

October 22, 2018

National Stock Exchange of India Ltd.
"Exchange Plaza"
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051
Fax Nos.: 022-26598120/ 26598237/
26598238

Scrip Code: DRREDDY-EQ

Dear Sirs,

Ref.: Your email dated October 19, 2018

Sub: Reply to clarification sought on our Press Release dated October 15, 2018

This is with reference to your email dated October 19, 2017, seeking clarification on our Press Release dated October 15, 2018, titled 'Dr. Reddy's Laboratories announces the sale of its API manufacturing business unit in Jeedimetla, Hyderabad'.

In this regard, our responses are as under:

1. Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale;
Please refer to response at point no. 7
2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";
This transaction would not fall within related party transaction.
3. Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof;
Therapiva Private Limited, based out of Hyderabad, is a joint venture between Omnicare Drugs India Private Limited (100% subsidiary of BR Shetty owned Neopharma LLC, Abu Dhabi) and Laxai Life Sciences Private Ltd. Therapiva is an emerging generics pharmaceutical company backed by a strong and innovative R&D facility and a world-class API manufacturing facility. It has a robust product portfolio spread across various therapeutic areas, capable of handling new, complex and hazardous reactions. <http://therapiva.net/>
The buyer does not belong to the promoter/promoter group/group companies.



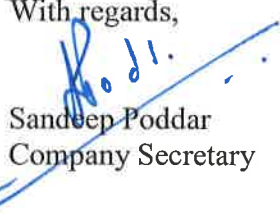
4. Consideration received from such sale/disposal;
Total consideration for the deal is Rs. 125 crores, subject to working capital adjustments on closing.
5. The expected date of completion of sale/disposal;
The transaction is expected to close latest by November 30, 2018.
6. Date on which the agreement for sale has been entered into;
Saturday, October 13, 2018
7. The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year;

The sale of said unit includes sale of its fixed assets (land and building), current assets, current liabilities, and its employees. The products manufactured at API manufacturing unit, Jeedimetla, Hyderabad were used by the Company for both captive purposes and third party sales. During the last financial year, the said unit contributed Rs.143 crore (1% of revenue) towards third party sales, not including captive transfers which are done on cost basis.

However, Dr. Reddy's will continue to be the holder of US Drug Master File (USDMF), Europe Drug Master File (EDMF) and any other regulatory filings across geographies and Therapiva Private Limited will be a third party manufacturer for Dr. Reddy's for both captive and external sales.

This is for your information and record.

With regards,



Sandeep Poddar
Company Secretary