



Dr. Reddy's Laboratories Ltd.
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January 23, 2025

National Stock Exchange of India Ltd. (Scrip Code: DRREDDY)
BSE Limited (Scrip Code: 500124)
New York Stock Exchange Inc. (Stock Code: RDY)
NSE IFSC Ltd. (Stock Code: DRREDDY)

Dear Sir/Madam,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") – Board meeting outcome

In furtherance to our letter dated December 23, 2024, we would like to inform you that the Board of Directors of the Company, at its meeting held on January 23, 2025, has inter alia approved the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2024.

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

- a. Unaudited Consolidated Financial Results of the Company and its subsidiaries for the quarter ended December 31, 2024, prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).
- b. Press Release on Unaudited Financial Results of the Company for the above period.
- c. Unaudited Consolidated Financial Results of the Company and its subsidiaries for the quarter ended December 31, 2024, as per Indian Accounting Standards.
- d. Unaudited Standalone Financial Results of the Company for the quarter ended December 31, 2024, as per Indian Accounting Standards.

Pursuant to Regulation 33 of the SEBI Listing Regulations, the Limited Review Reports of the Statutory Auditors on the Unaudited Consolidated and Standalone Financial Results as mentioned at serial nos. (c) & (d) are also enclosed.

The Board Meeting commenced at 2:21 p.m. IST and concluded at 4:11 p.m. IST.

This is for your information and record.

Thanking you.

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

K Randhir Singh
Company Secretary, Compliance Officer & Head-CSR

Encl: as above

DR. REDDY'S LABORATORIES LIMITED

Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and nine months ended 31 December 2024 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
		31.12.2024	30.09.2024	31.12.2023	31.12.2024	31.12.2023	31.03.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenues	83,586	80,162	72,148	240,475	208,334	279,164
2	Cost of revenues	34,534	32,393	29,945	97,310	86,210	115,557
3	Gross profit (1 - 2)	49,052	47,769	42,203	143,165	122,124	163,607
4	Selling, general and administrative expenses	24,117	23,007	20,228	69,815	56,725	77,201
5	Research and development expenses	6,658	7,271	5,565	20,122	15,996	22,873
6	Impairment of non-current assets, net	(4)	924	110	925	176	3
7	Other income, net	(439)	(984)	(967)	(1,893)	(3,543)	(4,199)
	Total operating expenses	30,332	30,218	24,936	88,969	69,354	95,878
8	Results from operating activities [(3) - (4 + 5 + 6 + 7)]	18,720	17,551	17,267	54,196	52,770	67,729
	Finance income	798	2,312	1,357	4,545	4,090	5,705
	Finance expense	(818)	(757)	(394)	(2,173)	(1,118)	(1,711)
9	Finance (expense)/income, net	(20)	1,555	963	2,372	2,972	3,994
10	Share of profit of equity accounted investees, net of tax	42	61	27	162	112	147
11	Profit before tax (8 + 9 + 10)	18,742	19,167	18,257	56,730	55,854	71,870
12	Tax expense, net	4,704	5,752	4,468	15,357	13,240	16,186
13	Profit for the period/year (11 -12)	14,038	13,415	13,789	41,373	42,614	55,684
	Attributable to:						
	Equity holders of the parent company	14,133	12,553	13,789	40,606	42,614	55,684
	Non-controlling interests	(95)	862	-	767	-	-
14	Earnings per equity share attributable to equity shareholders of parent						
	Basic earnings per share of Re.1/- each	16.96	15.07	16.56	48.75	51.23	66.93
	Diluted earnings per share of Re.1/- each	16.94	15.05	16.54	48.68	51.14	66.81
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	



Segment information

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2024	30.09.2024	31.12.2023	31.12.2024	31.12.2023	31.03.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment wise revenue and results:						
	Segment revenue:						
	a) Pharmaceutical Services and Active Ingredients	10,221	11,030	10,390	31,560	29,054	40,580
	b) Global Generics	73,753	71,576	63,095	214,187	184,262	245,453
	c) Others	1,614	179	1,214	2,005	2,490	3,910
	Total	85,588	82,785	74,699	247,752	215,806	289,943
	Less: Inter-segment revenues	2,002	2,623	2,551	7,277	7,472	10,779
	Net revenues	83,586	80,162	72,148	240,475	208,334	279,164
2	Segment results:						
	Gross profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	2,353	2,518	2,306	6,639	4,569	6,919
	b) Global Generics	45,219	45,162	39,075	134,899	116,335	154,268
	c) Others	1,480	89	822	1,627	1,220	2,420
	Total	49,052	47,769	42,203	143,165	122,124	163,607
	Less: Selling and other un-allocable expenditure, net of other income	30,310	28,602	23,946	86,435	66,270	91,737
	Total profit before tax	18,742	19,167	18,257	56,730	55,854	71,870

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

Segmental capital employed

As certain assets of the Company including manufacturing facilities, development facilities, 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:

- The above statement of unaudited consolidated financial results of Dr.Reddy's Laboratories Limited ("the Company"), which have been prepared in accordance with recognition and measurement principles of IAS 34 as issued by the International Accounting Standards Board (IASB) and were reviewed and recommended by Audit Committee and approved by the Board of Directors at their meetings held on 23 January 2025. The Auditors have carried out a limited review on the unaudited consolidated financial results and issued an unmodified report thereon.
- "Revenues" for the quarter and nine months ended 31 December 2024 includes an amount of Rs.1,266 million received as a milestone payment upon U.S.FDA approval of DFD 29, in accordance with the license and collaboration agreement dated 29 June 2021 with Journey Medical Corporation. This transaction pertains to the Company's Others segment.
- During the quarter and nine months ended 31 December 2024, an amount of Rs.841 million and Rs.2,556 million, respectively, and during the quarter and nine months ended 31 December 2023, an amount of Rs.1,148 million and Rs.3,422 million, respectively, representing government grants has been accounted as a reduction from cost of revenues.
- "Impairment of non-current assets, net" recorded during the nine months ended 31 December 2024 includes an amount of Rs.907 million pertaining to Haloette® (a generic equivalent to Nuvaring®), a product-related intangible, due to constraints on procurement of the underlying product from its contract manufacturer, resulting in a lower recoverable value compared to the carrying value. This impairment charge pertains to the Company's Global Generics segment.
- "Other income, net" for the year ended 31 March 2024 includes:
 - Rs.540 million recognised, in April 2023, pursuant to settlement agreement with Janssen Group in settlement of the claim brought in the Federal Court of Canada by the Company and its affiliates 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 Zytiga®(Abiraterone).
 - Rs.984 million recognised in September 2023 pursuant to settlement of product related litigation by the Company and its affiliates in the United Kingdom.

These transactions pertains to the Company's Global Generics segment.

- Pursuant to the amendment in The Finance Act 2024, resulting in withdrawal of indexation benefit on long-term capital gain, the Company has written off Deferred Tax Asset amounting to Rs.482 million, created in earlier periods on land, during the nine months ended 31 December 2024.
- On 25 April 2024, the Company entered into an agreement with Nestlé India Limited ("Nestlé India") for the manufacturing, development, promotion, marketing, sale, distribution, and commercialization of nutraceutical products and supplements in India, as well as other mutually agreed geographies. These operations will be carried out by Dr. Reddy's Nutraceuticals Limited, established on 14 March 2024. The entity was later renamed as Dr. Reddy's and Nestlé Health Science Limited (the "Nutraceuticals subsidiary") on 13 June 2024.

Upon completion of the closing conditions, the transaction concluded on 01 August 2024. Consequently, the Company has made an additional investment of Rs.7,340 million in its Nutraceuticals subsidiary, with corresponding infusion from Nestlé India amounting to Rs.7,056 million resulting in a revised shareholding pattern of 51:49 between the Company and Nestlé India. Subsequently, Nutraceuticals subsidiary had purchased the portfolio of nutraceutical products and supplements from Nestlé India for a consideration of Rs.2,231 million. The acquired portfolio consists of Product licenses, sales and marketing teams, contract manufacturers and employees.

Based on fair valuation, the company had allocated purchase consideration and recognized Product licenses and other intangibles of Rs.1,982 million, property, plant and equipment and current assets of Rs.43 million and Goodwill of Rs.207 million.

Upon Closing, the Company had also transferred its nutraceuticals and supplements portfolio to the Nutraceuticals subsidiary as a common control transfer of business. This acquisition pertains to the Company's Global Generics segment.

Profit after tax attributable to Non-controlling interest for nine months ended 31 December 2024, has arisen primarily on recognition of deferred tax asset on account of transfer of business from parent company to Nutraceuticals subsidiary. As at 31 December 2024, share of 49% held by Nestlé India is recorded under Non-controlling interest of Rs.3,844 million.



8 Business purchase agreement with Haleon:

On 26 June 2024, the Company entered into definitive agreement with Haleon UK Enterprises Limited ("Haleon") to acquire Haleon's global portfolio outside of the United States of consumer healthcare brands in the Nicotine Replacement Therapy category ("NRT Business").

The definitive agreement for the acquisition of this NRT Business from Haleon includes the transfer of intellectual property, employees, agreements with commercial manufacturing organization, marketing authorizations and other assets relating to the commercialization of four brands - i.e., Nicotinell, Nicabate, Thrive, and Habitrol. The acquisition is inclusive of all formats such as lozenge, patch, spray and/or gum in all applicable global markets outside of the United States.

The closing conditions were met, and the transaction was completed on 30 September 2024.

Upon Completion, the company acquired the shares of Northstar Switzerland SARL from Haleon for an upfront cash payment of Rs.51,407 million (GBP 458 million). An additional consideration of up to Rs.4,714 million (GBP 42 million) is payable which is contingent upon achieving agreed-upon sales targets in Calendar years 2024 and 2025, bringing the total potential consideration to Rs.56,121 million (GBP 500 million).

The Company completed the provisional allocation of purchase price. The fair value of consideration transferred is Rs.55,897 million (GBP 498 million). Based on fair valuation, the Company recognised Intangibles (Brands) of Rs.54,920 million (GBP 488.80 million). Deferred tax liabilities of Rs.8,469 million (GBP 75.45 million) and Goodwill of Rs.7,249 million (GBP 64.58 million). This acquisition pertains to the Company's Global Generics segment.

Further, The company executed a forward exchange contract to hedge its exposure to the payment made in GBP. Upon maturity, hedge gain of Rs. 2,197 million (GBP 20 million) was reclassified from the cash flow hedge reserves and has been adjusted in consideration paid upon closing of the transaction.

Acquisition related costs amounting to Rs.1,017 and Rs.280 were recognised as expenses under "Selling, general and administrative expenses" during the nine months ended 31 December 2024 and the year ended 31 March 2024, respectively.

This marketing authorisation will transition gradually into the Company in a phased approach between April 2025 and February 2026. During transition period, Haleon group will provide distribution and related services in the markets, facilitating successful integration of the business across various geographies into the Company.

The amount of revenue and profit before tax (derived after amortisation of NRT brands and integration expense) pertaining to the business acquired from Haleon since the acquisition date (i.e., September 30, 2024) was Rs.6,049 (GBP 56.3 million) and Rs.1,240 (GBP 11.3 million) respectively, during the three months ended December 31, 2024.

- 9 The Company received an anonymous complaint in September 2020, alleging that healthcare professionals in Ukraine and potentially in other countries were provided with improper payments by or on behalf of the Company in violation of U.S. anti-corruption laws, specifically the U.S. Foreign Corrupt Practices Act. The Company disclosed the matter to the U.S. Department of Justice ("DOJ"), Securities and Exchange Commission ("SEC") and Securities Exchange Board of India. The Company engaged a U.S. law firm to conduct the investigation at the instruction of a committee of the Company's Board of Directors. On 6 July 2021, the Company received a subpoena from the SEC for the production of related documents, which were provided to the SEC.

The Company has continued to engage with the SEC and DOJ, including through submissions and presentations regarding the initial complaint and additional complaints relating to other markets, and in relation to its Global Compliance Framework, which includes enhancement initiatives undertaken by the Company, and the Company is complying with its listing obligations as it relates to updating the regulatory agencies. While the findings from the aforesaid investigations could result in government or regulatory enforcement actions against the Company in the United States and/or foreign jurisdictions and can also lead to civil and criminal sanctions under relevant laws, the outcomes, including liabilities, are not reasonably ascertainable at this time.

- 10 The Company considered the uncertainties relating to the escalation of conflict in the middle east, and duration of military conflict between Russia and Ukraine, in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. Based on its judgments, estimates and assumptions, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets. The Company will continue to closely monitor any material changes to future economic conditions.

- 11 The Board of Directors of the Company at their meeting held on 27 July 2024 have approved the sub-division/ split of each equity share having a face value of Rupees five each, fully paid-up, into five equity shares having a face value of Rupee One each, fully paid-up (the "stock split"), by alteration of the capital clause of the Memorandum of Association of the Company. Further, each American Depositary Share (ADS) of the Company will continue to represent one underlying equity share as at present and, therefore, the number of ADSs held by an American Depositary Receipt(ADR) holder would consequently increase in proportion to the increase in number of equity shares.

On 12 September 2024, the approval of the shareholders of the Company was obtained through a postal ballot process with a requisite majority.

Consequently w.e.f. record date of 28 October 2024, the authorized share capital, the paid up share capital and the treasury shares were sub-divided into five equity shares having a face value of Rupee One each. As on 31 December 2024, the closing number of shares fully paid up and treasury shares were 834,424,050 and 1,302,980 respectively.

Post stock split, the number of each stock option vested and unvested and not exercised as on the record date were sub-divided into five options and the exercise price was proportionately adjusted.

The effect of stock split was considered in the computation of basic and diluted EPS for the quarter and nine months ended 31 December 2024 and prior periods have been restated considering face value of Rupee One each in accordance with IAS 33- "Earnings per Share" and rounded off to the nearest decimals.

Place: Hyderabad
Date: 23 January 2025

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


G V Prasad
Co-Chairman & Managing Director



DR. REDDY'S LABORATORIES LTD.

8-2-337, Road No. 3, Banjara Hills,
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CONTACT

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Dr. Reddy's Q3 & 9MFY25 Financial Results

Hyderabad, India, January 23, 2025: Dr. Reddy's Laboratories Ltd. (BSE: 500124 | NSE: DRREDDY | NYSE: RDY | NSEIFSC: DRREDDY) today announced its consolidated financial results for the quarter and nine months ended December 31, 2024. The information mentioned in this release is based on consolidated financial statements under International Financial Reporting Standards (IFRS).

	Q3FY25	9MFY25
Revenues	₹ 83,586 Mn [Up: 16% YoY [^] ; 4% QoQ]	₹ 240,475 Mn [Up: 15% YoY [^]]
Gross Margin	58.7% [Q3FY24: 58.5%; Q2FY25: 59.6%]	59.5% [9MFY24: 58.6%]
SG&A Expenses	₹ 24,117 Mn [Up: 19% YoY; 5% QoQ]	₹ 69,815 Mn [Up: 23% YoY]
R&D Expenses	₹ 6,658 Mn [8.0% of Revenues]	₹ 20,122 Mn [8.4% of Revenues]
EBITDA	₹ 22,982 Mn [27.5% of Revenues]	₹ 67,384 Mn [28.0% of Revenues]
Profit before Tax	₹ 18,742* Mn [Up: 3% YoY; Down: 2% QoQ]	₹ 56,730 Mn [Up: 2% YoY]
Profit after Tax attributable to Equity Holders	₹ 14,133 Mn [Up: 2% YoY; 13% QoQ]	₹ 40,606 Mn [Down: 5% YoY]

[^]Includes Revenues of ₹6,049 Mn from the recently acquired NRT business. Underlying YoY growth excluding NRT is 7.5% for Q3FY25 and 12.5% for 9MFY25.

* Includes Profit before Tax of ₹1,240 Mn from the recently acquired NRT business.

Commenting on the results, Co-Chairman & MD, G V Prasad said: "We delivered double digit growth aided by our newly acquired NRT business, new launches and improved operational efficiencies. We remain committed to addressing patient needs by advancing healthcare through access, affordability and innovation."



Dr. Reddy's Laboratories Limited & Subsidiaries

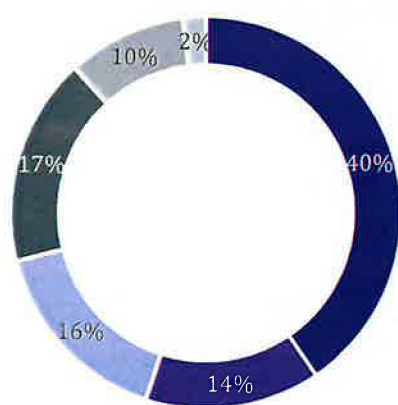
Revenue Mix by Segment for the quarter

Particulars	Q3FY25	Q3FY24	YoY Gr %	Q2FY25	QoQ Gr%
	(₹)	(₹)		(₹)	
Global Generics	73,753	63,095	17	71,576	3
North America	33,834	33,492	1	37,281	(9)
Europe*	12,096	4,970	143	5,770	110
India	13,464	11,800	14	13,971	(4)
Emerging Markets	14,358	12,833	12	14,554	(1)
Pharmaceutical Services and Active Ingredients (PSAI)	8,219	7,839	5	8,407	(2)
Others	1,614	1,214	33	179	802
Total	83,586	72,148	16	80,162	4

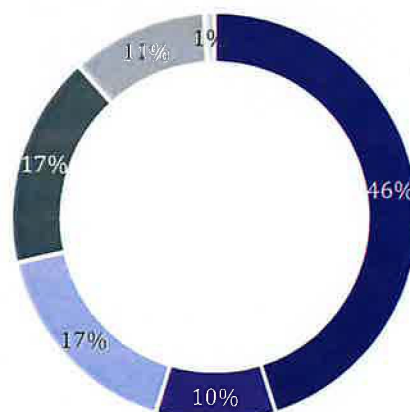
Revenue Mix by Segment for nine months

Particulars	9MFY25	9MFY24	YoY Gr%
	(₹)	(₹)	
Global Generics	214,187	184,262	16
North America	109,578	97,269	13
Europe*	23,132	15,303	51
India	40,687	35,141	16
Emerging Markets	40,790	36,549	12
PSAI	24,283	21,582	13
Others	2,005	2,490	(19)
Total	240,475	208,334	15

Q3FY25 Revenue Mix



9MFY25 Revenue Mix



■ North America

■ Europe*

■ India

■ Emerging Markets

■ PSAI

■ Others



*Includes Revenues of ₹6,049 Mn from the recently acquired NRT business. Underlying growth for Europe excluding NRT is 22% YoY and 5% QoQ.

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Consolidated Income Statement for the quarter

Particulars	Q3FY25		Q3FY24		YoY Gr %	Q2FY25		QoQ Gr%
	(\$)	(₹)	(\$)	(₹)		(\$)	(₹)	
Revenues*	977	83,586	843	72,148	16	937	80,162	4
Cost of Revenues	404	34,534	350	29,945	15	379	32,393	7
Gross Profit	573	49,052	493	42,203	16	558	47,769	3
% of Revenues		58.7%		58.5%			59.6%	
Selling, General & Administrative Expenses	282	24,117	236	20,228	19	269	23,007	5
% of Revenues		28.9%		28.0%			28.7%	
Research & Development Expenses	78	6,658	65	5,565	20	85	7,271	(8)
% of Revenues		8.0%		7.7%			9.1%	
Impairment of Non-Current Assets, net	(0)	(4)	1	110	(104)	11	924	(100)
Other (Income)/Expense, net	(5)	(439)	(11)	(967)	(55)	(12)	(984)	(55)
Results from Operating Activities	219	18,720	202	17,267	8	205	17,551	7
Finance (Income)/Expense, net	0	20	(11)	(963)	(102)	(18)	(1555)	(101)
Share of Profit of Equity Accounted Investees, net of tax	(0)	(42)	(0)	(27)	56	(1)	(61)	(31)
Profit before Income Tax	219	18,742*	213	18,257	3	224	19,167	(2)
% of Revenues		22.4%		25.3%			23.9%	
Income Tax Expense	55	4,704	52	4,468	5	67	5,752	(18)
Profit for the Period	164	14,038	161	13,789	2	157	13,415	5
% of Revenues		16.8%		19.1%			16.7%	
Attributable to Equity holders of the parent company	165	14,133	161	13,789	2	147	12,553	13
Attributable to Non-controlling interests	(1)	(95)		-	-	10	862	-
Diluted Earnings per Share (EPS)	0.20	16.94	0.19	16.54^	2	0.18	15.05	13

*Includes Revenues of ₹6,049 Mn from the recently acquired NRT business. Underlying YoY growth excluding NRT is 7.5% for Q3FY25.

^Historical numbers re-casted basis the increased number of shares post share split.

#Includes Profit before Tax of ₹1,240 Mn from the recently acquired NRT business.

EBITDA Computation for the quarter

Particulars	Q3FY25		Q3FY24		Q2FY25	
	(\$)	(₹)	(\$)	(₹)	(\$)	(₹)
Profit before Income Tax	219	18,742	213	18,257	224	19,167
Interest (Income) / Expense, net*	(6)	(475)	(12)	(1,030)	(15)	(1,262)
Depreciation	32	2,733	28	2,437	31	2,629
Amortization	23	1,986	16	1,333	16	1,346
Impairment	(0)	(4)	1	110	11	924
EBITDA	269	22,982	247	21,107	267	22,803
% of Revenues		27.5%		29.3%		28.4%

*Includes income from Investment



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Consolidated Income Statement for nine months

Particulars	9MFY25		9MFY24		YoY Gr %
	(\$)	(₹)	(\$)	(₹)	
Revenues*	2,811	240,475	2,435	208,334	15
Cost of Revenues	1,137	97,310	1,008	86,210	13
Gross Profit	1,673	143,165	1,428	122,124	17
% of Revenues		59.5%		58.6%	
Selling, General & Administrative Expenses	816	69,815	663	56,725	23
% of Revenues		29.0%		27.2%	
Research & Development Expenses	235	20,122	187	15,996	26
% of Revenues		8.4%		7.7%	
Impairment of Non-Current Assets, net	11	925	2	176	426
Other (Income)/Expense, net	(22)	(1,893)	(41)	(3,543)	(47)
Results from Operating Activities	634	54,196	617	52,770	3
Finance (Income)/Expense, net	(28)	(2,372)	(35)	(2,972)	(20)
Share of Profit of Equity Accounted Investees, net of tax	(2)	(162)	(1)	(112)	45
Profit before Income Tax	663	56,730	653	55,854	2
% of Revenues		23.6%		26.8%	
Income Tax Expense	180	15,357	155	13,240	16
Profit for the Period	484	41,373	498	42,614	(3)
% of Revenues		17.2%		20.5%	
Attributable to Equity holders of the parent company	475	40,606	498	42,614	(5)
Attributable to Non-controlling interests	9	767		-	
Diluted Earnings per Share (EPS)	0.57	48.68	0.60	51.14^	(5)

*Includes Revenues of ₹6,049 Mn from the recently acquired NRT business. Underlying YoY growth excluding NRT is 12.5% for 9MFY25.

^Historical numbers re-casted basis the increased number of shares post share split.

EBITDA Computation for nine months

*Includes income from Investment

Particulars	9MFY25		9MFY24	
	(\$)	(₹)	(\$)	(₹)
Profit before Income Tax	663	56,730	653	55,854
Interest (Income) / Expense, net*	(32)	(2,775)	(34)	(2,881)
Depreciation	92	7,870	84	7,155
Amortization	54	4,634	47	3,989
Impairment	11	925	2	176
EBITDA	788	67,384	752	64,293
% of Revenues		28.0%		30.9%

Key Balance Sheet Items

Particulars	As on 31 st Dec 2024		As on 30 th Sep 2024		As on 31 st Dec 2023	
	(\$)	(₹)	(\$)	(₹)	(\$)	(₹)
Cash and Cash Equivalents and Other Investments	750	64,198	751	64,274	896	76,665
Trade Receivables	1,078	92,212	987	84,398	917	78,417
Inventories	837	71,630	842	72,039	711	60,796
Property, Plant, and Equipment	1,088	93,053	1,013	86,693	851	72,795
Goodwill and Other Intangible Assets	1,225	104,780	1,214	103,892	481	41,192
Loans and Borrowings (Current & Non-Current)	597	51,085	567	48,540	232	19,851
Trade Payables	421	36,022	418	35,776	364	31,113
Equity	3,759	321,565	3,615	309,283	3,131	267,850



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Key Business Highlights [for Q3FY25]

- Consolidated **Nicotine Replacement Therapy ('NRT')** financials in this quarter. Integration of the **NRT** business progressing as per plan.
- Entered into a voluntary licensing agreement with **Gilead Sciences** to manufacture and commercialise HIV treatment drug, **Lenacapavir**, in 120+ countries.
- Promising results of **Phase 1** study for India's first trial for novel autologous **CAR-T** cell therapy for multiple myeloma announced by our subsidiary, Aurigene Oncology Limited.
- **Denosumab** biosimilar filing completed for the US and Europe by our partner, Alvotech.
- Launched **Toripalimab**, the first and only immuno-oncology drug approved for the treatment of nasopharyngeal carcinoma in India.
- Launched **Elobixibat**, a first-in-class drug to treat chronic constipation, under the brand name **BixiBat®**, in India.

ESG Highlights [for Q3FY25]

- **MSCI ESG** rating upgraded to 'A' in December 2024.
- Placed **5th globally** amongst pharma companies assessed in the **2024 S&P Global's Corporate Sustainability Assessment**, with an **ESG score** of **79/100**.
- Continue to be members of the **DJSI World Index** for the 2nd year in a row, along with the **DJSI Emerging Markets Index** for the 9th year in a row.
- Continue to feature amongst **NIFTY 100 ESG Sector Leaders**.
- Named in TIME & Statista's global list of '**World's Best Companies - Sustainable Growth**'
- Named in Science Magazine's '**Top 20 global pharma and biotech employers**' for the 3rd consecutive year.

Other Updates [for Q3FY25]

- Good Manufacturing Practice (GMP) inspection completed by the **USFDA** at our **API facility**, CTO-2, in **Bollaram, Hyderabad** in November, 2024 and issued a Form 483 with seven observations. The response to the observations were submitted within stipulated timelines.
- **Completed** alteration in share capital of the Company by **sub-division/ split** of existing equity shares of face value of ₹5 each, fully paid up, into 5 equity shares of ₹1 each, fully paid-up. Further, each American Depositary Share (ADS) continues to represent one underlying equity share and, therefore, the number of ADSs held by an American Depositary Receipt (ADR) holder has increased proportionately.



Revenue Analysis

- **Q3FY25 consolidated revenues** at ₹83.6 billion, YoY growth of 16% and sequential growth of 4%. Underlying YoY growth excluding NRT is 7.5% and a decline of 3% QoQ.

9MFY25 consolidated revenues at ₹240.5 billion, YoY growth of 15%. Underlying YoY growth excluding NRT is 12.5%.

The growth was largely driven by revenues from the recently acquired Nicotine Replacement Therapy (NRT) portfolio, revenues from India and Emerging Markets.

Global Generics (GG)

- **Q3FY25 revenues** at ₹73.8 billion, YoY growth of 17% and QoQ growth of 3%. Underlying growth excluding NRT is 7% YoY and a decline of 5% QoQ.

9MFY25 revenues at ₹214.2 billion, a YoY growth of 16%. Underlying YoY growth excluding NRT is 13% for 9MFY25.

Growth was largely driven by revenues from the acquired NRT portfolio, higher volumes and new product launches.

North America

- **Q3FY25 revenues** at ₹33.8 billion, YoY growth of 1% and QoQ decline of 9%. Volume growth coupled with new product launches and favourable forex was offset by price erosion on a YoY basis. The sequential decline was largely on account of lower sales of certain products including Lenalidomide.

9MFY25 revenues at ₹109.6 billion, YoY growth of 13%. The YoY growth was largely on account of increase in demand for our product portfolio, contribution from new product launches, partially offset by price erosion in few key products.

- During the quarter, we launched four new products in the U.S. A total of 11 products were launched during the nine months ended December 31, 2024.
- We filed three new Abbreviated New Drug Applications (ANDAs) with the USFDA during the nine months ended December 31, 2024. As of December 31, 2024, 79 generic filings were pending approval from the USFDA. These comprise of 75 ANDAs and four New Drug Applications (NDAs) filed under Section 505(b)(2) route of the US Federal Food, Drug, and Cosmetic Act. Of the 75 ANDAs, 44 are Paragraph IV applications, and we believe that 20 of these have the 'First to File' status.

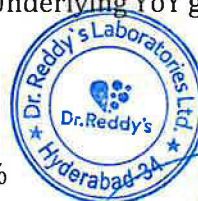
Europe

- **Q3FY25 revenues** at ₹12.1 billion, YoY growth of 143% and QoQ growth of 110%. Q3FY25 revenues includes revenues from the recently acquired NRT portfolio. Underlying growth excluding NRT is 22% YoY and 5% QoQ.

- **NRT** at ₹6.0 billion
- **Germany** at ₹3.3 billion, YoY growth of 24% and QoQ growth of 3%
- **UK** at ₹1.9 billion, YoY growth of 39% and QoQ growth of 16%.
- **Rest of Europe** at ₹0.8 billion, YoY decline of 10% and QoQ decline of 8%

- **9MFY25 revenues** at ₹23.1 billion, YoY growth of 51%. Underlying YoY growth excluding NRT is 12%.

- **NRT** at ₹6.0 billion
- **Germany** at ₹9.3 billion, YoY growth of 20%.
- **UK** at ₹5.1 billion, YoY growth of 6%.
- **Rest of Europe** at ₹2.6 billion, YoY decline of 2%



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Richa

- The growth was primarily on account of revenues from the acquired NRT Portfolio, new product launches and momentum in the base business, partly offset by price erosion.
- During the quarter, we launched nine new products in the region, taking the year-to-date total to 29.

India

- **Q3FY25 revenues** at ₹13.5 billion, YoY growth of 14% and QoQ decline of 4%.
- **9MFY25 revenues** at ₹40.7 billion, YoY growth of 16%.

Growth was led by revenues from the in-licensed vaccine portfolio, new product launches as well as price increases, partially offset by lower volume pick-up in certain brands in Cardiac and Gastro-intestinal therapy areas.

- As per IQVIA, our IPM rank was maintained at 10. During the quarter, we launched six new brands in the country, taking the year-to-date total to 22.

Emerging Markets

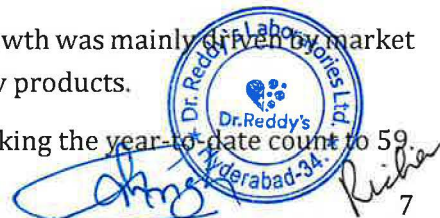
- **Q3FY25 revenues** at ₹14.4 billion, YoY growth of 12% and flat QoQ. YoY growth is attributable to market share expansion as well as new product launches.
 - **Revenues from Russia** at ₹7.0 billion, YoY growth of 19% and QoQ growth of 2%. YoY growth was due to higher volumes, price increase and new product launches, partially offset by adverse forex movement.
 - **Revenues from other Commonwealth of Independent States (CIS) countries and Romania** at ₹2.4 billion, YoY growth of 4% and QoQ growth of 13%. YoY growth was due to higher prices and contribution from new product launches, partially offset by adverse forex movement. QoQ growth was primarily on account of higher base business volumes.
 - **Revenues from Rest of World (RoW) territories** at ₹4.9 billion, YoY growth of 7% YoY and QoQ decline of 11%. YoY growth was primarily due to contribution from new product launches, partially offset by adverse forex movement. QoQ decline was largely due to decrease in base business volumes.
- **9MFY25 revenues** at ₹40.8 billion, YoY growth of 12%. The growth is attributable to market share expansion and new product launches, partly offset by unfavorable forex.
 - **Revenues from Russia** at ₹19.4 billion, YoY growth of 12%. The growth was largely on account of price increases in certain brands and improved volumes, partially offset by adverse forex.
 - **Revenues from other CIS countries and Romania** at ₹6.5 billion, flat YoY.
 - **Revenues from RoW territories** at ₹14.9 billion, YoY growth of 17%. The growth is largely due to higher base business volumes and new product launches, partially offset by price erosion.

During Q3FY25, we launched 20 new products across countries, with the year-to-date total to 59.

Pharmaceutical Services and Active Ingredients (PSAI)

- **Q3FY25 revenues** at ₹8.2 billion, YoY growth of 5% and QoQ decline of 2%. YoY Growth in PSAI business was due to increase in volumes, new launches and favourable forex, partially offset by adverse price variance. QoQ decline was primarily due to moderation in the growth of the services business.
- **9MFY25 revenues** at ₹24.3 billion, with a growth of 13% YoY. The growth was mainly driven by market share expansion, growth in services business and revenues from new products.

During the quarter, we filed 23 Drug Master Files (DMFs) globally, taking the year-to-date count to 59.



Income Statement Highlights:

Gross Margin

- **Q3FY25** at 58.7% (GG: 61.3%, PSAI: 28.6%), a YoY increase of 20 basis points (bps) and a QoQ decline of 91 bps. The YoY increase was primarily on account of favourable product mix, manufacturing overhead leverage, partly offset by price erosion. On a sequential basis, the decline was primarily on account of unfavorable product mix.

9MFY25 at 59.5% (GG: 63.0%, PSAI: 27.3%), a YoY increase by 91 bps YoY. The expansion in margin was on account of favourable product mix, cost optimisation, partially offset by price erosion.

Selling, General & Administrative (SG&A) Expenses

- **Q3FY25** at ₹24.1 billion, YoY increase of 19% and QoQ increase of 5%.

9MFY25 at ₹69.8 billion, YoY increase of 23%.

The increase is largely on account of costs associated with the NRT business, higher investments in sales & marketing activities to strengthen our existing brands, new business initiatives, including scaling up of consumer health businesses and higher freight costs.

Research & Development (R&D) Expenses

- **Q3FY25** at ₹6.7 billion. As % to Revenues – Q3FY25: 8.0% | Q3FY24: 7.7% | Q2FY25: 9.1%.

9MFY25 at ₹20.1 billion. As % to Revenues – 9MFY25: 8.4% | 9MFY24: 7.7%.

R&D investments are related to our ongoing development efforts across complex generics, peptides, biosimilars, as well as our novel oncology assets.

Net Finance Income

- **Q3FY25** at ₹(0.02) billion compared to ₹1.0 billion in Q3FY24.

The decrease was on account of higher foreign currency exchange loss as well as interest expense in comparison to interest income in the corresponding quarter of the previous year.

9MFY25 at ₹2.4 billion as compared to ₹3.0 billion in 9MFY24.

Income Tax

- **Q3FY25** at ₹4.7 billion. As % to PBT – Q3FY25: 25.1% | Q3FY24: 24.5% | Q2FY25: 30%.

9MFY25: The ETR was 27.1% as compared to 23.7% in 9MFY24.

The higher tax for the nine months ended December 31, 2024 is primarily on account of:

- the reversal of a previously recognized deferred tax asset on indexation of land;
- change in the mix of tax jurisdictions; and
- the recognition of a previously unrecognized deferred tax asset on operating tax losses, primarily pertaining to Dr. Reddy's Laboratories SA, Switzerland, during the nine months ended December 31, 2023.



Profit before tax

- **Q3FY25** at ₹18.7 billion, a YoY growth of 3% and a QoQ decline of 2%.

As % to Revenues – Q3FY25: 22.4% | Q3FY24: 25.3% | Q2FY25: 23.9%.

Profit before tax includes ₹1,240 Mn from the recently acquired NRT business.

9MFY25 at ₹56.7 billion, a YoY growth of 2%.

Profit attributable to Equity Holders of Parent Company

- **Q3FY25** at ₹14.1 billion, a YoY growth of 2% and a QoQ growth of 13%.

As % to Revenues – Q3FY25: 16.9% | Q3FY24: 19.1% | Q2FY25: 15.7%.

9MFY25 at ₹40.6 billion, a YoY decline of 5%. As % to Revenues – 9MFY25: 16.9% | 9MFY24: 20.5%.

Diluted Earnings per Share (EPS)

- **Q3FY25** is ₹16.94. **9MFY25** is ₹48.68.

The Earnings per share has been arrived at on the increased number of shares pursuant to the stock split of one fully paid-up equity share of Rupees five each into five fully paid-up equity share of Rupee one each.

Other Highlights:

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

- **Q3FY25** at ₹23.0 billion, YoY growth of 9% and flat QoQ.

As % to Revenues – Q3FY25: 27.5% | Q3FY24: 29.3% | Q2FY25: 28.4%.

- **9MFY25** at ₹67.4 billion, a YoY growth of 5%. As % to Revenues – 9MFY25: 28.0% | 9MFY24: 30.9%.

Others:

- **Operating Working Capital** : As on **31st December 2024** at ₹127.8 billion.
- **Capital Expenditure**: **Q3FY25** at ₹7.1 billion.
- **Cash Flow**: **Q3FY25** at ₹(2.1) billion.
- **Net Cash Surplus**: As on **31st December 2024** at ₹16.0 billion
- **Net Debt to Equity**: As on **31st December 2024** is (0.05)
- **ROCE**: **Q3FY25** at 27.8% (Annualized)



About key metrics and non-GAAP Financial Measures

This press release contains non-GAAP financial measures within the meaning of Regulation G and Item 10(e) of Regulation S-K. Such non-GAAP financial measures are measures of our historical performance, financial position or cash flows that are adjusted to exclude or include amounts from the most directly comparable financial measure calculated and presented in accordance with IFRS.

The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with IFRS. Our non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. These measures may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes.

We believe these non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating our business.

For more information on our non-GAAP financial measures and a reconciliation of GAAP to non-GAAP measures, please refer to "Reconciliation of GAAP to Non-GAAP Results" table in this press release.



Reconciliation of GAAP Measures to Non-GAAP Measures

Operating Working Capital

Particulars	As on 31 st Dec 2024
	(₹)
Inventories	71,630
Trade Receivables	92,212
Less:	
Trade Payables	(36,022)
Operating Working Capital	127,820

Cash Flow

Particulars	Three months ended 31 st Dec 2024
	(₹)
Net cash generated from operating activities	13,277
Less:	
Taxes	(6,656)
Investments in Property, Plant & Equipment and intangibles	(8,708)
Cash Flow	(2,087)

Net Cash Surplus and Debt to Equity

Particulars	As on 31 st Dec 2024
	(₹)
Cash and Cash Equivalents	13,032
Investments	51,166
Short-term Borrowings	(42,400)
Long-term Borrowings, Non-Current	(7,579)
Less:	
Restricted Cash Balance – Unclaimed Dividend and others	615
Lease liabilities (included in Long-term Borrowings, Non-Current)	(3,779)
Equity Investments (Included in Investments)	1,356
Net Cash Surplus	16,027
Equity	321,565
Net Debt/Equity	(0.05)



Dr. Reddy's Laboratories Ltd.
Hyderabad-34.

Computation of Return on Capital Employed

Particulars	As on 31 st Dec 2024
	(₹)
Profit before Tax	18,742
Less:	
Interest and Investment Income (Excluding forex gain/loss)	(475)
Earnings Before Interest and taxes [A]	18,267
Average Capital Employed [B]	258,829
Annualized Return on Capital Employed (A/B) (Ratio)	27.8%

Computation of Capital Employed:

Particulars	As on	
	Dec 31, 2024	Mar 31, 2024
Property Plant and Equipment	93,053	76,886
Intangibles	92,925	36,951
Goodwill	11,855	4,253
Investment in Equity Accounted Associates	4,742	4,196
Other Current Assets	28,750	22,560
Other Investments	4,276	1,059
Other Non-Current Assets	1,360	1,632
Inventories	71,630	63,552
Trade Receivables*	92,214	80,298
Derivative Financial Instruments	(1,319)	(299)
Less:		
Other Liabilities	47,940	46,866
Provisions	5,725	5,444
Trade payables	36,022	30,919
Operating Capital Employed	309,799	207,859
Average Capital Employed	258,829	

Computation of EBITDA

Refer page no. 3 & 4.



Signature

Signature

Earnings Call Details

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

Date: January 23, 2025

Time: 19:30 pm IST / 09:00 am ET

Conference Joining Information

Option 1: Pre-register with the below link and join without waiting for the operator

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=4085539&linkSecurityString=1bdc5f535b>

Option 2: Join through below Dial-In Numbers

Universal Access Number:	+91 22 6280 1219 +91 22 7115 8120
International Toll-Free Number:	USA: 1 866 746 2133 UK: 0 808 101 1573 Singapore: 800 101 2045 Hong Kong: 800 964 448

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

Play Back: The play back will be available after the earnings call, till January 30th, 2025. For play back dial in phone No: +91 22 7194 5757, and Playback Code is 40359#.

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, NSEIFSC: DRREDDY) is a global pharmaceutical company headquartered in Hyderabad, India. Established in 1984, we are committed to providing access to affordable and innovative medicines. Driven by our purpose of 'Good Health Can't Wait', we offer a portfolio of products and services including APIs, generics, branded generics, biosimilars and OTC. Our major therapeutic areas of focus are gastrointestinal, cardiovascular, diabetology, oncology, pain management and dermatology. Our major markets include - USA, India, Russia & CIS countries, China, Brazil, and Europe. As a company with a history of deep science that has led to several industry firsts, we continue to plan and invest in businesses of the future. As an early adopter of sustainability and ESG actions, we released our first Sustainability Report in 2004. Our current ESG goals aim to set the bar high in environmental stewardship; access and affordability for patients; diversity; and governance.

For more information, log on to: www.drreddys.com

Disclaimer: This press release may include statements of future expectations and other forward-looking statements that are based on the management's current views and assumptions and involve known or unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to without limitation, (i) general economic conditions such as performance of financial markets, credit defaults, currency exchange rates, interest rates, persistency levels and frequency / severity of insured loss events (ii) mortality and morbidity levels and trends, (iii) changing levels of competition and general competitive factors, (iv) changes in laws and regulations and in the policies of central banks and/or governments, (v) the impact of acquisitions or reorganization, including related integration issues, and (vi) the susceptibility of our industry and the markets addressed by our, and our customers', products and services to economic downturns as a result of natural disasters, epidemics, pandemics or other widespread illness, including coronavirus (or COVID-19), and (vii) other risks and uncertainties identified in our public filings with the Securities and Exchange Commission, including those listed under the "Risk Factors" and "Forward-Looking Statements" sections of our Annual Report on Form 20-F for the year ended March 31, 2024 and quarterly financial statements filed in Form 6-K with the US SEC for the quarter ended June 30, 2024, September 30, 2024 and October filings with US SEC. The company assumes no obligation to update any information contained herein.



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 for the quarter and nine months ended 31 December 2024' (the "Statement") of Dr. Reddy's Laboratories Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Master Circular 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:

Holding Company:

Dr. Reddy's Laboratories Limited

Subsidiaries

1. Aurigene Discovery Technologies (Malaysia) Sdn. Bhd.
2. Aurigene Oncology Limited (Formerly, Aurigene Discovery Technologies Limited)
3. Aurigene Pharmaceutical Services Limited
4. beta Institut gemeinnützige GmbH
5. betapharm Arzneimittel GmbH
6. Cheminor Investments Limited
7. Chiretech Technology Limited (dissolved w.e.f. September 18, 2024)
8. Dr. Reddy's Farmaceutica Do Brasil Ltda.
9. Dr. Reddy's Laboratories (EU) Limited
10. Dr. Reddy's Laboratories (Proprietary) Limited
11. Dr. Reddy's Laboratories (UK) Limited
12. Dr. Reddy's Laboratories Canada, Inc.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

13. Dr. Reddy's Laboratories Chile SPA.
14. Dr. Reddy's Laboratories Inc.
15. Dr. Reddy's Laboratories Japan KK
16. Dr. Reddy's Laboratories Kazakhstan LLP
17. Dr. Reddy's Laboratories Louisiana LLC
18. Dr. Reddy's Laboratories Malaysia Sdn. Bhd.
19. Dr. Reddy's Laboratories New York, LLC
20. Dr. Reddy's Laboratories Philippines Inc.
21. Dr. Reddy's Laboratories Romania Srl
22. Dr. Reddy's Laboratories SA
23. Dr. Reddy's Laboratories Taiwan Limited
24. Dr. Reddy's Laboratories (Thailand) Limited
25. Dr. Reddy's Laboratories LLC, Ukraine
26. Dr. Reddy's New Zealand Limited
27. Dr. Reddy's Srl
28. Dr. Reddy's Bio-Sciences Limited
29. Dr. Reddy's Laboratories (Australia) Pty. Limited
30. Dr. Reddy's Laboratories SAS
31. Dr. Reddy's Netherlands B.V. (Formerly Dr. Reddy's Research and Development B.V.)
32. Dr. Reddy's Venezuela, C.A. (till April 17, 2024)
33. Dr. Reddy's (Beijing) Pharmaceutical Co. Limited
34. DRL Impex Limited
35. Dr. Reddy's Formulations Limited
36. Idea2Enterprises (India) Pvt. Limited
37. Imperial Owners and Land Possessions Private Limited (Formerly, Imperial Credit Private Limited)
(Under liquidation)
38. Industrias Quimicas Falcon de Mexico, S.A. de CV
39. Lacock Holdings Limited
40. Dr. Reddy's Laboratories LLC, Russia
41. Promius Pharma LLC
42. Reddy Holding GmbH
43. Reddy Netherlands B.V.
44. Reddy Pharma Iberia SAU
45. Reddy Pharma Italia S.R.L.
46. Reddy Pharma SAS
47. Svaas Wellness Limited
48. Nimbus Health GmbH
49. Dr. Reddy's Laboratories Jamaica Limited
50. Dr. Reddy's and Nestle Health Science Limited (Formerly, Dr. Reddy's Nutraceuticals Limited)
51. Northstar Switzerland SARL (from September 30, 2024)
52. North Star OpCo Limited (from September 30, 2024)
53. North Star Sweden AB (from September 30, 2024)
54. Dr. Reddy's Denmark ApS (from October 04, 2024)
55. Dr. Reddy's Finland Oy (from December 20, 2024)

Associates

1. O2 Renewable Energy IX Private Limited
2. Clean Renewable Energy KK 2A Private Limited (from 30 May 2024)



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Joint Venture

1. DRES Energy Private Limited
2. Kunshan Rotam Reddy Pharmaceutical Co. Limited

Other Consolidating Entities

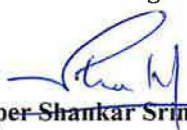
1. Dr. Reddy's Employees ESOS Trust
2. Cheminor Employees Welfare Trust
3. Dr. Reddy's Research Foundation

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

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004


per **Shankar Srinivasan**
Partner
Membership No.: 213271



UDIN: 25213271BMISKZ7444

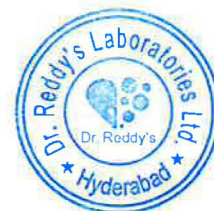
Place: Hyderabad

Date: January 23, 2025

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2024

Sl. No.	Particulars	All amounts in Indian Rupees millions					
		Quarter ended			Nine months ended		Year ended
		31.12.2024	30.09.2024	31.12.2023	31.12.2024	31.12.2023	31.03.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations						
	a) Sales	79,960	78,859	69,647	234,215	203,138	271,396
	b) License fees and service income	3,626	1,302	2,501	6,259	5,196	7,768
	c) Other operating income	226	221	220	681	639	947
	Total revenue from operations	83,812	80,382	72,368	241,155	208,973	280,111
2	Other income	1,502	3,075	2,162	6,156	6,984	8,943
3	Total income (1 + 2)	85,314	83,457	74,530	247,311	215,957	289,054
4	Expenses						
	a) Cost of materials consumed	14,526	12,872	11,412	39,670	33,939	44,901
	b) Purchase of stock-in-trade	10,507	12,828	12,083	37,136	32,232	43,991
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	782	(2,033)	(1,735)	(5,507)	(5,005)	(6,805)
	d) Employee benefits expense	13,665	13,992	12,764	41,794	37,464	50,301
	e) Depreciation and amortisation expense	4,714	3,970	3,735	12,490	11,023	14,700
	f) Impairment of non-current assets, net	(4)	924	110	925	176	3
	g) Finance costs	817	757	394	2,172	1,118	1,711
	h) Other expenses	21,606	21,034	17,503	62,050	49,164	68,389
	Total expenses	66,613	64,344	56,266	190,730	160,111	217,191
5	Profit before tax and before share of equity accounted investees (3 - 4)	18,701	19,113	18,264	56,581	55,846	71,863
6	Share of profit of equity accounted investees, net of tax	42	61	27	162	112	147
7	Profit before tax (5+6)	18,743	19,174	18,291	56,743	55,958	72,010
8	Tax expense/(benefit):						
	a) Current tax	5,330	7,713	3,538	18,258	16,636	19,459
	b) Deferred tax	(629)	(1,958)	944	(2,900)	(3,359)	(3,228)
9	Net profit after taxes and share of profit of associates (7 - 8)	14,042	13,419	13,809	41,385	42,681	55,779
10	Net profit after taxes attributable to						
	a) Equity shareholders of the parent company	14,137	12,557	13,809	40,618	42,681	55,779
	b) Non-controlling interests	(95)	862	-	767	-	-
11	Other comprehensive income/(loss)						
	a) (i) Items that will not be reclassified subsequently to profit or loss	(52)	(33)	132	(176)	16	(28)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	4
	b) (i) Items that will be reclassified subsequently to profit or loss	(2,142)	2,978	782	951	(184)	(749)
	(ii) Income tax relating to items that will be reclassified to profit or loss	170	16	78	180	69	117
	Total other comprehensive income/(loss)	(2,024)	2,961	992	955	(99)	(656)
12	Total comprehensive income (9 + 11)	12,018	16,380	14,801	42,340	42,582	55,123
13	Total comprehensive income attributable to						
	a) Equity shareholders of the parent company	12,113	15,518	14,801	41,573	42,582	55,123
	b) Non-controlling interest	(95)	862	-	767	-	-
12	Paid-up equity share capital (face value Re. 1/- each)	834	834	834	834	834	834
13	Other equity						281,714
14	Earnings per equity share attributable to equity shareholders of parent (face value Re. 1/- each)						
	Basic	16.97	15.08	16.59	48.77	51.31	67.04
	Diluted	16.94	15.05	16.56	48.69	51.22	66.92
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	

See accompanying notes to the financial results



Segment information

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2024	30.09.2024	31.12.2023	31.12.2024	31.12.2023	31.03.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment wise revenue and results:						
	Segment revenue :						
	a) Pharmaceutical Services and Active Ingredients	10,387	11,190	10,580	32,049	29,570	41,295
	b) Global Generics	73,813	71,636	63,124	214,378	184,384	245,673
	c) Others	1,614	179	1,215	2,005	2,491	3,922
	Total	85,814	83,005	74,919	248,432	216,445	290,890
	Less: Inter-segment revenue	2,002	2,623	2,551	7,277	7,472	10,779
	Total revenue from operations	83,812	80,382	72,368	241,155	208,973	280,111
2	Segment results:						
	Gross profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	2,359	2,521	2,307	6,652	4,580	6,929
	b) Global Generics	45,219	45,162	39,077	134,899	116,335	154,272
	c) Others	1,478	89	823	1,625	1,221	2,423
	Total	49,056	47,772	42,207	143,176	122,136	163,624
	Less: Selling and other un-allocable expenditure/(income), net	30,313	28,598	23,916	86,433	66,178	91,614
	Total profit before tax	18,743	19,174	18,291	56,743	55,958	72,010

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

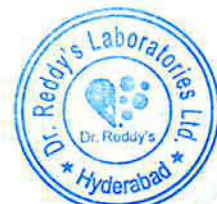
Notes:

- The above statement of unaudited consolidated financial results of Dr. Reddy's Laboratories Limited ("the Company"), which have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of Companies Act, 2013 ("the Act") read with relevant rules issues thereunder, other accounting principles generally accepted in India and guidelines issues by the Securities and Exchange Board of India ("SEBI") were reviewed and recommended by Audit Committee and approved by the Board of Directors at their meetings held on 23 January 2025. The Statutory Auditors have carried out a limited review on the unaudited consolidated financial results and issued an unmodified report thereon.
- "License fees and service income" for the quarter and nine months ended 31 December 2024 includes an amount of Rs.1,266 million received as a milestone payment upon U.S.FDA approval of DFD 29, in accordance with the license and collaboration agreement dated 29 June 2021 with Journey Medical Corporation. This transaction pertains to the Company's Others segment.
- "Other income" for the year ended 31 March 2024 includes :
 - Rs.540 million recognised in April 2023, pursuant to settlement agreement with Janssen Group, in settlement of the claim brought in the Federal Court of Canada by the Company and its affiliates 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 Zytiga®(Abiraterone).
 - Rs.984 million recognised in September 2023, pursuant to settlement of product related litigation by the Company and its affiliates in the United Kingdom.

These transactions pertains to the Company's Global Generics segment.

- During the quarter and nine months ended 31 December 2024, an amount of Rs.841 million and Rs.2,556 million, respectively, and during the quarter and nine months ended 31 December 2023, an amount of Rs.1,148 million and Rs.3,422 million, respectively, representing government grants has been accounted as a reduction from Cost of materials consumed.
- "Impairment of non-current assets, net" during the nine months ended 31 December 2024 includes an amount of Rs.907 million pertaining to Haloette® (a generic equivalent to Nuvaring®), a product-related intangible, due to constraints on procurement of the underlying product from its contract manufacturer, resulting in a lower recoverable value compared to the carrying value. This impairment charge pertains to the Company's Global Generics segment.
- Pursuant to the amendment in The Finance Act 2024, resulting in withdrawal of indexation benefit on long-term capital gain, the Company has written off Deferred Tax Asset amounting to Rs. 482 million, created in earlier periods on land, during the nine months ended 31 December 2024.
- The Company received an anonymous complaint in September 2020, alleging that healthcare professionals in Ukraine and potentially in other countries were provided with improper payments by or on behalf of the Company in violation of U.S. anti-corruption laws, specifically the U.S. Foreign Corrupt Practices Act. The Company disclosed the matter to the U.S. Department of Justice ("DOJ"), Securities and Exchange Commission ("SEC") and Securities Exchange Board of India. The Company engaged a U.S. law firm to conduct the investigation at the instruction of a committee of the Company's Board of Directors. On 6 July 2021, the Company received a subpoena from the SEC for the production of related documents, which were provided to the SEC.

The Company has continued to engage with the SEC and DOJ, including through submissions and presentations regarding the initial complaint and additional complaints relating to other markets, and in relation to its Global Compliance Framework, which includes enhancement initiatives undertaken by the Company, and the Company is complying with its listing obligations as it relates to updating the regulatory agencies. While the findings from the aforesaid investigations could result in government or regulatory enforcement actions against the Company in the United States and/or foreign jurisdictions and can also lead to civil and criminal sanctions under relevant laws, the outcomes, including liabilities, are not reasonably ascertainable at this time.



- 8 On 25 April 2024, the Company entered into an agreement with Nestlé India Limited ("Nestlé India") for the manufacturing, development, promotion, marketing, sale, distribution, and commercialization of nutraceutical products and supplements in India, as well as other mutually agreed geographies. These operations will be carried out by Dr. Reddy's Nutraceuticals Limited, established on 14 March 2024. The entity was later renamed as Dr. Reddy's and Nestlé Health Science Limited (the "Nutraceuticals subsidiary") on 13 June 2024.

Upon completion of the closing conditions, the transaction concluded on 01 August 2024. Consequently, the Company has made an additional investment of Rs.7,340 million in its Nutraceuticals subsidiary, with corresponding infusion from Nestlé India amounting to Rs.7,056 million resulting in a revised shareholding pattern of 51:49 between the Company and Nestlé India. Subsequently, Nutraceuticals subsidiary had purchased the portfolio of nutraceutical products and supplements from Nestlé India for a consideration of Rs.2,231 million. The acquired portfolio consists of Product licenses, sales and marketing teams, contract manufacturers and employees. Based on fair valuation, the company had allocated purchase consideration and recognized Product licenses and other intangibles of Rs.1,982 million, property, plant and equipment and current assets of Rs.43 million and Goodwill of Rs.207 million.

Upon Closing, the Company had also transferred its nutraceuticals and supplements portfolio to the Nutraceuticals subsidiary as a common control transfer of business. This acquisition pertains to the Company's Global Generics segment.

Profit after tax attributable to Non-controlling interest for nine months ended 31 December 2024, has arisen primarily on recognition of deferred tax asset on account of transfer of business from parent company to Nutraceuticals subsidiary. As at 31 December 2024, share of 49% held by Nestlé India is recorded under Non-controlling interest of Rs.3,844 million.

- 9 Business purchase agreement with Haleon:

On 26 June 2024, the Company entered into definitive agreement with Haleon UK Enterprises Limited ("Haleon") to acquire Haleon's global portfolio outside of the United States of consumer healthcare brands in the Nicotine Replacement Therapy category ("NRT Business").

The definitive agreement for the acquisition of this NRT Business from Haleon includes the transfer of intellectual property, employees, agreements with commercial manufacturing organization, marketing authorizations and other assets relating to the commercialization of four brands - i.e., Nicotinell, Nicabate, Thrive, and Habitrol. The acquisition is inclusive of all formats such as lozenge, patch, spray and/or gum in all applicable global markets outside of the United States. The closing conditions were met, and the transaction was completed on 30 September 2024.

Upon Completion, the company acquired the shares of Northstar Switzerland SARL from Haleon for an upfront cash payment of Rs.51,407 million (GBP 458 million). An additional consideration of up to Rs.4,714 million (GBP 42 million) is payable which is contingent upon achieving agreed-upon sales targets in Calendar years 2024 and 2025, bringing the total potential consideration to Rs.56,121 million (GBP 500 million).

The Company completed the provisional allocation of purchase price. The fair value of consideration transferred is Rs.55,897 million (GBP 498 million). Based on fair valuation, the Company recognised Intangibles (Brands) of Rs.54,920 million (GBP 488.80 million), Deferred tax liabilities of Rs.8,469 million (GBP 75.45 million) and Goodwill of Rs.7,249 million (GBP 64.58 million). This acquisition pertains to the Company's Global Generics segment.

Further, The company executed a forward exchange contract to hedge its exposure to the payment made in GBP. Upon maturity, hedge gain of Rs. 2,197 million (GBP 20 million) was reclassified from the cash flow hedge reserves and has been adjusted in consideration paid upon closing of the transaction.

Acquisition related costs amounting to Rs.1,017 and Rs.280 were recognised as expenses under "Other expenses" during the nine months ended 31 December 2024 and the year ended 31 March 2024, respectively.

This marketing authorisation will transition gradually into the Company in a phased approach between April 2025 and February 2026. During transition period, Haleon group will provide distribution and related services in the markets, facilitating successful integration of the business across various geographies into the Company.

The amount of revenue and profit before tax (derived after amortisation of NRT brands and integration expense) pertaining to the business acquired from Haleon since the acquisition date (i.e., September 30, 2024) was Rs.6,049 (GBP 56.3 million) and Rs.1,240 (GBP 11.3 million) respectively, during the three months ended December 31, 2024.

- 10 The Board of Directors of the Company at their meeting held on 27 July 2024 have approved the sub-division/ split of each equity share having a face value of Rupees five each, fully paid-up, into five equity shares having a face value of Rupee One each, fully paid-up (the "stock split"), by alteration of the capital clause of the Memorandum of Association of the Company. Further, each American Depositary Share (ADS) of the Company will continue to represent one underlying equity share as at present and, therefore, the number of ADSs held by an American Depositary Receipt(ADR) holder would consequently increase in proportion to the increase in number of equity shares.

On 12 September 2024, the approval of the shareholders of the Company was obtained through a postal ballot process with a requisite majority.

Consequently w.e.f. record date of 28 October 2024, the authorized share capital, the paid up share capital and the treasury shares were sub-divided into five equity shares having a face value of Rupee One each. As on 31 December 2024, the closing number of shares fully paid up and treasury shares were 834,423,960 and 1,302,980 respectively. Post stock split, the number of each stock option vested and unvested and not exercised as on the record date were sub-divided into five options and the exercise price was proportionately adjusted.

The effect of stock split was considered in the computation of basic and diluted EPS for the quarter and nine months ended 31 December 2024 and prior periods have been restated considering face value of Rupee One each in accordance with Ind AS 33- "Earnings per Share" and rounded off to the nearest decimals.

- 11 The Company considered the uncertainties relating to the escalation of conflict in the middle east, and duration of military conflict between Russia and Ukraine, in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. Based on its judgments, estimates and assumptions, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets. The Company will continue to closely monitor any material changes to future economic conditions.

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



G V Prasad
Co-Chairman & Managing Director

Place: Hyderabad
Date: 23 January 2025




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 for the quarter and nine months ended 31 December, 2024" (the "Statement") of Dr. Reddy's Laboratories Limited (the "Company") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Shankar Srinivasan

Partner

Membership No.:213271



UDIN: 252132718MJS CA 4490

Place: Hyderabad

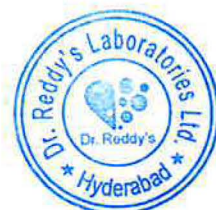
Date: January 23, 2025

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2024

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2024	30.09.2024	31.12.2023	31.12.2024	31.12.2023	31.03.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations						
	a) Sales	47,775	58,534	40,389	164,385	142,460	192,764
	b) License fees and service income	2,203	8,254	442	10,620	763	1,277
	c) Other operating income	172	175	199	520	567	797
	Total revenue from operations	50,150	66,963	41,030	175,525	143,790	194,838
2	Other income	2,354	2,076	2,276	6,287	6,651	8,623
	Total income (1 + 2)	52,504	69,039	43,306	181,812	150,441	203,461
3	Expenses						
	a) Cost of materials consumed	10,117	9,343	8,187	28,571	23,838	32,915
	b) Purchase of stock-in-trade	5,084	6,565	5,569	19,052	14,403	19,866
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(370)	(930)	(651)	(2,561)	(1,868)	(2,388)
	d) Employee benefits expense	7,944	8,401	7,823	24,904	23,062	30,857
	e) Depreciation and amortisation expense	2,651	2,600	2,464	7,749	7,294	9,756
	f) Impairment of non current assets, net	-	-	-	-	-	260
	g) Finance costs	433	284	56	788	159	218
	h) Other expenses	15,451	16,368	13,539	46,568	39,032	54,064
	Total expenses	41,310	42,631	36,987	125,071	105,920	145,548
4	Profit before tax (1 + 2 - 3)	11,194	26,408	6,319	56,741	44,521	57,913
5	Tax expense/(benefit)						
	a) Current tax	2,563	7,033	1,569	14,262	10,916	13,618
	b) Deferred tax	137	554	(2)	992	533	875
6	Net profit for the period/year (4 - 5)	8,494	18,821	4,752	41,487	33,072	43,420
7	Other comprehensive income						
	a) (i) Items that will not be reclassified to profit or loss	-	-	(8)	-	(6)	21
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(7)
	b) (i) Items that will be reclassified to profit or loss	(779)	(88)	24	(812)	(257)	(446)
	(ii) Income tax relating to items that will be reclassified to profit or loss	196	22	(6)	204	65	114
	Total other comprehensive (loss)/income	(583)	(66)	10	(608)	(198)	(318)
8	Total comprehensive income (6 + 7)	7,911	18,755	4,762	40,879	32,874	43,102
9	Paid-up equity share capital (face value Re. 1/- each)	834	834	834	834	834	834
10	Other equity						241,574
11	Earnings per equity share (face value Re. 1/- each)						
	Basic	10.20	22.60	5.71	49.81	39.76	52.19
	Diluted	10.18	22.56	5.70	49.73	39.69	52.09
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	

See accompanying notes to the financial results.



Segment information

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2024	30.09.2024	31.12.2023	31.12.2024	31.12.2023	31.03.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Segment wise revenue and results						
1	Segment revenue						
	a) Pharmaceutical Services and Active Ingredients	8,272	7,972	7,658	24,764	20,900	30,742
	b) Global Generics	42,401	61,467	35,726	156,315	129,399	173,405
	c) Others	1,281	23	66	1,365	325	678
	Total	51,954	69,462	43,450	182,444	150,624	204,825
	Less: Inter-segment revenue	1,804	2,499	2,420	6,919	6,834	9,987
	Total revenue from operations	50,150	66,963	41,030	175,525	143,790	194,838
2	Segment results						
	Profit/(loss) before tax and interest from each segment						
	a) Pharmaceutical Services and Active Ingredients	313	(146)	(397)	97	(1,533)	(287)
	b) Global Generics	8,268	26,800	6,832	54,735	45,498	57,670
	c) Others	1,255	20	198	1,372	297	536
	Total	9,836	26,674	6,633	56,204	44,262	57,919
	Less: (i) Finance costs	433	284	56	788	159	218
	(ii) Other un-allocable (income)/expenditure, net	(1,791)	(18)	258	(1,325)	(418)	(212)
	Total profit before tax	11,194	26,408	6,319	56,741	44,521	57,913

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:

- The above statement of unaudited standalone financial results of Dr. Reddy's Laboratories Limited ("the Company"), which have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI") were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on 23 January 2025. The Statutory Auditors have carried out a limited review on the unaudited standalone financial results and issued unmodified report thereon.
- "License fees and service income" for the quarter and nine months ended 31 December 2024 includes an amount of Rs.1,266 million received as a milestone payment upon U.S.FDA approval of DFD 29, in accordance with the license and collaboration agreement dated 29 June 2021 with Journey Medical Corporation. This transaction pertains to the Company's Others segment.
- "Other income" for the year ended 31 March 2024 includes:
 - Rs.540 million recognised in April 2023, pursuant to settlement agreement with Janssen Group, in settlement of the claim brought in the Federal Court of Canada by the Company and its affiliates 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 Zytiga®(Abiraterone). This transaction pertains to the Company's Global Generics segment.
 - Dividend income of Rs. 445 million recognised in June 2023, declared by Kunshan Rotan Reddy Pharmaceutical Company Limited, joint venture of the company.
- During the quarter and nine months ended 31 December 2024, an amount of Rs.834 million and Rs.2,534 million, respectively and during the quarter and nine months ended 31 December 2023, an amount of Rs.1,142 million and Rs.3,405 million, respectively, representing government grants has been accounted as a reduction from cost of materials consumed.
- Pursuant to the amendment in The Finance Act 2024, resulting in withdrawal of indexation benefit on long-term capital gain, the company has written off Deferred Tax Asset amounting to Rs. 482 million, created in earlier periods on land, during the nine months ended 31 December 2024.
- Agreement with Nestle India:
On 25 April 2024, the Company entered into an agreement with Nestlé India Limited ("Nestlé India") for the manufacturing, development, promotion, marketing, sale, distribution, and commercialization of nutraceutical products and supplements in India, as well as other mutually agreed geographies. These operations will be carried out by Dr. Reddy's Nutraceuticals Limited, established on 14 March 2024. The entity was later renamed as Dr. Reddy's and Nestlé Health Science Limited (the "Nutraceuticals subsidiary") on 13 June 2024.

Upon completion of the closing conditions, the transaction concluded on 01 August 2024. Consequently, the Company has made an additional investment of Rs. 7,340 million in its Nutraceuticals subsidiary, with corresponding infusion from Nestlé India amounting to Rs. 7,056 million resulting in a revised shareholding pattern of 51:49 between the Company and Nestlé India.

Further, the Company also received Rs. 8,113 million (excluding GST) as consideration towards transfer of its nutraceutical and vitamins, minerals, herbals, and supplements portfolio to Nutraceuticals subsidiary as part of the definitive agreement. This has been recorded as License fees for the nine months ended 31 December 2024. This acquisition pertains to Company's Global Generics segment.



- 7 The Board of Directors of the Company at their meeting held on 27 July 2024 have approved the sub-division/ split of each equity share having a face value of Rupees five each, fully paid-up, into five equity shares having a face value of Rupee One each, fully paid-up (the "stock split"), by alteration of the capital clause of the Memorandum of Association of the Company. Further, each American Depositary Share (ADS) of the Company will continue to represent one underlying equity share as at present and, therefore, the number of ADSs held by an American Depositary Receipt(ADR) holder would consequently increase in proportion to the increase in number of equity shares. On 12 September 2024, the approval of the shareholders of the Company was obtained through a postal ballot process with a requisite majority. Consequently w.e.f. record date of 28 October 2024, the authorized share capital, the paid up share capital and the treasury shares were sub-divided into five equity shares having a face value of Rupee One each. As on 31 December 2024, the closing number of shares fully paid up and treasury shares were 834,423,960 and 1,302,980 respectively. Post stock split, the number of each stock option vested and unvested and not exercised as on the record date were sub-divided into five options and the exercise price was proportionately adjusted. The effect of stock split was considered in the computation of basic and diluted EPS for the quarter and nine months ended 31 December 2024 and prior periods have been restated considering face value of Rupee One each in accordance with Ind AS 33- "Earnings per Share" and rounded off to the nearest decimals.
- 8 The Company considered the uncertainties relating to the escalation of conflict in the middle east, and duration of military conflict between Russia and Ukraine, in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. Based on its judgments, estimates and assumptions, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets. The Company will continue to closely monitor any material changes to future economic conditions.
- 9 The Company received an anonymous complaint in September 2020, alleging that healthcare professionals in Ukraine and potentially in other countries were provided with improper payments by or on behalf of the Company in violation of U.S. anti-corruption laws, specifically the U.S. Foreign Corrupt Practices Act. The Company disclosed the matter to the U.S. Department of Justice ("DOJ"), Securities and Exchange Commission ("SEC") and Securities Exchange Board of India. The Company engaged a U.S. law firm to conduct the investigation at the instruction of a committee of the Company's Board of Directors. On 06 July 2021, the Company received a subpoena from the SEC for the production of related documents, which were provided to the SEC.

The Company has continued to engage with the SEC and DOJ, including through submissions and presentations regarding the initial complaint and additional complaints relating to other markets, and in relation to its Global Compliance Framework, which includes enhancement initiatives undertaken by the Company, and the Company is complying with its listing obligations as it relates to updating the regulatory agencies. While the findings from the aforesaid investigations could result in government or regulatory enforcement actions against the Company in the United States and/or foreign jurisdictions and can also lead to civil and criminal sanctions under relevant laws, the outcomes, including liabilities, are not reasonably ascertainable at this time.

Place: Hyderabad
Date: 23 January 2025

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


G V Prasad
Co-Chairman & Managing Director



