	55,191	**47,920**

n 135 of the Companies Act, 2013:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	492	357
	(20)	-
	472	**357**
	-	-
	379	377
	379	**377**
	93	-
	-	-
	Pertains to ongoing projects	NA
	Environmental Sustainability, promoting education, healthcare, livelihood enhancement projects, COVID-19 relief and rural development projects	
ontrolled by the ng Standard[(1)]	310	232
entering into a	NA	NA

28 April 2022

(All amounts

2.22 Research and development expenses

Details of research and development expenses (excluding depreciation a
various heads of expenditures are given below:

Particulars
Employee benefits expense (included in note 2.18)
Other expenses (included in note 2.21)
Materials and consumables
Clinical trials and other R&D expenses

2.23 Auditors' remuneration

Particulars
Audit fees
Other charges- Certification fee
Reimbursement of out of pocket expenses

* *Rounded off to millions.*

2.24 Earnings per share (EPS)

Particulars
Earnings
Profit attributable to equity shareholders of the Company
Shares
Number of equity shares at the beginning of the year (excluding treasu
Effect of treasury shares purchased during the year
Effect of equity shares issued on exercise of stock options
Weighted average number of equity shares – Basic
Dilutive effect of stock options outstanding[(1)]
Weighted average number of equity shares – Diluted
Earnings per share of par value ₹ 5/- – Basic (₹)
Earnings per share of par value ₹ 5/- – Diluted (₹)

[(1)] *As at 31 March 2022 and 31 March 2021 13,284 and 235,460 options, respecti calculation because their effect would have been anti-dilutive. The average marke stock options was based on quoted market prices for the year during which the op*

D FINANCIAL STATEMENTS

s in Indian Rupees millions, except share data and where otherwise stated)

and amortisation expense) incurred during the year and included under

	For the year ended 31 March 2022	For the year ended 31 March 2021
	4,771	4,708
	4,158	4,199
	6,171	6,561
	15,100	**15,468**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	16	16
	1	1
	-*	1
	17	**18**

	For the year ended 31 March 2022	For the year ended 31 March 2021
	21,825	**19,516**
ury shares)	165,726,030	165,776,132
		(56,014)
	156,667	124,222
	165,882,697	**165,844,340**
	455,937	471,701
	166,338,634	**166,316,041**
	131.57	**117.67**
	131.21	**117.34**

ively, were excluded from the diluted weighted average number of equity shares et value of the Company's shares for the purpose of calculating the dilutive effect of otions were outstanding.

NOTES TO THE CONSOLIDATE

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2.25 Related parties

a) In accordance with the provisions of Ind AS 24, Related Party Disclo
Company's Management Council and Company Secretary are consi

List of Key Managerial Personnel of the Company is as below:

1.	K Satish Reddy	Whole-tir
2.	G V Prasad	Whole-tir
3.	Allan Oberman	Independ
4.	Bharat Narotam Doshi (till 10 May 2021)	Independ
5.	Dr. Bruce LA Carter	Independ
6.	Dr. K P Krishnan (from 07 January 2022)	Independ
7.	Kalpana Morparia	Independ
8.	Leo Puri	Independ
9.	Prasad R Menon	Independ
10.	Penny Wan (from 28 January 2022)	Independ
11.	Shikha Sharma	Independ
12.	Sridar Iyengar	Independ
13.	Anil Namboodiripad (till 01 June 2021)	Manager
14.	Archana Bhaskar	Manager
15.	Deepak Sapra	Manager
16.	Dr. Raymond de Vre (till 31 March 2021)	Manager
17.	Erez Israeli	Chief Exe
18.	Ganadhish Kamat (till 31 March 2021)	Manager
19.	Marc Kikuchi	Manager
20.	Mukesh Rathi (from 1 December 2020)	Manager
21.	M V Ramana	Manager
22.	Parag Agarwal (from 1 December 2020)	Manager
23.	Patrick Aghanian	Manager
24.	P Yugandhar (till 30 September 2021)	Manager
25.	Sauri Gudlavalleti (till 13 January 2022)	Manager
26.	Sanjay Sharma	Manager
27.	Saumen Chakraborty(till 20 November 2021)	Manager
28.	K Randhir Singh (from 17 March 2022)	Company
29.	Sandeep Poddar (till 18 November 2021)	Company

b) List of related parties with whom transactions have taken place dur

1.	K Samrajyam	Mother o
2.	K Deepti Reddy	Spouse o
3.	G Anuradha	Spouse o
4.	G Mallika Reddy	Daughter
5.	G V Sanjana Reddy	Daughter
6.	Akhil Ravi	Son-in-la
7.	Shravya Reddy Kallam	Daughter
8.	Kunshan Rotam Reddy Pharmaceuticals Company Limited	Enterprise partners a
9.	DRES Energy Private Limited	Enterprise partners a
10.	Araku Originals Private Limited	Enterprise
11.	AverQ Inc	Enterprise
12	Cancelled Plans LLP	Enterprise
13.	Dr. Reddy's Foundation	Enterprise influence
14.	Dr. Reddy's Institute of Life Sciences	Enterprise

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ts in Indian Rupees millions, except share data and where otherwise stated)

sures and the Companies Act, 2013, Company's Directors, members of the
dered as Key Managerial Personnel.

me director (Chairman)
me director (Co-Chairman and Managing Director)
dent director
dent director
dent director
dent director
dent director
dent director
dent director
dent director
dent director
dent director
ment council member
ment council member
ment council member
ment council member
ecutive Officer and Management council member
ment council member
ment council member
ment council member
ment council member
ment council member
ment council member
ment council member
ment council member
ment council member
ment council member
y secretary
y secretary

ing the current and/or previous year.

f Chairman
f Chairman
f Co-chairman
of Co-chairman
of Co-chairman
w of Co-chairman
of Chairman
e over which the Company exercises joint control with other joint venture and holds 51.33% of equity shares
e over which the Company exercises joint control with other joint venture and holds 26% of equity shares
e over which whole-time directors have significant influence
e over which Key Managerial Personnel have significant influence
e over which relatives of whole-time directors have significant influence
e over which whole-time directors and their relatives have significant
e over which whole-time directors have significant influence

(All amounts

2.25 Related parties (continued)

15.	Green Park Hospitality Services Private Limited	Enterprise
16.	Green Park Hotels and Resorts Limited	Enterprise
17.	Indus Projects Private Limited	Enterprise
18.	Pudami Educational Society	Enterprise influence
19.	Samarjita Management Consultancy Private Limited	Enterprise
20.	Shravya Publications Pvt. Ltd.	Enterprise influence
21.	Stamlo Industries Limited	Enterprise

Further, the Company contributes to the Dr. Reddy's Laboratories Gratuity the benefit of its employees. Refer note 2.28 of these consolidated financial Gratuity Fund.

c) The following is a summary of significant related party transactions:

Particulars
Research and development services received
Dr.Reddy's Institute of Life Sciences
Research and development services provided
Kunshan Rotam Reddy Pharmaceuticals Company Limited
Contributions towards social development
Dr.Reddy's Foundation
Pudami Educational Society
Total
Catering services
Green Park Hospitality Services Private Limited
Facility management services
Green Park Hospitality Services Private Limited
Hotel expenses
Green Park Hotel and Resorts Limited
Stamlo Industries Limited
Total
Civil works
Indus Projects Private Limited
Professional consulting services
Samarjita Management Consultancy Private Limited
AverQ Inc.
Total
Sales of goods
Kunshan Rotam Reddy Pharmaceuticals Company Limited
License fees received
Kunshan Rotam Reddy Pharmaceuticals Company Limited

s in Indian Rupees millions, except share data and where otherwise stated)

controlled by relative of a whole-time director

controlled by relative of a whole-time director

over which relatives of whole-time directors have significant influence

over which whole-time directors and their relatives have significant

controlled by Key Managerial Personnel (till 30 November 2021)

over which whole-time directors and their relatives have significant

controlled by whole-time directors

Fund, which maintains the plan assets of the Company's Gratuity Plan for statements for information on transactions between the Company and the

	For the year ended 31 March 2022	For the year ended 31 March 2021
	122	105
	-	93
	310	217
	-	15
	310	**232**
	319	301
	36	36
	11	7
	7	1
	18	**8**
	52	55
	71	28
	4	2
	75	**30**
	21	22
	57	-

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2.25 Related parties (continued)

Particulars
Lease rentals paid to
Key Managerial Personnel
K Satish Reddy
Relatives of Key Managerial Personnel
Total
Lease rentals received
DRES Energy Private Limited
Purchase of Solar power
DRES Energy Private Limited
Salaries to relatives of Key Managerial Personnel
Remuneration to Key Managerial Personnel
Salaries and other benefits[(1)]
Contributions to defined contribution plans
Commission to directors
Share-based payments expense
Total

[(1)] *Some of the Key Managerial Personnel of the Company are also covered un*
Proportionate amounts of gratuity accrued under the Company's Gratuity Plan h

d) The Company has the following amounts due from/ to related partie

Particulars
Due from related parties
Key Managerial Personnel (towards rent deposits)
Kunshan Rotam Reddy Pharmaceuticals Company Limited
Green Park Hospitality Services Private Limited
DRES Energy Private Limited
Total
Due to related parties
Green Park Hospitality Services Private Limited
Dr. Reddy's Institute of Life Sciences
Indus Projects Private Limited
DRES Energy Private Limited
Green Park Hotels and Resorts Limited
Others
Total

* *Rounded off to millions.*

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ts in Indian Rupees millions, except share data and where otherwise stated)

For the year ended 31 March 2022	For the year ended 31 March 2021
15	14
23	23
38	**37**
1	1
124	127
12	8
638	816
31	35
305	301
211	261
1,185	**1,413**

der the Company's Gratuity Plan along with the other employees of the Company. ave not been separately computed or included in the above disclosure.

es:

As at 31 March 2022	As at 31 March 2021
8	8
-	54
-	17
1	1
9	**80**
2	38
-	34
7	17
-	3
1	-
-*	1
10	**93**

(All amounts

2.26 Segment reporting

The Chief Operating Decision Maker ("CODM") evaluates the Company's
performance indicators by operating segments. The CODM reviews rever
segments, and does not review the total assets and liabilities of an opera
the CODM of the Company. Pursuant to certain organisational, effective 1
the authority and responsibility for making decisions about resources t
Consequently, the CEO is currently the CODM of the Company.

The Company's reportable operating segments are as follows:

- Global Generics;
- Pharmaceutical Services and Active Ingredients ("PSAI");
- Proprietary Products; and
- Others

Global Generics: This segment consists of the Company's business of m
pharmaceutical products ready for consumption by the patient, market
dosages with therapeutic equivalence to branded formulations (generi
business.

Pharmaceutical Services and Active Ingredients: This segment primari
active pharmaceutical ingredients and intermediates, also known as "
products. Active pharmaceutical ingredients and intermediates becom
form ready for human consumption such as a tablet, capsule or liquid
Company's contract research services business and the manufacture an
with the specific customer requirements.

Proprietary Products: This segment consists of the Company's busin
formulations. The segment is expected to earn revenues arising out of

Others: This segment consists of the Company's other business operati
Technologies Limited ("ADTL") and SVAAS Wellness Limited ("SVAAS"). A
best-in-class therapies in the fields of oncology and inflammation ADTL
through customised models of drug-discovery collaborations. SVAAS is in
enabled business support services.

The measurement of each segment's revenues, expenses and assets is
the Company's consolidated financial statements.

Segment information:

Reportable segments	Gl Ger
Revenue from operations	
Less: Inter-segment revenue(1)	
Revenue from operations	
Gross profit	
Less: Selling and other unallocable expense/ (income), net	
Profit before tax and before share of equity accounted investees	
Add: Share of profit of equity accounted investees	
Profit before tax	
Tax expense	
Profit for the year	

s in Indian Rupees millions, except share data and where otherwise stated)

s performance and allocates resources based on an analysis of various nue and gross profit as the performance indicator for all of the operating ating segment. The Co-Chairman and Manging Director was previously December 2020, the office of Chief Executive Officer ("CEO") assumed o be allocated to various segments and assessing their performance.

anufacturing and marketing prescription and over-the-counter finished ed under a brand name (branded formulations) or as generic finished cs). This segment includes the operations of the Company's biologics

ly consists of the Company's business of manufacturing and marketing 'API", which are the principal ingredients for finished pharmaceutical e finished pharmaceutical products when the dosages are fixed in a using additional inactive ingredients. This segment also includes the d sale of active pharmaceutical ingredients and steroids in accordance

ess that focuses on the research and development of differentiated monetisation of such assets and subsequent royalties, if any.

ons which includes its wholly-owned subsidiaries, Aurigene Discovery DTL is a discovery stage biotechnology company developing novel and works with established pharmaceutical and biotechnology companies the business of providing digital healthcare and information technology

consistent with the accounting policies that are used in preparation of

For the year ended 31 March 2022				
obal nerics	PSAI	Proprietary Products	Others	Total
179,647	37,499	1,687	2,874	221,707
-	(6,255)	-	-	(6,255)
179,647	31,244	1,687	2,874	**215,452**
103,270	6,834	1,589	2,160	**113,853**
				83,942
				29,911
				703
				30,614
				8,789
				21,825

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2.26 Segment reporting (continued)

Reportable segments
Revenue from operations
Less: Inter-segment revenue[1]
Revenue from operations
Gross profit
Less: Selling and other unallocable expense/(income), net
Profit before tax and before share of equity accounted investees
Add: Share of profit of equity accounted investees
Profit before tax
Tax expense
Profit for the year

(1) *Inter-segment revenue represents sale from PSAI to Global Generics at cost.*

Analysis of revenues within the Global Generics segment:

An analysis of revenues (excluding other operating income) by therapeutic

Particulars
Nervous System
Gastrointestinal
Anti-Infective
Pain Management
Oncology
Respiratory
Cardiovascular
Hematology
Dermatology
Nutraceuticals
Others
Total

Analysis of revenues within the PSAI segment:

An analysis of revenues (excluding other operating income) by therapeutic

Particulars
Cardiovascular
Anti-Infective
Pain Management
Nervous System
Oncology
Gastrointestinal
Genitourinary
Respiratory
Diabetology
Dermatology
Others
Total

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ts in Indian Rupees millions, except share data and where otherwise stated)

For the year ended 31 March 2021				
Global Generics	PSAI	Proprietary Products	Others	Total
154,759	39,284	523	2,814	197,380
-	(6,905)	-	-	(6,905)
154,759	**32,379**	**523**	**2,814**	**190,475**
91,111	**9,444**	**482**	**2,058**	**103,095**
				74,740
				28,355
				480
				28,835
				9,319
				19,516

c areas in the Company's Global Generics segment is given below:

For the year ended 31 March 2022	For the year ended 31 March 2021
26,159	29,040
23,386	21,132
22,526	12,906
18,437	15,531
17,051	16,842
15,085	11,089
14,856	15,460
11,737	4,959
6,797	5,240
4,530	4,059
18,606	18,146
179,170	**154,404**

c areas in the Company's PSAI segment is given below:

For the year ended 31 March 2022	For the year ended 31 March 2021
7,729	9,834
5,450	4,126
4,513	4,657
3,017	2,704
2,526	2,385
982	1,098
705	825
676	1,317
544	350
498	768
4,100	3,918
30,740	**31,982**

(All amounts

2.26 Segment reporting (continued)

Analysis of revenues by geography:

The following table shows the distribution of the Company's revenues (exc
customers:

Particulars
India
United States
Russia
Others[1]
Total

[1] *Others include Germany, the United Kingdom, Ukraine, China, Canada and other c*

Analysis of assets by geography:

The following table shows the distribution of the Company's non-current as
based on the location of assets:

Particulars
India
Switzerland
United States
Germany
Others
Total

The following table shows the distribution of the Company's property, plant
acquired during the year (other than goodwill arising on business combinati

Particulars
India
Switzerland
United States
Others
Total

Analysis of depreciation and amortisation, for arriving gross profit by rep

Particulars
Global Generics
PSAI
Others
Total

Information about major customers

Revenues from two customers of the Company's Global Generics segmen
respectively, of the Company's total revenues for the year ended 31 March 2

Revenues from two customers of the Company's Global Generics segme
respectively, of the Company's total revenues for the year ended 31 March 2

s in Indian Rupees millions, except share data and where otherwise stated)

cluding other operating income) by country, based on the location of the

	For the year ended 31 March 2022	For the year ended 31 March 2021
	43,986	36,252
	80,564	76,702
	20,879	15,816
	68,962	60,952
	214,391	**189,722**

countries across the world

sets (other than financial instruments and deferred tax assets) by country,

	As at 31 March 2022	As at 31 March 2021
	85,079	76,232
	4,677	11,635
	3,220	7,324
	3,274	2,973
	6,131	5,971
	102,381	**104,135**

and equipment including capital work in progress and intangible assets
on) by country, based on the location of assets:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	15,311	27,822
	2,034	1,940
	248	2,155
	1,194	1,014
	18,787	**32,931**

ortable segments:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	3,078	3,435
	2,494	2,560
	42	48
	5,614	**6,043**

nt were ₹ 20,596 and ₹ 10,339, representing approximately 10% and 5%,
2022.

nt were ₹ 19,341 and ₹ 9,867, representing approximately 10% and 5%,
2021.

NOTES TO THE CONSOLIDATE

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2.27 Description of the Group

A. Subsidiaries, step-down subsidiaries, joint ventures and other cons

Entity
Subsidiaries
Aurigene Discovery Technologies Limited
Cheminor Investments Limited
Dr. Reddy's Bio-Sciences Limited
Dr. Reddy's Formulations Limited
Dr. Reddy's Farmaceutica Do Brasil Ltda.
Dr. Reddy's Laboratories SA
Idea2Enterprises (India) Private Limited
Imperial Credit Private Limited
Industrias Quimicas Falcon de Mexico, S.A.de C.V.
Svaas Wellness Limited (Formerly known as Regkinetics Services Limited
Step-down subsidiaries
Aurigene Discovery Technologies (Malaysia) Sdn. Bhd.
Aurigene Discovery Technologies Inc.(liquidated on 23 March 2022)
Aurigene Pharmaceutical Services Limited, India
beta Institut gemeinnützige GmbH
betapharm Arzneimittel GmbH
Chirotech Technology Limited
DRL Impex Limited
Dr. Reddy's Laboratories (Australia) Pty. Limited
Dr. Reddy's (Beijing) Pharmaceutical Co. Limited
Dr. Reddy's Laboratories B.V. (Formerly Eurobridge Consulting B.V.)
Dr. Reddy's Laboratories Canada, Inc.
Dr. Reddy's Laboratories Chile SPA.
Dr. Reddy's Laboratories (EU) Limited
Dr. Reddy's Laboratories Inc.
Dr. Reddy's Laboratories Japan KK
Dr. Reddy's Laboratories Kazakhstan LLP
Dr. Reddy's Laboratories LLC, Ukraine
Dr. Reddy's Laboratories Louisiana LLC
Dr. Reddy's Laboratories Malaysia Sdn. Bhd.
Dr. Reddy's Laboratories New York, LLC
Dr. Reddy's Laboratories Philippines Inc.
Dr. Reddy's Laboratories (Proprietary) Limited
Dr. Reddy's Laboratories Romania S.R.L.
Dr. Reddy's Laboratories SAS
Dr. Reddy's Laboratories Taiwan Limited
Dr. Reddy's Laboratories (Thailand) Limited
Dr. Reddy's Laboratories (UK) Limited
Dr. Reddy's New Zealand Limited
Dr. Reddy's (WUXI) Pharmaceutical Co. Ltd
Dr. Reddy's Research and Development B.V.
Dr. Reddy's Srl
Dr. Reddy's Venezuela, C.A.
Dr. Reddy's Laboratories LLC

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ts in Indian Rupees millions, except share data and where otherwise stated)

olidating entities of the parent company are listed below:

	Country of incorporation	% of Direct/Indirect Ownership Interest
	India	100
	India	100
	India	100
	India	100
	Brazil	100
	Switzerland	100
	India	100
	India	100
	Mexico	100
)	India	100
	Malaysia	100[3]
	USA	100[3]
	India	100[3]
	Germany	100[8]
	Germany	100[8]
	United Kingdom	100[2][5]
	India	100[1]
	Australia	100[10]
	China	100[10]
	Netherlands	100[12]
	Canada	100[10]
	Chile	100[10]
	United Kingdom	100[10]
	USA	100[10]
	Japan	100[10]
	Kazakhstan	100[10]
	Ukraine	100[10]
	USA	100[6]
	Malaysia	100[10]
	USA	100[14]
	Philippines	100[10]
	South Africa	100[10]
	Romania	100[10]
	Colombia	100[10]
	Taiwan	100[10]
	Thailand	100[10]
	United Kingdom	100[5]
	New Zealand	100[10]
	China	100[2][10]
	Netherlands	100[12]
	Italy	100[11]
	Venezuela	100[10]
	Russia	100[10]

(All amounts

2.27 Description of the Group (continued)

Entity
DRS LLC
Lacock Holdings Limited
Promius Pharma LLC
Reddy Holding GmbH
Reddy Netherlands B.V.
Reddy Pharma Iberia SAU
Reddy Pharma Italia S.R.L
Reddy Pharma SAS
Nimbus Health GmbH (from 24 February 2022)
Joint ventures
DRES Energy Private Limited
DRANU LLC
Kunshan Rotam Reddy Pharmaceutical Company Limited
Other consolidating entities
Cheminor Employees Welfare Trust
Dr. Reddy's Employees ESOS Trust
Dr. Reddy's Research Foundation

(1) *Indirectly owned through Idea2Enterprises (India) Private Limited.*

(2) *Entities under liquidation.*

(3) *Indirectly owned through Aurigene Discovery Technologies Limited.*

(4) *Kunshan Rotam Reddy Pharmaceutical Co. Limited is a subsidiary as per Indian C accounts for this investment by the equity method and does not consolidate it in th*

(5) *Indirectly owned through Dr. Reddy's Laboratories (EU) Limited.*

(6) *Indirectly owned through Dr. Reddy's Laboratories Inc.*

(7) *Indirectly owned through Lacock Holdings Limited.*

(8) *Indirectly owned through Reddy Holding GmbH.*

(9) *Indirectly owned through Dr. Reddy's Laboratories LLC*

(10) *Indirectly owned through Dr. Reddy's Laboratories SA.*

(11) *Indirectly owned through Reddy Pharma Italia S.R.L.*

(12) *Indirectly owned through Reddy Netherlands B.V.*

(13) *Accounted in accordance with Ind AS 111, Joint Arrangements.*

(14) *Indirectly owned through Dr. Reddy's Laboratories, Inc. (from 29 October 2020), for to limited liability company is effective 30 October 2020.*

(15) *The Company does not have any equity interests in this entity, but has significant i*

(16) *Pursuant to the sale of the membership interests in DRANU, LLC, it ceased to be a*

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s in Indian Rupees millions, except share data and where otherwise stated)

Country of incorporation	% of Direct/Indirect Ownership Interest
Russia	100[9]
Cyprus	100[10]
USA	100[6]
Germany	100[10]
Netherlands	100[10]
Spain	100[10]
Italy	100[7]
France	100[10]
Germany	100[8]
India	26[13]
USA	50[16]
China	51.33[4]
India	Refer to footnote 15
India	Refer to footnote 15
India	Refer to footnote 15

ompanies Act, 2013, as the Company holds a 51.33% stake. However, the Company he Company's consolidated financial statements.

rmerly a subsidiary of Dr. Reddy's Laboratories SA. Also, conversion from corporation

nfluence or control over it.

joint venture effective 31 March 2021.

NOTES TO THE CONSOLIDATE

(All amoun

2.27 Description of the Group (continued)

B. Additional information pursuant to para 2 of general instructions f

Sl. No.	Name of the entity	As at 31 March 20	
		Net assets, i.e., tot assets minus total liabilities	
		As % of consolidated net assets	Amou
	Parent		
	Dr. Reddy's Laboratories Limited	95.44	183,3
	Subsidiaries		
	India		
1	Aurigene Discovery Technologies Limited	1.81	3,4
2	Cheminor Investments Limited	-	
3	Dr. Reddy's Bio-Sciences Limited	0.12	2
4	DRL Impex Limited	-	
5	Idea2Enterprises (India) Private Limited	0.80	1,5
6	Imperial Credit Private Limited	0.01	
7	Svaas Wellness Limited *(formerly Regkinetics Services Limited)*	(0.06)	(11
8	Aurigene Pharmaceutical Services Limited	(1.88)	(3,6
9	Dr. Reddy's Formulations Limited	-	
	Foreign		
1	Aurigene Discovery Technologies (Malaysia) Sdn. Bhd.	0.02	
2	beta Institut gemeinnützige GmbH	-	
3	betapharm Arzneimittel GmbH	0.02	
4	Chirotech Technology Limited	0.65	1,2
5	Dr. Reddy's (Beijing) Pharmaceutical Co. Limited	0.08	1
6	Dr. Reddy's Farmaceutica Do Brasil Ltda.	(0.01)	(
7	Dr. Reddy's Laboratories (Australia) Pty. Limited	(0.12)	(23
8	Dr. Reddy's Laboratories Canada Inc.	0.26	5
9	Dr. Reddy's Laboratories Chile SPA.	0.02	
10	Dr. Reddy's Laboratories (EU) Limited	1.52	2,9
11	Dr. Reddy's Laboratories Inc.	5.04	9,6
12	Dr. Reddy's Laboratories Japan KK	0.01	
13	Dr. Reddy's Laboratories Kazakhstan LLP	0.13	2
14	Dr. Reddy's Laboratories LLC, Ukraine	0.24	4
15	Dr. Reddy's Laboratories Louisiana LLC	0.67	1,2
16	Dr. Reddy's Laboratories Malaysia Sdn, Bhd	0.03	
17	Dr. Reddy's Laboratories New York, LLc	0.21	3
18	Dr. Reddy's Laboratories Philippines Inc.	-	
19	Dr. Reddy's Laboratories (Proprietary) Limited	0.26	5
20	Dr. Reddy's Laboratories Romania S.R.L.	0.36	6
21	Dr. Reddy's Laboratories SA	10.96	21,0
22	Dr. Reddy's Laboratories SAS	0.06	1
23	Dr. Reddy's Laboratories Taiwan Ltd.	0.01	

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ts in Indian Rupees millions, except share data and where otherwise stated)

or the preparation of consolidated financial statements:

22	For the year ended 31 March 2022					
al l	Share in profit or loss		Share in OCI		Share in total comprehensive income (TCI)	
nt	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
62	74.37	16,232	(17.70)	513	88.47	16,745
71	3.19	696	112.01	(3,246)	(13.47)	(2,550)
1	-	-	-	-	-	-
22	(0.05)	(11)	-	-	(0.06)	(11)
(2)	-	-	-	-	-	-
36	-	-	-	-	-	-
26	-	1	-	-	0.01	1
16)	(0.78)	(170)	-	-	(0.90)	(170)
04)	1.49	326	0.38	(11)	1.66	315
1	-	-		-	-	-
44	0.01	3	(0.03)	1	0.02	4
7	0.01	2	-	-	0.01	2
35	(0.17)	(38)	0.55	(16)	(0.29)	(54)
47	(0.07)	(15)	0.55	(16)	(0.16)	(31)
62	0.05	11	(0.21)	6	0.09	17
26)	0.41	89	0.45	(13)	0.40	76
39)	0.20	43	0.10	(3)	0.21	40
08	0.25	54	(0.79)	23	0.41	77
33	(0.15)	(32)	0.14	(4)	(0.19)	(36)
12	(0.54)	(118)	0.52	(15)	(0.70)	(133)
81	(53.64)	(11,707)	-	-	(61.85)	(11,707)
15	0.01	3	0.03	(1)	0.01	2
53	0.18	39	0.07	(2)	0.20	37
68	0.48	104	0.69	(20)	0.44	84
81	(18.51)	(4,039)	4.14	(120)	(21.97)	(4,159)
54	(0.02)	(5)	(0.03)	1	(0.02)	(4)
98	(1.82)	(397)	3.35	(97)	(2.61)	(494)
(4)	(0.05)	(12)	-	-	(0.06)	(12)
06	0.32	69	(1.17)	34	0.54	103
90	1.24	271	0.52	(15)	1.35	256
52	(24.90)	(5,434)	(4.18)	121	(28.07)	(5,313)
24	0.04	9	(0.07)	2	0.06	11
18	0.01	2	-	-	0.01	2

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2.27	Description of the Group (continued)		
		As at 31 March 2022	
Sl. No.	Name of the entity	Net assets, i.e., total assets minus total liabilities	
		As % of consolidated net assets	Amount
24	Dr. Reddy's Laboratories (Thailand) Limited	0.10	192
25	Dr. Reddy's Laboratories (UK) Limited	1.92	3.683
26	Dr. Reddy's Research and Development B.V.	1.26	2,430
27	Dr. Reddy's Srl	(0.38)	(7.24
28	Dr. Reddy's New Zealand Limited	0.03	64
29	Dr. Reddy's (WUXI) Pharmaceutical Co. Ltd.	0.02	37
30	Dr. Reddy's Venezuela, C.A.	(2.53)	(4,865
31	Euro Bridge Consulting B.V.	(1.38)	(2,651
32	Industrias Quimicas Falcon de Mexico, S.A. de CV	0.62	1,199
33	Lacock Holdings Limited	0.24	465
34	Dr. Reddy's Laboratories LLC	1.62	3,117
35	DRS LLC	0.02	43
36	Promius Pharma LLC	0.01	1
37	Reddy Holding GmbH	13.57	26,064
38	Reddy Netherlands B.V.	1.52	2,919
39	Reddy Pharma Iberia SAU	0.13	246
40	Reddy Pharma Italia S.R.L	0.17	326
41	Reddy Pharma SAS	0.19	364
42	Nimbus Health GmbH	0.22	416
	Joint ventures		
	India		
1	DRES Energy Private Limited	-	
	Foreign		
1	Kunshan Rotam Reddy Pharmaceutical Company Limited	-	
	Other consolidating entities		
	India		
1	Cheminor Employees Welfare Trust	0.16	310
2	Dr. Reddy's Research Foundation	-	5
	Sub total	**134.17**	**257,767**
	Less: Effect of intercompany adjustments / eliminations	(34.17)	(65,643
	Total	**100.00**	**192,124**

Note: Net assets and share in profit or loss for the Parent Company, sub
standalone financial statements of the respective entities.

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s in Indian Rupees millions, except share data and where otherwise stated)

2	For the year ended 31 March 2022					
	Share in profit or loss		Share in OCI		Share in total comprehensive income (TCI)	
	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
2	0.97	212	0.07	(2)	1.11	210
3	0.85	185	1.69	(49)	0.72	136
0	0.98	214	1.35	(39)	0.92	175
)	0.16	36	(0.41)	12	0.25	48
4	(0.10)	(21)	(0.07)	2	(0.10)	(19)
7	(0.01)	(2)	(0.07)	2	-	-
)	(0.86)	(187)	-	-	(0.99)	(187)
)	(0.50)	(109)	(1.59)	46	(0.33)	(63)
9	0.99	216	(3.11)	90	1.62	306
5	(0.01)	(2)	-	-	(0.01)	(2)
7	2.78	607	5.59	(162)	2.35	445
3	(0.02)	(4)	0.07	(2)	(0.03)	(6)
1	(0.15)	(32)	-	-	(0.17)	(32)
4	9.77	2,132	-	-	11.26	2,132
9	0.04	8	0.45	(13)	(0.03)	(5)
6	0.03	6	0.24	(7)	(0.01)	(1)
6	-	(1)	(0.21)	6	0.03	5
4	0.56	123	0.28	(8)	0.61	115
6	(0.03)	(6)	0.03	(1)	(0.04)	(7)
-	(0.04)	(9)	-	-	(0.05)	(9)
-	3.26	712	-	-	3.76	712
0	0.04	8	-	-	0.04	8
5	-	-	-	-	-	-
7	0.27	62	103.63	(3,003)	(15.54)	(2,941)
)	99.73	21,763	(3.63)	105	115.54	21,868
4	100.00	21,825	100.00	(2,898)	100.00	18,927

sidiaries, joint ventures and other consolidating entities are as per the

NOTES TO THE CONSOLIDATE

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2.28 Employee benefits

Total employee benefit expenses, including share-based payments, incurr
₹ 38,858 and ₹ 36,299, respectively.

Gratuity benefits provided by the parent company

In accordance with applicable Indian laws, the Company has a defi
Plan") and covers certain categories of employees in India. The Gratu
retirement or termination of their employment. The amount of the pay
years of employment with the Company. Effective 1 September 1999, t
"Gratuity Fund") to fund the Gratuity Plan. Liabilities in respect of the G
the Company makes contributions to the Gratuity Fund. Trustees admi
to the Gratuity Fund are invested in bonds issued by the Government c

The components of gratuity cost recognised in the consolidated sta
March 2021 consist of the following:

Particulars
Current service cost
Interest on defined benefit liability
Gratuity cost recognised in consolidated statement of profit and loss

Details of the employee benefits obligations and plan assets are provided l

Particulars
Present value of funded obligations
Fair value of plan assets
Net defined benefit liability recognised

Details of changes in the present value of defined benefit obligations are a

Particulars
Defined benefit obligations at the beginning of the year
Current service cost
Interest on defined obligations
Re-measurements due to:
Actuarial loss/(gain) due to change in financial assumptions
Actuarial loss/(gain) due to demographic assumptions
Actuarial loss/(gain) due to experience changes
Benefits paid
Liabilities (transferred)/ assumed *
Defined benefit obligations at the end of the year

* *Liabilities assumed/transferred:*

During the year ended 31 March 2022, ₹ (4) represents the transfer of the liabilities

During the year ended 31 March 2021, ₹ 25 is comprised of:

a. ₹ 70 increase in liabilities on account of the acquisition of employees pursua
these consolidated financial statements for further details.

b. ₹ 45 transfer of liabilities on account of a restructuring of the pharmaceutical

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ts in Indian Rupees millions, except share data and where otherwise stated)

ed during the years ended 31 March 2022 and 31 March 2021 amounted to

ined benefit plan which provides for gratuity payments (the "Gratuity ity Plan provides a lump sum gratuity payment to eligible employees at yment is based on the respective employee's last drawn salary and the the Company established the Dr. Reddy's Laboratories Gratuity Fund (the ratuity Plan are determined by an actuarial valuation, based upon which nister the contributions made to the Gratuity Fund. Amounts contributed of India and in debt securities and equity securities of Indian companies.

tement of profit and loss for the years ended 31 March 2022 and 31

	For the year ended 31 March 2022	For the year ended 31 March 2021
	328	281
	33	8
	361	**289**

below:

	As at 31 March 2022	As at 31 March 2021
	2,894	2,628
	(2,350)	(1,997)
	544	**631**

s follows:

	As at 31 March 2022	As at 31 March 2021
	2,628	2,349
	328	281
	144	140
	7	153
	24	(26)
	60	51
	(293)	(345)
	(4)	25
	2,894	**2,628**

s on account of transfer of employees between the parent company and its subsidiaries.

nt to the Business Transfer Agreement with Wockhardt Limited. Refer to Note 2.42 of

services business between the parent company and its subsidiary.

(All amounts

2.28 Employee benefits (continued)

Details of changes in the fair value of plan assets are as follows:

Particulars
Fair value of plan assets at the beginning of the year
Employer contributions
Interest on plan assets
Re-measurements due to:
Return on plan assets excluding interest on plan assets
Benefits paid
Assets (transferred)/acquired *
Plan assets at the end of the year

* *Assets acquired/transferred:*

During the year ended 31 March 2022, ₹ (4) represents the transfer of plan ass subsidiaries.

During the year ended 31 March 2021, ₹ 26 is comprised of

a. ₹ 70 increase in assets on account of the acquisition of employees pursuant to t consolidated financial statements for further details.

b. ₹ 44 transfer of assets on account of a restructuring of the pharmaceutical serv

Sensitivity Analysis:

Particulars
Defined benefit obligation without effect of projected salary growth
Add: Effect of salary growth
Defined benefit obligation with projected salary growth
Defined benefit obligation, using discount rate minus 50 basis points
Defined benefit obligation, using discount rate plus 50 basis points
Defined benefit obligation, using salary growth rate plus 50 basis points
Defined benefit obligation, using salary growth rate minus 50 basis points

Summary of the actuarial assumptions: The actuarial assumptions used in ac

The assumptions used to determine benefit obligations:

Particulars
Discount rate
Rate of compensation increase

The assumptions used to determine gratuity cost:

Particulars
Discount rate
Rate of compensation increase

Contributions: The Company expects to contribute ₹ 229 to the Gratuity Pla

Disaggregation of plan assets: The Gratuity Plan's weighted-average asset a as follows:

Particulars
Funds managed by insurers
Others

s in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
	1,997	2,160
	496	25
	111	132
	43	(1)
	(293)	(345)
	(4)	26
	2,350	**1,997**

ets on account of the transfer of employees between the parent company and its

the Business Transfer Agreement with Wockhardt Limited. Refer to Note 2.42 of these

vices business between the parent company and its subsidiary.

	As at 31 March 2022
	1,904
	990
	2,894
	2,978
	2,815
	2,976
	2,816

ccounting for the Gratuity plan are as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	6.45%	6.00%
	8.50%	8.00%

	For the year ended 31 March 2022	For the year ended 31 March 2021
	6.00%	6.65%
	8.00%	7.50%

n during the year ending 31 March 2023.

allocation as at 31 March 2022 and 31 March 2021, by asset category, was

	As at 31 March 2022	As at 31 March 2021
	100%	100%
	-	-

NOTES TO THE CONSOLIDATE

(All amoun

2.28	Employee benefits (continued)

The expected future cash flows in respect of gratuity as at 31 March 2022

Particulars
Expected contributions
During the year ended 31 March 2023 (estimated)
Expected future benefit payments
31 March 2023
31 March 2024
31 March 2025
31 March 2026
31 March 2027
Thereafter

Pension plan of the Company's subsidiary, Industrias Quimicas Falcon de

All employees of the Company's Mexican subsidiary, Industrias Quin
the form of a defined benefit pension plan. The Falcon pension plan
of employment. Liabilities in respect of the pension plan are determ
contributions to the pension plan fund. This fund is administered by a
by senior employees of Falcon.

The components of net pension cost recognised in the consolidated s
March 2021 consist of the following:

Particulars
Current service cost
Interest on defined benefit liability
Total cost recognised in consolidated statement of profit and loss

Details of the employee benefits obligations and plan assets are provided

Particulars
Present value of funded obligations
Fair value of plan assets
Net defined benefit liability recognised

Details of changes in the present value of defined benefit obligations are a

Particulars
Defined benefit obligations at the beginning of the year
Current service cost
Interest on defined obligations
Re-measurements due to:
Actuarial loss/(gain) due to change in financial assumptions
Actuarial loss/(gain) due to experience changes
Benefits paid
Foreign exchanges differences
Defined benefit obligations at the end of the year

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ts in Indian Rupees millions, except share data and where otherwise stated)

were as follows:

	Amount
	229
	481
	409
	398
	372
	346
	2,437

e Mexico

nicas Falcon de Mexico ("Falcon"), are entitled to a pension benefit in provides for payment to vested employees at retirement or termination nined by an actuarial valuation, based on which the Company makes third party, who is provided guidance by a technical committee formed

statement of profit and loss for the years ended 31 March 2022 and 31

	For the year ended 31 March 2022	For the year ended 31 March 2021
	16	13
	10	8
	26	**21**

below:

	As at 31 March 2022	As at 31 March 2021
	271	307
	(215)	(169)
	56	**138**

as follows:

	As at 31 March 2022	As at 31 March 2021
	307	234
	16	13
	24	21
	(40)	24
	3	19
	(58)	(32)
	19	28
	271	**307**

(All amounts

2.28 Employee benefits (continued)

Details of changes in the fair value of plan assets are as follows:

Particulars
Fair value of plan assets at the beginning of the year
Employer contributions
Interest on plan assets
Re-measurements due to:
Return on plan assets excluding interest on plan assets
Benefits paid
Foreign exchanges differences
Plan assets at the end of the year

Sensitivity Analysis:

Particulars
Defined benefit obligation without effect of projected salary growth
Add: Effect of salary growth
Defined benefit obligation with projected salary growth
Defined benefit obligation, using discount rate minus 50 basis points
Defined benefit obligation, using discount rate plus 50 basis points
Defined benefit obligation, using salary growth rate plus 50 basis points
Defined benefit obligation, using salary growth rate minus 50 basis points

Summary of the actuarial assumptions: The actuarial assumptions used

The assumptions used to determine benefit obligations:

Particulars
Discount rate
Rate of compensation increase

The assumptions used to determine defined benefit cost:

Particulars
Discount rate
Rate of compensation increase

Contributions: The Company expects to contribute ₹ 38 to Falcon defin

Disaggregation of plan assets: The Falcon pension plan's weighted-av
asset category was as follows:

Particulars
Funds managed by insurers
Others

s in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2022	As at 31 March 2021
	169	128
	84	32
	15	13
	(6)	12
	(58)	(32)
	11	16
	215	**169**

	As at 31 March 2022
	185
	86
	271
	283
	260
	284
	271

in accounting for the Falcon defined benefit plans are as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	9.25%	7.75%
	4.50%	4.50%

	For the year ended 31 March 2022	For the year ended 31 March 2021
	7.75%	8.75%
	4.50%	4.50%

ed benefit plans during the year ending 31 March 2022.

erage asset allocation as at 31 March 2022 and 31 March 2021, by

	As at 31 March 2022	As at 31 March 2021
	50%	51%
	50%	49%

NOTES TO THE CONSOLIDATE

(All amoun

2.28 Employee benefits (continued)

The expected future cash flows in respect of post-employment benefi

Particulars
Expected contribution
During the year ended 31 March 2023 (estimated)
Expected future benefit payments
31 March 2023
31 March 2024
31 March 2025
31 March 2026
31 March 2027
Thereafter

Provident fund benefits

Certain categories of employees of the Company receive benefits fro employer each make monthly contributions to a government adminis The Company has no further obligations under the plan beyond its mo provident fund plan during the years ended 31 March 2022 and 31 M

Superannuation benefits

Certain categories of employees of the Company participate in supera Corporation of India. The Company makes monthly contributions b The Company has no further obligations under the plan beyond its r superannuation plan during the years ended 31 March 2022 and 31 M

Other contribution plans

In the United States, the Company sponsors a defined contribution minimum age and service requirements. The Company contributed ₹ ended 31 March 2022 and 31 March 2021, respectively. The Compan contributions.

In the United Kingdom, certain social security benefits (such as pension through mandatory National Insurance contributions. The contribution a has no further obligations under the plan beyond its monthly contributio during the years ended 31 March 2022 and 31 March 2021, respecti

Compensated absences

The Company provides for accumulation of compensated absences by a portion of the unutilised compensated absences and utilise them i policy. The Company records a liability for compensated absences in this entitlement. The total liability recorded by the Company towards March 2021, respectively.

2.29 Employee stock incentive plans

Dr. Reddy's Employees Stock Option Plan, 2002 (the "DRL 2002 Plan"):

The Company instituted the DRL 2002 Plan for all eligible employees Annual General Meeting held on 24 September 2001. The DRL 2002 F the parent company and its subsidiaries (collectively, "eligible employe Board of the parent company (the "Committee") administers the DRL 2C determines which eligible employees will receive options, the number exercise period. The vesting period is determined for all options issued in periods ranging between one and four years and generally have a

D FINANCIAL STATEMENTS

ts in Indian Rupees millions, except share data and where otherwise stated)

t plans in Mexico as at 31 March 2022 were as follows:

	Amount
	38
	3
	4
	8
	14
	23
	639

m a provident fund, a defined contribution plan. Both the employee and stered fund equal to 12% of the covered employee's qualifying salary. nthly contributions. The Company contributed ₹ 1,013 and ₹ 906 to the larch 2021, respectively.

nnuation, a defined contribution plan administered by the Life Insurance ased on a specified percentage of each covered employee's salary. monthly contributions. The Company contributed ₹ 83 and ₹ 84 to the March 2021, respectively.

401(k) retirement savings plan for all eligible employees who meet 131 and ₹ 139 to the 401(k) retirement savings plan during the years y has no further obligations under the plan beyond its monthly matching

, unemployment and disability) are funded by employers and employees mounts are determined based upon the employee's salary. The Company ons. The Company contributed ₹ 166 and ₹ 143 to the National Insurance vely.

certain categories of its employees. These employees can carry forward n future periods or receive cash in lieu thereof as per the Company's the period in which the employee renders the services that increases this obligation was ₹ 1,061 and ₹ 1,130 as at 31 March 2022 and 31

pursuant to the special resolution approved by the shareholders in the Plan covers all employees and directors (excluding promoter directors) of es"). The Nomination, Governance and Compensation Committee of the 002 Plan and grants stock options to eligible employees. The Committee of options to be granted, the exercise price, the vesting period and the d on the date of grant. The options issued under the DRL 2002 Plan vest maximum contractual term of five years.

(All amounts

2.29 Employee stock incentive plans (continued)

The DRL 2002 Plan, as amended at annual general meetings ofshareh
option grants in two categories:

Category A: 300,000 stock options out of the total of 2,295,478 optio
value of the underlying equity shares on the date of grant; and

Category B: 1,995,478 stock options out of the total of 2,295,478 opti
of the underlying equity shares (i.e., ₹ 5 per option).

Under the DRL 2002 Plan, the exercise price of the fair market value
the average closing price for 30 days prior to the grant in the stock
Notwithstanding the foregoing, the Committee may, after obtaining th
options with a per share exercise price other than fair market value and

After the stock split effected in the form of a stock dividend issued by
option grants in the above two categories as follows:

Particulars
Options reserved under original Plan
Options exercised prior to stock dividend date (A)
Balance of shares that can be allotted on exercise of options (B)
Options arising from stock dividend (C)
Options reserved after stock dividend (A+B+C)

The term of the DRL 2002 plan was extended for a period of 10 years e
Annual General Meeting held on 20 July 2012.

Stock option activity under the DRL 2002 Plan for the two categories o
is as follows:

Category A — Fair Market Value Options: There was no stock activity
March 2021 and there were no stock options outstanding under this ca

Category B — Par Value Options: Stock options activity under this cate
as set forth in the below table.

Particulars	Shares arising o opt
Outstanding at the beginning of the year	217
Granted during the year	106
Expired/forfeited during the year	(30,
Exercised during the year	(86,
Outstanding at the end of the year	**20**
Exercisable at the end of the year	**21**

Particulars	Shares arising o opt
Outstanding at the beginning of the year	232
Granted during the year	92
Expired/forfeited during the year	(35,
Exercised during the year	(72,
Outstanding at the end of the year	**217**
Exercisable at the end of the year	**46**

s in Indian Rupees millions, except share data and where otherwise stated)

olders held on 28 July 2004 and on 27 July 2005, provides for stock

ns reserved for grant having an exercise price equal to the fair market

ons reserved for grant having an exercise price equal to the par value

e options granted under Category A above is determined based on exchange where there is highest trading volume during that period. e approval of the shareholders in the annual general meeting, grant par value of the equity shares.

the Company in August 2006, the DRL 2002 Plan provides for stock

	Number of options reserved under category A	Number of options reserved under category B	Total
	300,000	1,995,478	2,295,478
	94,061	147,793	241,854
	205,939	1,847,685	2,053,624
	205,939	1,847,685	2,053,624
	505,939	**3,843,163**	**4,349,102**

effective as of 29 January 2012 by the shareholders at the Company's

f options during the years ended 31 March 2022 and 31 March 2021

under this category during the years ended 31 March 2022 and 31 tegory as at 31 March 2022 and 31 March 2021.

gory during the years ended 31 March 2022 and 31 March 2021 was

For the year ended 31 March 2022			
ut of tions	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
,253	5.00	5.00	69
,870	5.00	5.00	91
322)	5.00	5.00	-
626)	5.00	5.00	-
7,175	**5.00**	**5.00**	**74**
,235	**5.00**	**5.00**	**43**

For the Year Ended 31 March 2021			
ut of tions	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
,837	5.00	5.00	69
,092	5.00	5.00	93
646)	5.00	5.00	-
030)	5.00	5.00	-
7,253	**5.00**	**5.00**	**69**
5,130	**5.00**	**5.00**	**44**

NOTES TO THE CONSOLIDATE

(All amoun

2.29 Employee stock incentive plans (continued)

The weighted average grant date fair value of options granted during
₹ 3,677 per option, respectively. The weighted average share price or
and 31 March 2021 was ₹ 4,948 and ₹ 4,565 per share, respectively.

The aggregate intrinsic value of options exercised during the years
respectively. As at 31 March 2022, options outstanding had an aggre
intrinsic value of ₹ 91.

Dr. Reddy's Employees ADR Stock Option Plan, 2007 (the "DRL 2007 Pl

The Company instituted the DRL 2007 Plan for all eligible employees
the Annual General Meeting held on 27 July 2005. The DRL 2007 Pl
January 2007. The DRL 2007 Plan covers all employees and directors
"eligible employees"). The Committee administers the DRL 2007 Plan ar
which eligible employees will receive the options, the number of optio
period. The vesting period is determined for all options issued on the d
ranging between one and four years and generally have a maximum c

The DRL 2007 Plan provides for option grants in two categories:

Category A: 382,695 stock options out of the total of 1,530,779 sto
market value of the underlying equity shares on the date of grant; and

Category B: 1,148,084 stock options out of the total of 1,530,779 sto
value of the underlying equity shares (i.e., ₹ 5 per option).

Stock options activity under the DRL 2007 Plan for the above two c
March 2021 was as follows:

Category A — Fair Market Value Options	
Particulars	Shares arising o
Outstanding at the beginning of the year	27
Granted during the year	
Expired/forfeited during the year	(
Exercised during the year	(
Outstanding at the end of the year	**2(**
Exercisable at the end of the year	**13**

Category A — Fair Market Value Options	
Particulars	Shares arising o
Outstanding at the beginning of the year	2(
Granted during the year	9
Expired/forfeited during the year	(1
Exercised during the year	(1
Outstanding at the end of the year	**27**
Exercisable at the end of the year	**6**

D FINANCIAL STATEMENTS

ts in Indian Rupees millions, except share data and where otherwise stated)

the years ended 31 March 2022 and 31 March 2021 was ₹ 4,985 and
the date of exercise of options during the years ended 31 March 2022

s ended 31 March 2022 and 31 March 2021 was ₹ 428 and ₹ 328,
gate intrinsic value of ₹ 889 and options exercisable had an aggregate

an")

in pursuance of the special resolution approved by the shareholders in
an became effective upon its approval by the Board of Directors on 22
s (excluding promoter directors) of DRL and its subsidiaries (collectively,
nd grants stock options to eligible employees. The Committee determines
ns to be granted, the exercise price, the vesting period and the exercise
ate of grant. The options issued under the DRL 2007 Plan vest in periods
contractual term of five years.

ck options reserved for grant having an exercise price equal to the fair
d

ock options reserved for grant having an exercise price equal to the par

categories of options during the years ended 31 March 2022 and 31

For the year ended 31 March 2022			
out of ptions	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
70,340	1,982.00 to 3,679.00	2,791.65	67
5,144	5,301.00	5,301.00	90
3,150)	3,679.00	3,679.00	-
6,120)	2,607.00 to 3,679.00	3,078.55	-
66,214	**1,982.00 to 5,301.00**	**2,823.04**	**56**
32,845	**1,982.00 to 3,679.00**	**2,457.33**	**41**

For the year ended 31 March 2021			
out of ptions	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
02,760	1,982.00 to 2,814.00	2,353.62	72
96,080	3,679.00	3,679.00	90
3,348)	2,607.00 / 2,814.00	2,678.03	-
5,152)	2,607.00/ 2,814.00	2,643.48	-
70,340	**1,982.00 to 3,679.00**	**2,791.65**	**67**
59,530	**1,982.00 to 2,814.00**	**2,182.21**	**45**

(All amounts

2.29 Employee stock incentive plans (continued)

The weighted average grant date fair value of options granted during th
₹ 1,255 per option, respectively. The weighted average share prices on
and 31 March 2021 was ₹ 4,967 and ₹ 4,506 per share, respectively.

The aggregate intrinsic value of options exercised during the years ende
As at 31 March 2022, options outstanding had an aggregate intrinsic va
of ₹ 196.

Category B — Par Value Options	
Particulars	Shares arising o opt
Outstanding at the beginning of the year	141
Granted during the year	55
Expired/forfeited during the year	(18,
Exercised during the year	(31,
Outstanding at the end of the year	**14**
Exercisable at the end of the year	**27**

Category B — Par Value Options	
Particulars	Shares arising o opt
Outstanding at the beginning of the year	151
Granted during the year	52
Expired/forfeited during the year	(19,
Exercised during the year	(41,
Outstanding at the end of the year	**141**
Exercisable at the end of the year	**15**

The weighted average grant date fair value of options granted during the ye
respectively. The weighted average share price on the date of exercise of
₹ 4,975 and ₹ 4,334, respectively.

The aggregate intrinsic value of options exercised during the years
respectively. As of 31 March 2022, options outstanding had an aggreg
intrinsic value of ₹ 120.

Dr. Reddy's Employees Stock Option Scheme, 2018 (the "DRL 2018 Plan")

The Company instituted the DRL 2018 Plan for all eligible employees p
Annual General Meeting held on 27 July 2018. The DRL 2018 Plan cov
directors) of the parent company and its subsidiaries (collectively, "el
DRL 2018 Plan, the applicable equity shares may be issued directly b
the Dr. Reddy's Employees ESOS Trust (the "ESOS Trust") to the eligibl
primary issuances by the Company and/or by way of secondary market a
Governance and Compensation Committee of the Board of the parent
Plan and grants stock options to eligible employees, but may delegate
Plan to the ESOS Trust. The Compensation Committee determines whic
be granted, the exercise price, the vesting period and the exercise peri
of grant. The options issued under the DRL 2018 Plan vest in periods
maximum contractual term of five years.

s in Indian Rupees millions, except share data and where otherwise stated)

ne years ended 31 March 2022 and 31 March 2021 was ₹ 1,841 and
the date of exercise of options during the years ended 31 March 2022

d 31 March 2022 and 31 March 2021 was ₹ 12 and ₹ 28, respectively.
alue of ₹ 392 and options exercisable had an aggregate intrinsic value

For the year ended 31 March 2022			
ut of tions	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
,999	5.00	5.00	71
,884	5.00	5.00	90
996)	5.00	5.00	-
872)	5.00	5.00	-
7,015	**5.00**	**5.00**	**68**
7,929	**5.00**	**5.00**	**40**

For the year ended 31 March 2021			
ut of tions	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
,583	5.00	5.00	73
,316	5.00	5.00	89
933)	5.00	5.00	-
967)	5.00	5.00	-
,999	**5.00**	**5.00**	**71**
,393	**5.00**	**5.00**	**41**

ears ended 31 March 2022 and 31 March 2021 was ₹ 5,235 and ₹ 3,631,
options during the years ended 31 March 2022 and 31 March 2021 was

ended 31 March 2022 and 31 March 2021 was ₹ 158 and ₹ 182,
ate intrinsic value of ₹ 631 and options exercisable had an aggregate

)

ursuant to the special resolution approved by the shareholders at the
ers all employees and directors (excluding independent and promoter
igible employees"). Upon the exercise of options granted under the
y the Company to the eligible employee or may be transferred from
e employee. The ESOS Trust may acquire such equity shares through
acquisitions funded through loans from the Company. The Nomination,
company (the "Compensation Committee") administers the DRL 2018
functions and powers relating to the administration of the DRL 2018
h eligible employees will receive the options, the number of options to
od. The vesting period is determined for all options issued on the date
ranging between the end of one and five years, and generally have a

NOTES TO THE CONSOLIDATE

(All amoun

2.29 Employee stock incentive plans (continued)

The DRL 2018 Plan provides for option grants having an exercise pric
date of grant as follows:

Particulars
Options reserved against equity shares
Options reserved against ADRs
Total

As at 31 March 2022, the outstanding shares purchased from secondar
Stock option activity under the DRL 2018 Plan during the years ended

Fair Market Value Options

Particulars	Shares arising o
Outstanding at the beginning of the year	38
Granted during the year	
Expired/forfeited during the year	(3
Exercised during the year	(10
Outstanding at the end of the year	25
Exercisable at the end of the year	(

Fair Market Value Options

Particulars	Shares arising o
Outstanding at the beginning of the year	3
Granted during the year	15
Expired/forfeited during the year	(5
Exercised during the year	(8
Outstanding at the end of the year	38
Exercisable at the end of the year	7

The weighted average grant date fair value of options granted during
₹ 1,255 per option, respectively. The weighted average share price on
and 31 March 2021 was ₹ 4,922 and ₹ 4,609 per share, respectively.

The aggregate intrinsic value of options exercised during the years
respectively. As at 31 March 2022, options outstanding had an aggre
intrinsic value of ₹ 77.

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ts in Indian Rupees millions, except share data and where otherwise stated)

ce equal to the fair market value of the underlying equity shares on the

Number of securities to be acquired from secondary market	Number of securities to be issued by the Company	Total
2,500,000	1,500,000	4,000,000
-	1,000,000	1,000,000
2,500,000	**2,500,000**	**5,000,000**

ry market are 468,471 shares for an aggregate consideration of ₹ 1,601.
d 31 March 2022 and 31 March 2021 was as follows

For the Year Ended 31 March 2022			
out of ptions	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
35,930	2,607.00 to 3,679.00	3,056.51	71
8,856	4,662.70/ 5,310.00	5,289.76	90
7,021)	2,607.00 to 5,310.00	3,157.39	-
6,730)	2,607.00 to 3,679.00	2,938.55	-
51,035	**2,607.00 to 5,301.00**	**3,170.57**	**64**
68,130	**2,607.00 to 3,679.00**	**2,859.13**	**47**

For the Year Ended 31 March 2021			
out of ptions	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
75,775	2,607.00/ 2,814.00	2,697.12	75
50,740	3,679.00	3,679.00	90
5,335)	2,607.00 to 3,679.00	2,904.51	-
5,250)	2,607.00/ 2,814.00	2,671.71	-
35,930	**2,607.00 to 3,679.00**	**3,056.51**	**71**
71,225	**2,607.00/ 2,814.00**	**2,665.63**	**51**

the years ended 31 March 2022 and 31 March 2021 was ₹ 1,848 and
n the date of exercise of options during the years ended 31 March 2022

s ended 31 March 2022 and 31 March 2021 was ₹ 212 and ₹ 165,
gate intrinsic value of ₹ 282 and options exercisable had an aggregate

(All amounts

2.29 Employee stock incentive plans (continued)

Valuation of stock options:

The fair value of services received in return for stock options granted to
granted. The fair value of stock options granted under the DRL 2002 P
using the Black–Scholes-Merton model at the date of the grant.

The Black-Scholes-Merton model includes assumptions regarding divi
rates. In respect of par value options granted, the expected term of an
contractual term, as well as the expected exercise behavior of the em
granted, the option life is estimated based on the simplified method. Ex
period equivalent to the option life, of the observed market prices of the
is based on recent dividend activity.

Risk-free interest rates are based on the government securities yield in e
best estimates, but these assumptions involve inherent market uncertai
control. As a result, if other assumptions had been used in the current p
impacted. Further, if management uses different assumptions in futur
impacted in future years.

The estimated fair value of stock options is recognised in the consolidate
service period for each separately vesting portion of the award as if the

The weighted average inputs used in computing the fair value of options gr

Particulars
Expected volatility
Exercise price
Option life
Risk-free interest rate
Expected dividends
Grant date share price

Particulars
Expected volatility
Exercise price
Option life
Risk-free interest rate
Expected dividends
Grant date share price

Particulars
Expected volatility
Exercise price
Option life
Risk-free interest rate
Expected dividends
Grant date share price

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s in Indian Rupees millions, except share data and where otherwise stated)

employees is measured by reference to the fair value of stock options Plan, the DRL 2007 Plan and the DRL 2018 Plan has been measured

dend yields, expected volatility, expected terms and risk free interest n option (or "option life") is estimated based on the vesting term and nployees receiving the option. In respect of fair market value options xpected volatility of the option is based on historical volatility, during a Company's publicly traded equity shares. Dividend yield of the options

effect at the time of the grant. These assumptions reflect management's inties based on market conditions generally outside of the Company's eriod, stock-based compensation expense could have been materially re periods, stock-based compensation expense could be materially

ed statement of profit and loss on a straight-line basis over the requisite e award was, in-substance, multiple awards.

anted were as follows:

Grants made on		
17 January 2022	28 October 2021	28 October 2021
28.60%	29.20%	28.53%
₹ 5.00	₹ 4,663.00	₹ 5.00
6.5 Years	5.0 Years	2.5 Years
6.52%	5.94%	4.86%
0.54%	0.55%	0.55%
₹ 4,672.00	₹ 4,570.00	₹ 4,570.00

Grants made on		
28 October 2021	13 May 2021	13 May 2021
29.04%	29.38%	30.02%
₹ 5.00	₹ 5,301.00	₹ 5.00
5.0 Years	5.0 Years	2.5 Years
5.99%	5.70%	4.64%
0.54%	0.47%	0.47%
₹ 4,570.00	₹ 5,301.00	₹ 5,301.00

Grants made on		
27 October 2020	19 May 2020	19 May 2020
30.81%	29.12%	30.47%
₹ 5.00	₹ 3,679.00	₹ 5.00
2.5 Years	5.0 Years	2.5 Years
4.36%	5.67%	4.62%
0.49%	0.68%	0.68%
₹ 5,099.00	₹ 3,700.00	₹ 3,700.00

NOTES TO THE CONSOLIDATE

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2.29 Employee stock incentive plans (continued)

Share-based payment expense

Particulars
Equity settled share-based payment expense[1]
Cash settled share-based payment expense[2]

[1] *As of 31 March 2022 and 31 March 2021, there was ₹ 701 and ₹ 612, respectively,*
is expected to be recognised over a weighted-average period of 1.93 years and

[2] *Certain of the Company's employees are eligible for share-based payment awar*
the exercise date, subject to vesting upon satisfaction of certain service conditi
on the price of the Company's ADSs at the time of vesting. As of 31 March 202
compensation cost related to unvested awards. This cost is expected to be reco
scheme does not involve dealing in or subscribing to or purchasing securities of

2.30 Income taxes

a) Income tax expense/(benefit) recognised in the consolidated stater

Income tax expense recognised in the consolidated statement of prof

Particulars
Current taxes
Domestic
Foreign
Deferred taxes
Domestic
Foreign
Total income tax expense recognised in the consolidated statement of

b) Income tax expense/(benefit) recognised directly in equity

Income tax expense/(benefit) recognised directly in equity consist of t

Particulars
Tax effect on changes in fair value of investments
Tax effect on effective portion of change in fair value of cash flow hedges
Tax effect on actuarial gains/losses on defined benefit obligations
Total income tax (benefit)/ expense recognised in the equity

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ts in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended 31 March 2022	For the year ended 31 March 2021
	592	584
	148	157
	740	**741**

, of total unrecognised compensation cost related to unvested stock options. This cost 1.95 years, respectively.

ds that are settled in cash. These awards entitle the employees to a cash payment, on ons which range from 1 to 4 years. The amount of cash payment is determined based 22 and 31 March 2021, there was ₹ 101 and ₹ 126, respectively, of total unrecognised gnised over a weighted-average period of 1.82 years and 1.88 years, respectively. This the Company, directly or indirectly.

ment of profit and loss

fit and loss consists of the following:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	4,180	5,849
	6,833	2,323
	11,013	**8,172**
	2,165	2,736
	(4,389)	(1,589)
	(2,224)	**1,147**
profit and loss	**8,789**	**9,319**

he following:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	(293)	293
;	288	319
	(12)	(73)
	(17)	**539**

(All amounts

2.30 Income taxes (continued)

c) Reconciliation of effective tax rate

The following is a reconciliation of the Company's effective tax rates for

Particulars
Profit before income taxes
Enacted tax rate in India
Computed expected tax expense
Effect of:
Differences between Indian and foreign tax rates
Unrecognised deferred tax assets/(recognition of previously unrecognis
Expenses not deductible for tax purposes
Income exempt from income taxes
Foreign exchange differences
Tax expense on distributed/undistributed earnings of subsidiary outsic
Income from sale of capital assests
Effect of change in tax laws and rate in jurisdictions outside India
Others
Income tax expense
Effective tax rate

The Company's effective tax rate for the year ended 31 March 2022 w
account of :-

- primarily due to a lower profit base on account of impairment los
- changes in the Company jurisdictional mix of earnings (i.e., an jurisdictions and decrease in proportion of the Company profits t
- income from sale of capital assets, which is taxable at a rate lowe

d) Unrecognised deferred tax assets and liabilities

The details of unrecognised deferred tax assets and liabilities are summaris

Particulars
Deductible temporary differences, net
Operating tax loss carry-forward

During the year ended 31 March 2022, the Company recognised c
Dr. Reddy's Laboratories SA, Switzerland as the Company believes that
such tax losses can be utilized.

Deferred income taxes are not provided on undistributed earnings of ₹
subsidiaries, where it is expected that earnings of the subsidiaries will
indefinitely reinvests all of the accumulated undistributed earnings of s
relation to such undistributed earnings of its subsidiaries.

s in Indian Rupees millions, except share data and where otherwise stated)

r the years ended 31 March 2022 and 31 March 2021:

	For the year ended 31 March 2022	For the year ended 31 March 2021
	30,614	28,835
	34.94%	34.94%
	10,697	10,075
	(17)	372
sed deferred tax assets), net	351	949
	208	230
	(1,619)	(1,807)
	(58)	(13)
de India	(220)	-
	(305)	-
	(44)	(313)
	(204)	(174)
	8,789	9,319
	28.71%	32.32%

as lower as compared to the year ended 31 March 2021 primarily on

ses during the year ended 31 March 2021.
increase in the proportion of the Company profits from lower tax from higher tax jurisdictions); and
er than the enacted tax rate.

ed below:

	As at 31 March 2022	As at 31 March 2021
	515	464
	4,590	4,742
	5,105	5,206

deferred tax assets on operating tax losses pertaining primarily to it is probable that there will be available taxable profits against which

19,891 and ₹ 22,099 as at 31 March 2022 and 2021, respectively of not be distributed in the foreseeable future. Generally, the Company subsidiaries, and accordingly, has not recorded any deferred taxes in

NOTES TO THE CONSOLIDATE

(All amoun

2.30 Income taxes (continued)

e) Deferred tax assets and liabilities

The tax effects of significant temporary differences that resulted in defe
these differences is given below:

Particulars
Deferred tax assets/(liabilities):
Inventory
Minimum Alternate Tax*
Trade receivables**
Operating tax loss and interest loss carry-forward
Current liabilities and provisions
Property, plant and equipment
Investments
Others
Net deferred tax assets

* *As per Indian tax laws, companies are liable for a Minimum Alternate Tax ("MAT"*
Act"), is determined to be below the MAT computed under section 115JB of the T
MAT paid over and above the normal tax liability in the subsequent years. The M
tax liabilities over a period of 15 years starting from the succeeding fiscal year in

** *The final regulations addressing changes in income recognition rules under Treas*
for tax years beginning on or after 1 January 2021. The final regulations which a
Internal Revenue Service's (IRS) position and therefore create the need for the Co
final regulations. As a consequence, of the new regulations, Dr. Reddy's Laborato
statements reported for the year ending 31 March 2022.

In assessing whether the deferred income tax assets will be realised, ma
tax assets will not be realized. The ultimate realization of the deferred
generation of future taxable income during the periods in which the t
scheduled reversals of deferred tax liabilities, projected future taxable
the level of historical taxable income and projections of future taxable i
management believes that the Company will realize the benefits of
Recoverability of deferred tax assets is based on estimates of future ta
the recoverability of deferred tax assets.

Operating loss carry-forward consists of business losses, unabsorbed
total loss can be carried indefinitely and the remaining amounts expire

f) Movement in deferred tax assets and liabilities during the years end

The details of movement in deferred tax assets and liabilities are summaris

Particulars	As a 1 April 202
Deferred tax assets/(liabilities)	
Inventory	3,98
Minimum Alternate Tax	4,74
Trade receivables	88
Operating/other tax loss carry-forward	2,74
Current liabilities and provisions	106
Property, plant and equipment	(2,723
Investments	(130
Others	(180
Net deferred tax assets/(liabilities)	**10,39**

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ts in Indian Rupees millions, except share data and where otherwise stated)

erred tax assets and liabilities and a description of the items that created

	As at 31 March 2022	As at 31 March 2021
	3,164	3,987
	3,930	4,749
	5,683	889
	2,153	2,745
	1,079	1,060
	(3,137)	(2,723)
	287	(130)
	(403)	(180)
	12,756	**10,397**

) when current tax, as computed under the provisions of the Income Tax Act, 1961 ("Tax ax Act. If in any year the Company pays a MAT, then it is entitled to claim credit of the MAT credit is eligible to be carried forward and set-off in the future against the current which such credit was generated.

s. Reg. sections 1.451-3 and 1.451-8 were published on 6 January 2021, and are effective re mandatory for tax years beginning after 31 December 2020, are consistent with the mpany to change its current accounting method used for chargebacks to align with the ories Inc. U.S.A. has created a current tax liability and deferred tax asset in the financial

anagement considers whether some portion or all of the deferred income d income tax assets and tax loss carry-forwards is dependent upon the temporary differences become deductible. Management considers the income and tax planning strategy in making this assessment. Based on ncome over the periods in which the deferred tax assets are deductible, those recognised deductible differences and tax loss carry-forwards. xable income. Any changes in such future taxable income would impact

depreciation and unabsorbed interest carry-forwards. A portion of this e at various dates ranging from 2023 through 2040.

ded 31 March 2022 and 31 March 2021

sed below:

at 21	Recognised in the consolidated statement of profit and loss	Recognised in equity	As at 31 March 2022
7	(823)	-	3,164
9	(819)	-	3,930
9	4,794	-	5,683
5	(592)	-	2,153
0	295	(276)	1,079
3)	(414)	-	(3,137)
0)	124	293	287
0)	(223)	-	(403)
7	**2,342**	**17**	**12,756**

(All amounts

2.30 Income taxes (continued)

Particulars	As at 1 April 2020
Deferred tax assets/(liabilities)	
Inventory	3,197
Minimum Alternate Tax	6,247
Trade receivables	904
Operating/other tax loss carry-forward	3,399
Current liabilities and provisions	630
Property, plant and equipment	(2,638)
Investments	65
Others	375
Net deferred tax assets/(liabilities)	**12,179**

The amounts recognised in the consolidated statement of profit and lo
₹ 118 and ₹ (96) respectively, which represent exchange differences ar

g) Uncertain tax positions

The Company is contesting various disallowances by the Indian Income T
likely than not to be accepted by Tax authorities is ₹ 2,726, and accord
as at 31 March 2022.

During the years ended 31 March 2014, 2015 and 2016, Industrias Qui
Company in Mexico, received a notice from Mexico's Tax Administration
disallowance on account of transfer pricing adjustments pertaining to th
31 December 2008. The associated tax impact is ₹ 918 (MXN 241) and
appeals with the SAT by challenging these disallowances and, during
confirming these disallowances by dismissing its administrative appe
an appeal with the Tribunal Federal de Justicia Administrativa (Federa
The Company believes that it is more likely than not that it would prev
made in these consolidated financial statements as at 31 March 2022.

2.31a Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments as at 31 March 202

Particulars	As at
	Total carrying v
Financial assets	
Cash and cash equivalents	14
Other bank balances	9
Investments[(1)]	21
Trade receivables	66
Derivative instruments	1
Other financial assets	4
Total	**119**
Financial liabilities	
Trade payables	22
Long-term borrowings	3
Short-term borrowings	27
Lease liabilities	2
Derivative instruments	
Other financial liabilities	24
Total	**81**

[(1)] *Interest accrued but not due on investments is included in other financial assets.*

s in Indian Rupees millions, except share data and where otherwise stated)

Recognised in the consolidated statement of profit and loss	Recognised in equity	As at 31 March 2021
790	-	3,987
(1,498)	-	4,749
(15)	-	889
(654)	-	2,745
676	(246))	1,060
(85)	-	(2,723)
98	(293)	(130)
(555)	-	(180)
(1,243)	**(539)**	**10,397**

oss for the years ended 31 March 2022 and 31 March 2021 include
rising due to foreign currency translations.

Tax authorities. The associated tax impact for disallowances being more
ingly, no provision is made in these consolidated financial statements

imicas Falcon de Mexico, S.A. de CV, a wholly-owned subsidiary of the
Service, *Servicio de Administracion Tributaria* ("SAT"), with respect to
e calendar years ended 31 December 2006, 31 December 2007 and
profit share impact is ₹ 95 (MXN 25). The Company filed administrative
February and March 2017, the Company received orders of the SAT
als. The Company disagrees with the SAT's disallowances and filed
al Tax and Administrative Court of Mexico) in March and April 2017.
vail over the SAT in this litigation. Accordingly, no provision has been

2 and 31 March 2021 were as follows:

: 31 March 2022		As at 31 March 2021	
value	Total fair value/ amortised cost	Total carrying value	Total fair value/ amortised cost
,852	14,852	14,829	14,829
,340	9,340	5,959	5,959
,841	21,841	18,743	18,743
,818	66,818	49,759	49,759
,906	1,906	1,218	1,218
,347	4,347	2,626	2,626
9,104	**119,104**	**93,134**	**93,134**
,662	22,662	18,109	18,109
,800	3,800	3,800	3,800
,082	27,082	23,145	23,145
,963	2,963	3,363	3,363
479	479	326	326
,832	24,832	23,417	23,417
1,818	**81,818**	**72,160**	**72,160**

NOTES TO THE CONSOLIDATE

(All amoun

2.31 Financial instruments (continued)

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets o
Level 2 - Inputs other than quoted prices included within Level 1 that are o
(i.e., derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observabl

The following table presents the fair value hierarchy of assets and liabilitie

Particulars
FVTPL - Financial asset - Investments in units of mutual funds
FVTPL - Financial asset - Investment in limited liability partnership firm
FVTPL - Financial asset - Investment in equity securities
FVTOCI - Financial asset - Investment in equity securities
Derivative financial instruments – net gain/(loss) on outstanding fore exchange forward, option and swap contracts and interest rate sv contracts(1)

The following table presents the fair value hierarchy of assets and liabiliti
Particulars
FVTPL - Financial asset - Investments in units of mutual funds
FVTPL - Financial asset - Investment in limited liability partnership firm
FVTPL - Financial asset - Investment in equity securities
FVTOCI - Financial asset - Investment in equity securities
Derivative financial instruments – net gain/(loss) on outstanding fore exchange forward, option and swap contracts and interest rate sw contracts(1)
FVTPL - Contingent consideration pursuant to the Business Trans Agreement with Wockhardt Limited (Refer note 2.42 for details)

(1) *The Company enters into derivative financial instruments with various counter techniques with market observable inputs are mainly interest rate swaps, foreig techniques include forward pricing, swap models and Black-Scholes-Merton m various inputs including foreign exchange forward rates, interest rate curves a*

As at 31 March 2022 and 31 March 2021, the changes in counterparty cr
derivatives designated in hedge relationships and other financial instrume

Derivative financial instruments

The Company had a derivative financial asset and derivative financial liab
to derivative financial asset and derivative financial liability of ₹ 1,218 and
instruments.

Details of gain/(loss) recognised in respect of derivative contracts

The following table presents details in respect of the gain/(loss) recognise

Particulars
Net gain/ (loss) recognised as a part of consolidated statement of profit a exchange derivative contracts and cross currency interest rate swaps con
Net gain/(loss) recognised in equity in respect of hedges of highly proba of amounts reclassified from equity and recognised as component of reve
Net gain/(loss) reclassified from equity and recognised as componen forecasted transaction

The net carrying amount of the Company's "hedging reserve" as a compo
March 2022, as compared to a loss of ₹ 401 as at 31 March 2021.

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ts in Indian Rupees millions, except share data and where otherwise stated)

or liabilities.
bservable for the asset or liability, either directly (i.e., as prices) or indirectly

e market data (unobservable inputs).

s measured at fair value on a recurring basis as at 31 March 2022:

	Level 1	Level 2	Level 3	Total
	16,751	-	-	16,751
	-	-	386	386
	200	-	1	201
	998	-	-	998
ign wap	-	1,427	-	1,427

es measured at fair value on a recurring basis as at 31 March 2021:

	Level 1	Level 2	Level 3	Total
	13,263	-	-	13,263
	-	-	400	400
	-	-	1	1
	4,532	-	-	4,532
ign wap	-	892	-	892
sfer	-	-	420	420

parties, principally financial institutions and banks. Derivatives valued using valuation n exchange forward option and swap contracts. The most frequently applied valuation nodels (for option valuation), using present value calculations. The models incorporate nd forward rate curves.

edit risk had no material effect on the hedge effectiveness assessment for nts recognised at fair value.

bility of ₹ 1,906 and ₹ 479, respectively, as at 31 March 2022 as compared ₹ 326, respectively, as at 31 March 2021 towards these derivative financial

d in respect of derivative contracts during the applicable year ended :

	For the year ended 31 March 2022	For the year ended 31 March 2021
and loss in respect of foreign ntracts	(435)	2,619
ble forecast transactions, net enue	883	1,123
t of revenue occurrence of	525	340

nent of equity before adjusting for tax impact was a gain of ₹ 1,284 as at 31

(All amounts

2.31 Financial instruments (continued)

Outstanding foreign exchange derivative contracts

The following table gives details in respect of the notional amount of outsta

Category	Instrument	Curre
Hedges of recognised assets and liabilities	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Option contract	
Hedges of highly probable forecast transactions	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Option contract	

The following table gives details in respect of the notional amount of outsta

Category	Instrument	Curre
Hedges of recognised assets and liabilities	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
	Forward contract	
Hedges of highly probable forecast transactions	Forward contract	
	Forward contract	
	Option contract	
	Forward contract	

(1) *"INR" means Indian Rupees, "US$" means United States dollars, "RON" means Ror "CHF" means Swiss francs, "ZAR" means South African rands, "EUR" means Euros pesos, "KZT" means Kazakhstan tenges, "MXN" means Mexican pesos, "UAH" me*

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s in Indian Rupees millions, except share data and where otherwise stated)

nding foreign exchange derivative contracts as of 31 March 2022:

ncy[1]	Cross Currency[1]	Amounts in millions	Buy/Sell
AUD	INR	AUD 10	Sell
GBP	INR	GBP 9	Sell
RUB	INR	RUB 7,171	Sell
US$	INR	US$ 720	Sell
US$	MXN	US$ 21	Buy
ZAR	INR	ZAR 31	Sell
US$	RUB	US$ 1	Buy
US$	RON	US$ 12	Buy
US$	AUD	US$ 4	Buy
GBP	US$	GBP 48	Buy
EUR	US$	EUR 47	Buy
US$	KZT	US$ 9	Buy
US$	CLP	US$ 3	Buy
US$	COP	US$ 7	Buy
US$	BRL	US$ 3	Buy
EUR	INR	EUR 2	Sell
US$	THB	US$ 2	Buy
US$	INR	US$ 60	Sell
AUD	INR	AUD 4	Sell
RUB	INR	RUB 9,600	Sell
US$	INR	US$ 68	Sell
ZAR	INR	ZAR 122	Sell
US$	INR	US$ 275	Sell

nding foreign exchange derivative contracts as at 31 March 2021.

ncy[1]	Cross Currency[1]	Amounts in millions	Buy/Sell
AUD	INR	AUD 7	Sell
CHF	INR	CHF 200	Sell
GBP	INR	GBP 8	Sell
RUB	INR	RUB 2,799	Sell
US$	INR	US$ 353	Sell
US$	MXN	US$ 10	Buy
US$	UAH	US$ 14	Buy
ZAR	INR	ZAR 111	Sell
US$	RUB	US$ 2	Buy
US$	RON	US$ 12	Buy
US$	AUD	US$ 3	Buy
GBP	US$	GBP 48	Buy
EUR	GBP	EUR 1	Sell
EUR	US$	EUR 16	Buy
CHF	US$	CHF 200	Buy
US$	KZT	US$ 4	Buy
US$	CLP	US$ 3	Buy
US$	COP	US$ 4	Buy
US$	BRL	US$ 4	Buy
US$	KZT	US$ 9	Buy
AUD	INR	AUD 10	Sell
RUB	INR	RUB 6,850	Sell
US$	INR	US$ 645	Sell - Risk Reversal
ZAR	INR	ZAR 148	Sell

manian new leus, “GBP” means U.K. pounds sterling, “AUD” means Australian dollars, , “BRL” means Brazilian reals, “CLP” means Chilean pesos, “COP” means Colombian ans Ukrainian hryvnias, “RUB” means Russian roubles and "THB" means Thai bahts.

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(All amoun

2.31 Financial instruments (continued)

The table below summarises the periods when the cash flows associated
hedges are expected to occur:

Particulars
Cash flows in United States dollars
Not later than one month
Later than one month and not later than three months
Later than three months and not later than six months
Later than six months and not later than one year
Cash flows in Russian roubles
Not later than one month
Later than one month and not later than three months
Later than three months and not later than six months
Later than six months and not later than one year
Cash Flows in Australian Dollars
Not later than one month
Later than one month and not later than three months
Later than three months and not later than six months
Later than six months and not later than one year
Cash flows in South African Rands
Not later than one month
Later than one month and not later than three months
Later than three months and not later than six months
Later than six months and not later than one year

Hedges of changes in the interest rates

Consistent with its risk management policy, the Company uses intere
the risk of changes in interest rates. The Company does not use them

A net gain/loss of ₹ Nil, representing the changes in the fair value of
is recognised in the statement of other comprehensive income. For
currency interest rate swaps) are recognised as part of the foreign ex
has recorded, as part of consolidated statement of profit and loss, a
March 2021, respectively.

The Company had outstanding cross currency swap against INR Borr
The swap hedges the principal repayment of underlying INR liability a

2.32 Financial risk management

The Company's activities expose it to a variety of financial risks, inclu
risk management focus is to minimise potential adverse effects of ma
assessment and policies and processes are established to identify an
and controls, and to monitor such risks and compliance with the same.
regularly to reflect changes in market conditions and the Company's a
for overseeing the Company's risk assessment and management polic

a. Market risk

Market risk is the risk of loss of future earnings, fair values or future cas
(such as interest rates, foreign currency exchange rates and commodit
such adverse changes in market rates and prices. Market risk is attribut
receivables and payables and all short-term and long-term debt. The C
rate risk, interest rate risk and the market value of its investments. Thu
borrowing activities and revenue generating and operating activities i

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ts in Indian Rupees millions, except share data and where otherwise stated)

d with highly probable forecast transactions that are classified as cash flow

	As at 31 March 2022	As at 31 March 2021
	2,653	3,656
	5,305	7,311
	6,139	12,063
	11,824	24,126
	25,921	**47,156**
	460	437
	1,513	874
	3,528	1,748
	3,331	3,593
	8,832	**6,652**
	10	46
	60	92
	48	139
	134	277
	252	**554**
	41	61
	98	121
	146	182
	350	364
	635	**728**

st rate swaps (including cross currency interest rate swaps) to mitigate for trading or speculative purposes.

f interest rate swaps used as hedging instrument in a cash flow hedge balance interest rate swaps, the changes in fair value (including cross xchange gains and losses and finance costs. Accordingly the Company net gain of ₹ 32 and ₹ 164 for the year ended 31 March 2022 and 31

owing of ₹ Nil as at 31 March 2022 and ₹ 7,240 as on 31 March 2021. nd transforms it into US$ Principal repayment liability.

uding market risk, credit risk and liquidity risk. The Company's primary rket risk on its financial performance. The Company's risk management d analyse the risks faced by the Company, to set appropriate risk limits Risk assessment and management policies and processes are reviewed ctivities. The Board of Directors and the Audit Committee is responsible cies and processes.

h flows that may result from adverse changes in market rates and prices y prices) or in the price of market risk-sensitive instruments as a result of able to all market risk-sensitive financial instruments, all foreign currency Company is exposed to market risk primarily related to foreign exchange us, the Company's exposure to market risk is a function of investing and n foreign currencies.

(All amounts

2.32 Financial risk management (continued)

Foreign exchange risk

The Company's foreign exchange risk arises from its foreign operations, f roubles, Brazilian reals, Swiss francs, South African rands, Kazakhstan t currency borrowings (in United States dollars, Russian roubles, South A A significant portion of the Company's revenues are in these foreign curr result, if the value of the Indian rupee appreciates relative to these for may decrease. The exchange rate between the Indian rupee and thes may continue to fluctuate substantially in the future. Consequently, the C such as foreign exchange forward contracts, option contracts, currency risk of changes in foreign currency exchange rates in respect of its high

The details in respect of the outstanding foreign exchange forward and statements.

In respect of the Company's forward and option contracts, a 10% decrea underlying such contracts would have resulted in:

- a ₹ 3,169/(2,937) increase/(decrease) in the Company's hedging r profit from such contracts, as at 31 March 2022;
- a ₹ 4,824/(4,195) increase/(decrease) in the Company's hedging r profit from such contracts, as at 31 March 2021.

The following table analyses foreign currency risk from non-derivative f

Particulars	United States dollars
Assets	
Cash and cash equivalents	11,468
Investments	26
Trade receivables	44,443
Other financial assets	125
Total	**56,062**
Liabilities	
Trade payables	5,857
Lease liabilities	1,885
Other financial liabilities	5,321
Total	**13,063**

(1) *Others primarily consists of U.K. pounds sterling, Swiss francs, Romanian new leus,*

The following table analyses foreign currency risk from non-derivative finan

Particulars	United States dollars
Assets	
Cash and cash equivalents	12,643
Investments	24
Trade receivables	30,247
Other financial assets	184
Total	**43,098**
Liabilities	
Trade payables	3,694
Short-term borrowings	3,657
Lease liabilities	2,216
Other financial liabilities	3,788
Total	**13,355**

(1) *Others primarily consists of U.K. pounds sterling, Swiss francs, Romanian new leus,*

D FINANCIAL STATEMENTS

s in Indian Rupees millions, except share data and where otherwise stated)

oreign currency revenues and expenses, (U.K. pounds sterling, Russian enges, Romanian new leus, Austrailian dollars and Euros) and foreign African rands, Mexican pesos, Ukrainian hryvnias and Brazilian reals). rencies, while a significant portion of its costs are in Indian rupees. As a eign currencies, the Company's revenues measured in Indian rupees e foreign currencies has changed substantially in recent periods and Company uses both derivative and non-derivative financial instruments, swap contracts and foreign currency financial liabilities, to mitigate the ly probable forecast transactions and recognised assets and liabilities.

option contracts are given in note 2.31 to these consolidated financial

se/increase in the respective exchange rates of each of the currencies

eserve and a ₹ 5,378/(5,375) increase/(decrease) in the Company's

eserve and a ₹ 2,658/(2,658) increase/(decrease) in the Company's

inancial instruments as at 31 March 2022:

(All figures in equivalent Indian Rupees millions)

Euros	Russian roubles	Others[(1)]	Total
205	80	87	11,840
-	-	-	26
382	945	144	45,914
19	3	17	164
606	**1,028**	**248**	**57,944**
1,467	455	258	8,037
29	16	52	1,982
698	123	438	6,580
2,194	**594**	**748**	**16,599**

, Chinese Yuans (Renminbi), Canadian Dollars and Ukrainian hryvnia.

cial instruments as at 31 March 2021:

(All figures in equivalent Indian Rupees millions)

Euros	Russian roubles	Others[(1)]	Total
129	30	92	12,894
-	-	-	24
841	721	101	31,910
20	3	16	223
990	**754**	**209**	**45,051**
1,092	-	151	4,937
-	3,717	-	7,374
52	18	43	2,329
243	82	351	4,464
1,387	**3,817**	**545**	**19,104**

, Chinese Yuans (Renminbi), Canadian Dollars and Ukrainian hryvnia.

NOTES TO THE CONSOLIDATE

(All amoun

2.32 Financial risk management (continued)

For the years ended 31 March 2022 and 31 March 2021, every 10
rupee and the respective currencies for the above-mentioned financia
₹ 2,595, respectively.

Interest rate risk

As at 31 March 2022, the Company had loans with floating interest r
3 Months India Treasury Bill less 5 bps; ₹ 13,800 of loans carrying a
carrying a floating interest rate of the 3 Months India Treasury Bill plu
LIBOR + 80bps; ₹ 800 of loans carrying a floating interest rate of CDI+1

As at 31 March 2021, the Company had loans with floating interest rate
India Treasury Bill plus 30 bps and ₹ 1,896 of loans carrying a floating

For details of the Company's short-term and long-term loans and borr
consolidated financial statements.

For the years ended 31 March 2022 and 31 March 2021, every 10%
Treasury Bill, LIBOR, CDI and TIIE) applicable to its loans and borrowin

The Company's investments in term deposits (i.e., certificates of depo
durations, and therefore do not expose the Company to significant int

Note that "CDI" means Brazilian interbank deposit rate (Certificado
Interest Rate (Tasa de Interés Interbancaria de Equilibrio), and "LIBOR'

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily ar
ingredients, including the raw material components for such active ph
may fluctuate significantly over short periods of time. The prices of t
cycles, although the prices of raw materials used in the Company's a
Cost of raw materials forms the largest portion of the Company's operat
through operating procedures and sourcing policies. As at 31 March 20
to hedge exposure to fluctuations in commodity prices.

b. Credit risk

Credit risk is the risk of financial loss to the Company if a customer
obligations, and arises principally from the Company's receivables fr
allowance for doubtful debts and impairment that represents its esti
investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the indivi
including the default risk of the industry and country in which the custo
is managed through credit approvals, establishing credit limits and c
Company grants credit terms in the normal course of business.

Investments

The Company limits its exposure to credit risk by generally investi
credit rating. The Company does not expect any losses from non-pe
concentration of exposures to specific industry sectors or specific cou

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ts in Indian Rupees millions, except share data and where otherwise stated)

% depreciation/appreciation in the exchange rate between the Indian l assets/liabilities would affect the Company's net profit by ₹ 4,135 and

ates as follows: ₹ 4,000 of loans carrying a floating interest rate of the floating interest rate of the 3 Months India Treasury Bill; ₹ 411 of loans us 25 bps; ₹ 1,137 of loans carrying a floating interest rate of 1 Month .79% and ₹ 2,017 of loans carrying a floating interest rate of TIIE+1.15%.

es as follows: ₹ 8,800 of loans carrying a floating interest rate of 3 Months g interest rate of TIIE+1.20%.

owings, including interest rate profiles, refer note 2.11 A and B of these

increase or decrease in the floating interest rate component (i.e., Indian gs would affect the Company's net profit by ₹ 89 and ₹ 37, respectively.

sit) with banks and short-term liquid mutual funds are for short and long terest rates risk.

de Depósito Interbancário), "TIIE" means the Equilibrium Inter-banking " means the London Inter-bank Offered Rate.

ises from the Company's purchases and sales of active pharmaceutical armaceutical ingredients. These are commodity products, whose prices he Company's raw materials generally fluctuate in line with commodity ctive pharmaceutical ingredients business are generally more volatile. ing expenses. Commodity price risk exposure is evaluated and managed 022, the Company had not entered into any material derivative contracts

or counterparty to a financial instrument fails to meet its contractual om customers and investment securities. The Company establishes an mate of expected losses in respect of trade and other receivables and

dual characteristics of each customer. The demographics of the customer, mer operates, also has an influence on credit risk assessment. Credit risk ontinuously monitoring the creditworthiness of customers to which the

ng in liquid securities and only with counterparties that have a good rformance by these counter-parties, and does not have any significant ntry risks.

(All amounts

2.32 Financial risk management (continued)

Details of financial assets – not due, past due and impaired

None of the Company's cash equivalents, including term deposits (i.e., c
March 2022. The Company's credit period for trade receivables payabl

The ageing of trade receivables is given below:

Particulars
Neither past due nor impaired
Past due but not impaired
Less than 365 days
More than 365 days
Less : Allowance for credit losses
Total

See Note 2.7 B of these consolidated financial statements for the activi
Other than trade receivables, the Company has no significant class of fi

c. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its f
liquidity risk by ensuring, as far as possible, that it will always have suff
stressed conditions, without incurring unacceptable losses or risk to the

As at 31 March 2022, and 31 March 2021, the Company had uncommi

As at 31 March 2022, the Company had working capital of ₹ 80,165, i
deposits with banks (i.e., deposits having original maturities more than
₹ 12,562, and investments in mutual funds of ₹ 16,751.

As at 31 March 2021, the Company had working capital of ₹ 64,314 (exclu
of ₹ 14,829, investments in term deposits with banks (i.e., deposits hav
bonds and commercial paper of ₹ 6,481, and investments in mutual fur

The table below provides details regarding the contractual maturities c
obligations under leases, which have been disclosed in note 2.11 A to t

Particulars	2023
Trade payables	22,662
Short-term borrowings	27,082
Derivative instruments	479
Other financial liabilities	24,832

The table below provides details regarding the contractual maturities c
obligations under finance leases, which have been disclosed in note 2.1

Particulars	2022
Trade payables	18,109
Short-term borrowings	23,145
Derivative instruments	326
Other financial liabilities	23,417

s in Indian Rupees millions, except share data and where otherwise stated)

certificates of deposit) with banks, were past due or impaired as at 31
e by its customers generally ranges from 20 - 180 days.

	As at 31 March 2022	As at 31 March 2021
	51,505	41,350
	15,501	8,598
	1,006	1,107
	68,012	**51,055**
	(1,194)	(1,296)
	66,818	**49,759**

ty in the allowance for credit losses.
nancial assets that is past due but not impaired.

financial obligations as they become due. The Company manages its ficient liquidity to meet its liabilities when due, under both normal and e Company's reputation.

tted lines of credit from banks of ₹ 39,989 and ₹ 38,766 respectively.

ncluding cash and cash equivalents of ₹ 14,852, investments in term 3 months but less than 12 months), bonds and commercial paper of

uding assets held for sale of ₹ 151), including cash and cash equivalents ving original maturities more than 3 months but less than 12 months), nds of ₹ 13,263.

of significant financial liabilities (other than long-term borrowings and these consolidated financial statements) as at 31 March 2022:

2024	2025	2026	Thereafter	Total
-	-	-	-	22,662
-	-	-	-	27,082
-	-	-	-	479
-	-	-	-	24,832

of significant financial liabilities (other than long-term borrowings and 11 A to these consolidated financial statements) as at 31 March 2021:

2023	2024	2025	Thereafter	Total
-	-	-	-	**18,109**
-	-	-	-	**23,145**
-	-	-	-	**326**
-	-	-	-	**23,417**

NOTES TO THE CONSOLIDATE

(All amoun

2.33 Contingent liabilities and commitments

A. Contingent liabilities (claims against the Company not ack

The Company is involved in disputes, lawsuits, claims, government
(collectively, "Legal Proceedings"), including patent and commerc
Most of the claims involve complex issues. Often, these issues a
being sustained and an estimate of the amount of any loss is dif
possible to make a reasonable estimate of the expected financial
This is due to a number of factors, including: the stage of the pro
length and extent of pre-trial discovery; the entitlement of the pa
damages and governing law; uncertainties in timing of litigation
appropriate amount of damages, if any. In these cases, the Comp
with respect to the nature and facts of the case.

The Company also believes that disclosure of the amount sough
those legal proceedings.

Although there can be no assurance regarding the outcome of a
not expect them to have a materially adverse effect on its conso
of amounts accrued (if any) is not probable. However, if one or m
Company, such judgments could be material to its results of ope

Product and patent related matters

Launch of product

On 14 June 2018, the U.S. FDA granted the Company final approv
mg, 8 mg/2 mg, and 12 mg/3 mg dosages, a therapeutic equivale
came after the conclusion of litigation in the U.S. District Court
Delaware District Court held that patents covering Suboxone®
launch of its generic sublingual film product. In light of the favor
its generic sublingual film product in the United States immediate
the U.S. Court of Appeals for the Federal Circuit ("the Court of Ap
generic version of Suboxone® sublingual films did not infringe th
(U.S. patent numbers 8,603,514 and 8,015,150).

After the Delaware District Court's decision, Indivior filed a secon
U.S. patents (numbers 9,687,454, 9,855,221 and 9,931,305) in
District Court"), styled Indivior Inc. et al. v. Dr. Reddy's Laboratorie
15 June 2018, Indivior filed an emergency application for a temp
in the New Jersey District Court. Indivior's motion alleged that th
patents (number 9,931,305) at issue in the New Jersey District C
New Jersey District Court initially issued a temporary restraining
and imports of its generic sublingual film product in the United
granted a preliminary injunction in favor of Indivior. Under the ord
the costs and damages sustained by the Company if it was foun
decision, and the Court of Appeals agreed to expedite the appea

On 20 November 2018, the Court of Appeals issued a decision va
petition for rehearing on 4 February 2019.

Indivior subsequently filed two emergency motions in the Court o
injunction in place, which the Court of Appeals denied. Indivior th

Indivior's petition was denied by the Chief Justice of the U.S. Sup
same day. The Company resumed sales of its generic sublingual

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ts in Indian Rupees millions, except share data and where otherwise stated)

knowledged as debts)

al and/or regulatory inspections, inquiries, investigations and proceedings
ial matters that arise from time to time in the ordinary course of business.
re subject to uncertainties and therefore the probability of a loss, if any,
fficult to ascertain. Consequently, for a majority of these claims, it is not
l effect, if any, that will result from ultimate resolution of the proceedings.
oceedings (in many cases trial dates have not been set) and the overall
arties to an action to appeal a decision; clarity as to theories of liability;
n; and the possible need for further legal proceedings to establish the
pany based on internal and external legal advices discloses information

nt by plaintiffs, if that is known, would not be meaningful with respect to

ny of the Legal Proceedings referred to in this Note, the Company does
lidated balance sheet, as it believes that the likelihood of loss in excess
more of such Legal Proceedings were to result in judgments against the
rations in a given period.

val for buprenorphine and naloxone sublingual film, 2 mg/0.5 mg, 4 mg/1
ent generic version of Suboxone® sublingual film. The U.S. FDA approval
for the District of Delaware (the "Delaware District Court"), where the
sublingual film would not be infringed by the Company's commercial
able decision from the Delaware District Court, the Company launched
ely following the U.S. FDA approval on 14 June 2018. On 12 July 2019
ppeals") affirmed the Delaware District Court's ruling that the Company's
he two remaining patents at issue in the Delaware District Court's case

d lawsuit against the Company alleging infringement of three additional
n the U.S. District Court for the District of New Jersey (the "New Jersey
es S.A., Civil Action No. 2:17-cv-07111 (D.N.J.). Following the launch, on
porary restraining order and preliminary injunction against the Company
e Company's generic sublingual film product infringed one of three U.S.
Court. Pending a hearing and decision on the injunction application, the
order against the Company with respect to further sales, offer for sales,
States. Subsequently, on 14 July 2018, the New Jersey District Court
der, Indivior was required to and did post a bond of US$72 million to pay
nd to be wrongfully enjoined. The Company immediately appealed the
al.

acating the preliminary injunction. The Court of Appeals denied Indivior's

of Appeals to stay issuance of the mandate and to keep the preliminary
hen petitioned the U.S. Supreme Court to stay issuance of the mandate.

preme Court on 19 February 2019, and the mandate was issued on the
film product after the mandate was issued.

(All amounts

2.33	Contingent liabilities and commitments (continued)

On 19 February 2019, the New Jersey District Court entered a stip
9,855,221. On 5 November 2019, the New Jersey District Court
patent numbers 9,931,305 and 9,687,454. After such claim cons
entered a stipulated order that the Company's generic sublingual fi
9,931,305. In the stipulated order, Indivior reserved the ability
The Company filed a motion requesting that the New Jersey Distri
the allegations of infringement of U.S. patent number 9,931,305,
pending resolution of Indivior's allegations relating to U.S. patent

On 11 November 2019, a Magistrate Judge in the District of New J
that alleges that Indivior engaged in anticompetitive conduct by m
during the preliminary injunction proceedings in violation of federa
District Court Judge and, on 24 August 2020, the District Court J
motion to bifurcate the patent claims and the antitrust claims into tw
discovery closed on 24 September 2021. Indivior has filed a motio
the Noerr-Pennington doctrine and that the Company is not entitle
filed a motion for summary judgment that Indivior's remaining claims
claim preclusion, and prosecution laches and that Indivior's damag
briefing closed on 12 January 2022. No trial date has been set.

In addition to the District Court proceeding, on 13 November 201
the validity of certain claims of U.S. patent number 9,687,454 be
the PTAB agreed to institute inter-partes review on one of the two
pending inter-partes review challenge on 3 March 2020.

On 2 June 2020, the PTAB issued a final written decision in the Co
1–5, 7, and 9–14 of U.S. Patent No. 9,687,454 ("the 454 patent"
challenged claims, claim 8. Additionally, claim 6 was not at issue i
decision. Claims 6 and 8 remain asserted against the Company i
of appeal of the PTAB's Final Written Decision (" FWD") for claims
on claim 8 On 24 November 2021, a panel of the Federal Circuit
January 2022, Indivior filed a petition with the Federal Circuit seek
Circuit denied Indivior's petition for rehearing and, the mandate wa
the only remaining valid claims of the 454 patent to be litigated be

The Company intends to vigorously defend its positions and pursu
that may arise on account of this litigation is unascertainable. Accor
of the Company.

Matters relating to National Pharmaceutical Pricing Authorit

Norfloxacin, India litigation

The Company manufactures and distributes Norfloxacin, a formu
ingredient norfloxacin. Under the Drugs (Prices Control) Order (th
established by the Government of India had the authority to des
maximum selling price for such product. In 1995, the NPPA issue
and fixed the maximum selling price. In 1996, the Company filed
maximum selling price and a writ petition in the Andhra Pradesh H
on the grounds that the applicable rules of the DPCO were not co
previously granted an interim order in favor of the Company; how

The Company filed a review petition in the High Court in April 2
Subsequently, the Company appealed to the Supreme Court of Ind

During the year ended 31 March 2006, the Company received a n
the Company for sales of Norfloxacin in excess of the maximum se

oulated order of dismissal of Indivior's claims under U.S. patent number issued its claim construction decision construing certain terms in U.S. struction decision, on 8 January 2020, the New Jersey District Court lm product does not infringe the asserted claims in U.S. patent number to appeal the New Jersey District Court's claim construction order. ct Court enter partial final judgment in the Company's favor relating to which the District Court denied without prejudice on 24 August 2020, number 9,687,454.

ersey granted the Company leave to file a counterclaim against Indivior naking false or misleading statements to the New Jersey District Court al antitrust laws. Indivior appealed the Magistrate Judge's ruling to the Judge denied Indivior's appeal. The District Court did grant Indivior's o separate trials. Fact discovery closed on 29 January 2021, and expert on for summary judgment that it is immune from antitrust liability under d to seek damages in excess of the injunction bond. The Company has s for patent infringement are barred by the doctrines of issue preclusion, ges claim should be limited to a reasonable royalty. Summary judgment

8, the Company filed two petitions for inter-partes review challenging efore the Patent Trial and Appeal Board ("PTAB"). On 13 June 2019, petitions filed by the Company. The PTAB heard oral argument in the

mpany's favor finding that the Company had demonstrated that claims) were unpatentable. The PTAB upheld the validity of only one of the n the inter-partes review and therefore not subject to the final written n the New Jersey District Court litigation. Indivior filed a timely notice 1-5, 7, and 9-14, and the Company cross appealed the PTAB's FWD issued a decision affirming the PTAB's decision in all respects. On 26 king rehearing of the panel's decision. On 16 March 2022, the Federal s issued on 23 March 2022. As a result of the Federal Circuit's decision, efore the district court are claims 6 and 8.

e a claim for damages caused by the preliminary injunction. Any liability lingly, no provision was made in these consolidated financial statements

y

ulations product, and in limited quantities, the active pharmaceutical e "DPCO"), the National Pharmaceutical Pricing Authority (the "NPPA") ignate a pharmaceutical product as a "specified product" and fix the ed a notification and designated Norfloxacin as a "specified product" d a statutory Form III before the NPPA for the upward revision of the igh Court (the "High Court") challenging the validity of the designation nplied with while fixing the maximum selling price. The High Court had ever it subsequently dismissed the case in April 2004.

2004 which was also dismissed by the High Court in October 2004. dia, New Delhi (the "Supreme Court") by filing a Special Leave Petition.

notice from the NPPA demanding the recovery of the price charged by elling price fixed by the NPPA, which was ₹ 285 including interest.

NOTES TO THE CONSOLIDATE

(All amoun

2.33 Contingent liabilities and commitments (continued)

The Company filed a writ petition in the High Court challenging thi
interim order, directing the Company to deposit 50% of the princip
this amount with the NPPA in November 2005. In February 2008
of ₹ 30, which was deposited by the Company in March 2008. In
include additional legal grounds that the Company believed stre

For example, the Company added as grounds that trade margi
and that it was necessary for the NPPA to set the active pharmac
the formulation price. In October 2013, the Company filed an ad
of Norfloxacin as a "specified product" under the DPCO. In Janu
Norfloxacin was based upon the recommendation of a committe
remanded the matters concerning the inclusion of Norfloxacin as
proceedings. During the three months ended 30 September 20
to the fixing of prices for Norfloxacin formulations.

During the three months ended 31 December 2016, a writ petitio
Court. In addition, the Company have filed writ petitions challengi
and Ciprofloxacin as "specified product" as per DPCO 1995 and
along with the Norfloxacin matter and have been adjourned to 2

Based on its best estimate, the Company has recorded a provisi
prices, including the interest thereon, and believes that the likelih
to this litigation is not probable.

Litigation relating to Cardiovascular and Anti-diabetic formu

In July 2014, the NPPA, pursuant to the guidelines issued in May 2
(Price Control) Order, 2013, issued certain notifications regulatin
therapeutic areas. The Indian Pharmaceutical Alliance ("IPA"), in v
Court challenging the notifications issued by the NPPA on the gro
High Court issued an order to stay the writ in July 2014. On 26 Se
by the IPA and upheld the validity of the notifications/orders pass
a Special Leave Petition with the Supreme Court, which was dism

During the three months ended 31 December 2016, the NPPA
exceeded the notified maximum prices for 11 of its products. Th

On 20 March 2017, the IPA filed an application before the Bomb
dated 26 September 2016. This recall application filed by the IPA
13 December 2017, the IPA filed a Special Leave Petition with the
dated 4 October 2017, which was dismissed by Supreme Court

During the three months ended 31 March 2017, the NPPA issued
products for the allegedly overcharged amounts, along with inter
had filed, the Delhi High Court set aside all the demand notices
Company and pass a speaking order. A personal hearing in this
speaking order along with the demand notice directing the Com
a writ petition challenging the speaking order and the demand n
stayed the operation of the demand order and directed the Comp
the order, the Company deposited ₹ 100 on 13 September 201
to the Registrar General, Delhi High Court. On 22 November 201
affidavit within six weeks, subsequent to which the Company co
the Union of India. The Company subsequently filed a rejoinder
been adjourned to 14 November 2022 for hearing.

Based on its best estimate, the Company has recorded a provisi
sale proceeds in excess of the notified selling prices, including th
that may arise on account of penalties pursuant to this litigation

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ts in Indian Rupees millions, except share data and where otherwise stated)

s demand order. The High Court admitted the writ petition and granted an al amount claimed by the NPPA, which was ₹ 77. The Company deposited , the High Court directed the Company to deposit an additional amount November 2010, the High Court allowed the Company's application to ngthened its defense against the demand.

ns should not be included in the computation of amounts overcharged, eutical ingredient price before the process of determining the ceiling on ditional writ petition before the Supreme Court challenging the inclusion ary 2015, the NPPA filed a counter affidavit stating that the inclusion of e consisting of experts in the field. On 20 July 2016, the Supreme Court a "specified product" under the DPCO back to the High Court for further 16, the Supreme Court dismissed the Special Leave Petition pertaining

n pertaining to Norfloxacin was filed by the Company with the Delhi High ng the inclusion and designation of Theophylline/Doxofylline, Cloxacillin the related Demand Notices issued thereunder. The matters are tagged 0 January 2023 for hearing.

on for potential liability for sale proceeds in excess of the notified selling ood of any further liability that may arise on account of penalties pursuant

ulations

014 and the powers granted by the Government of India under the Drugs g the prices for 108 formulations in the cardiovascular and antidiabetic which the Company is a member, filed a writ petition in the Bombay High ounds that they were ultra vires, ex facie and ab initio void. The Bombay eptember 2016, the Bombay High Court dismissed the writ petition filed ed by the NPPA in July 2014. Further, on 25 October 2016, the IPA filed missed by the Supreme Court.

A issued show-cause notices relating to allegations that the Company e Company has responded to these notices.

bay High Court for the recall of the judgment of the Bombay High Court was dismissed by the Bombay High Court on 4 October 2017. Further, on e Supreme Court for the recall of the judgment of the Bombay High Court on 10 January 2018.

l notices to the Company demanding payments relating to the foregoing rest. On 13 July 2017, in response to a writ petition which the Company of the NPPA and directed the NPPA to provide a personal hearing to the regard was held on 21 July 2017. On 27 July 2017, the NPPA passed a pany to pay an amount of ₹ 776. On 3 August 2017, the Company filed otice. Upon hearing the matter on 8 August 2017, the Delhi High Court any to deposit ₹ 100 and furnish a bank guarantee for ₹ 676. Pursuant to 7 and submitted a bank guarantee of ₹ 676 dated 15 September 2017 7, the Delhi High Court directed the Union of India to file a final counter uld file a rejoinder. On 10 May 2018, the counter affidavit was filed by and both were taken on record by the Delhi High Court. The matter has

on of ₹ 353 under "Selling and other expenses" as a potential liability for e interest thereon, and believes that the likelihood of any further liability is not probable.

(All amounts

2.33 Contingent liabilities and commitments (continued)

However, if the Company is unsuccessful in such litigation, it will b
prices to the Government of India with interest and could potentia

Other product and patent related matters

Child resistant packaging matter complaint under the False C

In May 2012, the Consumer Product Safety Commission (the "C
subsidiary of the Company in the United States, provide certain
packaging for child resistant blister packs for 6 products sold by
2002 through 2011. The Company provided the requested inform
that the Company had violated the Consumer Product Safety Act (t
that the CPSC intended to seek civil penalties. Specifically, the CP
through 1 June 2012, the Company sold prescription drugs having
resistant packaging regulations under the PPPA and failed to issu
that the Company violated the CPSA by failing to immediately adv
the CPSC's allegations.

Simultaneously, the U.S. Department of Justice (the "DOJ") began
District Court for the Eastern District of Pennsylvania under the Fe
Complaint"). The Company cooperated with the DOJ in its investi
to intervene in the FCA Complaint. On 10 November 2015, the F
two former employees of the Company, proceeded without the DO
relates to the 6 blister pack products originally subject to the inve
sold in the U.S. in various bottle and cap packaging.

The Company filed its response to the FCA Complaint on 23 Febru
upon which relief can be granted. On 26 March 2017, the Court gra
and allowing the plaintiffs one more chance to refile this complain

On 29 March 2017, the plaintiffs filed their final amended FCA Co
ended 31 March 2018, the Company obtained dismissal of the FCA
requesting that the Court reconsider its decision to dismiss the FC

The parallel investigation by the CPSC under the CPSA and the PP
in April 2016, with the recommendation that the DOJ initiate a civil
DOJ relates to five of the blister pack products.

On 18 January 2018, the Company and the DOJ entered into a s
a civil penalty of US$5 million (₹ 319), and injunctive relief. The se
Company has not admitted any violations of law pursuant to this s

During the three months ended 31 March 2018, the Company o
subsequently filed a petition with the Court requesting that the Cou
and that request was denied.

In June 2018, the plaintiffs filed their Notice of Appeal to the Third Cir
the plaintiffs and the DOJ settled and thus this appeal was dismisse
from the Company under the "alternative remedy doctrine". The C
withdrew their application.

The Company believes that the likelihood of any liability that may a
provision has been made in these consolidated financial statemen

be required to remit the sale proceeds in excess of the notified selling
lly include penalties, which amounts are not readily ascertainable.

Claims Act ("FCA")

CPSC") requested that Dr. Reddy's Laboratories Inc., a wholly-owned information with respect to compliance with requirements of special the Company in the United States during the period commencing in nation. The CPSC subsequently alleged in a letter dated 30 April 2014 the "CPSA") and the Poison Prevention Packaging Act (the "PPPA") and SC asserted, among other things, that from or about 14 August 2008 unit dose packaging that failed to comply with the CPSC's special child e general certificates of conformance. In addition, the CPSC asserted vise the CPSC of the alleged violations. The Company disagrees with

to investigate a sealed complaint which was filed in the United States deral False Claims Act ("FCA") related to these same issues (the "FCA igation. The DOJ and all States involved in the investigation declined CA Complaint was unsealed and the plaintiff whistleblowers, who are OJ's and applicable States' involvement. The unsealed FCA Complaint stigation and also 38 of the Company's generic prescription products

uary 2016 in the form of a motion to dismiss for failure to state a claim anted the Company's motion to dismiss, dismissing the FCA Complaint t in an attempt to plead sustainable allegations.

omplaint, which the Company opposed and during the three months A Complaint with prejudice. The plaintiffs filed a petition with the Court CA Complaint with prejudice, and that request was denied.

PPA was referred by the CPSC to the DOJ's office in Washington, D.C. l penalty action against the Company. The CPSC matter referred to the

ettlement of the action and agreed to a consent decree providing for ettlement was without adjudication of any issue of fact or law, and the ettlement.

btained dismissal of the FCA Complaint with prejudice. The plaintiffs urt reconsider its decision to dismiss the FCA Complaint with prejudice,

rcuit Court of Appeals. During the three months ended September 2018, ed. The plaintiffs then filed an application for recovery of attorneys' fees Company made opposing filings to this and in response the plaintiffs

arise on account of the FCA Complaint is not probable. Accordingly, no nts.

NOTES TO THE CONSOLIDATE

(All amoun

2.33 **Contingent liabilities and commitments** (continued)

Namenda Litigation

In August 2015, Sergeants Benevolent Assoc. Health & Welfare
District Court for the Southern District of New York. Sergeants alle
laws as a consequence of having settled patent litigation related
from about 2009 until 2010. Sergeants seeks to represent a cla
third-party payors and consumers).

Sergeants seeks damages based upon an allegation made in the
Namenda® tablets for the purpose of delaying generic competit
original immediate release product to the more recently introduc

On 23 August 2020, the Company and certain other defendants e
the dismissal with prejudice of the claims brought by the plaintiff
million. The Company paid that amount into escrow. The Court pr
agreement is contingent upon final court approval. The settleme

Following the settlement agreement, the Company recognised su
months ended 30 September 2020.

On 5 November 2019 plaintiffs MSP Recovery Claims, Series LLC
manufacturers in the United States District Court for the Southern
to the claims in the Sergeants lawsuit, and those cases were coo
the Company and the other defendants, plaintiffs MSP Recovery
claims without prejudice.

Other class action complaints containing similar allegations to th
the Southern District of New York. However, apart from the Serg
pending and that name the Company as a defendant.

In addition, the State of New York filed an antitrust case in the U.
by the State of New York contained some (but not all) of the alleg
named as a party. The case brought by the State of New York wa

The Company believes that the likelihood of any liability, apart fro
of alleged violation of federal antitrust laws is not probable. Ac
statements.

Ranitidine recall and litigation

On 1 October 2019, the Company initiated a voluntary nationwide reta
prescription products) of its ranitidine medications sold in the United S
established by the U.S. FDA. On 1 November 2019, the U.S. FDA issu
its testing generally that were "similar to the levels you would expect
https://www.fda.gov/news-events/press-announcements/statem
On 1 April 2020, the U.S. FDA issued a press re
to withdraw all prescription and over-the-coun
See https://www.fda.gov/news-events/press-announcements/fda

Individual federal court personal injury lawsuits, as well as vario
Products Liability Litigation Multidistrict Litigation in the Southern
more of its U.S. subsidiaries have been named as a defendant in o
in the MDL-2924 includes tens of thousands of claimants who
in the MDL-2924 against the many pharmaceutical manufactur
The MDL-2924 also involves a proposed nationwide consumer cla
A third-party payor class action was dismissed without prejudice
Eleventh Circuit.

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ts in Indian Rupees millions, except share data and where otherwise stated)

Fund ("Sergeants") filed suit against the Company in the United States ged that certain parties, including the Company, violated federal antitrust to the Alzheimer's drug Namenda® (memantine) tablets during a period ass of "end payor" purchasers of Namenda® tablets (i.e., insurers, other

complaint that the defendants entered into patent settlements regarding ion and facilitating the brand innovator's attempt to shift sales from the ced extended release product.

entered into a settlement agreement. The settlement agreement calls for on behalf of the putative class, in exchange for the payment of US$0.4 reliminarily approved the settlement on 5 October 2020. The settlement nt agreement explicitly disclaims any liability or wrongdoing.

uch amount in the consolidated statement of profit and loss for the three

C and MSPA Claims 1, LLC filed suit against the Company and other drug n District of New York. The claims in this complaint were similar in nature rdinated for discovery purposes. On 14 April 2020, with the consent of Claims, Series LLC and MSPA Claims 1, LLC voluntarily dismissed their

e Sergeants complaint have also been filed in the U.S. District Court for geants case described above, there are no such class actions that are

S. District Court for the Southern District of New York. The case brought ations set forth in the class action complaints, but the Company was not as dismissed by stipulation on 30 November 2015.

om the settlement payment described above, that may arise on account cordingly, no provision has been made in these consolidated financial

il (at the retail level for over-the-counter products and at the consumer level for tates due to the presence of N-Nitrosodimethylamine ("NDMA") above levels ued a statement indicating that it had found levels of NDMA in ranitidine from to be exposed to if you ate common foods like grilled or smoked meats." See ent-new-testing-results-including-low-levels-impurities-ranitidine-drugs. elease announcing that it was requesting manufacturers nter ranitidine drugs from the market immediately. -requests-removal-all-ranitidine-products-zantac-market.

us class actions, have been transferred to the In re Zantac (Ranitidine) District of Florida, MDL-2924 ("MDL-2924"). The Company and/or one or ver 250 lawsuits pending in the MDL-2924. A census registry established have not filed complaints but are presenting claims for consideration ers, distributors and retailers which are defendants in the MDL-2924. ass action and a proposed nationwide class action for medical monitoring. and has been appealed by plaintiffs to the U.S. Court of Appeals for the

2.33 Contingent liabilities and commitments (continued)

On 31 December 2020, the MDL-2924 Court ruled on multiple moti (the Company is a generic manufacturer) motion to dismiss based claims against the Company were dismissed with prejudice, but the Plaintiffs filed their amended complaints and the defendants, incl claims against them on 24 March 2021. On 8 July 2021, the Cou other generic manufacturers with prejudice based on federal pre appealed by plaintiffs to the U.S. Court of Appeals for the Eleventh round of appeals occurred on 5 April 2022.

There are several ranitidine-related actions currently pending again filed suit against the Company's U.S. subsidiary, and multiple other of statutory and common law public nuisance and negligence claim case from the Santa Fe County Court to the MDL-2924, but the cas Plaintiff filed an amended complaint on 16 April 2021. The defend motion to dismiss, were denied. The case is currently in the discov City of Baltimore filed a similar action against the Company's U.S of Baltimore asserts public nuisance and negligence claims again the MDL-2924 and subsequently was remanded to the Circuit C an amended complaint, which the defendants moved to dismiss. February 2022 and it is not currently a defendant in the case. In J by the Center for Environmental Health ("CFEH") in the Superior C case on behalf of the people of California and alleges that the Com to disclose the presence of carcinogens in consumer products. T dismiss) in the case, and on 7 May 2021 the Court granted all su that decision and appellate briefing is on-going.

There are now 10 plaintiffs who have filed actions against the Co Illinois and Pennsylvania state courts. The Illinois cases have been were filed in Philadelphia. Generally they allege, among other thing moved, or intend to move, to dismiss these cases. In one case, Jo Madison County Case No. 2021-L-000915, some of plaintiffs' clai The Bayer case involves two plaintiffs, Joseph Bayer and Gwend scheduled for August 2022 and her trial scheduled for 6 Februar and the defendants are scheduled to disclose experts shortly. No

The Company believes that all of the aforesaid complaints and asse to vigorously defend itself against the allegations. Any liability tha Accordingly, no provision was made in these consolidated financia

Class Action and Other Civil Litigation on Pricing/Reimbursen

On 30 December 2015 and on 4 February 2016, respectively, a clas (not a class action) (the "Second Pricing Complaint") were filed again Court in the Commonwealth of Pennsylvania. In these actions, the individually or in some cases in concert with one another, have e Pennsylvania state laws. More specifically, the plaintiffs allege tha to third party drug compendia companies for the Company's gene payers that reimbursed for drugs sold by the Company in the Un defendants to unfairly raise the prices of generic divalproex sodiu sodium (bottle of 500, 10 mg tablets).

The First Pricing Complaint was removed to the U.S. District Cour and, pending the outcome of the First Pricing Complaint, the Seco Federal Court dismissed all the claims of the plaintiffs in the First F Subsequent to this decision, the plaintiffs' right to appeal the dism ons to dismiss in the MDL-2924 and granted the generic manufacturers' on federal preemption. The plaintiffs' failure-to-warn and design defect Court permitted plaintiffs to attempt to replead several claims/theories. luding the Company, filed motions to dismiss seeking dismissal of all rt dismissed the entirety of plaintiffs' claims against the Company and eemption. The MDL Court's dismissal decisions have been piecemeal Circuit, resulting in three rounds of appeals. Oral argument on the first

st the Company in state courts. The New Mexico State Attorney General manufacturers and retailers. The State of New Mexico asserted claims s against the Company. The Company joined in an effort to transfer the e was remanded by the MDL-2924 Court to the Santa Fe County Court. lants' motions to dismiss, including the Company's federal preemption very stage. No trial date has been established. In November 2020, the . subsidiary, and multiple other manufacturers and retailers. The City nst the Company. The City of Baltimore action also was transferred to ourt of Maryland by the MDL-2924 Court. The City of Baltimore filed The Company's federal preemption motion to dismiss was granted in anuary 2021, the Company was served in a Proposition 65 case filed Court of Alameda County, California. The plaintiff purports to bring the npany violated Proposition 65, a California law requiring manufacturers The Company and other defendants have filed demurrers (motions to ch demurrers without leave to amend the pleadings. CFEH appealed

mpany and other brand and generic manufacturers and/or retailers in filed in Madison, St. Clair and Cook counties. The Pennsylvania cases gs, failure to warn, design defect and negligence. The defendants have seph Bayer, et al. v. Boehringer Ingelheim Pharmaceuticals, Inc., et al., ms survived the Company's and other defendants' motions to dismiss. olyn Culverson. Their claims have been severed for trial, with his trial y 2023. Discovery is on-going, plaintiffs have disclosed their experts, other cases have been set for trial.

erted claims are without merit and it denies any wrongdoing and intends t may arise on account of these claims is unascertainable at this time. al statements of the Company.

nent Matters

ss action complaint (the "First Pricing Complaint") and another complaint st the Company and eighteen other pharmaceutical defendants in State class action plaintiffs allege that the Company and other defendants, ngaged in pricing and price reporting practices in violation of various t: (1) the Company provided false and misleading pricing information eric drugs, and such information was relied upon by private third party ited States, and (2) the Company acted in concert with certain other um ER (bottle of 80, 500 mg tablets ER 24H) and generic pravastatin

t for the Eastern District of Pennsylvania (the "E.D.P.A. Federal Court") nd Pricing Complaint was stayed. On 25 September 2017, the E.D.P.A. Pricing Complaint and denied leave to amend such complaint as futile. issal of the First Pricing Complaint expired.

NOTES TO THE CONSOLIDATE

(All amoun

2.33 Contingent liabilities and commitments (continued)

Further, on 17 November 2016, certain class action complaints
companies as defendants in the E.D.P.A. Federal Court. Subsequ
as part of a multi-district, multiproduct litigation pending with the
the other named defendants have engaged in a conspiracy to
sodium tablets and divalproex sodium extended-release tablets

In March 2017, plaintiffs agreed by stipulation to dismiss Dr. Re
actions related to pravastatin sodium tablets without prejudice. T
against these allegations.

In response to the consolidated new complaint, the Company file
the motion to dismiss in December 2017 and a reply was filed by
motion to dismiss on the grounds that the allegations pled leave
look into this possibility.

The Company believes that the asserted claims are without merit
liability that may arise on account of these claims is unascertaina
statements.

United States Antitrust Multi-District Litigations

The following cases against the Company's U.S. subsidiary, Dr. Red
in *In re Generic Pharmaceutical Pricing Antitrust Litigation, MD*
Litigation ("MDL") in the Eastern District of Pennsylvania ("MDL-2

a) U.S. States Attorneys General Antitrust Complaints:

On 30 October 2017, the Attorneys General of forty-nine U.S. Sta
an Amended Complaint in the United States District Court for the E
companies (including the Company's U.S. subsidiary) with respect
the other named defendants engaged in a conspiracy to fix pric
of the fifteen named drugs. The Company's U.S. subsidiary is
(meprobamate and zoledronic acid), and is named as an alleged
the other thirteen generic drugs named. The Amended Complai
the consumer protection and antitrust laws of each of the jurisdic

The Amended Complaint seeks injunctive relief, statutory penalt
fees and costs, against all named defendants on a joint and sev
inhabitants. The Company denies any wrongdoing and intends t

On 10 May 2019, the Attorneys General of forty-nine U.S. State
a Complaint in the United States District Court for the District c
(including the Company's U.S. subsidiary) and fifteen individual de
U.S. subsidiary and the other named defendants engaged in a c
States in the sale of the 116 named drugs. Under the MDL rules
transferred to and become a part of the MDL-2724. The Compar
five generic drugs (ciprofloxacin HCL tablets, glimepiride tablets, c
co-conspirator on an alleged "overarching conspiracy" with resp
violations of Section 1 of the Sherman Act, 15 U.S.C. §1, and the
are plaintiffs. The Complaint seeks injunctive relief, statutory pena
fees and costs, against all named defendants on a joint and sev
inhabitants. The Company denies any wrongdoing and intends t

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ts in Indian Rupees millions, except share data and where otherwise stated)

were filed against the Company and a number of other pharmaceutical ently, these complaints were consolidated into one amended complaint E.D.P.A. Federal Court. These complaints allege that the Company and fix prices and to allocate bids and customers in the sale of pravastatin in the United States.

eddy's Laboratories Inc. and Dr. Reddy's Laboratories Limited from the The Company denies any wrongdoing and intends to vigorously defend

ed a motion to dismiss in October 2017. The plaintiffs filed opposition to the Company in January 2018. In October 2018, the Court denied the open the possibility of conspiracy. Therefore, discovery will proceed to

and intends to vigorously defend itself against the allegations. Also any ble. Accordingly, no provision was made in these consolidated financial

dy's Laboratories, Inc., have been filed and are pending and consolidated *DL 2724, 14-MD-2724 (Eastern District of Pennsylvania)*, Multi District 724"):

tes, the Commonwealth of Puerto Rico and the District of Columbia, filed Eastern District of Pennsylvania, against eighteen generic pharmaceutical to fifteen generic drugs, alleging that the Company's U.S. subsidiary and ces and to allocate bids and customers in the United States in the sale specifically named as a defendant with respect to two generic drugs co-conspirator on an alleged "overarching conspiracy" with respect to nt alleges violations of Section 1 of the Sherman Act, 15 U.S.C. §1, and ctions that are plaintiffs.

ies, punitive damages, and recovery of treble damages, plus attorney's veral basis, on behalf of the plaintiff jurisdictions and their citizens and o vigorously defend against the claims asserted.

s, the Commonwealth of Puerto Rico and the District of Columbia, filed of Connecticut against twenty-one generic pharmaceutical companies fendants, with respect to 116 generic drugs, alleging that the Company's onspiracy to fix prices and to allocate bids and customers in the United s, this action will be designated a related "tag along" action and will be ny's U.S. subsidiary is specifically named as a defendant with respect to oxaprozin tablets, paricalcitol and tizanidine), and is named as an alleged pect to the other thirteen generic drugs named. The Complaint alleges consumer protection and antitrust laws of each of the jurisdictions that alties, punitive damages, and recovery of treble damages, plus attorney's veral basis, on behalf of the plaintiff jurisdictions and their citizens and o vigorously defend against the claims asserted.

(All amounts

2.33 **Contingent liabilities and commitments** (continued)

b) Divalproex Antitrust Class Action Cases Filed by Dire Plaintiffs Classes:

Since 17 November 2016, certain class action complaints on behal Plaintiffs classes were filed against the Company's U.S. subsidiary defendants in the United States District Court for the District of Pe named defendants have engaged in a conspiracy to fix prices and the United States.

The actions allege violations of Section 1 of the Sherman Act, 15 asserts claims of unjust enrichment, under a total of thirty-one Stat recovery of treble damages, punitive damages, plus attorney's fees The Company denies any wrongdoing and intends to vigorously d

c) Pravastatin Antitrust Class Action Cases Filed by Dire Plaintiffs Classes:

Since 17 November 2016, certain class action complaints on behal Plaintiffs classes were filed against the Company and a number of the District of Pennsylvania, alleging that the Company's U.S. subs prices and to allocate bids and customers in the sale of pravastatin been dismissed from these actions, without prejudice, in exchang limitations as to the claims asserted. The Company denies any wro

d) Antitrust "Overarching Conspiracy" Cases Filed by Di Plaintiffs Classes:

In June 2018, three class action complaints were filed in the MD End Payor Plaintiffs classes. All three complaints allege conspirac and violations of thirty-one State antitrust statutes and consumer injunctive relief, recovery of treble damages, punitive damages, a several basis. They allege an "overarching conspiracy" among the name approximately twenty-five generic pharmaceutical manufactu Inc.

The drug-specific allegations against the Company's U.S. subsidia Plaintiffs also allege that the Company's U.S. subsidiary (as well a conspiracy" as to all of the drugs named in the complaints. The co §1, and violations of thirty-one States' antitrust statutes and con The complaint seeks injunctive relief, recovery of treble damag defendants on a joint and several basis. The Company denies any

e) Antitrust Case Filed by The Kroger Co., Albertsons Co

On 22 January 2018, each of the Kroger Co., Albertsons Compani the Company's U.S. subsidiary and thirty-one other companies alle bids and customers in the United States in the sale of the thirty named as a defendant with respect to three generic drugs (divalpro co-conspirator on an alleged "overarching conspiracy" claim with

This action alleges violations of Section 1 of the Sherman Act, 15 punitive damages, plus attorney's fees and costs, against all name wrongdoing and intends to vigorously defend against these class

ect Payor Plaintiffs, End Payor Plaintiffs and Indirect Reseller

f of Direct Purchaser Plaintiffs, Indirect Reseller Plaintiffs and End Payor , Dr. Reddy's Laboratories, Inc., and a number of other pharmaceutical ennsylvania alleging that the Company's U.S. subsidiary and the other d to allocate bids and customers in the sale of divalproex ER tablets in

5 U.S.C. §1, and of state consumer protection and antitrust laws, and tes and the District of Columbia. The actions seek injunctive relief and and costs, on a joint and several basis, on behalf of the plaintiff classes. defend against these class action claims.

ect Payor Plaintiffs, End Payor Plaintiffs and Indirect Reseller

f of Direct Purchaser Plaintiffs, Indirect Reseller Plaintiffs and End Payor other pharmaceutical defendants in the United States District Court for sidiary and the other named defendants engaged in a conspiracy to fix sodium tablets in the United States. The Company's U.S. subsidiary has ge for a tolling agreement with the plaintiffs suspending the statute of ongdoing and intends to vigorously defend against these claims.

rect Payor Plaintiffs, End Payor Plaintiffs and Indirect Reseller

L-2724 by Direct Purchaser Plaintiffs, Indirect Resellers Plaintiffs and cies in restraint of trade in violation of Sections 1 of the Sherman Act, protection statutes, and asserts claims of unjust enrichment seeking ttorney's fees and costs against all named defendants on a joint and e named defendants involving fifteen drugs and, with slight variations, urers including the Company's U.S. subsidiary, Dr. Reddy's Laboratories,

ry involve two of the fifteen drugs, meprobamate and zoledronic acid. as all other manufacturers named) were part of a larger "overarching omplaint alleges violations of Section 1 of the Sherman Act, 15 U.S.C. sumer protection statutes, and asserts claims of unjust enrichment. ges, punitive damages, attorney's fees and costs against all named y wrongdoing and intends to vigorously defend against these claims.

mpanies, LLC, and H.E. Butt Grocery Company, L.P.:

es, LLC, and H.E. Butt Grocery Company, L.P., filed a complaint against ging that they had engaged in a conspiracy to fix prices and to allocate named generic drugs. The Company's U.S. subsidiary is specifically pex ER, meprobamate and zoledronic acid), and is named as an alleged respect to the other generic drugs named.

U.S.C. §1, and seeks injunctive relief and recovery of treble damages, ed defendants on a joint and several basis. The Company denies any action claims.

NOTES TO THE CONSOLIDATE

(All amoun

2.33 Contingent liabilities and commitments (continued)

f) Antitrust Case Filed by Humana Inc.:

On 3 August 2018, Humana, Inc., filed a complaint against the Cor had engaged in a conspiracy to fix prices and to allocate bids and drugs. On 15 December 2020, Humana, Inc., filed an Amended C forty nine drugs. In the Amended Complaint, the Company's U.S. generic drugs: allopurinol, ciprofloxacin ER, eszopiclone, flucona succinate ER, montelukast, omeprazole sodium bicarbonate, oxa zoledronic acid. The Company's subsidiary is also named as a co to the other generic drugs named. The complaint also alleges v of thirty-one States' antitrust statutes and consumer protection injunctive relief, recovery of treble damages, punitive damages, several basis. The Company denies any wrongdoing and intends

g) Antitrust Case Filed by Marion Diagnostic Center, LL

On 25 September 2018, Marion Diagnostic Center, LLC, and M themselves and a class of all direct purchasers from distributors, including a major distributor of pharmaceutical products, involvin to fix prices and to rig bids and allocate customers with respect named with respect to two drugs: meprobamate and zoledronic a other manufacturers named) were part of a larger "overarching c alleges violations of Section 1 of the Sherman Act, 15 U.S.C. §1 protection statutes, and asserts claims of unjust enrichment. The damages, attorney's fees and costs against all named defendants intends to vigorously defend against these claims.

h) Antitrust Case Filed by United Healthcare Services, I

On 16 January 2019, United Healthcare Services, Inc., filed a defendants, involving a total of thirty generic drugs, alleging a customers with respect to the thirty drugs. The Company's U.S. s meprobamate, pravastatin and zoledronic acid. Plaintiffs also alle named) were part of a larger "overarching conspiracy" as to all of Section 1 of the Sherman Act, 15 U.S.C. §1, and violations o asserts claims of unjust enrichment. The complaint seeks injunct fees and cost against all defendants on a joint and several basis. against these claims.

i) Pennsylvania Court of Common Pleas Praecipe For a Blue Cross Blue Shield entities and other health insu

On 19 July 2019, a Praecipe For a Writ of Summons for a tort acti County, First Judicial District of Pennsylvania, Civil Trial Divisio companies and HMO entities, against the Company's U.S. subsi companies and 17 individuals). These 87 plaintiffs had been p MDL-2724. Only a Praecipe of Writ of Summons has been filed. not been asserted or delineated in any manner, including what d filed encompassing the claims asserted by the End Payor Plaint Court of Common Pleas placed the matter "in Deferred Status Pe Because no Complaint has been filed setting forth any claims, and is required by the Company's subsidiary at this time.

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ts in Indian Rupees millions, except share data and where otherwise stated)

mpany's U.S. subsidiary and thirty-nine other companies alleging that they customers in the United States in the sale of twenty-nine named generic Complaint encompassing fifty-one defendants and a total of one hundred subsidiary is specifically named as a defendant with respect to eighteen zole, glimepiride, isotretinoin, lamotrigine ER, meprobamate, metroprolol prozin, paricalcitol, ranitidine, sumatriptan, tizanidine, valganciclovir, and o-conspirator on an alleged "overarching conspiracy" claim with respect violations of Section 1 of the Sherman Act, 15 U.S.C. §1, and violations statutes, and asserts claims of unjust enrichment. The complaint seeks attorney's fees and costs against all named defendants on a joint and s to vigorously defend against these claims.

C, and Marion Healthcare, LLC:

arion Healthcare, LLC, filed a complaint in the MDL-2724, on behalf of against the Company's U.S. subsidiary and twenty-two other defendants, g a total of sixteen generic drugs, alleging an "overarching conspiracy" to sixteen generic drugs. The Company's U.S. subsidiary is specifically cid. Plaintiffs also allege that the Company's U.S. subsidiary (as well as all onspiracy" as to all of the drugs named in the complaints. The complaint 1, and violations of twenty-four States' antitrust statutes and consumer e complaint seeks injunctive relief, recovery of treble damages, punitive s on a joint and several basis. The Company denies any wrongdoing and

nc.:

complaint against the Company's U.S. subsidiary and forty-two other an "overarching conspiracy" to fix prices and to rig bids and allocate ubsidiary is specifically named with respect to four drugs: divalproex ER, ge that the Company's U.S. subsidiary (as well as all other manufacturers of the drugs named in the complaints. The complaint alleges violations f the thirty States' antitrust laws and consumer protection statutes, and ive relief, recovery of treble damages, punitive damages, and attorney's The Company denies any wrongdoing and intends to vigorously defend

a Writ of Summons Filed by 87 End Payor Entities consisting of rance companies and HMO entities:

on was filed in the Pennsylvania Court of Common Pleas of Philadelphia on, by 87 Blue Cross Blue Shield entities, and other health insurance idiary and 69 other defendants (consisting of 51 other pharmaceutical reviously encompassed by the End Payor Plaintiff class actions in the . No complaint has been filed and, therefore, the potential claims have lrugs any such claims may relate to. A complaint may, at some point, be tiffs in the MDL-2724 actions. On 12 December 2019, an Order of the ending Further Developments in Related Federal Multidistrict Litigation." d because the action has been placed into Deferred Status, no response

2.33 Contingent liabilities and commitments (continued)

j) Antitrust Case Filed by United Healthcare Services, Inc

On 11 October 2019, United Healthcare Services, Inc. filed a sec
by the State Attorneys General on 10 May 2019) against the Com
States District Court for the District of Minnesota with respect to
the other named defendants engaged in a conspiracy to fix price
of the 116 named drugs. Under the MDL rules, this action will be
become a part of the MDL-2724. The Company's U.S. subsidiary i
(ciprofloxacin HCL tablets, glimepiride tablets, oxaprozin tablets, p
on an alleged "overarching conspiracy" with respect to the other g
the Sherman Act, 15 U.S.C. §1, and violations of the Minnesota an
laws, and asserts claims for unjust enrichment.

The complaint seeks injunctive relief, statutory penalties, punitive
costs, against all named defendants on a joint and several basis. T
against these claims.

k) Antitrust "Overarching Conspiracy" Cases Filed by Di Plaintiffs Classes:

On 19 December 2019, a new class action complaint was filed
restraint of trade in violation of Section 1 of the Sherman Act, 15
twenty-nine States' consumer protection statutes, and asserts clain
of treble damages, punitive damages, attorney's fees and costs. T
defendants involving one hundred and thirty-five drugs and, with s
manufacturers, including the Company's U.S. subsidiary.

The drug-specific allegations against the Company's U.S. subsidiary
ciprofloxacin HCL, fluconazone, glimepiride, oxaprozin, paricalcitol
and intends to vigorously defend against these claims.

On 19 December 2019, a new class action complaint was filed by ce
alleges a conspiracy in restraint of trade in violation of Sections
forty-three States' antitrust statutes and consumer protection sta
injunctive relief, recovery of treble damages, punitive damages, a
several basis. The complaint alleges an "overarching conspiracy"
drugs and, with slight variations, names approximately twenty-eigh
subsidiary, as well as seven pharmaceutical distributor defendants

The drug-specific allegations against the Company's U.S. subsidiar
divalproex ER, eszopiclone, fenofibrate, glimepiride, isotretinoin,
omeprazole sodium bicarbonate, oxaprozin, paricalcitol, sumatript

The complaints seek injunctive relief, statutory penalties, punitive
costs, against all named defendants on a joint and several basis. T
against these claims.

l) Antitrust Case Filed by Fourteen New York State Coun

On 18 November 2019, a class action complaint was filed in the
New York State Counties (Nassau, Allegany, Clinton. Cortland, Fran
Schenectady and Steuben). The complaint alleging an "overarchin
respect to these drugs. The Company's U.S. subsidiary is specifica
meprobamate, tizanidine and zoledronic acid. Plaintiffs also allege
conspiracy" with all other manufacturers named as to all of the dru
intends to vigorously defend against these claims.

c.:

cond complaint (which substantially tracks the second complaint filed pany's U.S. subsidiary and twenty-four other defendants in the United 116 generic drugs, alleging that the Company's U.S. subsidiary and es and to allocate bids and customers in the United States in the sale designated a related "tag along" action and will be transferred to and s specifically named as a defendant with respect to five generic drugs paricalcitol and tizanidine), and is named as an alleged co-conspirator generic drugs named. The complaint alleges violations of Section 1 of ntitrust laws and various other state antitrust and consumer protection

e damages, and recovery of treble damages, plus attorney's fees and he Company denies any wrongdoing and intends to vigorously defend

rect Payor Plaintiffs, End Payor Plaintiffs and Indirect Reseller

d by the End Payor Plaintiffs. The complaint alleges a conspiracy in U.S.C. §1, and violations of twenty-eight States' antitrust statutes and ms of unjust enrichment. The complaint seeks injunctive relief, recovery The complaint alleges an "overarching conspiracy" among the named light variations, names approximately thirty-six generic pharmaceutical

y involve eight of the one hundred thirty-five drugs, including allopurinol, l, ranitidine HCL and tizanidine. The Company denies any wrongdoing

ertain pharmacy and hospital indirect purchaser plaintiffs. The complaint 1 and 3 of the Sherman Act, 15 U.S.C. §1 and §3, and violations of tutes, and asserts claims of unjust enrichment. The complaint seeks ttorney's fees and costs against all named defendants on a joint and " among the named defendants involving one hundred and sixty-two t generic pharmaceutical manufacturers, including the Company's U.S. s and sixteen individual defendants.

ry involve nineteen drugs: allopurinol, capecitabine, ciprofloxacin HCL, lamotrigine ER, meprobamate, metoprolol ER, montelukast granules, an, tizanidine HCL, valganciclovir and zoledronic acid.

e damages, and recovery of treble damages, plus attorney's fees and he Company denies any wrongdoing and intends to vigorously defend

ties:

Supreme Court of the State of New York, Nassau County, by fourteen nklin, Fulton, Greene, Herkimer, Lewis, Madison, Montgomery, Niagara, ng conspiracy" to fix prices and to rig bids and allocate customers with lly named with respect to five drugs: glimepiride, glyburide-metformin, e that the Company's U.S. subsidiary was part of a larger "overarching gs named in the complaint. The Company denies any wrongdoing and

NOTES TO THE CONSOLIDATE

(All amoun

2.33 **Contingent liabilities and commitments** (continued)

m) Antitrust Case Filed by Health Care Services, Inc:

On 11 December 2019, Health Care Services, Inc. filed a complain
involving a total of one hundred twenty-eight generic drugs, alleg
customers with respect to these drugs. On 15 December 2020, H
hundred seventy drugs. In the Amended Complaint, the Compan
allopurinol, ciprofloxacin HCL, divalproex ER, eszopiclone, flucona
succinate ER, montelukast, omeprazole sodium bicarbonate, o
and zoledronic acid. Plaintiffs allege that the Company's U.S. sub
"overarching conspiracy" as to all of the drugs named in the co
the Sherman Act, 15 U.S.C. §1 and §2, and violations of thirty-o
statutes, and asserts claims of unjust enrichment. The complaint
and attorney's fees and costs against all defendants on a joint a
vigorously defend against these claims.

n) Antitrust Case Filed by MSP Recovery Claims, Series
(collectively "MSP Recovery"), as Assignees of certai

On 16 December 2019, MSP Recovery filed a complaint against th
a total of sixteen generic drugs, alleging an "overarching conspi
the sixteen drugs. The Company's U.S. subsidiary is specifically n
the Company's U.S. subsidiary (as well as all other manufacturer
drugs named in the complaint.

The complaint alleges violations of Sections 1 and 3 of the Sherma
laws and twenty-three States' consumer protection statutes, an
relief, recovery of treble damages, punitive damages, and attorn
The Company denies any wrongdoing and intends to vigorously

o) Antitrust Case Filed by Molina Healthcare Inc.:

On 27 December 2019, Molina Healthcare Inc. filed a complaint
involving a total of one hundred twenty-eight generic drugs, alleg
customers with respect to these drugs. On 15 December 2020, M
defendants involving one hundred eighty four drugs. In the Amen
respect to nineteen drugs: allopurinol, ciprofloxacin, divalproex
meprobamate, metroprolol succinate ER, montelukast, omepraz
tizanidine, valganciclovir and zoledronic acid. Plaintiffs allege t
named) were part of a larger "overarching conspiracy" as to all of
of Sections 1 and 2 of the Sherman Act, 15 U.S.C. §1 and §2, a
statutes, and asserts claims of unjust enrichment. The complaint
and attorney's fees and costs against all defendants on a joint a
vigorously defend against these claims.

p) Antitrust Case Filed by Harris Countv, Texas:

On 1 March 2020, Harris County, Texas filed a Complaint against t
a total of one hundred twenty-eight generic drugs, alleging an "ov
with respect to the one hundred eighty-seven drugs. The case
The Company's U.S. subsidiary is specifically named with respect t
famotidine, fenofibrate, fluconazole, fluoxetine, glimepiride, glycop
pravastatin sodium, raloxifene HCL, ranitidine, tizanidine and zole
well as all other manufacturers named) were part of a larger "ove

D FINANCIAL STATEMENTS

ts in Indian Rupees millions, except share data and where otherwise stated)

t against the Company's U.S. subsidiary and thirty-eight other defendants, ging an "overarching conspiracy" to fix prices and to rig bids and allocate Health Care Services filed an Amended Complaint naming a total of one ny's U.S. subsidiary is specifically named with respect to nineteen drugs: zole, glimepiride, isotretinoin, lamotrigine ER, meprobamate, metroprolol xaprozin, paricalcitol, ranitidine, sumatriptan, tizanidine, valganciclovir bsidiary (as well as all other manufacturers named) were part of a larger omplaint. The complaint also alleges violations of Sections 1 and 2 of ne States' antitrust laws and twenty-seven States' consumer protection t seeks injunctive relief, recovery of treble damages, punitive damages, nd several basis. The Company denies any wrongdoing and intends to

LLC, MAO-MSO Recovery II, LLC, and MSPA Claims I, LLC
n Medicare Advantage Plans:

ne Company's U.S. subsidiary and twenty-five other defendants, involving racy" to fix prices and to rig bids and allocate customers with respect to named with respect to one drug: Divalproex ER. Plaintiffs also allege that s named) were part of a larger "overarching conspiracy" as to all of the

an Act, 15 U.S.C. §1 and §3, and violations of twenty-eight States' antitrust d asserts claims of unjust enrichment. The complaint seeks injunctive ney's fees and costs against all defendants on a joint and several basis. defend against these claims.

against the Company's U.S. subsidiary and forty-one other defendants, ging an "overarching conspiracy" to fix prices and to rig bids and allocate olina Healthcare filed an Amended Complaint against a total of fifty-eight ded Complaint, the Company's U.S. subsidiary is specifically named with ER, eszopiclone, fluconazole, glimepiride, isotretinoin, lamotrigine ER, ole sodium bicarbonate, oxaprozin, paricalcitol, ranitidine, sumatriptan, hat the Company's U.S. subsidiary (as well as all other manufacturers the drugs named in the complaint. The complaint also alleges violations nd violations of eleven States' antitrust laws and consumer protection t seeks injunctive relief, recovery of treble damages, punitive damages, nd several basis. The Company denies any wrongdoing and intends to

the Company's U.S. Subsidiary and forty-two other defendants, involving erarching conspiracy" to fix prices and to rig bids and allocate customers e is in the process of being transferred to the MDL-2724 proceeding. to twenty drugs: allopurinol, amoxicillin, ciprofloxacin HCL, divalproex ER, pyrrolate, levalbuterol, meprobamate, naproxen, ondansetron, oxaprozin, edronic acid. Plaintiffs also allege that the Company's U.S. subsidiary (as erarching conspiracy" as to all the drugs named in the complaints.

(All amounts

2.33 **Contingent liabilities and commitments** (continued)

The Complaint alleges violations of Sections 1 of the Sherman Act, of the Texas Deceptive Trade Practices Act and Texas Free Enterp conspiracy. The Complaint seeks injunctive relief, recovery of trebl costs against all defendants on a joint and several basis. The Comp these claims.

q) Antitrust Complaint Filed by Westchester County, Ill Insurance Companies:

On 16 March 2020, an Amended Complaint was filed by the Cou Benefits Fund against the Company and 35 other defendants. prices and allocate markets for 294 generic drugs. Of the 294 d Ciprofloxacin, Divalproex, Glimepiride, Glyburide-Metformin, Isotr Paricalcitol, Tizanidine, Valganciclovir and Zoledronic Acid. The C well as violations of the Antitrust Statutes of Illinois and New York The complaint seeks injunctive relief, recovery of treble damages several basis. The Company denies any wrongdoing and intends t

r) Pennsylvania Court of Common Pleas Praecipe For a W Cross Blue Shield entities and other health insurance c

On 6 May 2020, a Praecipe For a Writ of Summons for a tort actio County, First Judicial District of Pennsylvania, Civil Trial Division, by 7 against the Company's U.S. subsidiary and 69 other defendants (These 7 plaintiffs had been previously encompassed by the End P of Summons has been filed. No complaint has been filed and, there manner, including what drugs any such claims may relate to. A co by the End Payor Plaintiff class actions in the MDL-2724 actions. It Further Developments in the related MDL-2724 case. Because n expected that the action will be placed into Deferred Status, no re

s) Antitrust Case Filed by Cigna Corp.:

On 9 June 2020, Cigna Corp. filed a complaint against the Compa one hundred forty generic drugs, alleging an "overarching conspir these drugs. On 15 December 2020, Cigna Corp. filed an Amend total of two hundred and thirty-nine drugs. In the Amended Comp to twelve drugs: allopurinol, ciprofloxacin HCL, divalproex ER, fluco ranitidine, tizanidine and zoledronic acid. Plaintiffs allege that the were part of a larger "overarching conspiracy" as to all of the dr Sections 1 and 2 of the Sherman Act, 15 U.S.C. §1 and §2, and consumer protection statutes, and asserts claims of unjust enrichm punitive damages, and attorney's fees and costs against all defend and intends to vigorously defend against these claims.

t) Antitrust Case Filed by Rite Aid Corporation and Rite A

On 9 July 2020, Rite Aid Corporation and Rite Aid Hdqtrs Corp. Corporation with regard to drugs sold by McKesson to Rite Aid, a involving a total of one hundred thirty-five generic drugs, alleging customers with respect to these drugs. On 15 December 2020, Rit involving a total of one hundred eighty eight drugs. In the Amen with respect to eleven drugs: allopurinol, ciprofloxacin ER, divalpr ranitidine, tizanidine and zoledronic acid. Plaintiff alleges that the C with all other manufacturers named as to all of the drugs named in with eighteen of the defendants named with regard to forty-five of the Sherman Act, 15 U.S.C. §1. The complaint seeks injunctive re all defendants on a joint and several basis. The Company denies a

15 U.S.C. §1, violations of twenty-eight State's antitrust laws, violations rise and Antitrust Act and asserts claims of unjust enrichment and civil e damages, punitive damages, disgorgement, and attorney's fees and pany denies any wrongdoing and intends to vigorously defend against

inois Public Risk Fund and the United Crafts Benefits Fund

nty of Westchester, the Illinois Public Risk Fund and the United Crafts The Amended Complaint alleges an overarching conspiracy to fix rugs, DRL is specifically named with respect to 14 drugs: Allopurinol, etinoin, Lamotrigine, Meprobamate, Metoprolol Succinate, Oxaprozin, omplaint alleges violations of Sections 4 and 16 of the Clayton Act, as and Unjust Enrichment claims under the laws of Illinois and New York. s, and attorney's fees and costs against all defendants on a joint and to vigorously defend against these claims.

Vrit of Summons Filed by 7 End Payor Entities consisting of Blue companies:

n was filed in the Pennsylvania Court of Common Pleas of Philadelphia 7 Blue Cross Blue Shield entities and other health insurance companies, consisting of 51 other pharmaceutical companies and 17 individuals). Payor Plaintiff class actions in the MDL-2724. Only a Praecipe For Writ efore, the potential claims have not been asserted or delineated in any mplaint may, at some point, be filed encompassing the claims asserted is anticipated that this action will be placed in Deferred Status Pending o Complaint has been filed setting forth any claims, and because it is sponse is required by the Company's subsidiary at this time.

ny's U.S. subsidiary and forty-one other defendants, involving a total of acy" to fix prices and to rig bids and allocate customers with respect to ed Complaint against a total of forty-two defendants encompassing a laint, the Company's U.S. subsidiary is specifically named with respect onazole, glimepiride, meprobamate, oxaprozin, paricalcitol, pravastatin, Company's U.S. subsidiary (as well as all other manufacturers named) ugs named in the complaint. The complaint also alleges violations of violations of thirty-one States' antitrust laws and twenty-nine States' nent. The complaint seeks injunctive relief, recovery of treble damages, ants on a joint and several basis. The Company denies any wrongdoing

Aid Hdqtrs. Corp.:

filed a complaint on their own behalf, and as assignee of McKesson against the Company's U.S. subsidiary and forty-six other defendants, an "overarching conspiracy" to fix prices and to rig bids and allocate e Aid filed an Amended Complaint against a total of fifty-five defendants nded Complaint, the Company's U.S. subsidiary is specifically named pex ER, fluconazole, glimepiride, meprobamate, oxaprozin, paricalcitol, ompany's U.S. subsidiary was part of a larger "overarching conspiracy" the complaint; and, alternatively, was part of an overarching conspiracy the drugs named. The complaint also alleges violations of Section 1 of ief, recovery of treble damages, and attorney's fees and costs against ny wrongdoing and intends to vigorously defend against these claims.

NOTES TO THE CONSOLIDATE

(All amoun

2.33 Contingent liabilities and commitments (continued)

u) Antitrust Complaint Filed by Suffolk County, New Yor

On 27 August 2020, Suffolk County, New York, filed a complain
involving a total of one hundred thirty generic drugs, alleging
customers with respect to these drugs. The Company's U.S. sub
ER, divalproex ER, fenofibrate, fluconazole, glimepiride, glyburide
acid. Plaintiffs allege that the Company's U.S. subsidiary was part
as to all of the drugs named in the complaint. The complaint als
complaint seeks injunctive relief, recovery of treble damages, an
basis. The Company denies any wrongdoing and intends to vigo

v) Antitrust Complaint Filed by J M Smith:

On 4 September 2020, J M Smith Corporation, as assignee of E
subsidiary and fifty other defendants, involving a total of one hu
prices and to rig bids and allocate customers with respect to these
to eleven drugs: allopurinol, ciprofloxacin ER, divalproex ER, flu
tizanidine and zoledronic acid.

Plaintiffs allege that the Company's U.S. subsidiary was part of
as to all of the drugs named in the complaint; The complaint als
complaint seeks injunctive relief, recovery of treble damages, an
basis. The Company denies any wrongdoing and intends to vigo

w) Antitrust Complaint Filed by Walgreen Company:

On 11 December 2020, Walgreen Company filed a complaint
involving a total of one hundred eighty-eight generic drugs, alleg
customers with respect to these drugs. Walgreen asserts claims
Amerisource Bergen sold to Walgreen. The Company's U.S. sub
ciprofloxacin ER, divalproex ER, fluconazole, glimepiride, meprob
Plaintiff alleges that the Company's U.S. subsidiary was part of
as to all of the drugs named in the complaint. The complaint als
complaint seeks injunctive relief, recovery of treble damages, an
basis. The Company denies any wrongdoing and intends to vigo

x) Antitrust Complaint Filed by CVS Pharmacy Inc.:

On 15 December 2020, CVS Pharmacy, Inc., filed a complaint a
involving a total of four hundred four generic drugs, alleging an "ov
with respect to these drugs. CVS Pharmacy asserts claims on its
that Cardinal Health and McKesson sold to CVS Pharmacy, Inc
seven drugs: ciprofloxacin ER, glimepiride, meprobamate, oxapro
Company's U.S. subsidiary was part of a larger "overarching cons
in the complaint. The complaint also alleges violations of Section
recovery of treble damages, and attorney's fees and costs agai
wrongdoing and intends to vigorously defend against these clai

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ts in Indian Rupees millions, except share data and where otherwise stated)

k:

t against the Company's U.S. subsidiary and forty-six other defendants, an "overarching conspiracy" to fix prices and to rig bids and allocate sidiary is specifically named with respect to twelve drugs: ciprofloxacin e, metformin, oxaprozin, pravastatin, ranitidine, tizanidine and zoledronic of a larger "overarching conspiracy" with all other manufacturers named o alleges violations of Section 1 of the Sherman Act, 15 U.S.C. §1. The d attorney's fees and costs against all defendants on a joint and several orously defend against these claims.

Burlington Drug Company, filed a complaint against the Company's U.S. undred thirty generic drugs, alleging an "overarching conspiracy" to fix e drugs. The Company's U.S. subsidiary is specifically named with respect conazole, glimepiride, meprobamate, oxaprozin, paricalcitol, ranitidine,

a larger "overarching conspiracy" with all other manufacturers named o alleges violations of Section 1 of the Sherman Act, 15 U.S.C. §1. The d attorney's fees and costs against all defendants on a joint and several orously defend against these claims.

against the Company's U.S. subsidiary and fifty-four other defendants, ing an "overarching conspiracy" to fix prices and to rig bids and allocate on its own behalf and as assignee of Amerisource Bergen for drugs that bsidiary is specifically named with respect to eleven drugs: allopurinol, bamate, oxaprozin, paricalcitol, ranitidine, tizanidine and zoledronic acid. a larger "overarching conspiracy" with all other manufacturers named o alleges violations of Section 1 of the Sherman Act, 15 U.S.C. §1. The d attorney's fees and costs against all defendants on a joint and several orously defend against these claims.

gainst the Company's U.S. subsidiary and fifty-seven other defendants, verarching conspiracy" to fix prices and to rig bids and allocate customers own behalf and as assignee of Cardinal Health and McKesson for drugs . The Company's U.S. subsidiary is specifically named with respect to ozin, pravastatin, tizanidine and zoledronic acid. Plaintiff alleges that the spiracy" with all other manufacturers named as to all of the drugs named 1 of the Sherman Act, 15 U.S.C. §1. The complaint seeks injunctive relief, st all defendants on a joint and several basis. The Company denies any ms.

(All amounts

2.33 **Contingent liabilities and commitments** (continued)

y) Antitrust Complaint Filed by Various Counties, Cities a

On 15 December 2020, a Complaint was filed in the Supreme Cou against the Company and 55 other defendants. Plaintiffs include Columbia, Erie, Essex, Livingston, Monroe, Oneida, Onondaga, O of Poughkeepsie, New York, the City of Mobile, Alabama, the Cou companies (Magnacare Insurance, Mebco and WCA Group Hea the MDL litigation. The Complaint was amended on 30 June 202 prices and allocate markets for 294 generic drugs. Of the 294 dr Ciprofloxacin, Divalproex, Glimepiride, Glyburide Metformin, Isotr Paricalcitol, Tizanidine, Valganciclovir and Zoledronic Acid. The Co well as violations of the Antitrust Statutes of Alabama, Florida, New Alabama, Florida, New York and Tennessee. The complaint seeks costs against all defendants on a joint and several basis. The Comp these claims.

z) Antitrust Complaint Filed by Westchester County, New

On 21 September 2021, a Complaint was filed in the Supreme C County against the Company and 57 other defendants. The case District of New York and is in the process of being transferred to, a an overarching conspiracy to fix prices and allocate markets for a specifically named with respect to 3 drugs: Divalproex, Meprobam 1 and 3 of the Sherman Act, Sections 4 and 16 of the Clayton Act claims under the laws of New York. The complaint seeks injunctive r all defendants on a joint and several basis. The Company denies a

aa) Pennsylvania Court of Common Pleas Praecipe For a AmeriHealth entities and other health insurance comp

On 21 October 2021, a Praecipe For a Writ of Summons for a Philadelphia County, First Judicial District of Pennsylvania, Civil companies, against the Company's U.S. subsidiary and 74 other individuals). Only a Praecipe of Writ of Summons has been filed. not been asserted or delineated in any manner, including what dr filed encompassing the claims asserted by the End Payor Plaintiff will be placed in Deferred Status Pending Further Developments setting forth any claims, and because it is expected that the actio Company's subsidiary at this time.

Note on Antitrust Complaints

The Company believes that the aforesaid asserted claims in subse defend itself against the allegations. Also, any liability that may provision was made in these consolidated financial statements.

Class Action under the Canadian Competition Act filed in F

On 3 June 2020, a Class Action Statement of Claim was filed by the Company's U.S. and Canadian subsidiaries and 52 other gene overarching conspiracy to violate Sections 36 of the Canadian Com the supply of generic drugs in Canada. The action is brought on be purchased generic drugs in the private sector. The Statement of C several basis, attorney's fees and costs of investigation and prosec U.S. and Canadian subsidiaries on 15 January 2021 and adds a Claim also removes the identification of defendant companies wit a conspiracy to allocate the North America Market as to all generi

nd Insurance Companies:

urt of the State of New York, Suffolk County, by a group of 22 plaintiffs e 14 New York Counties (Albany, Cattaraugus, Chemung, Chenango, tsego, Schuyler and Yates), the Town of Amherst, New York, the City nties of Osceola, Florida, and Shelby, Tennessee, and three insurance lth Trust). The case has been transferred to, and consolidated with, 21. The Amended Complaint alleges an overarching conspiracy to fix rugs, DRL is specifically named with respect to 14 drugs: Allopurinol, etinoin, Lamotrigine, Meprobamate, Metoprolol Succinate, Oxaprozin, omplaint alleges violations of Sections 1 and 2 of the Sherman Act, as v York and Tennessee and Unjust Enrichment claims under the laws of injunctive relief, recovery of treble damages, and attorney's fees and pany denies any wrongdoing and intends to vigorously defend against

York:

Court of the State of New York, Westchester County, by Westchester has been removed to the United States District Court for the Southern and consolidated with, the MDL-2724 litigation. The complaint alleges approximately 294 generic drugs. Of the 294 drugs, the Company is ate, and Zoledronic Acid. The complaint alleges violations of Sections , and the Antitrust Statutes of New York, as well as Unjust Enrichment elief, recovery of treble damages, and attorney's fees and costs against ny wrongdoing and intends to vigorously defend against these claims.

Writ of Summons Filed by 21 End Payor Entities consisting of anies:

tort action was filed in the Pennsylvania Court of Common Pleas of Trial Division, by 21 AmeriHealth entities and other health insurance defendants (consisting of 50 other pharmaceutical companies and 24 No complaint has been filed and, therefore, the potential claims have ugs any such claims may relate to. A complaint may, at some point, be class actions in the MDL-2724 actions. It is anticipated that this action in the related MDL-2724 case. Because no Complaint has been filed on will be placed into Deferred Status, no response is required by the

ections a) though aa) above are without merit and intends to vigorously arise on account of these claims is unascertainable. Accordingly, no

ederal Court in Toronto, Canada

an individual consumer in Federal Court in Toronto, Canada, against eric drug companies. The Statement of Claim alleges an industry-wide, petition Act by conspiring to allocate the market, fix prices, and maintain ehalf of a class of all persons, from 1 January 2012 to the present, who laim states that it seeks damages against all defendants on a joint and cution. An Amended Statement of Claim was served on the Company's n additional 20 generic drug companies. The Amended Statement of h conspiracy allegations regarding specific generic drugs and alleges c drugs in Canada.

NOTES TO THE CONSOLIDATE

(All amoun

2.33 Contingent liabilities and commitments (continued)

The Company believes that the asserted claims are without merit a
that may arise on account of this claim is unascertainable. Accord

Civil litigation with Mezzion

On 13 January 2017, Mezzion Pharma Co. Ltd. and Mezzion Inter
Superior Court against the Company and its wholly owned sub
and supply of the active pharmaceutical ingredient ("API") for ud
during a period from calendar years 2007 to 2015. Mezzion alleg
Manufacturing Practices ("cGMP") at the time of manufacture of th
resulted in a delay in the filing of a NDA for the product by Mezz
technical grounds that the Court lacks jurisdiction over the Compa
the complaint on the jurisdictional matter. The Company's interlo
pretrial discovery.

The Company denies any wrongdoing or liability in this regard, ar
complaint. Any liability that may arise on account of this claim is un
financial statements of the Company.

Civil Litigation and Arbitration with Hatchtech Pty Li

On 7 September 2015, the Company's Swiss subsidiary, Dr. Redd
with Hatchtech Pty Limited ("Hatchtech"). Pursuant to the APA, th
Xeglyze®, a topical lousicidal lotion for the treatment of head lice,
seek to obtain New Drug Application ("NDA") approval from the U
The APA specifies certain milestone payments to be paid by th
approval milestone payment, a U.S.$25 ovicidal label approval m

On 24 July 2020, the Company received the NDA approval from

On 25 September 2020, the Company's Swiss subsidiary filed an
based upon claims of fraud, negligent misrepresentations and mu
which was dismissed as being untimely under the Delaware statu

On 8 October 2020, Hatchtech filed an arbitration demand aga
International Center for Dispute Resolution ("AAA-ICDR"), in New
milestone and US$25 million for the ovicidal label approval miles

On 25 January 2021, the Company's Swiss subsidiary filed a Writ
against Hatchtech (as a nominal party), certain of its officers and
the acquisition of the Xeglyze® product and seeking damages an

Based on its best estimate, the Company had recorded a prov
arbitration filed by Hatchtech and believed that the likelihood of
probable.

On 14 June 2021, the Company received the arbitration decision
amount of US$46.25 million towards milestone payments, intere

Of the total amount of US$46.25 million awarded to Hatchtech, th
statement of profit and loss under the heading "Impairment o
recognised under the heading, "Selling and other expenses".

On 2 February 2022, the Company and Hatchtech entered into
pursuant to which the APA and all other agreements between t
Australia was dismissed with prejudice, the Company and Hatch
may have against each other, and the Company transferred the X
Xeglyze® Product) back to Hatchtech for the sum of US$1 million

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ts in Indian Rupees millions, except share data and where otherwise stated)

and intends to vigorously defend itself against the allegations. Any liability
ingly, no provision was made in these consolidated financial statements.

rnational LLC (collectively, "Mezzion") filed a complaint in the New Jersey
sidiary in the United States. The complaint pertains to the production
enafil (a patented compound) and an udenafil finished dosage product
ges that the Company failed to comply with the U.S. FDA's current Good
ne API and finished dosage forms of udenafil and, consequently, that this
ion. The Company filed a motion to dismiss Mezzion's complaint on the
any. In January 2018, the Court denied the Company's motion to dismiss
ocutory appeal of said denial was also denied. The case is continuing in

nd intends to vigorously defend against the claims asserted in Mezzion's
ascertainable. Accordingly, no provision was made in these consolidated

mited

y's Laboratories, S.A., entered into an Asset Purchase Agreement ("APA")
e Company's subsidiary acquired from Hatchtech the patented product
and all rights in the product. The APA provides that the Company would
.S. FDA, and would then commercialize the product in the United States.
e Company's Swiss subsidiary to Hatchtech, including a U.S.$20 NDA
ilestone payment, and certain net sales milestone payments.

the U.S. FDA for the Xeglyze® product.

action in Delaware Chancery Court against Hatchtech to rescind the APA
utual mistake in connection with the acquisition of the product Xeglyze®,
ute of limitations.

inst the Swiss subsidiary before the American Arbitration Association,
York City, claiming that it was owed US$20 million for the NDA approval
stone.

of Summons and Statement of Claim in Victoria at Melbourne, Australia,
a principal shareholder, alleging misrepresentations in connection with
nd other relief.

vision for potential liability of US$20 million relating to the AAA-ICDR
any further liability that may arise pursuant to that arbitration to be not

n and an award was issued by the AAA-ICDR in favor of Hatchtech in an
est and fees.

e amount of US$45 million (₹ 3,291) was recognised in the consolidated
f non-current assets" and the balance of US$1.25 million (₹ 91) was

a Global "Settlement and Transfer Agreement" dated 2 February 2022
he Company and Hatchtech were terminated, the pending litigation in
ntech exchanged mutual general releases of all claims that they had or
Xeglyze® product (and all patents and intellectual property relating to the
which Hatchtech paid and the Company received on 15 February 2022.

(All amounts

2.33 **Contingent liabilities and commitments** (continued)

Securities Class Action Litigation

On 25 August 2017, a securities class action lawsuit was filed ag
Officer in the United States District Court for the District of New J
Dr. Reddy's Laboratories, Inc., were also subsequently named as def
made false or misleading statements or omissions in its public filin
share price dropped and its investors were affected. On 9 May 20
complaint in the United States District Court for the District of New

On 25 June 2018, the plaintiffs filed an opposition to the motion to
to dismiss was filed by the Company. In August 2018, oral argume

On 21 March 2019, the District Court issued its decision granting in p
the Court dismissed the plaintiffs claims with respect to seventee
May 2020, Dr. Reddy's Laboratories Limited, Dr. Reddy's Laborator
officers have entered into a Stipulation and Agreement of Settlemen
System of Mississippi in the putative securities class action filed ag
of New Jersey. As consideration for the settlement of the class act

The settlement is subject to the approval of the court and may be te
set forth in the Stipulation. Subject to the terms of the Stipulation
members of the settlement class who do not opt-out of this settlem
or that they could have asserted, in this class action. In entering int
liability or wrongdoing of any kind.

Subject to the terms of the Stipulation, the settlement resolves the

As the Company is adequately insured with respect to the aforesa
consolidated statement of profit and loss for the year ended 31 M

The amount payable to the plaintiffs on account of the settlement a
under "other current assets" and "other current liabilities", respe
March 2020.

On 23 December 2020, the court issued a final order and judgmen
escrow was funded on 4 January 2021. The effective date of the se
fund balance into the final escrow account. As the transfer of fun
amount of liability has been derecognised during the year ended

Veraring Litigation

A Complaint was filed on 15 November 2021 in the Supreme Co
Teva Pharmaceutical Industries Ltd. ("Teva") against Dr. Reddy's La
subsequently amended by Teva on 26 January 2022. In its Amer
agreements between the parties relating to Veraring, failed to pay c
dealing, seeking monetary damages and all other remedies availab
against Teva, asserting that Teva breached its contractual obligatio
and producing product unfit for human use, seeking monetary dar

The Company believes that it is too early to speculate as to outcom
defend against the claims made by Teva, while zealously prosecut

gainst the Company, its Chief Executive Officer and its Chief Financial Jersey. The Company's Co-Chairman, its Chief Operating Officer, and fendants in the case. The operative complaint alleges that the Company gs, in violation of U.S. federal securities laws, and that the Company's 018, the Company and other defendants filed a motion to dismiss the Jersey.

o dismiss and, on 25 July 2018, a further reply in support of the motion ent on the motion to dismiss was heard by the Court.

part and denying in part the motion to dismiss. Pursuant to that decision, n out of the twenty two alleged misstatements and omissions. On 15 ries, Inc., and certain of the Company's current or former directors and nt (the "Stipulation") with lead plaintiff the Public Employees' Retirement gainst the defendants in the United States District Court for the District tion, the Company has agreed to pay US$9 million.

rminated prior to court approval pursuant to the grounds for termination n, in exchange for the settlement consideration, the lead plaintiff and ment would release, among other things, the claims that were asserted, o the settlement, the defendants do not admit, and explicitly deny, any

e remainder of the litigation.

aid liability, the settlement did not have any impact on the Company's arch 2020.

nd the corresponding receivable from the insurer have been presented ectively, in the consolidated balance sheet of the Company as at 31

nt approving the settlement. Pursuant to the settlement/court order, the ettlement occurred on 1 February 2021, upon transfer of the settlement nds to the final escrow account constitutes settlement of liability, the 31 March 2021.

urt of the State of New York, County of New York (trial court level) by aboratories, S.A. (Case Index No. 656499/2021). This Complaint was nded Complaint, Teva alleges that the Company breached the supply carrying costs, and breached the implied covenant of good faith and fair le under law. On 6 January 2022, the Company asserted counterclaims ons to the Company by, among other things, failing to adhere to cGMP mages and all other remedies available under law.

ne, either with respect to liability or damages, and intends to vigorously ting its affirmative counterclaims.

NOTES TO THE CONSOLIDATE

(All amoun

2.33 Contingent liabilities and commitments (continued)

Other matters

Internal Investigation

The Company received an anonymous complaint in September 2
other countries were provided with improper payments by or on b
the U.S. Foreign Corrupt Practices Act. The Company disclosed
Exchange Commission ("SEC") and Securities Exchange Board of
at the instruction of a committee of the Company's Board of Dire
for the production of related documents, which were provided to

The Company shared the report with respect to one country with th
and certain other countries in the three months ended 31 March
its listing obligations as it relates to updating the regulatory age
in government enforcement actions against the Company in the
criminal sanctions under relevant laws, the outcomes including li

Civil Investigative Demand from the Office of the Attorney

On or about 10 November 2014, Dr. Reddy's Laboratories, Inc., (
Investigative Demand ("CID") from the Office of the Attorney G
documents and data regarding sales and price reporting practice
for the time- period of time between 1 January 1995 and the da
Company's counsel to request additional information related to th
of 1 October 2003 through 29 February 2012. The Company h
information related to the Covered Conduct.

As at 31 March 2022, the company based on its best estimate, r

Subpoena duces tecum from the Office of the Attorney Ger

On 3 November 2014, Dr. Reddy's Laboratories, Inc. received a sul
California (the "California AG") and produce records and documen
related to pricing practices was served as well. On 18 July 2016
that, in light of the information which had been provided, no fu
subpoena.

Subpoenas from the Antitrust Division of the U.S. Departm

On 6 July 2016, Dr. Reddy's Laboratories, Inc. received a subpoe
marketing, pricing and sale of certain of our generic products a
May 2018, another subpoena was served on Dr. Reddy's Laborat
The Company has been cooperating, and intends to continue to

Civil Investigative Demand from Civil Division of the DOJ

On 15 May 2018, Dr. Reddy's Laboratories, Inc. received a Civil Inv
there have been any violations of the U.S. False Claims Act. This c
including us, have engaged in market allocation or price fixing a
submitted in violation of the U.S. False Claims Act. The Company
the DOJ in responding to the demand.

D FINANCIAL STATEMENTS

ts in Indian Rupees millions, except share data and where otherwise stated)

2020, alleging that healthcare professionals in Ukraine and potentially in behalf of the Company in violation of U.S. anti-corruption laws, specifically d the matter to the U.S. Department of Justice ("DOJ"), Securities and India. The Company engaged a U.S. law firm to conduct the investigation ctors. On 6 July 2021 the Company received a subpoena from the SEC o the SEC.

he SEC and the DOJ during the three months ended 30 September 2021, 2022, and subsequent to the year end. The Company is complying with encies. While the findings from the aforesaid investigations could result e United States and/or foreign jurisdictions, which can lead to civil and abilities are not reasonably ascertainable at this time.

General, State of Texas

one of the Company's subsidiaries in the United States, received a Civil eneral, State of Texas (the "Texas AG") requesting certain information, es in the U.S. marketplace for certain products (the "Covered Conduct") ate of the CID. On or about 23 June 2021, the Texas AG contacted the he Texas AG's investigation and the Covered Conduct for the time-period as continued to cooperate and respond to the Texas AG's requests for

ecorded a provision of ₹ 983 under "Selling and other expenses".

neral, California

bpoena duces tecum to appear before the Office of the Attorney General, nts relating to the pricing of certain products. A set of five interrogatories 5, the California AG sent a letter to inform Dr. Reddy's Laboratories, Inc. rther information would be requested at such time in response to this

ent of Justice ("DOJ")

ena from the DOJ (Anti-trust Division) seeking information relating to the nd any communications with competitors about such products. On 15 ories, Inc. by the DOJ (False Claims Division) seeking similar information. fully cooperate, with these inquiries.

vestigative Demand from the Civil Division of the DOJ, enquiring whether query arose from allegations that generic pharmaceutical manufacturers, greements, or paid illegal remuneration, and caused false claims to be y has been cooperating, and intends to continue to fully cooperate with

(All amounts

2.33 Contingent liabilities and commitments (continued)

Environmental matters

Land pollution

The Indian Council for Environmental Legal Action filed a writ in 1
India and others in the Supreme Court of India for the safety of pe
the then existing undivided state of Andhra Pradesh. The Company
Pradesh District Judge proposed that the polluting industries com
discharging effluents which damaged the farmers' agricultural lan
₹ 0.0017 per acre for wet land. Accordingly, the Company has paid
of the writ petition on 12 February 2013 and transferred the case to
passed in the writ petitions will continue until the matter is decided
constituted a Fact Finding Committee.

The NGT has also permitted the alleged polluting industries to appo
Company, along with the alleged polluting industries, has challen
The NGT has directed that until all the applications challenging
disposed of, the Fact Finding Committee shall not commence its c

The NGT, Chennai in a judgment dated 24 October 2017, dispo
("BDMAI"), in which the Company is a member, subsequently filed

The NGT, Delhi, in a judgment dated 16 November 2017 in anothe
imposed in the Patancheru and Bollaram areas shall continue unt
order keeping in view the needs of the environment and public he

The High Court of Hyderabad heard the Company's appeal challe
their response within a period of four weeks. During the three mont
and the matter has now been adjourned for final hearing.

The appeal came up for hearing before the High Court of Hyderab

On 24 April 2019, based upon the judgment of the NGT, Chenna
GO.Ms. No. 24 of 2019 that allows for expansion of production
Patancheru – Bollaram upon depositing an amount equivalent to 1
year, i.e., 31 March 2019. Accordingly, the Company made a provis
year ended 31 March 2019.

During the three months ended September 2019, the Telangana Sta
basis the NGT, Chennai Order dated 24 October 2017, G.O.Ms. N
and sought to recover retrospectively an amount of 0.5% of the a
the industrial units situated in Patancheru and Bollaram for the pu
industrial units situated in Patancheru and Bollaram. The Consent
one of the industrial unit of the Company has been recommended
of 0.5% of the annual turnover from the fiscal years 2016-2017 to
itself against the Operational Guidelines.

In November 2019, demand notices were issued by the TSPCB for
year turnover as per Operational Guidelines dated 3 August 2019 i
and G.O.Ms No. 31 dated 24 May 2019 and basis the judgment of
to 2018-2019 received by CTO-1, CTO-2, CTO-3 and CTO-5 of th

On 22 November 2019, The Hon'ble High Court of Judicature at
condition that the Company deposit ₹ 60 as the remediation fee
The deposit of ₹ 60 was made and the Interim Order is continuing
a result of the closure of the Court due to the COVID-19 lockdown

The Company believes that any additional liability that might aris
these claims has been made in the consolidated financial stateme

989 under Article 32 of the Constitution of India against the Union of eople living in the Patancheru and Bollaram areas of Medak district of y has been named in the list of polluting industries. In 1996, the Andhra pensate farmers in the Patancheru, Bollaram and Jeedimetla areas for d. The compensation was fixed at ₹ 0.0013 per acre for dry land and a total compensation of ₹ 3. The Andhra Pradesh High Court disposed the National Green Tribunal ("NGT"), Chennai, India. The interim orders d by the NGT. The NGT has, through its order dated 30 October 2015,

int a person on their behalf in the Fact Finding Committee. However, the ged the constitution and composition of the Fact Finding Committee. the constitution and composition of the Fact Finding Committee are operation.

sed of the matter. The Bulk Drug Manufacturers Association of India a review petition against the judgment on various aspects.

r case in which the Company is not a party, stated that the moratorium til the Ministry of Environment, Forest and Climate Change passes an ealth. The Company filed an appeal challenging this judgment.

nging this judgment in July 2018 and directed the respondents to file hs ended 30 September 2018, the respondents filed counter affidavits

bad on 25 October 2018 and has been adjourned for further hearing.

ai dated 24 October 2017, the Government of Telangana has issued of all kinds of existing industrial units located within the stretch of % of the annual turnover of the respective unit for the concluded fiscal sion of ₹ 29.4, representing the probable cost of expansion, during the

ate Pollution Control Board ("TSPCB") has issued Operational Guidelines No. 24 dated 24 April 2019 and G.O.Ms. No. 31 dated 24 May 2019 nnual turnover from the fiscal years 2016-2017 to 2018-2019 for all rposes of restoration of the said effected area. The Company has four For Operation ("CFO") for change of product mix application filed by d for issuance of CFO with change of product mix only upon payment 2018-2019 to the TSPCB. The Company intends to vigorously defend

collection of Corpus Fund of 0.5 % as remediation fee on the previous ssued by TSPCB under the guise of G.O.Ms No. 24 dated 24 April 2019 NGT, Chennai dated 24 October 2017 for the fiscal years 2015-2016 ne Company.

Hyderabad issued an Interim Order which stayed the demand on the for the fiscal year 2018-2019 payable in the fiscal year 2019-2020. . The matter was adjourned to 22 April 2020 but has been delayed as n, and a new date has not yet been rescheduled.

e in this regard is not probable. Accordingly, no provision relating to nts.

NOTES TO THE CONSOLIDATE

(All amoun

2.33 Contingent liabilities and commitments (continued)

Water pollution and air pollution

During the year ended 31 March 2012, the Company, along w
Pollution Control Board (the "APP Control Board") to show caus
under the Indian Water Pollution Act and the Indian Air Pollution
to (i) stop production of all new products at the Company's manu
Establishment", (ii) cease manufacturing products at such facilitie
(iii) furnish a bank guarantee to assure compliance with the APP

The Company appealed the APP Control Board orders to the A
The APP Appellate Board, on the basis of a report of a fact-finding
to allow expansion of units fully equipped with Zero-Liquid Disc
(on certain conditions). The APP Appellate Board's decision was
Green Tribunal, (the "NGT"), Delhi.

Separately, the Andhra Pradesh Government, following recommer
that allowed expansion of production of all types of existing bu
installation of ZLD facilities and the outcome of cases pending in
units to be assessed at the point of discharge (if any) as opposed

In September 2013, the Ministry of Environment and Forests, ba
a notification that re-imposed a moratorium on expansion of inc
facilities are located. This notification overrides the Andhra Prad

The appeals filed by Mr. K. Chidambaram against the Orders of th
not survive for consideration as the G.O. based on which the then
the Appellate Authority has itself been amended vide order 25 J
of pollution to be considered by the Joint Committee of Centra
("NEERI"), and the Telangana State Pollution Control Board to asc
Mahaboobnagar and Nalagonda districts in the State of Telangar
a report within three months before the NGT, Delhi.

Fuel Surcharge Adjustments

The Andhra Pradesh Electricity Regulatory Commission (the "A
Adjustment ("FSA") charges for the period from 1 April 2008 to 3
of electricity in the then existing undivided state of Andhra Prades
facilities are located. Separate writ petitions filed by the Company
of this levy of FSA charges by the APERC, are pending before th

The total amount approved by APERC for collection by the powe
for the period from 1 April 2008 to 31 March 2013 is ₹ 482. After
the Company has recorded ₹ 219 as the potential liability toward

However, the Company has paid, under protest, an amount of ₹ 3
electricity bills. The Company remains exposed to additional fina
Courts.

During the three months ended 30 June 2016, the Supreme Cou
this regard for the period from 1 April 2012 to 31 March 2013. As
an expenditure of ₹ 55 (by de-recognising the payments under
to 31 March 2013.

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ts in Indian Rupees millions, except share data and where otherwise stated)

with 14 other companies, received a notice from the Andhra Pradesh se as to why action should not be initiated against them for violations Act. Furthermore, the APP Control Board issued orders to the Company ufacturing facilities in Hyderabad, India without obtaining a "Consent for s in excess of certain quantities specified by the APP Control Board and Control Board's orders.

ndhra Pradesh Pollution Appellate Board (the "APP Appellate Board"). advisory committee, recommended to the Andhra Pradesh Government harge ("ZLD") facilities and otherwise found no fault with the Company challenged by one of the petitioners that was pending in the National

ndations of the APP Appellate Board, published a notification in July 2013 lk drug and bulk drug intermediate manufacturing units subject to the the NGT. Importantly, the notification directed pollution load of industrial d to the point of generation.

sed on the revised Comprehensive Environment Pollution Index, issued dustries in certain areas where some of the Company's manufacturing esh Government's notification that conditionally permitted expansion.

he Appellate Authority, Andhra Pradesh are disposed off as the same do APPCB had passed its order which was subject matter of appeal before July 2013. However, the NGT, Delhi has passed a direction for the issue l Pollution Control Board, National Environmental Engineering Institute certain the present status of pollution issues in the Medak, Ranga Reddy, na particularly in the Patancheru and Bollaram industrial clusters and file

APERC") passed various orders approving the levy of Fuel Surcharge 1 March 2013 by power distribution companies from all the consumers h, India where the Company's headquarters and principal manufacturing for various periods, challenging and questioning the validity and legality e High Court of Andhra Pradesh and the Supreme Court of India.

er distribution companies from the Company in respect of FSA charges taking into account all of the available information and legal provisions, ds FSA charges.

54 as demanded by the power distribution companies as part of monthly ancial liability should the orders passed by the APERC be upheld by the

urt of India dismissed the Special Leave Petition filed by the Company in s a result, for the quarter ended 30 June 2016, the Company recognised protest) representing the FSA charges for the period from 1 April 2012

(All amounts

2.33	Contingent liabilities and commitments (continued)

Indirect taxes related matters

Value Added Tax ("VAT") matter

The Company has received various demand notices from the Gove
Company's methodology of calculation of VAT input credit. The bel
demanded and the current status of the Company's responsive ac

Period covered under the notice	Amount demanded	
April 2006 to March 2009	₹ 66 plus 10% penalty	The S author Comp
April 2009 to March 2011	₹ 59 plus 10% penalty	The C matter re-calc
April 2011 to March 2014	₹ 27 plus 10% penalty	The A Comp

The Company has recorded a provision of ₹ 51 as of 31 March 202
on account of the ongoing litigation is not probable.

Notices from Commissioner of Goods and Services Tax, Ind

In the months of January 2020, the Commissioner of Goods and
Company has irregularly availed input tax credit of ₹ 307. The Com
and Services Tax in favor of the Company. Subsequently the tax aut
believes that it has correctly distributed and availed the input tax cr
liability will accrue in this regard.

With reference to availment of input tax credit relating to educatio
the GST authorities of various states pursuant to which it has reco

In the month of February 2022, on a Goods and Service Tax (GS
GST an amount of ₹ 123. The Company believes that such GST a
the company upon the refund claim by the Company.

Other indirect tax related matters

Additionally, the Company is in receipt of various demand notices f
is ₹ 463. The Company has responded to such demand notices a
are less than probable. Accordingly, no provision is made in these

Others

Additionally, the Company is involved in other disputes, lawsu
investigations and proceedings, including patent and commercial
Except as discussed above, the Company does not believe that t
material adverse effect on its consolidated financial statements.

B. Commitments:

Particulars
Estimated amounts of contracts remaining to be executed on capita for (net of advances)

s in Indian Rupees millions, except share data and where otherwise stated)

ernment of Telangana's Commercial Taxes Department objecting to the ow table shows the details of each of such demand notice, the amount ctions.

Status
tate VAT Appellate Tribunal has remanded the matter to the assessing rity to re-compute the eligibility and penalty orders are set-aside. The any filed appeal against the same with the High Court, Telangana.
ompany has filed an appeal before the Sales Tax Appellate Tribunal. The r was remanded to the original adjudicating authority with a direction to culate the eligibility for the year ended 31 March 2010.
ppellate Deputy Commissioner issued an order partially in favor of the any

22 and believes that the likelihood of any further liability that may arise

lia

l Services Tax, India issued notices to the Company alleging that the npany had received order from the Additional Commissioner of Goods horities have filed an appeal against the favorable order. The Company edit within the provisions of the applicable Act and hence no additional

n cess, the Company has received order with tax demand of ₹ 31 from rded a provision of ₹ 31 as of 31 March 2022.

T) matter under reverse charge, the company has paid under protest mount paid is not payable and the entire amount will be refundable to

rom the Indian Sales and Service Tax authorities. The disputed amount nd believes that the chances of any liability arising from such notices consolidated financial statements as at 31 March 2022.

uits, claims, governmental and/or regulatory inspections, inquiries, matters that arise from time to time in the ordinary course of business. here are any such contingent liabilities that are expected to have any

	As at 31 March 2022	As at 31 March 2021
l account and not provided	7,991	9,841

NOTES TO THE CONSOLIDATE

(All amoun

2.34 Collaboration License and Option agreement with Curis, Inc.

On 18 January 2015, Aurigene Discovery Technologies Limited ("AD
Collaboration, License and Option Agreement (as amended, the "Colla
commercialise small molecule antagonists for immuno-oncology and p

Under the Collaboration Agreement, ADTL has the responsibility for co
New Drug ("IND") enabling studies and providing Phase 1 clinical trial
and commercialisation efforts worldwide, excluding India and Russia.
exclusively in immuno-oncology for an initial period of approximately tw
exclusivity.

Revenues under the Collaboration Agreement consist of upfront consi
and commercial milestone payments (including royalties) which are de
continuing performance obligations.

As a partial consideration for the collaboration, the following shares o

Particulars
Pursuant to the collaboration agreement dated 18 January 2015
Pursuant to an amendment to collaboration agreement dated 7 Septemb (Common stock in lieu of receiving up to US$ 24.5 million of milestone an

The Company has classified all of the shares of Curis common stock receiv
instruments measured at FVTOCI.

In May 2018, Curis completed a 1-for-5 reverse stock split of its common s
shares held by the Company is 5,465,693.

Particulars
Received on 18 January 2015
Received on 7 September 2015

2.35 Capital management

For the purposes of the Company's capital management, capital incluc
the Company's capital management is to maximise shareholder value.
the light of changes in economic environment and the requirements c
ratio, which is total debt divided by total capital plus debt. The capital
15%, respectively.

2.36 Impact of COVID - 19

The Company considered the uncertainty relating to the COVID-19 par
assets, investments and other assets. For this purpose, the Compa
dateof approval of these consolidated financial statements. The Co
sensitivityanalysis, expects to fully recover the carrying amount of r
The Company will continue to closely monitor any material changes to

2.37 Update on Cyber Incident

On 22 October 2020, the Company experienced a cybersecurity incid
security incident response firms to assist with the investigation process
remediation was undertaken to ensure all traces of infection are c
strengthened a series of technical controls to augment the current cy
improvements to its cyber and data security systems to safeguard fron

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ts in Indian Rupees millions, except share data and where otherwise stated)

TL"), a wholly-owned subsidiary of the parent company, entered into a aboration Agreement") with Curis, Inc. ("Curis") to discover, develop and precision oncology targets.

nducting all discovery and preclinical activities, including Investigational supply, and Curis is responsible for all clinical development, regulatory The Collaboration Agreement provides that the parties will collaborate wo years, with the option for Curis to extend the broad immuno-oncology

deration (including shares of Curis common stock) and the development eferred and recognised as revenue over the period for which ADTL has

f common stock of Curis were issued to ADTL:

	Number of shares	Fair value
	17.1 million	1,452 (US$ 23.5 million)
er 2016 nd other payments)	10.2 million	1,247 (US$ 18.8 million)

ed, as a partial consideration for the collaboration, as an investment in equity

stock. After giving effect to such stock split, the total number of Curis equity

	As at 31 March 2022		
	Cost	Unrealised loss	Fair value
	1,452	(834)	618
	1,247	(879)	368
	2,699	**(1,713)**	**986**

des issued capital and all other equity reserves. The primary objective of . The Company manages it's capital structure and makes adjustments in of the financial covenants. The Company monitors capital using gearing gearing ratio as on 31 March 2022 and 31 March 2021 was 15% and

ndemic in assessing the recoverability of receivables, goodwill,intangible ny considered internal and external sources of information up to the mpany based on its judgments, estimates and assumptions including eceivables, goodwill, intangible assets, investments and other assets. o future economic conditions.

ent related to ransom-ware. The Company employed two leading cyber s. The incident was contained in a timely fashion and an enterprise-wide ompletely removed from the network. Since then, the Company has ber security posture and has also focused on implementing significant m such risks in the future.

NOTES TO THE CONSOLIDATED

(All amounts

2.38 The Code on Social Security, 2020

India's Code on Social Security, 2020, which aims to consolidate, codify assent in September 2020 and has been published in the Gazette of the date on which this Code will come into effect has not been annour thereunder when they come into effect.

2.39 Regulatory Inspection of facilities

Tabulated below are the details of the U.S. FDA inspections carried out

Located in India

Month and year	Unit	
January 2019	Formulations Srikakulam Plant (SEZ) Unit I	Four observations Establishment Insp issued by the U.S.
January 2019	API manufacturing Plant at Miryalaguda, Nalgonda	One observation w In May 2019, an E inspection classific
January 2019	Formulations manufacturing facility at Bachupally, Hyderabad	Eleven observation 2019. In April 2019, an E inspection classific
March 2019	Aurigene Discovery Technologies Limited, Hyderabad	No observations no In June 2019, the C for this facility.
June 2019	Formulations manufacturing plants, Duvvada {Vizag SEZ plant 1 (FTO VII) and Vizag SEZ plant 2(FTO IX)}	Two observations In September 2019 facilities.
July 2019	API Hyderabad plant 2, Bollaram, Hyderabad	Five observations observations in Au In October 2019, ar inspection classific
August 2019	Formulations manufacturing plants, (Vizag SEZ plant 1), Duvvada, Visakhapatnam (FTO VII)	Eight observations 2019. In February 2020, inspection classific
August 2019	Formulations manufacturing facility at Shreveport, Louisiana, U.S.A	No observations w In October 2019, ar inspection classific
October 2019	API Srikakulam plant (SEZ), Andhra Pradesh	Four observations 2019. In May 2020, an El
February 2020	Formulations Srikakulam Plant (SEZ) Unit I	No observations w In May 2020, an El inspection classific
February 2020	Formulations manufacturing facility at Bachupally, Hyderabad (FTO Unit III)	One observation v In May 2020, an El inspection classific
February 2020	Integrated Product Development Organization (IPDO) at Bachupally, Hyderabad	No observation wa In May 2020, an El inspection classific

y and revise certain existing social security laws, received Presidential India. However, the related final rules have not yet been issued and nced. The Company will assess the impact of this Code and the rules

at various facilities of the Company:

Details of observations
were noted. The Company responded to the observations and an pection Report ("EIR") indicating the closure of audit for this facility was FDA in April 2019.
vas noted. The Company responded to the observation. EIR was issued by the U.S. FDA indicating the closure of audit and the ation of the facility was determined as Voluntary Action Initiated ("VAI").
ns were noted. The Company responded to the observations in January EIR was issued by the U.S. FDA indicating the closure of audit and the ation of the facility was determined as VAI.
oted. Company received an EIR from the U.S. FDA indicating the closure of audit
were noted. The Company responded to the observations. , an EIR was issued by the U.S. FDA indicating the closure of audit of these
were noted during U.S. FDA inspection. The Company responded to the gust 2019. n EIR was issued by the U.S. FDA indicating the closure of audit and the ation of the facility was determined as VAI.
were noted. The Company responded to the observations in September an EIR was issued by the U.S. FDA indicating the closure of audit and the ation of the facility was determined as VAI.
ere noted. n EIR was issued by the U.S. FDA indicating the closure of the audit and the ation of the facility was determined as No Action Initiated ("NAI").
were noted. The Company responded to the observations in November R was issued by the U.S. FDA indicating the closure of the audit.
ere noted. IR was issued by the U.S. FDA indicating the closure of the audit and the ation of the facility was determined as NAI.
vas noted. The Company responded to the observation in March 2020. IR was issued by the U.S. FDA indicating the closure of the audit and the ation of the facility was determined as VAI.
s noted. IR was issued by the U.S. FDA indicating the closure of the audit and the ation of the facility was determined as NAI.

NOTES TO THE CONSOLIDATE

(All amoun

2.39	Regulatory Inspection of facilities (continued)	
Month and year	**Unit**	
March 2020	API manufacturing Plant at Miryalaguda, Nalgonda	Three observatio 2020. In April 2020, an inspection classif
March 2021	API Middleburgh Plant, New York, United States	Three observatio indicating the clo
April 2021	Integrated Product Development Organization (IPDO), Bachupally, Hyderabad, India	No observations EIR/Remote Reco concluded that th
October 2021	Formulations manufacturing facilities {Vizag SEZ plant 1 (FTO VII) and Vizag SEZ plant 2 (FTO IX)} at Duvvada, Visakhapatnam, India	Eight observation indicating the clo

2.40 Merger of Dr. Reddy's Holdings Limited into Dr. Reddy's Labor

The Board of Directors, at its meeting held on 29 July 2019, had approv held by the Promoter Group, which held holds 24.83% of Dr. Reddy's L This Scheme is subject to the approval of shareholders, stock excha regulators as per the provisions of Section 230 to 232 and any other

The Scheme will lead to simplification of the shareholding structure would continue to hold the same number of shares in the Company, p to the Scheme will be borne out of the surplus assets of DRHL. Furthe directly by the Promoters.

During the fiscal year ended 31 March 2020, the Scheme was approv Company. The no-observation letters from the BSE Limited and Natio comments received from Securities and Exchange Board of India ("S Hon'ble NCLT, Hyderabad Bench.

The aforementioned Scheme was approved by the Hon'ble NCLT, Hyd filed the NCLT order, with the Ministry of Company Affairs on 8 April Arrangement as approved by the NCLT, an aggregate of 41,325,300 of the Company has been cancelled and an equivalent 41,325,300 shareholders of DRHL. There is no change in the total equity sharehol allotment/ cancellation of equity shares pursuant to the approved Sch

The Scheme also provides that the Promoters of the Company will jo its directors, employees, officers, representatives, or any other persor claim, or demand, which may devolve upon the Company on account

2.41. Acquisition of Nimbus Health, GmbH

On 3 February 2022, the Company entered into an agreement with l capital of Nimbus health along with the existing employees.

The Company completed the acquisition effective as of 24 February 2

The consideration involved payment an upfront payment of ₹ 337 mill years pursuant to fulfillment of certain conditions.

Nimbus Health is a licensed pharmaceutical wholesaler in Germany fo Company to build on Nimbus Health strengths and introduce medical

The Company has accounted for the transaction under Ind AS 103, "*B*

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ts in Indian Rupees millions, except share data and where otherwise stated)

Details of observations
ons were noted. The Company responded to the observations in March EIR was issued by the U.S. FDA indicating the closure of the audit and the fication of the facility was determined as VAI.
ons were noted. In February 2022, an EIR was issued by the U.S. FDA sure of the audit.
noted. ord Review Summary was received on 10 August 2021 and the U.S. FDA his remote record review is closed.
ns were noted. In February 2022, an EIR was issued by the U.S. FDA sure of the audit.

ratories Limited

ved the amalgamation of Dr. Reddy's Holdings Limited ("DRHL"), an entity Laboratories Limited (the "Company") into the Company (the "Scheme"). nges, the National Company Law Tribunal ("NCLT") and other relevant applicable provisions of the Companies Act, 2013.

and reduction of shareholding tiers. The Promoter Group cumulatively re and post the amalgamation. All costs, charges and expenses relating er, any expense, if exceeding the surplus assets of DRHL, will be borne

ved by the board of directors, members and unsecured creditors of the onal Stock Exchange of India Limited were received on the basis of no SEBI"). The petition for approval of the said Scheme was filed with the

derabad vide its Order dated 5 April 2022. Subsequently, the Company 2022 ('Effective Date'). Pursuant to the Scheme of Amalgamation and equity shares, face value of ₹ 5 each held by DRHL in the share capital number of equity shares, face value of ₹ 5 each were allotted to the ding (Promoter/Public Shareholding) of the Company, on account of the eme.

ointly and severally indemnify, defend and hold harmless the Company, n authorized by the Company (excluding the Promoters) for any liability, of this amalgamation.

Nimbus Health, GmbH ("Nimbus Health") to acquire 100% of the share

2022.

ion plus performance and milestone-based earn-outs over the next four

cusing on medical Cannabis in the region. The acquisition will allow the cannabis-based medicines as a promising treatment option for patients.

Business Combinations".

(All amounts

2.41. Acquisition of Nimbus Health, GmbH (continued)

As on 31 March 2022, the Company, on a provisional basis estimated
acquired, including goodwill, and liabilities assumed on the acquisition

Particulars
Cash
Payment through Escrow account
Total consideration
Assets acquired
Goodwill
Property, plant and equipmentt
Other intangibles assets
Inventories
Trade receivables
Cash and cash equivalents
Other assets
Deferred tax asset
Liabilities assumed
Trade payables
Other liabilities
Total net assets

The total goodwill of ₹ 260 consists largely of the synergies and econo
value of the workforce acquired. This goodwill has been assigned to th

The amount of revenue and loss pertaining to the acquired business wa

2.42 Business Transfer Agreement with Wockhardt Limited

In February 2020, the Company signed a Business Transfer Agreement (
of its branded generics business in India and the territories of Nepal, Sr

The business consists of a portfolio of 62 brands in multiple therapy area
gastroenterology, pain and vaccines. This entire portfolio was to be trans
the manufacturing plant located in Baddi, Himachal Pradesh and all pla
involved 2,051 employees engaged in operations of the acquired Busi

As of 31 March 2020, the acquisition of this Business Undertaking was su
and lenders of Wockhardt and other requisite approvals under applicab
ended 31 March 2020.

Due to the COVID-19 pandemic and the consequent government restri
products forming part of the Business Undertaking during March and Ap
and Wockhardt agreed that the consideration shall now be upto ₹18,50

a) an amount of ₹ 14,830 to be paid on the date of closing;

b) an amount of ₹ 670 to be deposited in an escrow account which sh
employee liabilities and certain other contractual and statutory liab

s in Indian Rupees millions, except share data and where otherwise stated)

d the purchase price allocation and recognised the following assets date:

	Amount
	337
	84
	421
	260
	2
	106
	144
	45
	11
	2
	2
	(141)
	(10)
	421

omies of scale expected from the acquired business, together with the e Company's Global Generics segment.

as not material for the year ended 31 March 2022.

"BTA") with Wockhardt Limited ("Wockhardt") to acquire select divisions i Lanka, Bhutan and Maldives for a consideration of ₹ 18,500.

as, such as respiratory, neurology, venous malformations, dermatology, sferred to the Company, along with related sales and marketing teams, nt employees (together the "Business Undertaking"). The transaction ness Undertaking.

ubject to certain closing conditions, such as approval from shareholders ble statutes. Hence, the transaction was not accounted for in the year

ctions, there has been a reduction in the revenue from the sales of the ril 2020. Accordingly, through an amendment to the BTA, the Company 00, to be paid as per the following terms:

all be released subject to adjustments for, inter alia, net working capital, bilities;

NOTES TO THE CONSOLIDATE

(All amoun

2.42 Business Transfer Agreement with Wockhardt Limited (continue

c) an amount of ₹ 3,000 (the "Holdback Amount") which shall be re
- If the revenue from sales of the products forming part of t exceeds ₹ 4,800, the Company will be required to pay to revenue exceeds ₹ 4,800, subject to the maximum of the

The acquisition is in line with the Company's strategic focus on Indi domestic Indian market. The Company believes that the acquired Bus portfolio and products in the Indian market.

The transaction was completed on 10 June 2020.

The Company has accounted for the transaction under Ind AS 103, "B

As of 30 June 2020, the purchase price allocation was preliminary.

During the three months ended 30 September 2020, the Company values of the assets acquired, including goodwill, and liabilities assum

Particulars
Cash
Payment through Escrow account
Contingent consideration (Holdback Amount)
Total consideration
Assets acquired
Goodwill
Property, plant and equipment
Product related intangibles
Inventories
Other assets
Liabilities assumed
Employee benefits (Gratuity - ₹ 70 and compensated absences- ₹ 75)
Refund liability
Total net assets

The total goodwill of ₹ 530 consists largely of the synergies and econ value of the workforce acquired. and has been assigned to the Com to ₹ 60 and were excluded from the consideration transferred and w Consolidated Statement of profit or loss for the year ended 31 March

The fair value of the contingent consideration of ₹ 561 was estimated on significant inputs that are not observable in the market, which Ind AS unobservable inputs in the valuation is the estimated sales forecast. account the revenue of the products until twelve months post-closing

As on 31 March 2022, the outstanding amount of contingent conside

The amount of revenue included in the consolidated Statement of prof business since 10 June 2020 is ₹ 3,887 and for the year ended 31 M

The acquired business has been integrated into the Company's existin profit in the year.

D FINANCIAL STATEMENTS

ts in Indian Rupees millions, except share data and where otherwise stated)

d)

eleased as follows:

the Business Undertaking during the twelve (12) months post-closing Wockhardt an amount equal to two (2) times the amount by which the Holdback Amount.

a and has paved a path for accelerated growth and leadership in the siness Undertaking offers to strengthen the Company's pharmaceutical

Business Combinations".

completed the purchase price allocation. Tabulated below are the fair ned on the acquisition date:

	Amount
	14,990
	564
	561
	16,115
	530
	373
	14,888
	466
	245
	(145)
	(242)
	16,115

nomies of scale expected from the acquired business, together with the npany's Global Generics segment. Acquisition related costs amounted vere recognised as expense under "Selling and other expenses" in the 2021.

by applying the income approach. The fair value measurement is based 13, "*Fair Value Measurement*" refers to as Level 3 inputs. The significant During the year ended 31 March 2021, the Company, after taking into (9 June 2021), re-measured the contingent consideration to ₹ 420.

ration is ₹ 194.

it and loss for the year ended 31 March 2021 pertaining to the acquired arch 2022 is ₹ 5,474.

g activities and it is not practicable to identify the impact on the Company

(All amounts

2.43 Impact of military conflict between Russia and Ukraine

The Company considered the uncertainty relating to the military con receivables, goodwill, intangible assets, investments and other assets adverse impact on the macroeconomic environment. Management has c sanctions and other restrictive measures against Russia and any retaliat internal and external sources of information up to the date of approval

The Company's supply chain has been impacted primarily in Russia and time by suppliers. However, the Company has been able to service its cu based on its judgments, estimates and assumptions including sensitivity inventory, goodwill, intangible assets, investments and other assets. A conflict on the Company's operations and financial condition was not changes to future economic conditions.

2.44 Other statutory information

(i) The Company does not have any Benami property, where any proc any Benami property.

(ii) The Company does not have any transactions with companies str

(iii) The Company does not have any charges or satisfaction which is

(iv) The Company have not traded or invested in Crypto currency or V

(v) The Company have not advanced or loaned or invested funds to an with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entitie (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of

(vi) The Company have not received any fund from any person(s) or ent (whether recorded in writing or otherwise) that the Company shall

(a) directly or indirectly lend or invest in other persons or entitie Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the U

(vii) The Company has not entred into any transaction which is not recor income during the year in the tax assessments under the Income Ta of the Income Tax Act, 1961).

(viii) The Company has not declared as wilful defaulter by any bank or

(ix) The company has complied with the number of layers prescribe (Restriction on number of Layers) Rules, 2017.

(x) No Scheme of Arrangements has been approved by the Compet 2013, during the year.

(xi) The Company does not have any borrowings from banks or financ

s in Indian Rupees millions, except share data and where otherwise stated)

nflict between Russia and Ukraine in assessing the recoverability of s. The outcome of the war is difficult to predict, and it could have an onsidered all potential impacts of the war including adherence of global ory actions taken by Russia. For this purpose, the Company considered of these consolidated financial statements.

Ukraine, both in terms of higher freight costs and increase in the lead stomers without any significant shortages or disruptions. The Company y analysis, expects to fully recover the carrying amount of receivables, ccordingly, during the year ended 31 March 2022, the impact of this material. The Company will continue to closely monitor any material

ceeding has been initiated or pending against the Company for holding

uck off

yet to be registered with ROC beyond the statutory period,

Virtual Currency during the financial year.

y other person(s) or entity(ies), including foreign entities (Intermediaries)

s identified in any manner whatsoever by or on behalf of the company

the Ultimate Beneficiaries.

ity(ies), including foreign entities (Funding Party) with the understanding :

s identified in any manner whatsoever by or on behalf of the Funding

Ultimate Beneficiaries,

ded in the books of accounts that has been surrendered or disclosed as ax Act, 1961 (such as, search or survey or any other relevant provisions

financial institution or other lender.

d under clause (87) of section 2 of the Act read with the Companies

tent Authority in terms of sections 230 to 237 of the Companies Act,

cial institutions against security of its current assets.

NOTES TO THE CONSOLIDATE

(All amoun

2.45 Subsequent events

Please refer to notes 2.10, 2.33 and 2.40 of these consolidated financia
dividend, contingencies and Merger of Dr. Reddy's Holdings Limited in

In addition to the above, on 1 April 2022, the Company has entered in
Cidmus® in India. Under the agreement, the Company completed the
consideration of US$ 61 million.

2.46 Amounts for previous year have been regrouped / reclassified

As per our report of even date attached
for **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004
per Shankar Srinivasan
Partner
Membership No.: 213271

Place : Hyderabad
Date : 19 May 2022

for and on beha

K Satish Reddy
G V Prasad
Erez Israeli
Parag Agarwal
K Randhir Singh

Place : Hyderab
Date : 19 May 2(

D FINANCIAL STATEMENTS

ts in Indian Rupees millions, except share data and where otherwise stated)

l statements for the details of subsequent events relating to the proposed nto Dr. Reddy's Laboratories Limited, respectively.

nto an agreement with Novartis AG to acquire the cardiovascular brand e acquisition of the Cidmus® trademark in India from Novartis AG for a

d wherever considered necessary.

alf of the Board of Directors of **Dr. Reddy's Laboratories Limited**

Chairman, DIN: 00129701
Co-Chairman & Managing Director, DIN: 00057433
Chief Executive Officer
Chief Financial Officer
h Company Secretary

bad
022

EXTRACT OF AUDITED IFRS CONSOLIDATED FINANCIAL STATEMENTS

EXTRACT OF IFRS CONSOLIDA

We have adopted IFRS as issued by International Accounting Standar
filings with SEC. We have furnished all our interim financial reports of fi
in Form 20-F will also be made available at the Company's website. A
the shareholders, free of charge, upon request. For details visit www.

The extract of the consolidated financial statements prepared under IFRS

CONSOLIDATED STATEMENTS OF FINAN

(All am

Particulars
ASSETS
Current assets
Cash and cash equivalents
Other investments
Trade and other receivables
Inventories
Derivative financial instruments
Tax assets
Other current assets
Total current assets before assets held for sale
Assets held for sale
Total current assets
Non-current assets
Property, plant and equipment
Goodwill
Other intangible assets
Trade and other receivables
Investment in equity accounted investees
Other investments
Deferred tax assets
Other non-current assets
Total non-current assets
Total assets
LIABILITIES AND EQUITY
Current liabilities
Trade and other payables
Short-term borrowings
Long-term borrowings, current portion
Provisions
Tax liabilities
Derivative financial instruments
Bank overdraft
Other current liabilities
Total current liabilities
Non-current liabilities
Long-term borrowings
Deferred tax liabilities
Provisions
Other non-current liabilities
Total non-current liabilities
Total liabilities

TED FINANCIAL STATEMENTS

ds Board (IASB) for preparing our financial statements for the purpose of
scal 2022 with SEC which were prepared under IFRS. The Annual Report
hard copy of such Annual Report in Form 20-F will be made available to
drreddys.com.

has been provided here under.

NCIAL POSITION

nounts in Indian Rupees millions, except share and per share data)

As at 31 March 2022	As at 31 March 2021
14,852	14,829
29,513	19,744
66,764	49,641
50,884	45,412
1,906	1,218
4,035	2,745
13,902	14,509
181,856	**148,098**
-	151
181,856	**148,249**
62,169	57,111
4,418	4,568
27,246	35,648
54	118
4,318	3,375
3,668	4,958
8,204	10,630
894	834
110,971	**117,242**
292,827	**265,491**
25,572	23,744
27,082	23,136
1,017	864
4,258	3,435
1,615	1,389
479	326
-	9
33,992	30,488
94,015	**83,391**
5,746	6,299
60	338
57	58
2,422	2,343
8,285	**9,038**
102,300	**92,429**

CONSOLIDATED STATEMENTS OF FINAN

(All amo

Particulars
Equity
Share capital
Treasury shares
Share premium
Share-based payment reserve
Capital redemption reserve
Debenture redemption reserve
Special economic zone re-investment reserve
Retained earnings
Other components of equity
Total equity
Total liabilities and equity

CONSOLIDATED INCOME STATEMEI

(All amo

Particulars
Revenues
Cost of revenues
Gross profit
Selling, general and administrative expenses
Research and development expenses
Impairment of non-current assets
Other income, net
Total operating expenses
Results from operating activities (A)
Finance income
Finance expense
Finance income, net (B)
Share of profit of equity accounted investees, net of tax **(C)**
Profit before tax [(A)+(B)+(C)]
Tax expense/(benefit), net
Profit for the year
Earnings per share:
Basic earnings per share of ₹ 5/- each
Diluted earnings per share of ₹ 5/- each

NCIAL POSITION (continued)

unts in Indian Rupees millions, except share and per share data)

As at 31 March 2022	As at 31 March 2021
832	832
(1,601)	(1,967)
9,280	8,887
1,628	1,461
173	173
304	-
755	1,326
175,712	156,023
3,444	6,327
190,527	**173,062**
292,827	**265,491**

NTS

ounts in Indian Rupees millions, except share and per share data)

For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
214,391	189,722	174,600
100,551	86,645	80,591
113,840	**103,077**	**94,009**
62,081	54,650	50,129
17,482	16,541	15,410
7,562	8,588	16,767
(2,761)	(982)	(4,290)
84,364	**78,797**	**78,016**
29,476	24,280	15,993
3,077	2,623	2,461
(958)	(970)	(983)
2,119	**1,653**	**1,478**
703	480	561
32,298	**26,413**	**18,032**
8,730	9,175	(1,466)
23,568	**17,238**	**19,498**
142.08	103.94	117.63
141.69	103.65	117.40

CONSOLIDATED STATEMENTS OF C

Particulars
Profit for the year
Other comprehensive income/(loss)
Items that will not be reclassified to the consolidated income statemen
Changes in the fair value of financial instruments
Actuarial (losses)/gains on post-employment benefit obligations
Tax impact on above items
Total of items that will not be reclassified to the consolidated income stat
Items that will be reclassified subsequently to the consolidated income stat
Changes in fair value of financial instruments
Foreign currency translation adjustments
Effective portion of changes in fair value of cash flow hedges, net
Tax impact on above items
Total of items that will be reclassified subsequently to the consolidated i statement
Other comprehensive (loss)/income for the year, net of tax
Total comprehensive income for the year

COMPREHENSIVE INCOME

(All amounts in Indian Rupees millions, except share and per share data)

	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
	23,568	17,238	19,498
nt:			
	(3,534)	4,242	(469)
	(34)	(216)	57
	305	(220)	(22)
ement	**(3,263)**	**3,806**	**(434)**
ement:			
	-	7	(7)
	(214)	706	311
	882	1,123	(951)
	(288)	(319)	232
ncome	**380**	**1,517**	**(415)**
	(2,883)	**5,323**	**(849)**
	20,685	**22,561**	**18,649**

GLOSSARY

ADR	American Depository Receipt
AGM	Annual General Meeting
AI	Artificial Intelligence
ANDA	Abbreviated New Drug Application
API	Active Pharmaceutical Ingredient
AS	Accounting Standards
ASN	Advanced Shipment Notice
ATV/ATN	Atorvastatin calcium
AVF	Arteriovenous Fistula
BR	Business Responsibility
BSE	Bombay Stock Exchange
CAGR	Compound Annual Growth Rate
CCO	Chief Compliance Officer
CDP	Carbon Disclosure Project
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHIP	Community Health Intervention Programme (deleted last year, might be needed this year)
CII	Confederation of Indian Industry (deleted last year might be needed this year)
CIN	Corporate Identity Number
COBE	Code Of Business Conduct and Ethics
COO	Chief Operating Officer
CPS	Custom Pharmaceutical Services
CPCB	Central Pollution Control Board
CRL	Complete Response Letters
CSR	Corporate Social Responsibility
CTO	Chemical Technical Operations
CUSIP	Committee on Uniform Security Identification Procedures
DCGI	Drug Controller General of India
DIN	Director's Identification Number
DMF	Drug Master File
DP	Depository Participant
DRF	Dr. Reddy's Foundation
DRFHE	Dr. Reddy's Foundation for Health and Education
EBITDA	Earnings Before Interest, Taxes, Depreciation And Amortization
EC	Electronically Commutated
EGM	Extraordinary General Meeting
EIR	Establishment Inspection Report(deleted last year, might be needed this year)
EM	Emerging Markets
EPS	Earnings Per Share
ERM	Enterprise-wide Risk Management
ESOP	Employees Stock Option Plan
EUG	Europe Generics
EVEN	Evoting Event Number (deleted last year)
FAQ	Frequently Asked Questions (deleted last year)
FICCI	Federation of Indian Chambers of Commerce & Industry (Deleted last year)
FO	Fuel Oil
FPL	Friction Power Loss
GDP	Gross Domestic Product
GDR	Global Depository Receipt
GG	Global Generics
GHG	Green House Gas
GMO	Global Manufacturing Operations
GMP	Good Manufacturing Practices
HR	Human Resources
HVAC	Heat, Ventilation and Air Conditioning
HOC	Heat of Compression
HPAPI	High Potency Active Pharmaceutical Ingredient
IASB	Indian Accounting Standard Board
ICAI	Institute of Chartered Accountants of India
ICC	Internal Complaints Committee
IEC	Information, Education and Communication
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards
IGAAP	Indian Generally Accepted Accounting Principles
Ind AS	Indian Account Standard
INR	Indian Rupees
IOT	Internet of Things
IP	Intellectual Property

IPDO	Integrated Product Development Organisation
ISIN	International Securities Identification Number
IST	Indian Standard Time ((deleted last year, might be needed this year)
IT	Information Technology
JPY	Japanese Yen
JWG	Joint Working Group
KARV	Kallam Anji Reddy Vidyalaya
KAR-VJR	Kallam Anji Reddy – Vocational Junior College
KMP	Key Managerial Personnel
KPI	Key Performance Indicators
LABS	Livelihood Advancement Business School
LSSSDC	Life Sciences Sector Skill Development Council
M&A	Mergers and Acquisitions
MC	Management Council
MD	Managing Director
MD&A	Management Discussion & Analysis
MT	Metric Tonne
NAG	North America Generics
NCEs	New Chemical Entities
NCLT	National Company Law Tribunal
NDA	New Drug Application
NGO	Non-Governmental Organisation
NLEM	National List of Essential Medicines
NPPA	National Pharmaceutical Pricing Authority
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
NSE IFSC	National Stock Exchange of India International Financial Service Centre
NYSE	New York Stock Exchange Inc.
OP	Out Patient
OTC	Over-the-counter
OTIF	On Time In Full
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PHC	Primary Health Centres
PMI	Process Mass Intensity
PO	Purchase Order
PP	Proprietary Products
PPE	Personal Protective Equipment
PSAI	Pharmaceuticals Services and Active Ingredients
PwD	People with Disablities
P2P	Procure to Pay
RAT	Rapid Antigen Tests
RD	Regional Director
R&D	Research and Development
RDIF	Russian Direct Investment Fund
RMC	Risk Management Committee
RO	Reverse Omission
RoCE	Return on Capital Employed
RoW	Rest of World
RTA	Registrar and Transfer Agent
SEBI	Securities and Exchange Board of India
SEC	Securities and Exchange Commission
SEZ	Special Economic Zone
SHE	Safety, Health and Environment
SG&A	Selling, General and Administrative
SIP	School Improvement Program
SMP	Senior Management Personnel
SPCB	State Pollution Control Board
SS	Secretarial Standards
SOX	Sarbanes Oxley Act, 2002
TCFD	Task Force on Climate-Related Financial Disclosures
UK	United Kingdom
US/USA	United States of America
USD/$	United States Dollar
USFDA	United States Food and Drugs Administration
VC/OVAM	Video Conferencing /Other Audio Visual Means (deleted last year)
VFD	Variable Frequency Drive
ZLD	Zero Liquid Discharge
2DG	2-Deoxy-D-Glucose (deleted last year, might be needed this year)

NOTICE OF 38TH ANNUAL GI

Notice is hereby given that the 38th Annual General Meeting (AGM) of the members of Dr. Reddy's Laboratories Limited will be held on Friday, July 29, 2022, at 9.00 a.m. (IST) through Video Conferencing ('VC')/ Other Audio-Visual Means ('OAVM'), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and Auditors thereon.

2. To declare dividend of Rs.30 per equity share for the financial year ended March 31, 2022.

3. To re-appoint Mr. K Satish Reddy (DIN: 00129701), as a Director, who retires by rotation, and being eligible offers himself for the re-appointment.

SPECIAL BUSINESS

4. **Re-appointment of Mr. K Satish Reddy (DIN: 00129701) as a Whole-time Director, designated as Chairman**

   To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

   "**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the relevant rules made thereunder read with Schedule V of the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions, if any (including any statutory modifications and re-enactment thereof, for the time being in force), consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. K Satish Reddy (DIN: 00129701) as a Whole-time Director, designated as Chairman of the Company, for a further period of five years with effect from October 1, 2022 to September 30, 2027, liable to retire by rotation, on below terms and conditions including remuneration with authority to the Board of Directors ('Board') and/ or Nomination, Governance and Compensation Committee ('NGCC') to alter, modify and vary the terms and conditions including his designation and remuneration and/or perquisites payable or to be provided (including any monetary value thereof) to Mr. K Satish Reddy, to the extent the Board and/ or the NGCC may at its discretion deem fit:

   (a) **Salary**: ₹ 1,200,000/- per month, plus an increase of up to 5% of the salary after completion of every year, as may be decided by the Board and/or NGCC;

   (b) **Perquisites:**

   Category A:

   1. Housing: Rent free accommodation or house rent allowance of ₹ 600,000/- per month (50% of salary);

   2. Medical reimbursement for self and family as per the rules of the Company, value not exceeding ₹ 15,000/- per annum; and

3. Leave travel assistance, as per the rules of the Company and value not exceeding ₹ 1,200,000/- per annum.

Category B:

Contribution to provident fund, superannuation fund or annuity fund as per the rules of the Company. These will not be included in the computation of the ceiling on perquisites or remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity shall be payable as per the rules of the Company. Encashment of leave will not be included in the computation of the ceiling on perquisites.

Category C:

1. Chauffeur driven cars for Company's business; and
2. Telephone at residence and mobile phone for Company's business.

(c) **Commission:**

In addition to the salary and perquisites, a commission will also be payable up to 0.75% of the net profits of the Company calculated in the manner referred to in Section 198 of the Act, as may be decided by the Board of the Company, every year;

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall remunerate Mr. K Satish Reddy, as minimum remuneration by way of salary, perquisites, or any other allowances as specified above and in accordance with the applicable provisions of the Act and the rules made thereunder;

RESOLVED FURTHER THAT the Board and/ or the NGCC of the Company be and is hereby authorized to settle any questions, difficulties, doubts that may arise with regard to this resolution, and to do all such acts, deeds and things as may be deemed necessary, desirable or expedient for the purpose of giving effect to this resolution."

5. **Remuneration payable to Cost Auditors, M/S. Sagar & Associates, Cost Accountants, for the financial year ending March 31, 2023**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications and re-enactment thereof, for the time being in force), the remuneration payable to M/s. Sagar & Associates, Cost Accountants (Firm Registration No. 000118), appointed by the Board of Directors, on the recommendation of the Audit Committee, as Cost Auditors of the Company to conduct audit of cost records of the Company, for the financial year ending March 31, 2023, amounting to

₹ 700,000/- (Rupees Seven Lakhs only) plus applicable taxes and out of pocket expenses at actuals, in connection with the aforesaid audit, be and is hereby ratified;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things, as may be necessary to give effect to this resolution."

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

Sd/-
K Randhir Singh
Company Secretary and Compliance Officer
Membership No.F6621

Place: Hyderabad
Date: May 19, 2022

Registered Office
8-2-337, Road No. 3, Banjara Hills,
Hyderabad, Telangana- 500034, India
CIN: L85195TG1984PLC004507
Tel-91-40-49002900, Fax-91-40-49002999
Email: shares@drreddys.com
Website: www.drreddys.com

NOTES

1) The statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') and the Rules made thereunder, Secretarial Standard on General Meetings (SS-2) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') wherever applicable, in respect of the special business set out in the Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on May 19, 2022 has considered and recommended to include item nos. 4 and 5 of the special business for approval of the members at the 38th Annual General Meeting ('the AGM') of the Company.

2) Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, and 2/2022 dated April 8, 2020, April 13, 2020, May 5, 2020 and May 5, 2022, respectively, issued by the Ministry of Corporate Affairs ('MCA') and Securities and Exchange Board of India ('SEBI') Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020, and May 13, 2022, respectively (collectively referred to as 'the Circulars'), companies are permitted to hold the AGM through VC/ OAVM, without the physical presence of the members at a common venue. Accordingly, the 38th AGM of the Company will be convened through VC/ OAVM in compliance with the provisions of the Act and Rules made thereunder, the Listing Regulations read with the Circulars.

The deemed venue for the 38th AGM shall be at the Registered Office of the Company, i.e. 8-2-337, Road No. 3, Banjara Hills, Hyderabad – 500034, Telangana, India.

3) In line with the Circulars, the Company is providing VC/ OAVM facility to its members to attend the 38th AGM. The facility for attending the AGM virtually will be made available for 1,000 members on first come first served basis. This will not include large members (i.e. members with 2% or more shareholding), Promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination, Governance and Compensation Committee and Stakeholders' Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4) The VC/ OAVM facility for members to join the meeting, shall be kept open 30 minutes before the start of the AGM and may close not earlier than 30 minutes after start of the AGM. Members can attend the AGM through VC/ OAVM by following the instructions mentioned in this notice.

5) Corporate members whose authorized representatives are intending to attend the meeting are requested to send a certified copy of the Board resolution authorizing such representative to attend the AGM through VC/ OAVM, and cast their votes through e-voting. Such documents can be sent to drlscrutinizer@gmail.com, with a copy marked to evoting@nsdl.co.in.

6) Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7) The statutory registers including Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts or Arrangements in which Directors are interested, maintained under the Act and the Certificate from the Secretarial Auditors in respect of the Employee Stock Option Schemes of the Company will be available for inspection by the members during the AGM. All documents referred to in the Notice and Explanatory Statement will be available for inspection in electronic mode from the date of circulation of this Notice up to the date of the AGM. Members who wish to inspect the register are requested to write to the Company by sending e-mail to shares@drreddys.com.

8) In accordance with the aforesaid Circulars, the Notice of the AGM along with the Annual Report for the financial year ended March 31, 2022 has been sent only through electronic mode to the members who have registered their e-mail addresses with the Company/ Depository Participants. The Notice of AGM and Annual Report are also available on the Company's website at www.drreddys.com, on the website of the Stock Exchanges, i.e. BSE Limited ('BSE') at www.bseindia.com and National Stock Exchange of India Limited ('NSE') at www.nseindia.com and on the website of National Securities Depository Limited ('NSDL') at www.evoting.nsdl.com.

9) In accordance with the aforesaid Circulars, no physical copy of the Notice of the AGM and the Annual Report for the year ended March 31, 2022 has been sent to members. Digital copy of the Annual Report has been sent to those members whose

e-mail addresses are registered with the Company/ Depository Participants.

10) In accordance with the Circulars, members who have not registered their e-mail address may register their e-mail address on www.drreddys.com/investors/investor-services/shareholder-information or with their Depository Participant or send their request at shares@drreddys.com along with their Folio No./ DP ID and Client ID and valid e-mail address for registration.

11) Pursuant to Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations and the aforesaid Circulars, the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this Notice. The detailed instructions for e-voting and attending the AGM through VC/ OAVM are given as a separate attachment to this Notice.

12) Members, desiring any information relating to the financials from the management or the Statutory Auditors, are requested to write to the Company at an early date.

13) Members are requested to intimate immediately, any change in their address to their Depository Participants with whom they are maintaining their demat accounts. If the shares are held in physical form, change in address has to be intimated to the Company's Registrar and Transfer Agent (RTA), Bigshare Services Private Limited, 306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Rajbhavan Road, Hyderabad 500 082, Telangana, India Tel: +91-40-2337 4967, Fax: +91-40-2337 0295, e-mail ID: bsshyd@bigshareonline.com.

14) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 13, 2022 to Friday, July 15, 2022 (both days inclusive).

15) The Board of Directors of the Company at their meeting held on May 19, 2022, have recommended a dividend of Rs. 30/- per equity share of face value of Rs. 5/- each as final dividend for the financial year ended March 31, 2022. Dividend, if declared, at the 38th AGM, will be paid on or after August 2, 2022 subject to deduction of tax at source to those members whose names appear on the Register of Members of the Company as of end of the day on July 12, 2022.

16) In terms of Schedule I of the Listing Regulations, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as electronic clearance service (ECS), LECS (Local ECS)/RECS (Regional ECS)/NECS (National ECS), direct credit, real time gross settlement, national electronic fund transfer (NEFT), etc. for making payments like dividend etc. to the members.

    Accordingly, members holding securities in demat mode are requested to update their bank details with their Depository Participants. Members holding securities in physical form shall send a request updating their bank details, to the Company's RTA.

17) The Company shall dispatch by post the dividend warrants to those members who have not registered their bank mandate with the Company. Pursuant to the Income Tax Act, 1961

('the IT Act'), as amended by the Finance Act 2020, dividend income will be taxable in the hands of the members and the Company is required to deduct tax at source (TDS) from dividend paid to members at the prescribed rates, as detailed hereunder:

For Resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act, as follows:

Valid PAN of shareholder available with the Company	10% or as notified by the Government of India
Shareholders without PAN/ invalid PAN with the Company	20% or as notified by the Government of India
Shareholder covered under Section 206AB of the IT Act as per utility prescribed by CBDT	20%

However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received by them during the financial year 2022-23 does not exceed Rs. 5,000/- and also in cases where shareholder provide valid Form 15G (applicable to any person other than HUF or a Company or a firm)/ Form 15H (applicable to an individual who is 60 years and older) subject to conditions specified in the IT Act. Shareholders may also submit any other document as prescribed under the IT Act to claim a lower/ nil withholding tax. PAN is mandatory for shareholders providing valid Form 15G/ Form 15H or any other documents as mentioned above. The formats of Form 15G/ Form 15H are also available on the website of the RTA, Bigshare Services Private Limited at www.bigshareonline.com.

For Resident Mutual funds and Insurance Company shareholders

In order to provide exemption from TDS on the dividend payable to a Mutual Fund specified under clause (23D) of Section 10 of the IT Act or an Insurance Company as specified in Section 194 of the IT Act, shareholders should submit the below document along with exemption notification, if any, as per the relevant provisions of the IT Act:

a. Declaration by shareholder qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938.

b. Declaration by Mutual Fund shareholder eligible for exemption under Section 10(23D) of the IT Act.

c. Declaration by Category I/ II Alternate Investment Fund (AIF) registered with SEBI.

Declaration for exemption under Circular 18/2017 of the Act

In case of any shareholder whose income is subject to lower rate of TDS or is exempt under the IT Act, such shareholder is requested to submit the following documents, if eligible as per the relevant provisions of the IT Act, duly signed by the authorized signatory:

a. Lower withholding tax certificate for the financial year 2022-23, if any obtained from the Income Tax authorities.

b. In case the shareholder has obtained tax exemption status under any provisions of the IT Act, the documentary evidence along with declaration for the same.

For Non-Resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders may have an option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. In order to avail the benefits of DTAA, the non-resident shareholders will have to provide the following:

- Self-attested Tax Residency Certificate (TRC) for the financial year 2022-23, obtained from the tax authorities of the country of which the shareholder is a resident.
- Self-attested copy of PAN allotted by the Indian Income Tax authorities. In case of non-availability of PAN, information under Sub-rule 2 of Rule 37BC of the Income Tax Rules to be submitted.
- Self-declaration in Form 10F duly filled and signed.
- Self-declaration from non-resident shareholder addressed specifically to the Company, primarily covering the following:
    a. Non-resident is and will continue to remain a tax resident of the country of residence during the financial year 2022-23;
    b. Non-resident is eligible to claim the benefit of respective tax treaty;
    c. Non-resident has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
    d. Non-resident receiving the dividend income is the beneficial owner of such income;
    e. Dividend income is not attributable/effectively connected to any permanent establishment (PE) or fixed base in India;
    f. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate; and
    g. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).
- Any other documents as prescribed under the IT Act for lower withholding tax if applicable, duly attested by the shareholder.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholder.

Declaration by shareholders under Rule 37BA (2) of the Income Tax Rules, 1962

In order to enable the Company to provide credit of tax deducted at source to beneficial shareholders in whose hands dividend paid by Company is assessable, shareholders are requested to provide declaration in format as prescribed under Rule 37BA(2) of the Income Tax Rules, 1962

Section 206AB of the IT Act

Rate of TDS @10% under Section 194 of the IT Act is subject to provisions of Section 206AB of the IT Act (effective from July 1, 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in Section 206AB of the IT Act, tax is required to be deducted at higher of following rates in case of payments to specified persons:

– at twice the rate specified in the relevant provision of the IT Act; or

– at twice the rate or rates in force; or

– at the rate of 5%.

Where Sections 206AA and 206AB of the IT Act are applicable i.e. the specified person has not submitted the PAN as well as not filed the tax return, the tax shall be deducted at the higher of the two rates prescribed in these two sections.

As per Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021, for determining TDS rate on Dividend, the Company will be using functionality of the Income-tax department to determine the applicability of Section 206AB of the IT Act. Rate of 20% will be applied for shareholders who are determined as specified person in Income tax department portal.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

For all shareholders

Shareholders are requested to update tax residential status, Permanent Account Number (PAN), registered email address, mobile numbers and other details with their Depository Participants, in case the shares are held in dematerialized form. Shareholders holding shares in physical mode, are requested to furnish details to the Company's RTA.

The aforementioned forms/ annexures for tax exemption can be downloaded from the website of the Company's RTA - https://www.bigshareonline.com/Resources.aspx.

The aforementioned documents (duly completed and signed) are required to be submitted to the Company's RTA at DRLtaxexemption@bigshareonline.com. Alternatively, these declaration can be submitted online also at https://www.bigshareonline.com/dividendTDS.aspx. The user shall be prompted to select/ share the information to register their request.

All the documents submitted by the shareholders will be verified by the Company and the Company will consider the same while deducting the appropriate taxes if they are in accordance with the provisions of the IT Act.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents, option is available to the shareholder to file the return of income as per the IT Act, and claim an appropriate refund, if eligible.

All communications/ queries in this respect should be addressed to our RTA, Bigshare Services Private Limited at their e-mail ID: DRLtaxexemption@bigshareonline.com.

Further, shareholders who have not registered/ updated their email address are requested to register/ update the same on https://www.drreddys.com/investors/investor-services/shareholder-information/ or with their Depository Participant or send their consent at shares@drreddys.com along with their Folio No. / DP ID and Client ID and valid e-mail address for registration/ updation.

Disclaimer: Above communication on TDS only sets out the provisions of law in a summarized manner and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult their own tax advisors for the tax provisions applicable to their particular circumstances.

18) Members are requested to contact RTA, Bigshare Services Private Limited for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are given in the Additional Shareholders Information section of the Annual Report and are also available on the website of the Company at https://www.drreddys.com/investor#shares.

19) In terms of requirements of Section 124(6) of the Act read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares, in respect of which the dividend remains unpaid or unclaimed for a period of seven consecutive years or more, to the IEPF Account established by the Central Government. The details of the unpaid/ unclaimed dividend amounts lying with the Company as on March 31, 2021 are available on the website of the Company at https://www.drreddys.com/investor#shares and on the website of MCA/ IEPF. Member(s) whose dividends/ shares are transferred to the IEPF can claim the same from the IEPF Authority by following the refund procedure as detailed on the IEPF website.

20) SEBI *vide* its Circular dated November 3, 2021 has mandated registration of PAN, KYC details and Nomination, by holders of physical securities. Members holding shares in physical form are requested to submit their PAN, KYC details and Nomination details by sending Form ISR-1 and/ or related documents mentioned therein to the RTA.

21) Regulation 40 of the Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated January 25, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, etc. In view of this as also to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to demat mode.

22) The Company is pleased to provide the facility of live webcast of proceedings of 38th AGM. Members who are entitled to participate in the AGM can view the live proceedings of AGM by logging on the NSDL e-voting system at www.evoting.nsdl.com using their secure login credentials. Members are encouraged to use this facility of the live webcast. The webcast facility will be available from 9.00 a.m. (IST) onwards on July 29, 2022.

23) Since the AGM will be held through VC/ OAVM pursuant to the Circulars, the proxy form, attendance slip and route map are not annexed to this Notice.

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

Sd/-
K Randhir Singh
Company Secretary and Compliance Officer
Membership No.F6621

Place: Hyderabad
Date: May 19, 2022

Registered Office
8-2-337, Road No. 3, Banjara Hills,
Hyderabad, Telangana- 500034, India
CIN: L85195TG1984PLC004507
Tel-91-40-49002900, Fax-91-40-49002999
Email: shares@drreddys.com
Website: www.drreddys.com

Explanatory Statement pursuant to Section 102 of the Companies Ac
Obligations and Disclosure Requirements) Regulations, 2015 and the

Item No. 3 and 4

Mr. K Satish Reddy joined Dr. Reddy's Laboratories Limited (Dr. Reddy's
new product development. In 1997, he was appointed as Managing Dir
he anchored the establishment of key systems and initiatives that positio
corporate identity. He played an instrumental role in the Company's tran
space by spearheading Dr. Reddy's entry into international Emerging M
strategy into action to drive its growth and performance globally.

Mr. K Satish Reddy was re-appointed as Whole-time Director, designate
years effective from October 1, 2012. After the demise of the Company
and Managing Director with effect from March 30, 2013 and has been su
from May 13, 2014. He was further re-appointed as a Whole-time Directo
1, 2017. Therefore, his present term will be ending on September 30. 20

Mr. K Satish Reddy has immense knowledge of the industry in which the
and skills have contributed effectively to the growth of the Company.
finance, socio-political and economic environment, business Strategy, e

Mr. K Satish Reddy has been rated highly in the Annual Performance Eva
the various parameters including leadership, knowledge and compet
strategic guidance in business growth and governance.

The Board of Directors ('Board') based on the recommendation of the N
recommended the re-appointment of Mr. K Satish Reddy as a Whole-t
period of five years, commencing from October 1, 2022, to September
AGM of the Company and, being eligible, offers himself for the re-appo

The Company has received requisite consent from Mr. K Satish Reddy fo
including declaration in Form DIR-8 that he is not disqualified pursuant
not debarred or restrained from acting as a director by any SEBI order o

Brief details of Mr. K Satish Reddy pursuant to Regulation 36(3) of the S
2015 ('Listing Regulations') and Secretarial Standard - 2 are as follow

Name of the Director	Mr. K Satish Reddy
DIN	00129701
Date of Birth	June 9, 1967
Nationality	Indian
Qualification	Graduated in Chemical Engineering from C University, USA
Expertise in specific areas	Mr. K Satish Reddy has rich and wide experien science, technology and operations. He is fo growth and performance globally.
Date of first appointment	January 18, 1993
Number of shares held in the Company	9,01,002 equity shares registered in the name K Satish Reddy HUF. Further, APS Trust holds 4,13,25,300 equity Mr. K Satish Reddy. Mr. G V Prasad, Mr. K Sa descendants are the beneficiaries of APS Tru
Name of other Companies in which he holds Directorship	**Company's subsidiaries including step-dow** Reddy's Bio-Sciences Limited in India. Dr. Re Limited in New Zealand; Dr. Reddy's Laborato **Other Companies:** Greenpark Hotels and Res Cipro Estates Private Limited, KAR Therapeu Reddy Estates Private Limited, Dr. Reddy's Tru Holdings (Singapore) Private Limited and KAR Apart from the Company, he was not a Direct

AGM

ct, 2013, the rules made thereunder, as applicable, the SEBI (Listing e Secretarial Standards on General Meetings (SS-2)

s) in 1993 as an Executive Director responsible for manufacturing and ector. In the mid-1990s, as the Company prepared for its global foray, oned Dr. Reddy's for rapid expansion and helped to build its brand and sition from a bulk drugs manufacturer to a global player in the branded arkets, especially Russia. He is focused on translating the Company's

d as Managing Director and Chief Operating Officer for a period of five 's founder, Dr. K Anji Reddy, he was re-designated as Vice-Chairman bsequently re-designated as the Chairman of the Company with effect r, designated as Chairman, for a period of five years, effective October 022.

Company operates and its business operations. Further, his expertise He also has a good understanding of management and governance, etc.

aluation carried out by all the Board Members which *inter alia* included ency, availability and attendance at the meetings, contribution, and

Nomination, Governance and Compensation Committee ('NGCC'), has time Director, designated as Chairman of the Company, for a further 30, 2027, liable to retire by rotation. He retires by rotation at this 38^{th} intment.

or his re-appointment and has also received all the required disclosures to Section 164(2) of the Companies Act, 2013 ('the Act') and that he is or by any other such authority.

SEBI (Listing Obligations and Disclosure Requirements) Regulations, s:

Osmania University, India. M.S. in Medical Chemistry from Purdue

nce in strategy, management, governance, finance, human resources, ocused on translating the Company's strategy into action to drive its

e of Mr. K Satish Reddy, whereas 55,23,677 equity shares are held by

shares of the Company, in the name of Mr. G V Prasad jointly with tish Reddy, Mrs. G Anuradha, Mrs. Deepti Reddy and their bloodline st.

wn subsidiaries: Aurigene Discovery Technologies Limited and Dr. eddy's Laboratories Louisiana LLC in USA; Dr. Reddy's New Zealand ries (UK) and Limited in UK, Lacock Holdings Limited.

orts Limited, Stamlo Industries Limited, Araku Originals Private Limited, utics & Estates Private Limited, Quin Estates Private Limited, Satish ust Services Private Limited, Dr. Reddy's Institute of Life Sciences; KAR REUS Therapeutics (Singapore) Private Limited, in Singapore.

or in any listed entities during past three years.

Name of the Director	Mr. K Satish Reddy
Chairman/ Member of the Committee(s) of Board of Directors	Mr. K Satish Reddy is a Member of Sustaina Relationship Committee and Chairman of B Committee Chairmanship or Membership in any other company.
Relationships between Directors inter-se	Mr. K Satish Reddy is brother-in-law of Mr. G not 'relative' as defined under the Act.
Number of Board meetings attended	7, attended all the Board meetings held duri
Terms of appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable.	**Past remuneration** – remuneration paid dur Salary and perquisites – Rs.228.89 Lakhs Commission – Rs.800 Lakhs The payment of Commission is variable and Terms of appointment along with details of 4 of this Notice convening this AGM read wi Mr. K Satish Reddy will not be entitled for a Company.

The Board is of the view that Mr. K Satish Reddy's re-appointment as W of the Company. Considering his skills, knowledge, leadership, vast e recommended his re-appointment for a further term of five years with

Except Mr. K Satish Reddy and Mr. G V Prasad and their relatives, none their relatives are concerned or interested, financially or otherwise, in

The Board recommends the resolution set out in item nos. 3 and 4 of

ITEM NO. 5

The Board of Directors, on the recommendation of the Audit Committ Accountants (Firm Registration No. 000118), as the Cost Auditors of t for the financial year ending March 31, 2023 at a remuneration of Rs. pocket expenses, at actuals in connection with the aforesaid audit.

In terms with the provisions of the Section 148(3) of the Companies Act bers of the Company are required to ratify the remuneration proposed

Accordingly, consent of the members is sought for passing an ordina remuneration payable to the Cost Auditors, for the financial year endi

None of the Directors, Key Managerial Personnel and their relatives a resolution.

The Board recommends the resolution set forth in item no. 5 of the no

Place: Hyderabad
Date: May 19, 2022

Registered Office
8-2-337, Road No. 3, Banjara Hills,
Hyderabad, Telangana- 500034, India
CIN: L85195TG1984PLC004507
Tel-91-40-49002900, Fax-91-40-49002999
Email: shares@drreddys.com
Website: www.drreddys.com

	ability & Corporate Social Responsibility Committee and Stakeholders' anking and Authorisations Committee of the Company. Apart from the the Company, he is not a Chairman or a Member of any committee in
	V Prasad, Co-chairman and Managing Director of the Company and are
	ing the financial year ended March 31, 2022
	ring the financial year ended March 31, 2022, are as hereunder:

depends on recommendation of the NGCC and approval of the Board.
remuneration sought to be paid are given in the Resolution at Item No.
ith Explanatory Statement in this regard.
ny stock option pursuant to Employees Stock Option Schemes of the

Whole-time Director, designated as Chairman, will be in the best interest
experience, expertise and contribution to the Company, the Board has
effect from October 1, 2022.

of the other directors or Key Managerial Personnel of the Company and
the resolution set out at item nos. 3 and 4 of the Notice.

the Notice for approval of the members.

tee, has approved the re-appointment of M/s. Sagar & Associates, Cost
he Company, to conduct the audit of the cost records of the Company
700,000/- (Rupees Seven Lakhs only) plus applicable taxes and out of

t, 2013, read with the Companies (Audit and Auditors) Rules, 2014, mem-
d to be paid to the Cost Auditors.

ry resolution as set out at item no.5 of the Notice for ratification of the
ng March 31, 2023.

are, in any way, concerned or interested, financially or otherwise, in this

otice for approval of the members.

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

Sd/-
K Randhir Singh
Company Secretary and Compliance Officer
Membership No.F6621

INSTRUCTIONS FOR E-VOTING

Pursuant to the provisions of Section 108 of the Act read with Rule 20
amended), Regulation 44 of the Listing Regulations (as amended) and a
Members to exercise their right to vote on the resolutions proposed to b
(IST) by electronic means. For this purpose, the Company has entered i
as the authorised agency for facilitating voting through electronic mea
system as well as e-voting on the date of the AGM will be provided by N

The remote e-voting facility is available at the link, www.evoting.nsdl.co
are set out below:

Date of 38th AGM	EVEN
Friday, July 29, 2022, at 9:00 a.m. (IST)	120286

The remote e-voting module shall be disabled by NSDL for voting therea
Beneficial Owners as on the record date (cut-off date) i.e. Friday, Ju
shareholders shall be in proportion to their share in the paid-up equity s

Please read the instructions printed below before exercising your vote.
through VC/ OAVM form an integral part of this Notice of the 38th AGM.

How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of "Tw

Step 1: Access to NSDL e-voting system

Step 2: Cast your vote electronically and join General Meeting on NSDL

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for Individu
circular dated December 9, 2020 on e-voting facility provided by L
mode are allowed to vote through their demat account maintain
advised to update their mobile number and email Id in their demat

Login method for Individual shareholders holding securities in dem

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user com either on a Pers on the "**Beneficial O** , this will prompt yo authentication, you w on **"Access to e-votin** Click on company nar to e-voting website o joining virtual meetin
	2. If you are not registe eservices.nsdl.com. S nsdl.com/SecureWeb
	3. Visit the e-voting web www.evoting.nsdl.co page of e-voting sys 'Shareholder/Membe ID (i.e. your sixteen d Verification Code as redirected to NSDL D name or **e-voting serv** of NSDL for casting y & voting during the m

of the Companies (Management and Administration) Rules, 2014 (as applicable Circulars, the Company is pleased to provide the facility to e passed at 38th AGM to be held on Friday, July 29, 2022, at 9.00 a.m. nto an agreement with National Securities Depository Limited (NSDL), ans. The facility of casting votes by a Member using remote e-voting NSDL.

om. The e-voting event number (EVEN) and period of remote e-voting

Commencement of remote e-voting	End of remote e-voting
Monday, July 25, 2022, at 9:00 a.m. (IST)	Thursday, July 28, 2022, at 5:00 p.m. (IST)

after. The Members, whose names appear in the Register of Members/ uly 22, 2022, may cast their vote electronically. The voting right of share capital of the Company as on the cut-off date.

The details and instructions for e-voting and participation at the AGM

vo Steps" which are mentioned below:

L e-voting system.

ual shareholders holding securities in demat mode. In terms of SEBI Listed Companies, Individual shareholders holding securities in demat ed with Depositories and Depository Participants. Shareholders are accounts in order to access e-voting facility.

at mode is given below:

can visit the e-Services website of NSDL Viz. https://eservices.nsdl. sonal Computer or on a mobile. On the e-Services home page click **wner"** icon under **"Login"** which is available under **'IDeAS'** section u to enter your existing User ID and Password. After successful vill be able to see e-voting services under Value added services. Click **ng"** under e-voting services and you will be able to see e-voting page. me or **e-voting service provider i.e. NSDL** and you will be re-directed of NSDL for casting your vote during the remote e-voting period or g & voting during the meeting.
ered for IDeAS e-Services, option to register is available at https:// Select **"Register Online for IDeAS Portal"** or click at https://eservices. /IdeasDirectReg.jsp
bsite of NSDL. Open web browser by typing the following URL: https:// m/ either on a Personal Computer or on a mobile. Once the home tem is launched, click on the icon "Login" which is available under r' section. A new screen will open. You will have to enter your User digit demat account number hold with NSDL), Password/OTP and a shown on the screen. After successful authentication, you will be Depository site wherein you can see e-voting page. Click on company **vice provider i.e. NSDL** and you will be redirected to e-voting website our vote during the remote e-voting period or joining virtual meeting neeting.

	4. Shareholders/Memb scanning the QR co
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who and password. Opti authentication. The myeasi/home/login 2. After successful log The Menu will have your vote. 3. If the user is not re cdslindia.com/myea 4. Alternatively, the u Number and PAN authenticate the us the demat Account respective ESP i.e.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using Participant registere able to see e-voting Depository site afte on company name e-voting website of virtual meeting & vo

Important note: Members who are unable to retrieve User ID/ Pa available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat NSDL and CDSL.

Login type	**Helpdesk**
Individual Shareholders holding securities in demat mode with NSDL	Members sending a and 1800
Individual Shareholders holding securities in demat mode with CDSL	Members sending 23058738

B) **Login Method for e-voting and joining virtual meeting for shareh mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by ty sonal Computer or on a mobile.

2. Once the home page of e-voting system is launched, click o tion.

bers can also download NSDL Mobile App "**NSDL Speede**" facility by
de mentioned below for seamless voting experience.

NSDL Mobile App is available on

App Store

Google Play

have opted for Easi / Easiest, they can login through their user id
ion will be made available to reach e-voting page without any further
URL for users to login to Easi / Easiest are https://web.cdslindia.com/
or www.cdslindia.com and click on New System Myeasi.

in of Easi/Easiest the user will be also able to see the E Voting Menu.
e links of **e-voting service provider i.e. NSDL.** Click on **NSDL** to cast

gistered for Easi/Easiest, option to register is available at https://web.
asi/Registration/EasiRegistration

ser can directly access e-voting page by providing demat Account
No. from a link in www.cdslindia.com home page. The system will
ser by sending OTP on registered Mobile & Email as recorded in
t. After successful authentication, user will be provided links for the
NSDL where the e-voting is in progress.

the login credentials of your demat account through your Depository
ed with NSDL/CDSL for e-voting facility upon logging in, you will be
option. Click on e-voting option, you will be redirected to NSDL/CDSL
r successful authentication, wherein you can see e-voting feature. Click
or e-voting service provider i.e. NSDL and you will be redirected to
NSDL for casting your vote during the remote e-voting period or joining
oting during the meeting.

ssword are advised to use Forget User ID and Forget Password option

t mode for any technical issues related to login through Depository i.e.

details

facing any technical issue in login can contact NSDL helpdesk by
request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990
22 44 30

facing any technical issue in login can contact CDSL helpdesk by
a request at helpdesk.evoting@cdslindia.com or contact at 022-
3 or 022-23058542-43

olders other than Individual shareholders holding securities in demat

yping the following URL: https://www.evoting.nsdl.com/ either on a Per-

n the icon "Login" which is available under 'Shareholder/Member' sec-

3. A new screen will open. You will have to enter your User ID, yo

   Alternatively, if you are registered for NSDL eservices i.e. ID IDEAS login. Once you log-in to NSDL eservices after using yo i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		
a)	For Members who hold shares in demat account with NSDL.	8 Character DP For example if IN300***12*****
b)	For Members who hold shares in demat account with CDSL.	16 Digit Benefi For example if
c)	For Members holding shares in Physical Form.	EVEN Number For example if

5. Password details for shareholders other than Individual shareh
   a) If you are already registered for e-voting, then you can us
   b) If you are using NSDL e-voting system for the first time, yo to you. Once you retrieve your 'initial password', you need your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account on your email ID. Trace the email sent to you from NS .pdf file. Open the .pdf file. The password to open the ID for CDSL account or folio number for shares held password'.
      (ii) If your email ID is not registered, please follow steps **are not registered.**

6. If you are unable to retrieve or have not received the " Initial p
   a) Click on "Forgot User Details/Password?"(If you are holdi on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding share
   c) If you are still unable to get the password by aforesaid tw your demat account number/folio number, your PAN, your
   d) Members can also use the OTP (One Time Password) bas

7. After entering your password, tick on Agree to "Terms and Con
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting w

Step 2: Cast your vote electronically and join General Meeting on

How to cast your vote electronically and join General Meeting on NSI

1. After successful login at Step 1, you will be able to see all the comp and General Meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote General Meeting. For joining virtual meeting, you need to click on "
3. Now you are ready for e-voting as the Voting page opens.

our Password/OTP and a Verification Code as shown on the screen.

EAS, you can log-in at https://eservices.nsdl.com/ with your existing ur log-in credentials, click on e-voting and you can proceed to Step 2

Your User ID is:
P ID followed by 8 Digit Client ID f your DP ID is IN300*** and Client ID is 12****** then your user ID is **.
ciary ID your Beneficiary ID is 12************** then your user ID is 12**************
followed by Folio Number registered with the Company folio number is 001*** and EVEN is 101456 then user ID is 101456001***

holders are given below:

er your existing password to login and cast your vote.

ou will need to retrieve the 'initial password' which was communicated l to enter the 'initial password' and the system will force you to change

or with the Company, your 'initial password' is communicated to you SDL from your mailbox. Open the email and open the attachment i.e. a .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client in physical form. The .pdf file contains your 'User ID' and your 'initial

mentioned below in **process for those shareholders whose email ids**

password" or have forgotten your password:

ng shares in your demat account with NSDL or CDSL) option available

s in physical mode) option available on www.evoting.nsdl.com.

wo options, you can send a request at evoting@nsdl.co.in mentioning name and your registered address etc.

ed login for casting the votes on the e-voting system of NSDL.

nditions" by selecting on the check box.

will open.

n NSDL e-voting system

DL e-voting system?

anies "EVEN" in which you are holding shares and whose voting cycle

during the remote e-voting period and casting your vote during the "VC/OAVM" link placed under "Join General Meeting".

4. Cast your vote by selecting appropriate options i.e. assent or diss
vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be
6. You can also take the printout of the votes cast by you by clickin
7. Once you confirm your vote on the resolution, you will not be allo

GENERAL GUIDELINES FOR SHAREHOLDERS

1. Any person, who acquires shares of the Company and becomes a
shares as on the cut-off date i.e. Friday, July 22, 2022, may obt
However, if you are already registered with NSDL for e-voting, the
2. The members who have cast their vote by remote e-voting prior to
vote again.
3. The facility for voting through electronic voting system shall be
present in the AGM through VC/ OAVM facility and have not cast
not barred from doing so, shall be eligible to vote through e-votin
4. The voting rights of members shall be in proportion to the shares
the cut-off date.
5. Mr. G Raghu Babu, partner of M/s. R & A Associates, Practicing C
Practice No. 2820) has been appointed by the Board as the scruti
remote e-voting process in a fair and transparent manner.
6. Immediately after the conclusion of voting at the AGM, the scruti
the votes cast through remote e-voting in the presence of at leas
shall prepare a Consolidated Scrutinizer's Report of the total vote
conclusion of the AGM. This report shall be made to the Chairman
result of the voting forthwith.
7. The voting results declared along with the scrutinizer's report s
website of NSDL immediately after the declaration of the result by
also be immediately forwarded to the BSE Limited, National Stock
IFSC Limited.
8. Institutional shareholders (i.e. other than individuals, HUF, NRI etc
Board Resolution/ Authority letter etc. with attested specimen sig
to the Scrutinizer by e-mail at drlscrutinizer@gmail.com with a co
9. It is strongly recommended not to share your password with any
Login to the e-voting website will be disabled upon five unsucces
need to go through the "Forgot User Details/Password?" or "Phys
to reset the password.
10. In case of any queries, you may refer the Frequently Asked Questi
available at the download section of www.evoting.nsdl.com or call
at evoting@nsdl.co.in

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS AR
PASSWORD AND REGISTRATION OF EMAIL IDS FOR E-VOTING

1. In case shares are held in physical mode please provide Folio No
back), PAN (self-attested scanned copy of PAN card), AADHAR (s
shares@drreddys.com or to the RTA at bsshyd@bigshareonline.c
2. In case shares are held in demat mode, please provide DP ID and
master or copy of consolidated account statement, PAN (self-atte
of Aadhar Card) by email to the Company at shares@drreddys.co
shareholders holding securities in demat mode, you are requeste
for e-voting and joining virtual meeting for Individual shareholder
3. Alternatively shareholder/members may send a request to evoting
above mentioned documents.

sent, verify/modify the number of shares for which you wish to cast your

displayed.

g on the print option on the confirmation page.

owed to modify your vote.

Member of the Company after dispatch of the Notice of AGM and holds ain user ID and password by sending a request at evoting@nsdl.co.in. en you can use your existing User ID and Password for casting your vote.

o the AGM may also attend the AGM but shall not be entitled to cast their

made available during the AGM and only those members, who will be their vote on the resolutions through remote e-voting and are otherwise ng system in the AGM.

held by them, of the paid-up equity share capital of the company as on

Company Secretary, Hyderabad (Membership No. 4448 & Certificate of nizer to scrutinize the voting through electronic means during AGM and

nizer shall first count the votes cast at the AGM and thereafter unblock t two witnesses not in the employment of the Company. The scrutinizer s cast in favor or against, if any, not later than forty eight hours after the n or any other person authorized by the Chairman, who shall declare the

hall be placed on the Company's website www.drreddys.com and the the Chairman or a person authorized by the Chairman. The results shall k Exchange of India Limited, the New York Stock Exchange Inc. and NSE

c.) are required to send scanned copy (PDF/JPG Format) of the relevant nature of the duly authorized signatory(ies) who are authorized to vote, opy marked to evoting@nsdl.co.in.

other person and take utmost care to keep your password confidential. ssful attempts to key in the correct password. In such an event, you will sical User Reset Password?" option available on www.evoting.nsdl.com

ions (FAQs) for Shareholders and e-voting user manual for Shareholders l on Toll Free No.: 1800 1020 990 and 1800 22 44 30 or send a request

RE NOT REGISTERED, FOR PROCURING USER ID AND G ON THE RESOLUTIONS SET OUT IN THIS NOTICE

., name of shareholder, scanned copy of the share certificate (front and self-attested scanned copy of Aadhar Card) by email to the Company at om.

Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID), name, client ested scanned copy of PAN card), AADHAR (self-attested scanned copy m or to the RTA at bsshyd@bigshareonline.com. If you are an Individual ed to refer to the login method explained at step 1 (A) i.e. Login method s holding securities in demat mode.

@nsdl.co.in for procuring user ID and password for e-voting by providing

4. In terms of SEBI circular dated December 9, 2020 on e-voting fa securities in demat mode are allowed to vote through their dema Shareholders are required to update their mobile number and emai

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF

1. The procedure for e-voting on the day of the AGM is same as the i
2. Only those Members/ shareholders, who will be present in the AG Resolutions through remote e-voting and are otherwise not barred AGM.
3. Members who have voted through remote e-voting will be eligible AGM.
4. The details of the person who may be contacted for any grievance be the same person mentioned for remote e-voting.

INSTRUCTIONS FOR MEMBERS ATTENDING THE 38TH AGM THR

1. Member will be provided with a facility to attend the AGM through by following the steps mentioned above for **Access to NSDL e-vo** link" placed under **"Join General meeting"** menu against Compan Join General Meeting menu. The link for VC/ OAVM will be availab be displayed. Please note that the members who do not have the Password may retrieve the same by following the remote e-voting
2. Members are encouraged to join the Meeting through Laptops for
3. Further Members will be required to allow Camera and use Interne
4. Please note that participants connecting from mobile devices or tab audio/ video loss due to fluctuation in their respective network. It mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ have questions w at the 38th AGM may send their questions in advance mentioning number at shares@drreddys.com on or before July 25, 2022 (6:
6. Those members who have registered themselves as a speak questions during the meeting.
7. The Company reserves the right to limit the number of speakers
8. In case any assistance is needed, members may contact:

a. Mr. Amit Vishal, Senior Manager, NSDL at amitv@nsdl.co.in or at

b. Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in or at t

c. NSDL at evoting@nsdl.co.in or at Toll Free No.: 1800-222-990.

Place: Hyderabad
Date: May 19, 2022

Registered Office
8-2-337, Road No. 3, Banjara Hills,
Hyderabad, Telangana- 500034, India
CIN: L85195TG1984PLC004507
Tel-91-40-49002900, Fax-91-40-49002999
Email: shares@drreddys.com
Website: www.drreddys.com

cility provided by Listed Companies, Individual shareholders holding
t account maintained with Depositories and Depository Participants.
l ID correctly in their demat account in order to access e-voting facility.

F THE 38TH AGM

nstructions mentioned above for remote e-voting.

GM through VC/ OAVM facility and have not casted their vote on the
from doing so, shall be eligible to vote through e-voting system in the

e to attend the AGM. However, they will not be eligible to vote at the

es connected with the facility for e-voting on the day of the AGM shall

ROUGH VC/ OAVM

VC/ OAVM through the NSDL e-voting system. Members may access
oting system. After successful login, you can see link of "VC/ OAVM
ny name. You are requested to click on VC/ OAVM link placed under
le in Shareholder/ Member login where the EVEN of the Company will
User ID and Password for e-voting or have forgotten the User ID and
instructions mentioned in the Notice to avoid last minute rush.

better experience.

t with a good speed to avoid any disturbance during the meeting.

blets or through laptop connecting *via* mobile hotspot may experience
t is therefore recommended to use stable wi-fi or LAN connection to

ith regard to the financial statements or any other matter to be placed
their name, demat account number/ Folio number, email id & mobile
00 p.m. IST). The same will be replied by the Company suitably.

kers in advance will only be allowed to express their views/ ask

s depending on the availability of time at the AGM.

t telephone number: +91-22-24994360.

telephone number: +91-22-24994545.

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

Sd/-
K Randhir Singh
Company Secretary and Compliance Officer
Membership No.F6621

Dr. K Anji Reddy’s
Spirit of Giving

“We should not settle for anything short of excellence in everything we do in reaching our vision of being a discovery-led global pharmaceutical company; a company that is focused on finding innovative medicines and solving people’s unmet medical needs.”

Dr. K Anji Reddy

Dr.Reddy's

DR. REDDY'S LABORATORIES LIMITED
CIN:L85195TG1984PLC004507
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Hyderabad 500 034, India
www.drreddys.com

/Concept and design at AICL (hello@aicl.in)