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

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January 29, 2021

The Secretary / Executive Director
BSE Limited
National Stock Exchange of India Limited
New York Stock Exchange, Inc.
NSE-IFSC Limited

Dear Sir/Madam,

Sub: Outcome of Board Meeting – Unaudited Financial Results for the quarter and nine months ended December 31, 2020.

Further to our letter dated December 28, 2020, we would like to inform you that the Board of Directors of the Company at their meeting held on January 29, 2021 have *inter alia* approved the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2020.

In terms of the above, we are enclosing herewith the following:

1. Unaudited Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2020 prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).

2. Press Release on Financial Results of the Company for the above period.

3. Unaudited Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2020 as per Indian Accounting Standards.

4. Unaudited Standalone Financial Results of the Company for the quarter and nine months ended December 31, 2020 as per Indian Accounting Standards.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Limited Review Reports of the Statutory Auditors on the Unaudited Standalone and Consolidated Financial Results at point nos. 3 and 4 are also enclosed.

The Board meeting commenced at 09.05 AM and concluded at 11.15 AM.

This is for your information and records.

With regards,

Sandeep Poddar
Company Secretary

Encl.: as above

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Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and nine months ended 31 December 2020 prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Revenues**	**49,296**	**48,967**	**43,838**	**142,438**	**130,282**	**174,600**
2	Cost of revenues	22,758	22,558	20,116	64,736	59,081	80,591
3	**Gross profit (1 - 2)**	**26,538**	**26,409**	**23,722**	**77,702**	**71,201**	**94,009**
4	Selling, general and administrative expenses	14,387	13,107	12,670	40,280	37,952	50,129
5	Research and development expenses	4,108	4,359	3,949	12,447	11,220	15,410
6	Impairment of non current assets	5,972	781	13,200	6,753	16,760	16,767
7	Other income, net	(128)	(149)	(228)	(395)	(4,122)	(4,290)
	Total operating expenses	**24,339**	**18,098**	**29,591**	**59,085**	**61,810**	**78,016**
8	**Results from operating activities [(3) - (4 + 5 + 6 + 7)]**	**2,199**	**8,311**	**(5,869)**	**18,617**	**9,391**	**15,993**
	Finance income	681	489	571	2,008	1,796	2,461
	Finance expense	(188)	(252)	(152)	(673)	(753)	(983)
9	**Finance income, net**	**493**	**237**	**419**	**1,335**	**1,043**	**1,478**
10	Share of profit of equity accounted investees, net of tax	151	73	176	301	456	561
11	**Profit before tax (8 + 9 + 10)**	**2,843**	**8,621**	**(5,274)**	**20,253**	**10,890**	**18,032**
12	Tax expense/(benefit), net	2,645	998	423	6,639	(966)	(1,466)
13	**Profit for the period / year (11 -12)**	**198**	**7,623**	**(5,697)**	**13,614**	**11,856**	**19,498**
14	**Earnings per share:**						
	Basic earnings per share of Rs.5/- each	1.19	45.96	(34.37)	82.08	71.53	117.63
	Diluted earnings per share of Rs.5/- each	1.19	45.83	(34.37)	81.85	71.40	117.40
		(Not annualised)	*(Not annualised)*	*(Not annualised)*	*(Not annualised)*	*(Not annualised)*	

(MSK)

Dr. Reddy's Laboratories Ltd. Dr. Reddy's Hyderabad

Dr.Reddy's

Segment reporting (consolidated)

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Segment wise revenue and results:						
1	**Segment revenue:**						
	a) Pharmaceutical Services and Active Ingredients	8,745	10,256	8,549	29,091	22,984	31,657
	b) Global Generics	40,751	39,841	35,927	115,667	101,725	138,123
	c) Proprietary Products	124	100	241	280	7,947	7,949
	d) Others	1,412	521	764	2,424	2,058	2,781
	Total	**51,032**	**50,718**	**45,481**	**147,462**	**134,714**	**180,510**
	Less: Inter-segment revenues	1,736	1,751	1,643	5,024	4,432	5,910
	Net revenues	**49,296**	**48,967**	**43,838**	**142,438**	**130,282**	**174,600**
2	**Segment results:**						
	Gross profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	1,773	2,284	2,072	6,913	4,147	6,190
	b) Global Generics	23,454	23,685	20,910	68,665	58,117	78,449
	c) Proprietary Products	100	88	246	244	7,751	7,744
	d) Others	1,211	352	494	1,880	1,186	1,626
	Total	**26,538**	**26,409**	**23,722**	**77,702**	**71,201**	**94,009**
	Less: Selling and other un-allocable expenditure, net of other income	23,695	17,788	28,996	57,449	60,311	75,977
	Total profit before tax	**2,843**	**8,621**	**(5,274)**	**20,253**	**10,890**	**18,032**

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

Notes:

1 The unaudited results have been reviewed by the Audit Committee of the Board on 28 January 2021 and approved by the Board of Directors of the Company at their meeting held on 29 January 2021. The above financial results have been prepared in accordance with International Financial Reporting Standards and its interpretations (IFRS), as issued by the International Accounting Standards Board (IASB).

2 During the quarter ended 31 December 2020, there were significant changes to the market conditions for certain of the products forming part of Company's Global Generics and Proprietary Products segments. The changes include the launch by competitor of generic version of the product, decrease in the market potential of products primarily due to higher than expected price erosion and increased competition, and higher than expected value erosion. Due to these adverse market developments, the Company recorded an impairment loss of:
- Rs. 3,180 million relating to Ethinyl estradiol / Ethenogestral vaginal ring (a generic equivalent to NuvaRing®);
- Rs. 1,587 million relating to Saxagliptin and metformin (generic version of Kombiglyze-XR) and Phentermine and Topiramate (generic version of Qsymia®); and
- Rs. 1,159 million relating to other intangible assets forming part of the Company's Global Generics and Proprietary Products segments.

In addition, an amount of Rs. 46 million was recorded as impairment loss pertaining to property, plant and equipment on write-down of assets to fair value less costs to sell forming part of Company's Global generics segment.

3 During the quarter ended 31 December 2020, the Company entered into a definitive agreement with Glenmark Pharmaceuticals Ltd. to acquire, certain brands in various Emerging Market countries for a total consideration of Rs. 1,516 million. The said transaction was accounted for as an acquisition of product related intangibles.

4 Impairment expense of Rs. 781 million for the quarter ended 30 September 2020 comprises of:
- Rs. 728 million pertaining to product related intangible forming part of Company's Proprietary Segment due to decrease in the market potential for the product;
- Rs. 53 million pertaining to certain product related intangibles forming part of Company's Global generics Segment due to Company's decision to discontinue their further development.

5 Tax expense for the quarter ended 30 September 2020 includes benefit on account of recognition of deferred tax asset amounting to Rs. 1,012 million pursuant to a planned restructuring activity between the Group companies. The said restructuring activity was concluded during the quarter ended 31 December 2020.

6 On 10 June 2020, the Company completed the acquisition of select divisions of Wockhardt Limited's branded generics business in India and the territories of Nepal, Sri Lanka, Bhutan and Maldives. The business comprises a portfolio of 62 brands in multiple therapy areas, such as respiratory, neurology, venous malformations, dennatology, gastroenterology, pain, and vaccines. This entire portfolio has been transferred to the Company, along with related sales and marketing teams, the manufacturing plant located in Baddi, Himachal Pradesh, and employees. During the quarter ended 30 September 2020, the Company completed the purchase price allocation. The fair value of consideration transferred is Rs.16,115 million. The Company recognised Rs. 373 million, Rs. 14,888 million and Rs. 530 million towards property, plant and equipment, intangible assets, and goodwill, respectively. The acquisition pertains to Company's Global Generics segment.

7 "Revenues" for the year ended 31 March 2020 include an amount of Rs. 7,486 million (U.S.$108.7 million) towards license fee for selling US and select territory rights for ZEMBRACE® SYMTOUCH® (sumatriptan injection) 3 mg and TOSYMRA® (sumatriptan nasal spray) 10 mg, (formerly referred to as "DFN-02") to Upsher-Smith Laboratories, LLC. The costs associated with this transaction are Rs. 328 million.

8 "Other income, net" for the year ended 31 March 2020 includes an amount of Rs. 3,457 million received from Celgene, pursuant to a settlement agreement entered in April 2019. The agreement effectively settles any claim the Company or its affiliates may have had for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of REVLIMID brand capsules, (Lenalidomide) pending before Health Canada.

9 Total impairment charge for the year ended 31 March 2020 is Rs. 16,767 million, of which Rs. 11,137 million was towards impairment of gNuvaring, Rs. 4,385 million was towards ranolecon, tobramycin and imiquimod, and the balance is towards other product related intangibles forming part of Company's Global generics and Proprietary Products segments.

10 Tax benefit for the year ended 31 March 2020 was primarily due to recognition of deferred tax asset of:
- Rs. 4,989 million towards MAT recoverable pursuant to enactment of Taxation Laws (Amendment) Act, 2019;
- Rs. 1,264 million pursuant to a planned restructuring activity between the group Companies.

Dr. Reddy's Laboratories Ltd. Hyderabad

Dr.Reddy's

11 The Code on Social Security, 2020 ('Code') received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the related final rules have not yet been issued and the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and the rules thereunder when they come into effect.

12 On 22 October 2020, the Company experienced a cybersecurity incident related to ransomware. The Company could contain the incident in a timely fashion and has also ensured that all traces of the infection are completely cleaned from the network. All affected systems were restored and brought back to normalcy in the order of priority. Based on our forensic investigation, no evidence was found of any data breaches leading to personally identifiable information. Since then, the Company has also been focused on implementing significant improvements to its cyber and data security systems to safeguard from such risks in the future.

13 The Company continues to consider the impact of COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, and certain investments. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. The Company based on its judgements, estimates and assumptions including sensitivity analysis expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets.The Company will continue to closely monitor any material changes to future economic conditions.

14 The unaudited results were reviewed by the Audit Committee of the Board at their meeting held on 28 January 2021 and approved by the Board of Directors of the Company at their meeting held on 29 January 2021.

15 The results for the quarter and nine months ended 31 December 2020 were subjected to a "Limited Review". An unqualified report was issued thereon.

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

Dr. Reddy's Laboratories Ltd. Dr. Reddy's Hyderabad

Place: Hyderabad
Date: 29 January 2021

G V Prasad
Co-Chairman & Managing Director

Press Release

Dr.Reddy's

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

CONTACT	
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Dr. Reddy's Q3 & 9M FY21 Financial Results

Hyderabad, India, January 29, 2021: Dr. Reddy's Laboratories Ltd. (BSE: 500124 | NSE: DRREDDY | NYSE: RDY | NSEIFSC: DRREDDY) today announced its consolidated financial results for the quarter and the nine months ended December 31, 2020. The information mentioned in this release is on the basis of consolidated financial statements under International Financial Reporting Standards (IFRS).

Q3 Performance Summary	9M Performance Summary
Rs. 4,930 Cr ***Revenue*** *[Up: 12% YoY; 1% QoQ]*	***Rs. 14,244 Cr*** ***Revenue*** *[Up: 9% YoY]*
53.8% ***Gross Margin*** *[Q3 FY20: 54.1%; Q2 FY21: 53.9%]*	***54.6%*** ***Gross Margin*** *[9M FY20: 54.7%]*
Rs.1,439 Cr ***SGNA expenses*** *[Up: 14% YoY; 10% QoQ]*	***Rs. 4,028 Cr*** ***SGNA expenses*** *[Up: 6% YoY]*
Rs. 411 Cr ***R&D expenses*** *[8.3% of Revenues]*	***Rs. 1,245 Cr*** ***R&D expenses*** *[8.7% of Revenues]*
Rs. 1,185 Cr ***EBITDA*** *[24.0% of Revenues]*	***Rs. 3,615 Cr*** ***EBITDA*** *[25.4% of Revenues]*
Rs. 284 Cr* ***Profit before Tax*** *[5.8% of Revenues]*	***Rs. 2,025 Cr*** ***Profit before Tax*** *[14.2% of Revenues]*
Rs. 20 Cr* ***Profit after Tax*** *[0.4% of Revenues]*	***Rs. 1,361 Cr*** ***Profit after Tax*** *[9.6% of Revenues]*

**Excluding the impairment charge in Q3 FY21, the Profit before Tax is Rs. 882 cr*
***Q3 FY21 Profit after Tax was impacted primarily due to non-recognition of deferred tax asset on impairment*

Commenting on the results, Co-chairman & MD, G V Prasad said "We continued with our growth momentum while maintaining EBITDA margins. The profits were impacted due to trigger based impairment charge taken on a few acquired products including gNuvaring. We are progressing well on the phase 3 clinical trials for Sputnik V vaccine in India. We continue to focus on enhancing our product offerings to our patients to serve them better".

All amounts in millions, except EPS *All US dollar amounts based on convenience translation rate of 1 USD – Rs. 73.01*

Dr. Reddy's Laboratories Limited and Subsidiaries

Consolidated Income Statement

Particulars	Q3 FY21		Q3 FY20		YoY Gr %	Q2 FY21		QoQ Gr %
	($)	(Rs.)	($)	(Rs.)		($)	(Rs.)	
Revenues	**675**	**49,296**	**600**	**43,838**	**12**	**671**	**48,967**	**1**
Cost of Revenues	312	22,758	276	20,116	13	309	22,558	1
Gross Profit	**363**	**26,538**	**325**	**23,722**	**12**	**362**	**26,409**	**0**
Operating Expenses								
Selling, General & Administrative expenses	197	14,387	174	12,670	14	180	13,107	10
Research and Development expenses	56	4,108	54	3,949	4	60	4,359	(6)
Impairment of non-current assets	82	5,972	181	13,200	(55)	11	781	665
Other operating income	(2)	(128)	(3)	(228)	(44)	(2)	(149)	(14)
Results from operating activities	**30**	**2,199**	**(80)**	**(5,869)**	**-**	**114**	**8,311**	**(74)**
Net finance income	(7)	(493)	(6)	(419)	18	(3)	(237)	108
Share of profit of equity accounted investees	(2)	(151)	(2)	(176)	(14)	(1)	(73)	107
Profit / (loss) before Income Tax	**39**	**2,843**	**(72)**	**(5,274)**	**-**	**118**	**8,621**	**(67)**
Income Tax	36	2,645	6	423	525	14	998	165
Profit / (loss) for the period	**3**	**198**	**(78)**	**(5,697)**	**-**	**104**	**7,623**	**(97)**
Diluted Earnings Per Share (EPS)	**0.02**	**1.19**	**(0.47)**	**(34.37)**	**-**	**0.63**	**45.83**	**(97)**

As % to revenues	Q3 FY21	Q3 FY20	Q2 FY21
Gross Profit	53.8	54.1	53.9
SG&A	29.2	28.9	26.8
R&D	8.3	9.0	8.9
EBITDA	24.0	24.5	25.9
PBT	5.8	(12.0)	17.6
PAT	0.4	(13.0)	15.6

EBITDA Computation

Particulars	Q3 FY21		Q3 FY20		Q2 FY21	
	($)	(Rs.)	($)	(Rs.)	($)	(Rs.)
Profit before Income Tax	39	2,843	(72)	(5,274)	118	8,621
Interest income (net)*	(2)	(180)	(4)	(274)	(0)	(1)
Depreciation	29	2,131	29	2,130	30	2,188
Amortization	15	1,086	13	955	15	1,084
Impairment	82	5,972	181	13,200	11	781
EBITDA	**162**	**11,851**	**147**	**10,737**	**174**	**12,673**

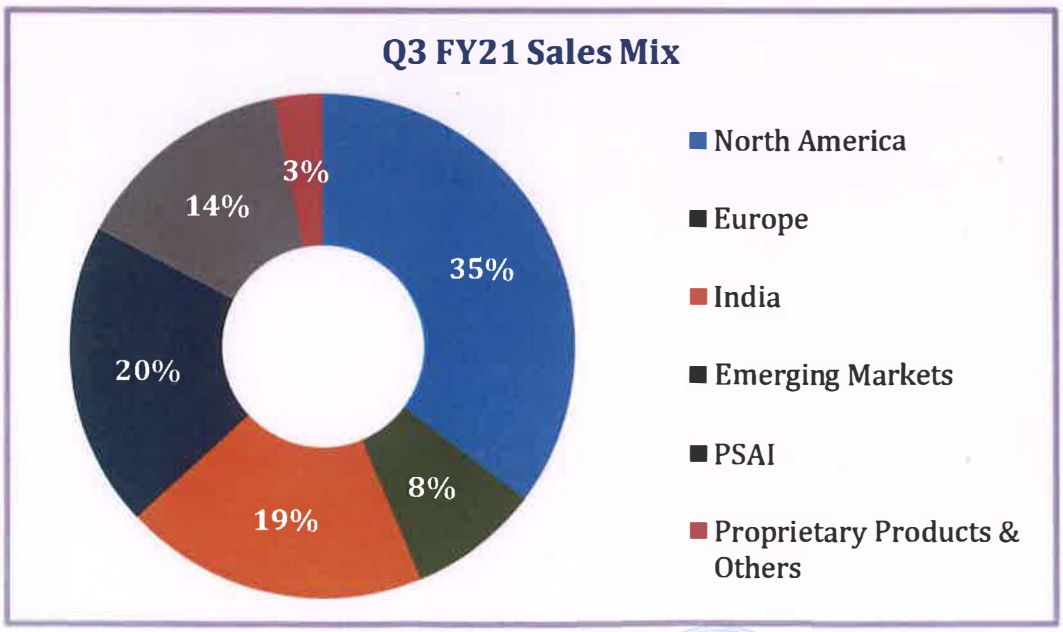
** Includes income from Investments*

Key Balance Sheet Items

Particulars	As on 31st Dec 2020		As on 30th Sep 2020		As on 31st Dec 2019	
	($)	(Rs.)	($)	(Rs.)	($)	(Rs.)
Cash and cash equivalents and current investments	291	21,282	357	26,074	280	20,457
Trade receivables (current & non-current)	732	53,408	689	50,335	631	46,095
Inventories	607	44,309	563	41,134	517	37,746
Property, plant and equipment	771	56,263	754	55,026	722	52,709
Goodwill and Other Intangible assets	562	41,062	624	45,553	423	30,847
Loans and borrowings (current & non-current)	280	20,443	376	27,429	224	16,320
Trade payables	316	23,072	313	22,833	244	17,810
Equity	2,320	1,69,395	2,265	1,65,337	2,036	1,48,672

Revenue Mix by Segment

Segment	Q3 FY21 (Rs.)	Q3 FY20 (Rs.)	YoY Gr %	Q2 FY21 (Rs.)	QoQ Gr %
Global Generics	**40,751**	**35,927**	**13**	**39,841**	**2**
North America	17,394	15,999	9	18,328	(5)
Europe	4,143	3,093	34	3,754	10
India	9,591	7,636	26	9,123	5
Emerging Markets	9,623	9,199	5	8,636	11
Pharmaceutical Services and Active Ingredients (PSAI)	**7,009**	**6,906**	**1**	**8,505**	**(18)**
Proprietary Products & Others	**1,536**	**1,005**	**53**	**621**	**147**
Total	**49,296**	**43,838**	**12**	**48,967**	**1**



Revenue Analysis

Global Generics (GG)

Revenues from **GG** segment at Rs. 40.8 billion:

- Year-on-year growth of 13% and sequential quarter growth of 2%, primarily driven by new product launches and integration of the acquired portfolio from Wockhardt in India. The volume growth in the base business was largely offset by price erosion.

North America

Revenues from **North America** at Rs. 17.4 billion:

- Year-on-year growth of 9%, driven by new products launches, increase in volumes of our base business and a favorable forex rate, which was partially offset by price erosion.
- Sequential decline of 5%, primarily due to price erosion in some of the key molecules.
- We launched four new products during the quarter. This included Cinacalcet Tablets, Sapropterin Dihydrochloride Tablets and Succinylcholine Chloride Injection in the US along with Daptomycin Injection in Canada. We also re-launched one product in US - OTC Famotidine.
- We filed two new ANDAs during the quarter. As of 31st December 2020, cumulatively 89 generic filings are pending for approval with the USFDA (87 ANDAs and 2 NDAs under 505(b)(2) route). Of the 89 ANDAs, 48 are Para IVs and we believe 24 have 'First to File' status.

Europe

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

- Year-on-year growth of 34% and sequential growth of 10%, which were driven by new product launches, favorable forex movement and volume traction, offset partly by price erosion.

India

Revenues from **India** at Rs. 9.6 billion:

- Year-on-year growth of 26% and sequential growth of 5%. YoY growth is on account of revenues from the acquired portfolio of Wockhardt and contribution from new product launches. QoQ growth was driven by volume traction.

Emerging Markets

Revenues from **Emerging Markets** at Rs. 9.6 billion. Year-on-year growth of 5%. Sequential growth of 11%:

- Revenues from **Russia** at Rs. 4.5 billion. Year-on-year decline of 8% is primarily due to weakening Ruble. Sequential growth of 14% contributed by increased volumes
- Revenues from other **CIS countries and Romania** market at Rs. 2.1 billion. Year-on-year growth of 18% and sequential growth of 8% driven by both base business and new product launches.
- Revenues from **Rest of World (RoW)** territories at Rs. 3.0 billion. Year-on-year growth of 20% and sequential growth of 10% is due to volume traction in the base business and new product launches.

Pharmaceutical Services and Active Ingredients (PSAI)

Revenues from **PSAI** at Rs. 7.0 billion:

- Year-on-year growth of 1% driven by new products and favorable forex rate, offset by lower volumes for some products.
- Sequential decline of 18% on account of lower volumes of certain products.
- During the quarter we filed DMF for five products in the US.

Proprietary Products (PP) & Others

Revenues from **PP & Others** at Rs. 1.5 billion:

- Year-on-year growth of 53% and sequential growth of 147%. The growth was driven by milestone income received for the compound AUR102.

Income Statement Highlights:

- **Gross profit** margin at 53.8%:
  - Decline of 30 bps over previous year and 10 bps sequentially, which was primarily impacted due to price erosion and lower export benefits, partially offset by the milestone income received for the compound AUR102.
  - Gross profit margin for GG and PSAI business segments are at 57.6% and 25.3% respectively.
- **SG&A expenses** at Rs. 14.4 billion, increased by 14% year-on-year primarily due to incremental costs post the integration of the acquired portfolio from Wockhardt in this year and increased freight expenses. Sequentially, it increased by 10% primarily due to pickup in sales & marketing activities in branded markets and increase in freight expenses.
- **Impairment charge** of Rs. 6.0 billion. In January, 2021 there has been an additional generic launch for the product Nuvaring®, which has led to a considerable erosion in the value of this product for us, and accordingly we have taken an impairment charge of Rs. 3.2 billion. In addition to this, considering the current market dynamics, we have taken an additional impairment charge of Rs. 2.8 billion on the intangibles pertaining to other products. We had an impairment charge of Rs. 13.2 billion in Q3 FY 20 and Rs. 781 million in Q2 FY21.
- **R&D expenses** at Rs. 4.1 billion. As % to revenues these are: Q3 FY21: 8.3% | Q2 FY 21: 8.9% | Q3 FY20: 9.0%. Our focus continues on building a healthy pipeline of new products across our markets including development of products pertaining to COVID-19 treatment.
- **Other operating income** at Rs. 128 million compared to Rs. 228 million in Q3 FY20.
- **Net Finance income** at Rs. 493 million compared to Rs. 419 million in Q3 FY20.
- **Profit before Tax** at Rs. 2.8 billion, which is 5.8% of revenues.
- **Profit after Tax** at Rs. 198 million. The effective tax rate is ~93.0% for the quarter, impacted primarily due to non-recognition of deferred tax asset on impairment.
- **Diluted earnings per share** is at Rs. 1.19.

Other Highlights:

- **EBITDA** at Rs. 11.9 billion and the EBITDA margin is 24.0%
- **Capital expenditure** is at Rs. 2.9 billion.
- **Free cash-flow:** Net out-flow during the quarter stood at Rs. 580 million.
- **Net cash surplus** for the company is at Rs. 839 million as on December 31, 2020. Consequently, net debt to equity ratio is (0.005).

Earnings Call Details (05:30 pm IST, 07:00 am EST, Jan 29, 2021)

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

Conference Joining Information

Option 1: Express Join with DiamondPass™

Pre-register with the below link and join without waiting for the operator.
https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=9941549&linkSecurityString=1ea6b66bb2

Option 2: Join through below Dial-In Numbers	
Universal Access Number:	**+91 22 6280 1219** **+91 22 7115 8120**
Local Access Number: *Available all over India*	**+91 70456 71221**
International Toll Free Number:	USA: **1 866 746 2133** UK: **0 808 101 1573** Singapore: **800 101 2045** Hong Kong: **800 964 448**

No password/pin number is necessary to dial in to any of the above numbers. The operator will provide instructions on asking questions before and during the call.

Play Back: The play back will be available after the earnings call, till February 5th, 2021. For play back dial in phone No: +91 22 7194 5757 | +91 22 6663 5757, and Playback Code is 37918.

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

About Dr. Reddy's: Dr. Reddy's Laboratories Ltd. (BSE: 500124, NSE: DRREDDY, NYSE: RDY) is an integrated pharmaceutical company, committed to providing affordable and innovative medicines for healthier lives. Through its three businesses - Pharmaceutical Services & Active Ingredients, Global Generics and Proprietary Products – Dr. Reddy's offers a portfolio of products and services including APIs, custom pharmaceutical services, generics, biosimilars and differentiated formulations. Our major therapeutic areas of focus are gastrointestinal, cardiovascular, diabetology, oncology, pain management and dermatology. Dr. Reddy's operates in markets across the globe. Our major markets include – USA, India, Russia & CIS countries, and Europe. For more information, log on to: www.drreddys.com

Disclaimer: This press release may include statements of future expectations and other forward-looking statements that are based on the management's current views and assumptions and involve known or unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions such as performance of financial markets, credit defaults, currency exchange rates, interest rates, persistency levels and frequency / severity of insured loss events (ii) mortality and morbidity levels and trends, (iii) changing levels of competition and general competitive factors, (iv) changes in laws and regulations and in the policies of central banks and/or governments, (v) the impact of acquisitions or reorganization, including related integration issues, (vi) the susceptibility of our industry and the markets addressed by our, and our customers', products and services to economic downturns as a result of natural disasters, epidemics, pandemics or other widespread illness, including coronavirus (or COVID-19), and (vii) other risks and uncertainties identified in our public filings with the Securities and Exchange Commission, including those listed under the "Risk Factors" and "Forward-Looking Statements" sections of our Annual Report on Form 20-F for the year ended March 31, 2020. The company assumes no obligation to update any information contained herein.

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

THE SKYVIEW 10
15th Floor, "NORTH LOBBY"
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Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Dr. Reddy's Laboratories Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Dr. Reddy's Laboratories Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its joint ventures for the quarter ended December 31, 2020 and year to date from April 01, 2020 to December 31, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

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

S.No Name of the Company

Subsidiaries:

1. Aurigene Discovery Technologies Limited
2. Cheminor Investments Limited
3. Dr. Reddy's Bio-Sciences Limited
4. Dr. Reddy's Farmaceutica Do Brasil Ltda.
5. Dr. Reddy's Laboratories SA
6. Idea2Enterprises (India) Private Limited
7. Imperial Credit Private Limited
8. Industrias Quimicas Falcon de Mexico, S.A.de C.V.
9. Reddy Antilles N.V. (till 02 November, 2019)

10. Svaas Wellness Limited (formerly 'Regkinetics Services Limited' name changed effective December 18, 2020)
11. Aurigene Discovery Technologies (Malaysia) SDN BHD
12. Aurigene Discovery Technologies Inc.
13. Aurigene Pharmaceutical Services Limited (from 16 September 2019)
14. beta Institut gemeinnützige GmbH
15. betapharm Arzneimittel GmbH
16. Chirotech Technology Limited
17. DRL Impex Limited
18. Dr. Reddy's Laboratories (Australia) Pty. Limited
19. Dr. Reddy's Laboratories Canada, Inc.
20. Dr. Reddy's Laboratories Chile SPA.
21. Dr. Reddy's Laboratories (EU) Limited
22. Dr. Reddy's Laboratories Inc.
23. Dr. Reddy's Laboratories Japan KK
24. Dr. Reddy's Laboratories Kazakhstan LLP
25. Dr. Reddy's Laboratories LLC
26. Dr. Reddy's Laboratories Louisiana LLC
27. Dr. Reddy's Laboratories Malaysia Sdn. Bhd.
28. Dr. Reddy's Laboratories New York, LLC
29. Dr. Reddy's Laboratories Philippines Inc.
30. Dr. Reddy's Laboratories (Proprietary) Limited
31. Dr. Reddy's Laboratories Romania S.R.L.
32. Dr. Reddy's Laboratories SAS
33. Dr. Reddy's Laboratories Taiwan Limited
34. Dr. Reddy's Laboratories (Thailand) Limited
35. Dr. Reddy's Laboratories (UK) Limited
36. Dr. Reddy's Research and Development B.V.
37. Dr. Reddy's Singapore PTE Limited (till 04 June, 2019)
38. Dr. Reddy's Srl
39. Dr. Reddy's New Zealand Limited
40. Dr. Reddy's (WUXI) Pharmaceutical Co. Limited
41. Dr. Reddy's Venezuela, C.A.
42. Dr. Reddy's Laboratories B.V. (Formerly Eurobridge Consulting B.V.)
43. Lacock Holdings Limited
44. OOO Dr. Reddy's Laboratories Limited
45. OOO DRS LLC
46. Promius Pharma LLC
47. Reddy Holding GmbH
48. Reddy Netherlands B.V.
49. Reddy Pharma Iberia SA
50. Reddy Pharma Italia S.R.L
51. Reddy Pharma SAS
52. Dr. Reddy's (Beijing) Pharmaceutical Co. Limited (from August 19, 2020)

Joint Ventures:

1. DRANU LLC
2. DRES Energy Private Limited
3. Kunshan Rotam Reddy Pharmaceutical Company Limited

Other Consolidating entities:

1. Cheminor Employees Welfare Trust
2. Dr. Reddy's Employees ESOS Trust
3. Dr. Reddy's Research Foundation

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS HYDERABAD

5. Based on our review conducted and procedures performed as stated in paragraph 3 nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Navneet Rai
per Navneet Rai Kabra
Partner
Membership No.: 102328

UDIN: 21102328AAAAAU4019

Hyderabad
January 29, 2021

Dr. Reddy's Laboratories Ltd.
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DR. REDDY'S LABORATORIES LIMITED

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Revenue from operations**						
	a) Net sales / income from operations	47,109	47,766	42,607	138,119	120,213	163,574
	b) License fees and service income	2,187	1,201	1,231	4,319	10,069	11,026
	c) Other operating income	123	142	133	355	399	570
	Total revenue from operations	**49,419**	**49,109**	**43,971**	**142,793**	**130,681**	**175,170**
2	Other income	705	512	673	2,088	5,470	6,206
3	**Total income (1 + 2)**	**50,124**	**49,621**	**44,644**	**144,881**	**136,151**	**181,376**
4	**Expenses**						
	a) Cost of materials consumed	11,773	9,485	7,528	32,697	22,395	29,848
	b) Purchase of stock-in-trade	6,803	6,889	8,426	18,968	19,584	25,459
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,199)	(573)	(1,801)	(6,291)	(1,746)	237
	d) Employee benefits expense	9,157	9,488	8,377	27,369	25,247	33,802
	e) Depreciation and amortisation expense	3,112	3,165	2,869	9,200	8,890	11,631
	f) Impairment of non-current assets	5,972	781	13,200	6,753	16,760	16,767
	g) Finance costs	188	252	152	673	753	983
	h) Selling and other expenses	12,520	11,478	11,128	35,130	33,229	44,353
	Total expenses	**47,326**	**40,965**	**49,879**	**124,499**	**125,112**	**163,080**
5	**Profit / (loss) before tax and before share of equity accounted investees(3 - 4)**	**2,798**	**8,656**	**(5,235)**	**20,382**	**11,039**	**18,296**
6	**Share of profit of equity accounted investees, net of tax**	151	73	176	301	456	561
7	**Profit / (loss) before tax (5+6)**	**2,949**	**8,729**	**(5,059)**	**20,683**	**11,495**	**18,857**
8	**Tax expense / (benefit):**						
	a) Current tax	1,902	1,724	1,736	6,792	6,199	6,616
	b) Deferred tax	768	(713)	(1,411)	(52)	(7,153)	(8,019)
9	**Net profit / (loss) after taxes and share of profit of associates (7 - 8)**	**279**	**7,718**	**(5,384)**	**13,943**	**12,449**	**20,260**
10	**Other comprehensive income**						
	a) (i) Items that will not be reclassified subsequently to profit or loss	2,803	(26)	(200)	2,984	(86)	(412)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(22)
	b) (i) Items that will be reclassified subsequently to profit or loss	930	258	606	1,919	563	(448)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(1)	(138)	48	(295)	136	232
	Total other comprehensive income	**3,732**	**94**	**454**	**4,608**	**613**	**(650)**
11	**Total comprehensive income (9 + 10)**	**4,011**	**7,812**	**(4,930)**	**18,551**	**13,062**	**19,610**
12	Paid-up equity share capital (face value Rs. 5/- each)	831	831	831	831	831	831
13	Other equity						155,157
14	**Earnings per equity share (face value Rs. 5/- each)**						
	Basic	1.68	46.54	(32.48)	84.07	75.11	122.22
	Diluted	1.67	46.40	(32.48)	83.83	74.97	121.99
		(Not annualised)	*(Not annualised)*	*(Not annualised)*	*(Not annualised)*	*(Not annualised)*	

See accompanying notes to the financial results

Dr. Reddy's Laboratories Ltd. Hyderabad

Dr.Reddy's

DR. REDDY'S LABORATORIES LIMITED

Segment Information

All amounts in Indian Rupees millions

Sl. No	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Segment wise revenue and results:						
1	**Segment revenue :**						
	a) Pharmaceutical Services and Active Ingredients	8,841	10,355	8,654	29,361	23,304	32,086
	b) Global Generics	40,778	39,882	35,956	115,752	101,804	138,264
	c) Proprietary Products	124	100	241	280	7,947	7,949
	d) Others	1,412	523	763	2,424	2,058	2,781
	Total	**51,155**	**50,860**	**45,614**	**147,817**	**135,113**	**181,080**
	Less: Inter-segment revenue	1,736	1,751	1,643	5,024	4,432	5,910
	Total revenue from operations	**49,419**	**49,109**	**43,971**	**142,793**	**130,681**	**175,170**
2	**Segment results:**						
	Gross profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	1,776	2,292	2,079	6,927	4,169	6,219
	b) Global Generics	23,454	23,685	20,910	68,665	58,117	78,449
	c) Proprietary Products	100	88	246	244	7,751	7,744
	d) Others	1,211	352	492	1,880	1,184	1,626
	Total	**26,541**	**26,417**	**23,727**	**77,716**	**71,221**	**94,038**
	Less: Selling and other un-allocable expenditure/(income), net	23,592	17,688	28,786	57,033	59,726	75,181
	Total profit before tax	**2,949**	**8,729**	**(5,059)**	**20,683**	**11,495**	**18,857**

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

Segmental Capital employed

As certain assets of the Company including manufacturing facilities, development facilities and treasury assets and liabilities are often deployed interchangeably across segments, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for capital employed have not been disclosed in the above table.

Notes:

1 These results have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 as amended.

2 During the quarter ended 31 December 2020, there were significant changes to the market conditions for certain of the products forming part of Company's Global Generics and Proprietary Products segments. The changes include the launch by competitor of generic version of the product, decrease in the market potential of products primarily due to higher than expected price erosion and increased competition, and higher than expected value erosion. Due to these adverse market developments, the Company recorded an impairment loss of:
- Rs. 3,180 million relating to Ethinyl estradiol / Ethenogestral vaginal ring (a generic equivalent to NuvaRing®);
- Rs. 1,587 million relating to Saxagliptin and metformin (generic version of Kombiglyze-XR) and Phentermine and Topiramate (generic version of Qsymia®); and
- Rs. 1,159 million relating to other intangible assets forming part of the Company's Global Generics and Proprietary Products segments.

In addition, an amount of Rs. 46 million was recorded as impairment loss pertaining to property, plant and equipment on write-down of assets to fair value less costs to sell forming part of Company's Global generics segment.

3 During the quarter ended 31 December 2020, the Company entered into a definitive agreement with Glenmark Pharmaceuticals Ltd. to acquire, certain brands in various Emerging Market countries for a total consideration of Rs. 1,516 million. The said transaction was accounted for as an acquisition of product related intangibles.

4 Impairment expense of Rs. 781 million for the quarter ended 30 September 2020 comprises of:
- Rs. 728 million pertaining to product related intangible forming part of Company's Proprietary Segment due to decrease in the market potential for the product;
- Rs. 53 million pertaining to certain product related intangibles forming part of Company's Global generics Segment due to Company's decision to discontinue their further development.

5 Tax expense for the quarter ended 30 September 2020 includes benefit on account of recognition of deferred tax asset amounting to Rs. 1,012 million pursuant to a planned restructuring activity between the Group companies. The said restructuring activity was concluded during the quarter ended 31 December 2020.

6 On 10 June 2020, the Company completed the acquisition of select divisions of Wockhardt Limited's branded generics business in India and the territories of Nepal, Sri Lanka, Bhutan and Maldives. The business comprises a portfolio of 62 brands in multiple therapy areas, such as respiratory, neurology, venous malformations, dennatology, gastroenterology, pain, and vaccines. This entire portfolio has been transferred to the Company, along with related sales and marketing teams, the manufacturing plant located in Baddi, Himachal Pradesh, and employees. During the quarter ended 30 September 2020, the Company completed the purchase price allocation. The fair value of consideration transferred is Rs.16,115 million. The Company recognised Rs. 373 million, Rs. 14,888 million and Rs. 530 million towards property, plant and equipment, intangible assets, and goodwill, respectively. The acquisition pertains to Company's Global Generics segment.

7 "Revenue from operations" for the year ended 31 March 2020 includes an amount of Rs. 7,486 million (U.S.$108.7 million) towards license fee for selling US and select territory rights for ZEMBRACE® SYMTOUCH® (sumatriptan injection) 3 mg and TOSYMRA® (sumatriptan nasal spray) 10 mg, (formerly referred to as "DFN-[illegible]") to Upsher Smith Laboratories, LLC. The costs associated with this transaction are Rs. 328 million.

8 "Other income" for the year ended 31 March 2020 includes an amount of Rs. 3,457 million received from Celgene, pursuant to a settlement agreement entered in April 2019. The agreement effectively settles any claim the Company or its affiliates may have had for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of REVLIMID brand capsules, (Lenalidomide) pending before Health Canada.

Dr. Reddy's Laboratories Limited Hyderabad

(msu)

Dr.Reddy's

DR. REDDY'S LABORATORIES LIMITED

9 Total impairment charge for the year ended 31 March 2020 is Rs. 16,767 million, of which Rs. 11,137 million was towards impairment of gNuvaring, Rs. 4,385 million was towards ramelteon, tobramycin and imiquimod, and the balance is towards other product related intangibles forming part of Company's Global generics and Proprietary Products segments.

10 Tax benefit for the year ended 31 March 2020 was primarily due to recognition of deferred tax asset of:
- Rs. 4,989 million towards MAT recoverable pursuant to enactment of Taxation Laws (Amendment) Act, 2019;
- Rs. 1,264 million pursuant to a planned restructuring activity between the group Companies.

11 The Code on Social Security, 2020 ('Code') received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the related final rules have not yet been issued and the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and the rules thereunder when they come into effect.

12 On 22 October 2020, the Company experienced a cybersecurity incident related to ransomware. The Company could contain the incident in a timely fashion and has also ensured that all traces of the infection are completely cleaned from the network. All affected systems were restored and brought back to normalcy in the order of priority. Based on our forensic investigation, no evidence was found of any data breaches leading to personally identifiable information. Since then, the Company has also been focused on implementing significant improvements to its cyber and data security systems to safeguard from such risks in the future.

13 The Company continues to consider the impact of COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, and certain investments. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. The Company based on its judgements, estimates and assumptions including sensitivity analysis expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets.The Company will continue to closely monitor any material changes to future economic conditions.

14 The unaudited results were reviewed by the Audit Committee of the Board at their meeting held on 28 January 2021 and approved by the Board of Directors of the Company at their meeting held on 29 January 2021.

15 The results for the quarter and nine months ended 31 December 2020 were subject to a "Limited Review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

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

Dr. Reddy's Laboratories Ltd. Hyderabad

Place: Hyderabad
Date: 29 January 2021

G V Prasad
Co-Chairman & Managing Director

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
Dr. Reddy's Laboratories Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Dr. Reddy's Laboratories Limited (the "Company") for the quarter ended December 31, 2020 and year to date from April 01, 2020 to December 31, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

Navneet Rai

per Navneet Rai Kabra
Partner
Membership No.: 102328

UDIN: 21102328AAAAAV6613

Place: Hyderabad
Date: January 29, 2021

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DR. REDDY'S LABORATORIES LIMITED

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2020

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2020 (Unaudited)	30.09.2020 (Unaudited)	31.12.2019 (Unaudited)	31.12.2020 (Unaudited)	31.12.2019 (Unaudited)	31.03.2020 (Audited)
1	**Revenue from operations**						
	a) Net sales / income from operations	33,818	33,233	29,864	99,315	81,730	109,925
	b) License fees and service income	157	103	458	364	7,921	8,105
	c) Other operating income	107	122	118	305	336	474
	Total revenue from operations	**34,082**	**33,458**	**30,440**	**99,984**	**89,987**	**118,504**
2	Other income	628	266	693	7,195	6,158	7,432
	Total income (1 + 2)	**34,710**	**33,724**	**31,133**	**107,179**	**96,145**	**125,936**
3	**Expenses**						
	a) Cost of materials consumed	8,453	8,165	6,730	24,500	19,022	25,565
	b) Purchase of stock-in-trade	3,211	3,043	3,461	9,257	8,911	11,172
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(877)	(1,358)	(1,001)	(4,164)	(1,671)	(999)
	d) Employee benefits expense	5,715	6,080	5,112	17,245	15,136	20,302
	e) Depreciation and amortisation expense	2,124	2,142	1,958	6,243	5,969	7,892
	f) Finance costs	65	93	117	298	360	478
	g) Selling and other expenses	9,840	9,362	8,581	27,807	25,101	33,768
	Total expenses	**28,531**	**27,527**	**24,958**	**81,186**	**72,828**	**98,178**
4	**Profit before tax (1 + 2 - 3)**	**6,179**	**6,197**	**6,175**	**25,993**	**23,317**	**27,758**
5	**Tax expense / (benefit)**						
	a) Current tax	1,108	1,114	1,092	4,613	4,149	4,839
	b) Deferred tax	634	273	(134)	2,631	(5,181)	(6,458)
6	**Net profit for the period / year (4 - 5)**	**4,437**	**4,810**	**5,217**	**18,749**	**24,349**	**29,377**
7	**Other comprehensive income**						
	a) (i) Items that will not be reclassified to profit or loss	6	-	4	5	3	88
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(33)
	b) (i) Items that will be reclassified to profit or loss	136	420	(33)	916	(286)	(750)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(33)	(157)	12	(318)	98	259
	Total other comprehensive income	**109**	**263**	**(17)**	**603**	**(185)**	**(436)**
8	**Total comprehensive income (6 + 7)**	**4,546**	**5,073**	**5,200**	**19,352**	**24,164**	**28,941**
9	Paid-up equity share capital (face value Rs. 5/- each)	831	831	831	831	831	831
10	Other equity						151,088
11	**Earnings per equity share (face value Rs. 5/- each)**						
	Basic	26.74	29.00	31.47	113.05	146.89	177.23
	Diluted	26.66	28.92	31.42	112.73	146.62	176.88
		(Not annualised)	*(Not annualised)*	*(Not annualised)*	*(Not annualised)*	*(Not annualised)*	

See accompanying notes to the financial results.

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Segment information

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Segment wise revenue and results						
1	**Segment revenue**						
	a) Pharmaceutical Services and Active Ingredients	7,763	7,996	7,106	24,465	19,623	26,996
	b) Global Generics	27,970	27,112	24,680	80,323	67,168	89,774
	c) Proprietary Products	85	101	296	220	7,628	7,644
	Total	**35,818**	**35,209**	**32,082**	**105,008**	**94,419**	**124,414**
	Less: Inter-segment revenue	1,736	1,751	1,642	5,024	4,432	5,910
	Total revenue from operations	**34,082**	**33,458**	**30,440**	**99,984**	**89,987**	**118,504**
2	**Segment results**						
	Profit / (loss) before tax and interest from each segment						
	a) Pharmaceutical Services and Active Ingredients	428	145	957	6,259	1,027	1,465
	b) Global Generics	6,447	5,674	6,193	20,363	17,913	22,116
	c) Proprietary Products	(220)	(281)	92	(675)	6,622	6,525
	Total	**6,655**	**5,538**	**7,242**	**25,947**	**25,562**	**30,106**
	Less: (i) Finance costs	65	93	117	298	360	478
	(ii) Other un-allocable expenditure / (income), net	411	(752)	950	(344)	1,885	1,870
	Total profit before tax	**6,179**	**6,197**	**6,175**	**25,993**	**23,317**	**27,758**

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

Segmental capital employed

As certain assets of the Company including manufacturing facilities, development facilities and treasury assets and liabilities are often deployed interchangeably across segments, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for capital employed have not been disclosed in the above table.

Notes:

1. These results have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 as amended.

2. During the three months ended 31 December, 2020 there were significant changes to the market conditions for certain products forming part of Company's Global Generics segments. The changes include decrease in the market potential of products primarily due to higher than expected price erosion, increased competition and higher than expected value erosion. Due to these adverse market developments, the Company recorded an impairment loss of Rs.97 million for the quarter ended 31 December, 2020

   Consequent to the company's decision to discontinue the development of certain product related intangibles in the Company's Global Generics segment, an amount of Rs.53 million is recognised as impairment charge for the quarter ended 30 September, 2020

3. During the three months ended 31 December, 2020, the Company entered into a definitive agreement with Glenmark Pharmaceuticals Ltd. to acquire certain brands in various Emerging Market countries for a total consideration of Rs. 1,516 million. The said transaction was accounted for as an acquisition of product related intangibles.

4. On 10 June 2020, the Company completed the acquisition of select divisions of Wockhardt Limited's branded generics business in India and the territories of Nepal, Sri Lanka, Bhutan and Maldives. The business comprises a portfolio of 62 brands in multiple therapy areas, such as respiratory, neurology, venous malformations, dermatology, gastroenterology, pain, and vaccines. This entire portfolio has been transferred to the Company, along with related sales and marketing teams, the manufacturing plant located in Baddi, Himachal Pradesh, and employees. During the quarter ended 30 September 2020, the Company completed the purchase price allocation. The fair value of consideration transferred is Rs.16,115 million. The Company recognised Rs. 373 million, Rs. 14,888 million and Rs. 530 million towards property, plant and equipment, intangible assets, and goodwill, respectively. The acquisition pertains to Company's Global Generics segment.

5. "Revenue from operations" for the year ended 31 March 2020 includes an amount of Rs. 7,486 million (U.S.$108.7 million), respectively, towards license fee for selling US and select territory rights for ZEMBRACE® SYMTOUCH® (sumatriptan injection) 3 mg and TOSYMRA® (sumatriptan nasal spray) 10 mg, (formerly referred to as "DFN-02") to UpsherSmith Laboratories, LLC. The costs associated with this transaction are Rs. 328 million.

6. "Other income" for the year ended 31 March 2020 includes an amount of Rs. 3,457 million received from Celgene, pursuant to a settlement agreement entered in April 2019. The agreement effectively settles any claim the Company or its affiliates may have had for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of REVLIMID brand capsules, (Lenalidomide) pending before Health Canada.

7. During the quarter ended 30 September 2019, the Government of India promulgated the Taxation Laws (Amendment) Ordinance 2019 (enacted into Taxation laws (Amendment) Act 2019), announcing key changes to corporate tax rates in the Income-tax Act, 1961. The key changes include, among others, reduction of MAT rate from 21.55% to 17.47% (including surcharge and cess). As a result of this, the Company reassessed the MAT recoverability and recognised an amount of Rs. 4,989 million as deferred tax asset during the quarter ended 30 September 2019.
   During the quarter ended 31 March 2020, the Company recognised deferred tax benefit of Rs. 1,264 million pursuant to a plan for restructuring of the Company's pharmaceutical services in India.

8. The Code on Social Security, 2020 ('Code') received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the related final rules have not yet been issued and the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and the rules thereunder when they come into effect.

9. On 22 October 2020, the Company experienced a cybersecurity incident related to ransomware. The company could contain the incident in a timely fashion and has also ensured that all traces of the infection are completely cleaned from the network. All affected systems were restored and brought back to normalcy in the order of priority. Based on our forensic investigation, no evidence was found of any data breaches leading to personally identifiable information. Since then, the Company has also been focused on implementing significant improvements to its cyber and data security systems to safeguard from such risks in the future.

10. The Company continues to consider the impact of COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, and certain investments. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. The Company based on its judgements, estimates and assumptions including sensitivity analysis expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets. The Company will continue to closely monitor any material changes to future economic conditions.

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11 The unaudited results were reviewed by the Audit Committee of the Board at their meeting held on 28 January 2021 and approved by the Board of Directors of the Company at their meeting held on 29 January 2021.

12 The results for the quarter and nine months ended 31 December 2020 presented were subjected to a "Limited review" by the Statutory Auditors of the Company. An unqualified report was issued by them thereon.

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

Dr. Reddy's Laboratories Ltd. Hyderabad

Place: Hyderabad
Date: 29 January 2021

G V Prasad
Co-Chairman & Managing Director