

DR. REDDY'S

Dr. Reddy's Laboratories Ltd.

7-1-27, Amcerpet  
Hyderabad 500 016, A.P., India.

Tel : +91 40 2373 1946

Fax : +91 40 2373 1955

www.drreddys.com

March 24, 2011

The Director / Secretary  
Bombay Stock Exchange Limited  
National Stock Exchange of India Limited  
New York Stock Exchange, Inc.

National Security Depository Limited  
Central Depository Services (I) Limited  
J P Morgan Chase Bank

Dear Sir / Madam,

**Sub: Allotment of Bonus Debentures**

This is in reference to our letter dated March 8, 2011, intimating the record date of March 18, 2011, for the purpose of determining the eligibility of the shareholders, entitled for the bonus debentures.

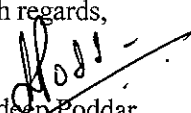
In this regard, we would like to now inform you that the Management Committee of the Board of Directors of the Company at its meeting held on March 24, 2011, has approved the allotment of 1,015,516,392 Unsecured Redeemable Non-Convertible Debentures of Rs. 5/- each carrying a coupon of 9.25% per annum, ("**Bonus Debentures**") amounting to an aggregate value of Rs. 5,077,581,960/- from the General Reserve by way of distribution as bonus, to the Members, based on their equity holding on the Record Date i.e. March 18, 2011, in the ratio of 6 (six) Bonus Debentures of Rs. 5/- each for every equity share of Rs. 5/- each held.

This allotment has been made pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Judicature, Andhra Pradesh at Hyderabad by its Order passed on July 19, 2010, approval of the Reserve Bank of India vide its letter dated January 14, 2011 (for the issue of Bonus Debentures to foreign shareholders) and subsequent No-objection from Income-tax department dated February 1, 2011. The Scheme came into effect on February 1, 2011.

The Bonus Debentures carry an interest at 9.25% per annum payable annually in arrears i.e. 1st year interest on March 24, 2012, 2nd year interest on March 24, 2013 and 3rd year and final interest together with the redemption proceeds on March 24, 2014. The Bonus Debentures have tenure of three years from the date of allotment and will be redeemed on March 24, 2014. Further, these debentures have been assigned a rating of LAA+ by ICRA.

Kindly arrange to inform your members accordingly and also display the same on your notice board for information.

With regards,

  
Sandeep Poddar  
Company Secretary