



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

Tel : +91 40 4900 2900
Fax : +91 40 4900 2999
Email : mail@drreddys.com
www.drreddys.com

November 5, 2024

National Stock Exchange of India Ltd. (Scrip Code: DRREDDY-EQ)
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

We would like to inform that the Board of Directors of the Company at its meeting held on November 5, 2024, has inter alia approved the following:

1. Financial results

- a. Unaudited Consolidated Financial Results of the Company and its subsidiaries for the quarter and half-year ended September 30, 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 and half-year ended September 30, 2024, as per Indian Accounting Standards.
- d. Unaudited Standalone Financial Results of the Company for the quarter and half-year ended September 30, 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 Standalone and Consolidated Financial Results as mentioned at serial nos. (c) & (d) are also enclosed.

2. Investment in step-down wholly owned subsidiary company

Approval of the fund infusion by way of investment in equity shares of Dr. Reddy's Laboratories LLC, Russia, a step-down wholly-owned subsidiary, upto an amount of Rs.600 Crores. The fund will be used for working capital requirements.

The requisite details as required under SEBI Listing Regulations, read with the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, will be disclosed to the stock exchange(s) after approval of the Board of the said step-down wholly-owned subsidiary.



The Board Meeting commenced at 9:00 a.m. IST and concluded at 3:45 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 half year ended 30 September 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			Half year ended		Year ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenues	80,162	76,727	68,802	1,56,889	1,36,186	2,79,164
2	Cost of revenues	32,393	30,383	28,434	62,776	56,265	1,15,557
3	Gross profit (1 - 2)	47,769	46,344	40,368	94,113	79,921	1,63,607
4	Selling, general and administrative expenses	23,007	22,691	18,795	45,698	36,497	77,201
5	Research and development expenses	7,271	6,193	5,447	13,464	10,431	22,873
6	Impairment of non-current assets, net	924	5	55	929	66	3
7	Other income, net	(984)	(470)	(1,796)	(1,454)	(2,576)	(4,199)
	Total operating expenses	30,218	28,419	22,501	58,637	44,418	95,878
8	Results from operating activities [(3) - (4 + 5 + 6 + 7)]	17,551	17,925	17,867	35,476	35,503	67,729
	Finance income	2,312	1,435	1,578	3,747	2,733	5,705
	Finance expense	(757)	(598)	(353)	(1,355)	(724)	(1,711)
9	Finance income, net	1,555	837	1,225	2,392	2,009	3,994
10	Share of profit of equity accounted investees, net of tax	61	59	42	120	85	147
11	Profit before tax (8 + 9 + 10)	19,167	18,821	19,134	37,988	37,597	71,870
12	Tax expense, net	5,752	4,901	4,334	10,653	8,772	16,186
13	Profit for the period/year (11 - 12)	13,415	13,920	14,800	27,335	28,825	55,684
	Attributable to:						
	Equity holders of the parent company	12,553	13,920	14,800	26,473	28,825	55,684
	Non-controlling interests	862	-	-	862	-	-
14	Earnings per share attributable to equity shareholders of parent company:						
	Basic earnings per share of Re.1/- each	15.07	16.72	17.80	31.79	34.68	66.93
	Diluted earnings per share of Re.1/- each	15.05	16.70	17.76	31.74	34.60	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			Half year ended		Year ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment wise revenue and results:						
	Segment revenue:						
	a) Pharmaceutical Services and Active Ingredients	11,030	10,309	9,446	21,339	18,664	40,580
	b) Global Generics	71,576	68,858	61,084	1,40,434	1,21,167	2,45,453
	c) Others	179	212	684	391	1,276	3,910
	Total	82,785	79,379	71,214	1,62,164	1,41,107	2,89,943
	Less: Inter-segment revenues	2,623	2,652	2,412	5,275	4,921	10,779
	Net revenues	80,162	76,727	68,802	1,56,889	1,36,186	2,79,164
2	Segment results:						
	Gross profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	2,518	1,768	1,254	4,286	2,263	6,919
	b) Global Generics	45,162	44,518	38,873	89,680	77,260	1,54,268
	c) Others	89	58	241	147	398	2,420
	Total	47,769	46,344	40,368	94,113	79,921	1,63,607
	Less: Selling and other un-allocable expenditure, net of other income	28,602	27,523	21,234	56,125	42,324	91,737
	Total profit before tax	19,167	18,821	19,134	37,988	37,597	71,870

Global Generics segment includes operations of Biologics business. Inter-segment revenues 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, 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 05 November 2024. The Auditors have carried out a limited review on the unaudited consolidated financial results and issued an unmodified report thereon.
- During the quarter and half year ended 30 September 2024, an amount of Rs. 906 million and Rs. 1,715 million, respectively, and during the quarter and half year ended 30 September 2023, an amount of Rs. 1,598 million and Rs. 2,274 million, respectively, representing government grants has been accounted as a reduction from cost of revenues.
- "Impairment of non-current assets, net" recorded during the half year ended 30 September 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 period on land, during the quarter and half year ended 30 September 2024.
- Business purchase agreement with Nestlé 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. 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 recognised 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.

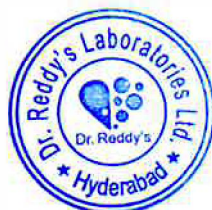
Profit after tax attributable to Non-controlling interest for quarter and half year ended 30 September 2024, has arisen primarily on recognition of deferred tax asset on account of transfer of business from parent company to Nutraceuticals subsidiary. As at 30 September 2024, share of 49% held by Nestlé India is recorded under Non-controlling interest of Rs.3,939 million.



7 Consolidated statements of financial position

All amounts in Indian Rupees millions

Particulars	As at	As at
	30.09.2024	31.03.2024
	(Unaudited)	(Audited)
ASSETS		
Current assets		
Cash and cash equivalents	11,330	7,107
Other investments	51,744	74,363
Trade and other receivables	84,398	80,298
Inventories	72,039	63,552
Derivative financial instruments	400	169
Other current assets	28,217	22,560
Total current assets	2,48,128	2,48,049
Non-current assets		
Property, plant and equipment	86,693	76,886
Goodwill	11,773	4,253
Other intangible assets	92,119	36,951
Investment in equity accounted investees	4,779	4,196
Other investments	1,200	1,059
Deferred tax assets	17,475	10,774
Tax assets	2,278	3,718
Other non-current assets	1,510	1,632
Total non-current assets	2,17,827	1,39,469
Total assets	4,65,955	3,87,518
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	35,776	30,919
Short-term borrowings	39,976	12,723
Long-term borrowings, current portion	1,158	1,307
Provisions	5,101	5,383
Tax liabilities	5,089	2,342
Derivative financial instruments	337	468
Bank overdraft	45	-
Other current liabilities	41,817	42,897
Total current liabilities	1,29,299	96,039
Non-current liabilities		
Long-term borrowings	7,361	5,990
Deferred tax liabilities	13,830	909
Provisions	159	61
Other non-current liabilities	6,023	3,969
Total non-current liabilities	27,373	10,929
Total liabilities	1,56,672	1,06,968
Equity		
Share capital	834	834
Treasury shares	(915)	(991)
Share premium	11,065	10,765
Share based payment reserve	1,497	1,508
Capital redemption reserve	173	173
Special economic zone re-investment reserve	541	653
Retained earnings	2,85,180	2,65,257
Other reserves	3,979	-
Other components of equity	2,990	2,351
Equity attributable to equity holders of the parent company	3,05,344	2,80,550
Non-controlling interests	3,939	-
Total equity	3,09,283	2,80,550
Total liabilities and equity	4,65,955	3,87,518



8 Consolidated statements of cash flows

All amounts in Indian Rupees millions

Particulars	Half year ended	
	30.09.2024	30.09.2023
	(Unaudited)	(Unaudited)
Cash flows from/(used in) operating activities :		
Profit for the period	27,335	28,825
Adjustments for:		
Tax expense, net	10,653	8,772
Fair value changes and profit on sale of financial instruments measured at FVTPL*, net	(2,245)	(1,527)
Depreciation and amortization	7,785	7,358
Impairment of non-current assets	929	66
Allowance for credit losses (on trade receivables and other advances)	96	137
Gain on sale or de-recognition of non-current assets, net	(447)	(445)
Share of profit of equity accounted investees	(120)	(85)
Inventories write-down	2,844	1,418
Foreign exchange loss/(gain), net	507	(1,179)
Interest income, net	(54)	(324)
Equity settled share-based payment expense	208	211
Changes in operating assets and liabilities:		
Trade and other receivables	(4,182)	2,689
Inventories	(11,331)	(9,340)
Trade and other payables	4,062	4,568
Other assets and other liabilities, net	(9,474)	(3,482)
Cash generated from operations	26,566	37,662
Income tax paid, net	(8,754)	(8,486)
Net cash generated from operating activities	17,812	29,176
Cash flows (used in)/from investing activities :		
Purchase of property, plant and equipment	(12,646)	(7,323)
Proceeds from sale of property, plant and equipment	411	487
Purchase of other intangible assets	(1,687)	(8,787)
Proceeds from sale of other intangible assets	419	21
Payment for acquisition of businesses	(51,441)	-
Purchase of other investments	(1,38,326)	(70,008)
Proceeds from sale of other investments	1,62,988	71,815
Investment in associates	(317)	-
Dividend received from equity accounted investees	-	445
Interest and dividend received	1,280	597
Net cash (used in)/from investing activities	(39,319)	(12,753)
Cash flows (used in)/from financing activities :		
Proceeds from issuance of equity shares (including treasury shares)	157	765
Proceeds from issuance of equity shares in subsidiary to Non-controlling interests	7,056	-
Proceeds from/(Repayment of) short-term borrowings, net	27,556	(1,054)
Repayment of long term borrowings	-	(3,800)
Proceeds from long term borrowings	-	3,800
Payment of principal portion of lease liabilities	(735)	(524)
Dividend paid	(6,662)	(6,648)
Interest paid	(1,681)	(1,051)
Net cash used in financing activities	25,691	(8,512)
Net increase in cash and cash equivalents	4,184	7,911
Effect of exchange rate changes on cash and cash equivalents	(6)	(155)
Cash and cash equivalents at the beginning of the period	7,107	5,779
Cash and cash equivalents at the end of the period⁽¹⁾	11,285	13,535

*FVTPL (fair value through profit or loss)

⁽¹⁾ Adjusted for bank-overdraft of Rs.45 million and Rs.4 million for the half year ended 30 September 2024 and 2023, respectively.



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 "Selling, general and administrative expenses" during the half year ended 30 September 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.

- 10 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.

- 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, including sensitivity analysis, 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.
- 12 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, the authorized share capital was sub-divided into 1,450,000,000 equity shares, the paid up share capital is sub-divided into 834,384,730 equity shares and Treasury shares are sub-divided into 1,338,570 having a face value of Rupees One each w.e.f record date of 28 October 2024.

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 affect of stock split was considered in the computation of basic and diluted EPS for the quarter and half year ended 30 September 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.

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



G V Prasad
Co-Chairman & Managing Director

Place: Hyderabad
Date: 5 November 2024



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

CONTACT

INVESTOR RELATIONS

RICHHA PERIWAL richaperiwal@drreddys.com
AISHWARYA SITHARAM aishwarvasitharam@drreddys.com

MEDIA RELATIONS

USHA IYER
ushaiyer@drreddys.com

Dr. Reddy's Q2 & H1FY25 Financial Results

Hyderabad, India, November 5, 2024: Dr. Reddy's Laboratories Ltd. (BSE: 500124 | NSE: DRREDDY | NYSE: RDY | NSEIFSC: DRREDDY) today announced its consolidated financial results for the quarter and half year ended September 30, 2024. The information mentioned in this release is based on consolidated financial statements under International Financial Reporting Standards (IFRS).

	Q2FY25	H1FY25
Revenues	₹ 80,162 Mn [Up: 17% YoY; 4% QoQ]	₹ 156,889 Mn [Up: 15% YoY]
Gross Margin	59.6% [Q2FY24: 58.7%; Q1FY25: 60.4%]	60.0% [H1FY24: 58.7%]
SG&A Expenses	₹ 23,007 Mn [Up: 22% YoY; 1% QoQ]	₹ 45,698 Mn [Up: 25% YoY]
R&D Expenses	₹ 7,271 Mn [9.1% of Revenues]	₹ 13,464 Mn [8.6% of Revenues]
EBITDA	₹ 22,803 Mn [28.4% of Revenues]	₹ 44,402 Mn [28.3% of Revenues]
Profit before Tax	₹ 19,167 Mn [Flat YoY; Up: 2% QoQ]	₹ 37,988 Mn [Up: 1% YoY]
Profit after Tax before Non-Controlling Interest	₹ 13,415 Mn [Down: 9% YoY; 4% QoQ]	₹ 27,335 Mn [Down: 5% YoY]
Profit after Tax attributable to Equity Holders	₹ 12,553 Mn [Down: 15% YoY; 10% QoQ]	₹ 26,473 Mn [Down: 8% YoY]

Commenting on the results, Co-Chairman & MD, G V Prasad said:

"We delivered another good quarter and maintained the growth momentum across businesses. We made progress on our future growth drivers, operationalized our venture with Nestlé and completed the acquisition of Nicotinell® and related brands. We will continue to drive efficiency, strengthen our core businesses, and positively impact patient lives through science and innovation."



Dr. Reddy's Laboratories Limited & Subsidiaries

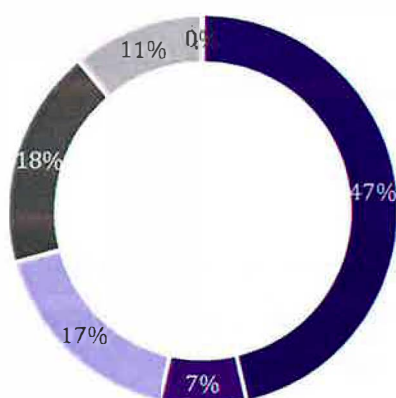
Revenue Mix by Segment for the quarter

Particulars	Q2FY25	Q2FY24	YoY Gr %	Q1FY25	QoQ Gr%
	(₹)	(₹)		(₹)	
Global Generics	71,576	61,084	17	68,858	4
North America	37,281	31,775	17	38,462	(3)
Europe	5,770	5,286	9	5,265	10
India	13,971	11,860	18	13,252	5
Emerging Markets	14,554	12,163	20	11,878	23
Pharmaceutical Services and Active Ingredients (PSAI)	8,407	7,034	20	7,657	10
Others	179	684	(74)	212	(16)
Total	80,162	68,802	17	76,727	4

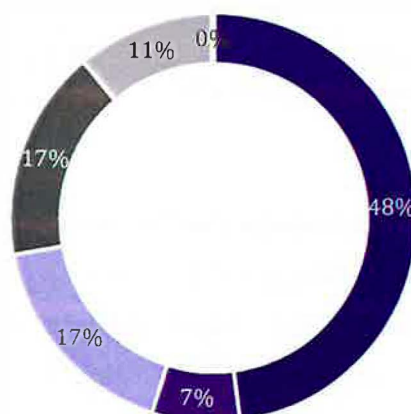
Revenue Mix by Segment for the half year

Particulars	H1FY25	H1FY24	YoY Gr%
	(₹)	(₹)	
Global Generics	140,434	121,167	16
North America	75,743	63,776	19
Europe	11,035	10,333	7
India	27,223	23,342	17
Emerging Markets	26,433	23,716	11
PSAI	16,064	13,743	17
Others	391	1,276	(69)
Total	156,889	136,186	15

Q2FY25 Revenue Mix



H1FY25 Revenue Mix



■ North America



■ Europe

■ India

■ Emerging Markets



■ Others

Consolidated Income Statement for the quarter

Particulars	Q2FY25		Q2FY24		YoY Gr %	Q1FY25		QoQ Gr%
	(\$)	(₹)	(\$)	(₹)		(\$)	(₹)	
Revenues	957	80,162	821	68,802	17	916	76,727	4
Cost of Revenues	387	32,393	339	28,434	14	363	30,383	7
Gross Profit	570	47,769	482	40,368	18	553	46,344	3
% of Revenues		59.6%		58.7%			60.4%	
Selling, General & Administrative Expenses	275	23,007	224	18,795	22	271	22,691	1
% of Revenues		28.7%		27.3%			29.6%	
Research & Development Expenses	87	7,271	65	5,447	33	74	6,193	17
% of Revenues		9.1%		7.9%			8.1%	
Impairment of Non-Current Assets, net	11	924	1	55	1580	0	5	
Other (Income)/Expense, net	(12)	(984)	(21)	(1,796)	(45)	(6)	(470)	109
Results from Operating Activities	210	17,551	213	17,867	(2)	214	17,925	(2)
Finance (Income)/Expense, net	(19)	(1,555)	(15)	(1,225)	27	(10)	(837)	86
Share of Profit of Equity Accounted Investees, net of tax	(1)	(61)	(1)	(42)	45	(1)	(59)	3
Profit before Income Tax	229	19,167	228	19,134	0	225	18,821	2
% of Revenues		23.9%		27.8%			24.5%	
Income Tax Expense	69	5,752	52	4,334	33	59	4,901	17
Profit for the Period	160	13,415	177	14,800	(9)	166	13,920	(4)
% of Revenues		16.7%		21.5%			18.1%	
Attributable to Equity holders of the parent company	150	12,553	177	14,800	(15)	166	13,920	(10)
Attributable to Non-controlling interests	10	862	-	-	-	-	-	-
Diluted Earnings per Share (EPS)^	0.18	15.04	0.21	17.76	(15)	0.20	16.69	(9)

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

EBITDA Computation for the quarter

Particulars	Q2FY25		Q2FY24		Q1FY25	
	(\$)	(₹)	(\$)	(₹)	(\$)	(₹)
Profit before Income Tax	229	19,167	228	19,134	225	18,821
Interest (Income) / Expense, net*	(15)	(1,262)	(14)	(1,166)	(12)	(1,037)
Depreciation	31	2,629	29	2,437	30	2,508
Amortization	16	1,346	16	1,353	16	1,302
Impairment	11	924	1	55	0	5
EBITDA	272	22,803	260	21,813	258	21,599
% of Revenues		28.4%		31.7%		28.2%

*Includes income from Investment



Consolidated Income Statement for the half year

Particulars	H1FY25		H1FY24		YoY Gr %
	(\$)	(₹)	(\$)	(₹)	
Revenues	1,873	156,889	1,626	136,186	15
Cost of Revenues	749	62,776	672	56,265	12
Gross Profit	1,124	94,113	954	79,921	18
% of Revenues		60.0%		58.7%	
Selling, General & Administrative Expenses	546	45,698	436	36,497	25
% of Revenues		29.1%		26.8%	
Research & Development Expenses	161	13,464	125	10,431	29
% of Revenues		8.6%		7.7%	
Impairment of Non-Current Assets, net	11	929	1	66	1308
Other (Income)/Expense, net	(17)	(1,454)	(31)	(2,576)	(44)
Results from Operating Activities	424	35,476	424	35,503	(0)
Finance (Income)/Expense, net	(29)	(2,392)	(24)	(2,009)	19
Share of Profit of Equity Accounted Investees, net of tax	(1)	(120)	(1)	(85)	41
Profit before Income Tax	454	37,988	449	37,597	1
% of Revenues		24.2%		27.6%	
Income Tax Expense	127	10,653	105	8,772	21
Profit for the Period	326	27,335	344	28,825	(5)
% of Revenues		17.4%		21.2%	
Attributable to Equity holders of the parent company	316	26,473	344	28,825	(8)
Attributable to Non-controlling interests	10	862	-	-	-
Diluted Earnings per Share (EPS)^	0.39	31.73	0.41	34.58	(8)

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

EBITDA Computation for the half year

Particulars	H1FY25		H1FY24	
	(\$)	(₹)	(\$)	(₹)
Profit before Income Tax	454	37,988	449	37,597
Interest (Income) / Expense, net*	(27)	(2,300)	(22)	(1,851)
Depreciation	61	5,137	56	4,718
Amortization	32	2,648	32	2,656
Impairment	11	929	1	66
EBITDA	530	44,402	516	43,186
% of Revenues		28.3%		31.7%

Key Balance Sheet Items

Particulars	As on 30 th Sep 2024		As on 30 th Jun 2024		As on 30 th Sep 2023	
	(\$)	(₹)	(\$)	(₹)	(\$)	(₹)
Cash and Cash Equivalents and Other Investments	767	64,274	1,141	95,599	833	69,784
Trade Receivables	1,008	84,398	968	81,088	832	69,722
Inventories	860	72,039	819	68,568	676	56,592
Property, Plant, and Equipment	1,035	86,693	959	80,343	841	70,478
Goodwill and Other Intangible Assets	1,240	103,892	494	41,374	493	41,278
Loans and Borrowings (Current & Non-Current)	580	48,540	366	30,675	158	13,230
Trade Payables	427	35,776	407	34,109	364	30,485
Equity	3,692	309,283	3,518	294,627	3,022	253,086



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Key Business Highlights [for Q2FY25]

- Completed acquisition of the **Nicotine Replacement Therapy ('NRT')** portfolio outside of the United States and paid upfront cash consideration of GBP 458 million.
- Operationalized, **Dr. Reddy's and Nestlé Health Science Limited**, in August 2024 to undertake the business of nutraceutical products and supplements in India and Nepal. 49% of the shares in the subsidiary transferred to Nestlé India.
- Secured **Marketing Authorization** from **European Commission** for our **rituximab** biosimilar, following a positive opinion from the CHMP of the European Medicines Agency.
- Received approval from the **USFDA** for Investigational New Drug (IND) application for **AUR-112**, a highly differentiated potent and selective inhibitor of MALT1, being developed for treatment of **lymphoid malignancies**.
- Entered into a non-exclusive patent licensing agreement with **Takeda** to commercialise **Vonoprazan**, a novel gastrointestinal drug, in India.

ESG & other Updates [for Q2FY25]

- Recognised amongst '**Top 15'** India's **Most Sustainable Companies**, 2024 by Businessworld India
- Received '**ESG Excellence Award**' 2024 in the 'Large-cap Pharmaceuticals & Healthcare' category by **KPMG India**
- '**Voluntary Action Indicated**' (**VAI**) classification by the United States Food and Drug Administration (**USFDA**) for two of our **formulations manufacturing facilities** in **Duvvada, Visakhapatnam** (FTO 7 and FTO 9), following their routine GMP inspection in May 2024 as well as our **API manufacturing facility** (CTO-6) in **Srikakulam, Andhra Pradesh**, following their GMP Inspection in June 2024.
- Product-specific Pre-Approval Inspection (**PAI**) completed by the **USFDA** at our formulations manufacturing facility (**FTO SEZ PU1**) in Srikakulam, Andhra Pradesh in August 2024 and issued a Form 483 with three observations. The response to the observations were submitted within stipulated timelines.
- Routine Good Manufacturing Practice (GMP) inspection concluded by the **USFDA** at our **R&D centre** in Bachupally, Hyderabad in September, 2024, with **zero observations**.
- Alteration in share capital of the Company by **sub-division/ split** of existing equity shares of face value of ₹5 each, fully paid up, including the American Depository Shares, into 5 equity shares of ₹1 each, fully paid-up, **approved by the shareholders** as well as the **Board of Directors** of the Company.



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Revenue Analysis

- **Q2FY25 consolidated revenues** at ₹80.2 billion, YoY growth of 17% and sequential growth of 4%. YoY growth was primarily driven by growth in global generics revenues. QoQ growth was primarily driven by global generics revenues in Emerging Markets, India, Europe as well as PSAL.

H1FY25 consolidated revenues at ₹156.9 billion, YoY growth of 15%. The growth was driven by strong performances in global generics in North America, India, Emerging Markets as well as PSAL.

Global Generics (GG)

- **Q2FY25 revenues** at ₹71.6 billion, YoY growth of 17% and QoQ growth of 4%. YoY growth was broad-based, driven by improved sales volumes and new product launches. Sequential growth was primarily driven by Emerging Markets and Europe.

H1FY25 revenues at ₹140.4 billion, a YoY growth of 16%. The growth was across all markets, driven by increase in sales volumes.

North America

- **Q2FY25 revenues** at ₹37.3 billion, YoY growth of 17% and QoQ decline of 3%. YoY growth was largely on account of increase in sales volumes, partly offset by price erosion. Sequential decline was due to decrease in sales volumes.

H1FY25 revenues at ₹75.7 billion, YoY growth of 19%. The growth was largely on account of increase in sales volumes, partially offset by price erosion.

- During the quarter, we launched four new products in the region, all of which were launched in the U.S. A total of 7 products were launched during the half year ended September 30, 2024.
- During the quarter, we filed two new Abbreviated New Drug Applications (ANDAs) with the USFDA, taking our year-to-date ANDA filing count to three. As of September 30, 2024, 80 generic filings were pending approval from the USFDA. These comprise of 75 ANDAs and five 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 22 of these have the 'First to File' status.

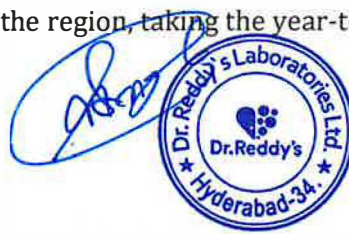
Europe

- **Q2FY25 revenues** at ₹5.8 billion, YoY growth of 9% and QoQ growth of 10%. YoY growth was primarily on account of leveraging the portfolio to launch new products, partly offset by price erosion. QoQ growth was primarily on account of new product launches.
 - **Germany** at ₹3.2 billion, YoY growth of 21% and QoQ growth of 16%.
 - **UK** at ₹1.6 billion, YoY decline of 7% and QoQ growth of 3%.
 - **Rest of Europe** at ₹0.9 billion, YoY growth of 4% and QoQ growth of 2%.

H1FY25 revenues at ₹11.0 billion, YoY growth of 7%. The growth was primarily on account of new product launches and momentum in base business, partly offset by price erosion.

- **Germany** at ₹6.0 billion, YoY growth of 17%.
- **UK** at ₹3.2 billion, YoY decline of 7%.
- **Rest of Europe** at ₹1.8 billion, YoY growth of 2%.

- During the quarter, we launched 8 new products in the region, taking the year-to-date total to 20.



India

- **Q2FY25 revenues** at ₹14.0 billion, YoY growth of 18% and QoQ growth of 5%. YoY growth was led by revenues from the vaccine portfolio in-licensed from Sanofi, new products launched as well as price increases. QoQ growth was on account of increase in sales volumes and price, as well as new product launches. As per IQVIA, our IPM rank was maintained at 10 for the quarter.
- **H1FY25 revenues** at ₹27.2 billion, YoY growth of 17%. YoY growth was largely on account of revenues from in-licensed vaccine portfolio, new products launched as well as higher prices.
- During the quarter, we launched three new brands in the country, taking the year-to-date total to 16. We also integrated the nutraceutical products under our subsidiary, 'Dr. Reddy's and Nestlé Health Science Limited' during the quarter.

Emerging Markets

- **Q2FY25 revenues** at ₹14.6 billion, YoY growth of 20% and QoQ growth of 23%. YoY growth is attributable to market share expansion as well as new product launches. QoQ growth was primarily due to higher volumes in the base business.
 - **Revenues from Russia** at ₹6.9 billion, YoY growth of 18% and QoQ growth of 24%.
 - YoY growth was due to higher sales volumes and price and new product launches, partly offset by unfavorable currency exchange rate movements.
 - QoQ growth was largely on account of market share expansion.
 - **Revenues from other Commonwealth of Independent States (CIS) countries and Romania** at ₹2.1 billion, YoY decline of 2% and QoQ growth of 12%.
 - YoY decline was primarily on account of decline in base business volumes.
 - QoQ growth was largely driven by higher base business volumes and increase in prices.
 - **Revenues from Rest of World (RoW) territories** at ₹5.6 billion, YoY growth of 32% YoY and QoQ growth of 26%.
 - YoY growth was due to momentum in base business and contribution from new products.
 - QoQ growth was largely driven by increase in base business volumes.
- **H1FY25 revenues** at ₹26.4 billion, YoY growth of 11%. The growth is attributable to market share expansion and new product launches, partly offset by unfavorable forex.
 - **Revenues from Russia** at ₹12.4 billion, YoY growth of 9%. The growth was largely on account of price increases in certain brands and improved volumes, partially offset by unfavorable currency exchange rate movements.
 - **Revenues from other CIS countries and Romania** at ₹4.1 billion, YoY decline of 2%. The decline was largely on account of lower sales volumes.
 - **Revenues from RoW territories** at ₹10.0 billion, YoY growth of 22%. The growth is largely attributable to higher base business volumes and new product launches.
- During the quarter, we launched 22 new products across various countries in the region, taking the year-to-date total to 39.



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Pharmaceutical Services and Active Ingredients (PSAI)

- **Q2FY25 revenues** at ₹8.4 billion, YoY growth of 20% and QoQ growth of 10%. YoY and QoQ growth was mainly driven by momentum in base business volumes, growth in services business and revenues from new products.
- **H1FY25 revenues** at ₹16.1 billion, with a growth of 17% YoY. The growth was mainly driven by market share expansion, growth in services business and revenues from new products.
- During the quarter, we filed 22 Drug Master Files (DMFs) globally, taking the year-to-date count to 36.

Income Statement Highlights:

Gross Margin

- **Q2FY25** at 59.6% (GG: 63.1%, PSAI: 30.0%), a YoY increase of 92 basis points (bps) and a QoQ decline of 81 bps. The YoY increase was on account of improvement in product mix and overhead leverage, partly offset by price erosion. On a sequential basis, the decline was primarily on account of change in mix.

H1FY25 at 60.0% (GG: 63.9%, PSAI: 26.7%), a YoY increase by 130 bps YoY. The expansion in margin was on account of favourable product mix and productivity cost savings, partially offset by price erosion in select markets.

Selling, General & Administrative (SG&A) Expenses

- **Q2FY25** at ₹23.0 billion, YoY increase of 22% and QoQ increase of 1%.

We incurred one-time acquisition related costs towards NRT portfolio. Excluding the same, SG&A spend was at 28% of sales.

H1FY25 at ₹45.7 billion, YoY increase of 25%.

The increase is largely on account of higher investments in sales & marketing activities to strengthen our existing brands, new business initiatives, including scaling up 'Over-the-Counter' (OTC) and consumer health businesses, as well as higher personnel and freight expenses.

Research & Development (R&D) Expenses

- **Q2FY25** at ₹7.3 billion. As % to Revenues – Q2FY25: 9.1% | Q2FY24: 7.9% | Q1FY25: 8.1%.

H1FY25 at ₹13.5 billion. As % to Revenues – H1FY25: 8.6% | H1FY24: 7.7%.

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

Other Operating Income

- **Q2FY25** at ₹1.0 billion as compared to ₹ 1.8 billion in Q2FY24.

H1FY25 at ₹1.5 billion as compared to ₹ 2.6 billion in H1FY24.

Net Finance Income

- **Q2FY25** at ₹1.6 billion compared to ₹1.2 billion in Q2FY24.

H1FY25 at ₹2.4 billion as compared to ₹2.0 billion in H1FY24.



Profit before Tax

- **Q2FY25** at ₹19.2 billion, flat YoY and a QoQ growth of 2%. As % to Revenues – Q2FY25: 23.9% | Q2FY24: 27.8% | Q1FY25: 24.5%.

Excluding the impact of aforesaid mentioned one-time acquisition related cost and impairment charge on non-current assets; underlying profit before tax stood at 25.7% of revenues.

H1FY25 at ₹38.0 billion, a YoY increase of 1%. As % to Revenues – H1FY25: 24.2% | H1FY24: 27.6%.

Income Tax

- **Q2FY25** at ₹5.8 billion. As % to PBT – Q2FY25: 30% | Q2FY24: 22.7% | Q1FY25: 26%.

The higher tax for the quarter is on account of reversal of a Deferred Tax Asset of Rs. 0.48 billion, created in earlier period on land, pursuant to the amendment in the Finance Act 2024, resulting in withdrawal of indexation benefit. Excluding the impact of this one-time reversal, adjusted effective tax rate for the quarter on the underlying PBT is 25.9%.

H1FY25: The ETR was 28.0% as compared to 23.3% in H1FY24.

Profit after Tax before Non-Controlling Interests

- **Q2FY25** at ₹13.4 billion, a YoY decline of 9% and a QoQ decline of 4%. As % to Revenues – Q2FY25: 16.7% | Q2FY24: 21.5% | Q1FY25: 18.1%.

Excluding the impact of one-time acquisition related cost, impairment charge on non-current assets, one-time tax expense, underlying profit after tax before non-controlling interests stood at 18.0% of revenues.

H1FY25 at ₹27.3 billion, a YoY decline of 5%. As % to Revenues – H1FY25: 17.4% | H1FY24: 21.2%.

Non-Controlling Interests (NCI)

- **Q2FY25** at ₹0.9 billion. This primarily includes the share in a one-time deferred tax asset recognized in the subsidiary books (Dr. Reddy's and Nestlé Health Science Limited) on account of transfer of Dr. Reddy's nutraceuticals business to the subsidiary and consequently allocated to NCI.

Profit attributable to Equity Holders of Parent Company

- **Q2FY25** at ₹12.6 billion, a YoY decline of 15% and a QoQ decline of 10%. As % to Revenues – Q2FY25: 15.7% | Q2FY24: 21.5% | Q1FY25: 18.1%.

Excluding the impact of one-time acquisition related cost, impairment charge on non-current assets, one-time tax expense, underlying profit after tax attributable to equity holders of parent company stood at 19% of revenues.

H1FY25 at ₹26.5 billion, a YoY decline of 8%. As % to Revenues – H1FY25: 16.9% | H1FY24: 21.2%.

Diluted Earnings per Share (EPS)

- **Q2FY25** is ₹15.04. **H1FY25** is ₹31.73.

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.



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Other Highlights:

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

- **Q2FY25** at ₹22.8 billion, YoY growth of 5% and QoQ growth of 6%. As % to Revenues – Q2FY25: 28.4% | Q2FY24: 31.7% | Q1FY25: 28.2%.

Excluding the impact of one-time acquisition related cost, EBITDA stood at 29.1% of sales.

- **H1FY25** at ₹44.4 billion, a YoY growth of 3%. As % to Revenues – H1FY25: 28.3% | H1FY24: 31.7%.

Others:

- **Operating Working Capital :** As on **30th September 2024** at ₹120.7 billion.
- **Capital Expenditure:** Q2FY25 at ₹7.4 billion.
- **Free Cash Flow:** Q2FY25 at ₹2.0 billion.
- **Net Cash Surplus:** As on **30th September 2024** at ₹18.9 billion
- **Debt to Equity:** As on **30th September 2024** is (0.06)
- **ROCE:** Q2FY25 at 28.5% (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

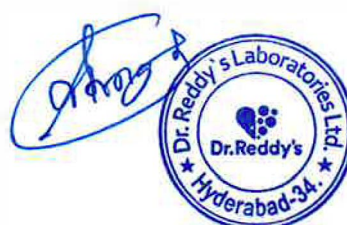
Particulars	As on 30 th Sep 2024
	(₹)
Inventories	72,039
Trade Receivables	84,398
Less:	
Trade Payables	35,776
Operating Working Capital	120,661

Free Cash Flow

Particulars	Three months ended 30 th Sep 2024
	(₹)
Net cash generated from operating activities	16,538
Less:	
Taxes	(7,223)
Investments in Property, Plant & Equipment, and Intangibles	(7,279)
Free Cash Flow before Acquisitions	2,036
Less:	
Acquisitions related Pay-out	(51,442)
Free Cash Flow	(49,406)

Net Cash Surplus and Debt to Equity

Particulars	As on 30 th Sep 2024
	(₹)
Cash and Cash Equivalents	11,330
Investments	52,944
Short-term Borrowings	(40,021)
Long-term Borrowings, Non-Current	(7,361)
Less:	
Restricted Cash Balance – Unclaimed Dividend and others	177
Lease liabilities (included in Long-term Borrowings, Non-Current)	(3,561)
Equity Investments (Included in Investments)	1,388
Net Cash Surplus	18,888
Equity	309,283
Net Debt/Equity	(0.06)



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Computation of Return on Capital Employed

Particulars	As on 30 th Sep 2024
	(₹)
Profit before Tax	19,167
Less:	
Interest and Investment Income (Excluding forex gain/loss)	1,262
Earnings Before Interest and taxes [A]	17,905
Average Capital Employed [B]	250,862
Annualized Return on Capital Employed (A/B) (Ratio)	28.5%

Computation of Capital Employed:

Particulars	As on	
	Sep 30, 2024	Mar 31, 2024
Property Plant and Equipment	86,693	76,886
Intangibles	92,119	36,951
Goodwill	11,773	4,253
Investment in Equity Accounted Associates	4,779	4,196
Other Current Assets	28,217	22,560
Other Investments	1,200	1,059
Other Non-Current Assets	1,510	1,632
Inventories	72,039	63,552
Trade Receivables	84,398	80,298
Derivative Financial Instruments	63	(299)
Less:		
Other Liabilities	47,840	46,866
Provisions	5,260	5,444
Trade payables	35,776	30,919
Operating Capital Employed	293,865	207,859
Average Capital Employed	250,862	

Computation of EBITDA

Refer page no. 3 & 4.



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: November 5, 2024

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=2636091&linkSecurityString=1174e664fe>

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 November 11th, 2024. For play back dial in phone No: +91 22 7194 5757, and Playback Code is 03706.

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 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. Dr. Reddy's assumes no obligation to update any information contained herein. 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 Half Year ended 30 September, 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 (Liquidated)
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.
13. Dr. Reddy's Laboratories Chile SPA.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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 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)
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)

Associates:

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

Joint Ventures:

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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: **24213271 B K E L L C 7849**

Place: Hyderabad

Date: November 05, 2024

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2024

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations						
	a) Sales	78,859	75,396	67,348	154,255	133,491	271,396
	b) License fees and service income	1,302	1,331	1,454	2,633	2,695	7,768
	c) Other operating income	221	234	224	455	419	947
	Total revenue from operations	80,382	76,961	69,026	157,343	136,605	280,111
2	Other income	3,075	1,872	3,150	4,747	4,890	8,943
3	Total income (1 + 2)	83,457	78,833	72,176	162,090	141,495	289,054
4	Expenses						
	a) Cost of materials consumed	12,872	12,272	9,559	25,144	22,527	44,901
	b) Purchase of stock-in-trade	12,828	13,801	11,378	26,629	20,149	43,991
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,033)	(4,256)	(907)	(6,289)	(3,270)	(6,805)
	d) Employee benefits expense	13,992	14,137	12,803	28,129	24,700	50,301
	e) Depreciation and amortisation expense	3,970	3,806	3,755	7,776	7,288	14,700
	f) Impairment of non-current assets, net	924	5	55	929	66	3
	g) Finance costs	757	598	353	1,355	724	1,711
	h) Other expenses	21,034	19,703	16,055	40,537	31,729	68,389
	Total expenses	64,344	60,066	53,051	124,210	103,913	217,191
5	Profit before tax and before share of equity accounted investees(3 - 4)	19,113	18,767	19,125	37,880	37,582	71,863
6	Share of profit of equity accounted investees, net of tax	61	59	42	120	85	147
7	Profit before tax (5+6)	19,174	18,826	19,167	38,000	37,667	72,010
8	Tax expense/(benefit):						
	a) Current tax	7,713	5,215	5,901	12,928	13,098	19,459
	b) Deferred tax	(1,958)	(313)	(1,556)	(2,271)	(4,303)	(3,228)
9	Net profit after taxes and share of profit of associates (7 - 8)	13,419	13,924	14,822	27,343	28,872	55,779
10	Net profit after taxes attributable to						
	a) Equity shareholders of the parent company	12,557	13,924	14,822	26,481	28,872	55,779
	b) Non-controlling interests	862	-	-	862	-	-
11	Other comprehensive income/(loss)						
	a) (i) Items that will not be reclassified subsequently to profit or loss	(33)	(91)	(222)	(124)	(116)	(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	2,978	115	(1,113)	3,093	(966)	(749)
	(ii) Income tax relating to items that will be reclassified to profit or loss	16	(6)	201	10	(9)	117
	Total other comprehensive income/(loss)	2,961	18	(1,134)	2,979	(1,091)	(656)
12	Total comprehensive income (9 + 11)	16,380	13,942	13,688	30,322	27,781	55,123
13	Total comprehensive income attributable to						
	a) Equity shareholders of the parent company	15,518	13,942	13,688	29,460	27,781	55,123
	b) Non-controlling interest	862	-	-	862	-	-
14	Paid-up equity share capital (face value Re. 1/- each)	834	834	834	834	834	834
15	Other equity						281,714
16	Earnings per equity share attributable to equity shareholders of parent(face value Re. 1/- each)						
	Basic	15.08	16.72	17.82	31.80	34.73	67.04
	Diluted	15.05	16.70	17.78	31.75	34.65	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

Segment information		All amounts in Indian Rupees millions					
Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment wise revenue and results:						
	Segment revenue :						
	a) Pharmaceutical Services and Active Ingredients	11,190	10,472	9,625	21,662	18,990	41,295
	b) Global Generics	71,636	68,929	61,130	140,565	121,260	245,673
	c) Others	179	212	683	391	1,276	3,922
	Total	83,005	79,613	71,438	162,618	141,526	290,890
	Less: Inter-segment revenue	2,623	2,652	2,412	5,275	4,921	10,779
	Total revenue from operations	80,382	76,961	69,026	157,343	136,605	280,111
2	Segment results:						
	Gross profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	2,521	1,772	1,260	4,293	2,273	6,929
	b) Global Generics	45,162	44,518	38,872	89,680	77,258	154,272
	c) Others	89	58	242	147	398	2,423
	Total	47,772	46,348	40,374	94,120	79,929	163,624
	Less: Selling and other un-allocable expenditure/(income), net	28,598	27,522	21,207	56,120	42,262	91,614
	Total profit before tax	19,174	18,826	19,167	38,000	37,667	72,010

Global Generics includes operations of Biologics business. Inter-segment revenue represents 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 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 issued 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 05 November 2024. The Statutory Auditors have carried out a limited review on the unaudited consolidated financial results and issued an unmodified report thereon.
- "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® (Abitratone). This transaction pertains to the Company's Global Generics segment.
 - Rs.984 million recognised in September 2023, pursuant to settlement of product related litigation by the Company and its affiliates in the United Kingdom. This transaction pertains to the Company's Global Generics segment.
- During the quarter and half year ended 30 September 2024, an amount of Rs. 906 million and Rs. 1,715 million, respectively and during the quarter and half year ended 30 September 2023 an amount of Rs. 1,598 million and Rs. 2,274 million, respectively representing government grants has been accounted as a reduction from cost of material consumed.
- "Impairment of non-current assets, net" Impairment loss recorded during the six months ended 30 September 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 period on land, during the quarter and half year ended 30 September 2024.
- Business purchase agreement with Nestlé 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. 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 recognised 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 Company's Global Generics segment.

Profit after tax attributable to Non-controlling interest for quarter and half year ended 30 September 2024, has arisen primarily on recognition of deferred tax asset on account of transfer of business from parent company to Nutraceuticals subsidiary. As at 30 September 2024, share of 49% held by Nestlé India is recorded under Non-controlling interest of Rs.3,939 million.



- 7 Business purchase agreement with Haleon:
On June 26, 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 half year ended 30 September 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.
- 8 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 ADS 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, the authorized share capital was sub-divided into 1,450,000,000 equity shares, the paid up share capital is sub-divided into 834,384,730 equity shares and Treasury shares are sub-divided into 1,338,570 having a face value of Rupee One each w.e.f record date of 28 October 2024.
- 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 affect of stock split was considered in the computation of basic and diluted EPS for the quarter and half year ended 30 September 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.
- 9 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, including sensitivity analysis, 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.
- 10 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 July 6, 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.



11 Consolidated Balance Sheet

All amounts in Indian Rupees millions

Particulars	As at	
	30.09.2024 (Unaudited)	31.03.2024 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	67,263	62,487
Capital work-in-progress	18,521	13,510
Goodwill	13,159	5,501
Other intangible assets	91,434	36,268
Intangible assets under development	685	683
Investment in equity accounted investees	4,779	4,196
Financial assets		
Investments	1,200	1,059
Other financial assets	1,170	1,212
Deferred tax assets, net	17,295	10,578
Tax assets, net	2,279	3,718
Other non-current assets	1,301	1,373
Total non-current assets	219,086	140,585
Current assets		
Inventories	72,039	63,552
Financial assets		
Investments	30,647	44,050
Trade receivables	84,398	80,298
Derivative financial instruments	400	169
Cash and cash equivalents	11,330	7,107
Other bank balances	8,954	10,170
Other financial assets	15,524	22,527
Other current assets	24,906	20,180
Total current assets	248,198	248,053
TOTAL ASSETS	467,284	388,638
EQUITY AND LIABILITIES		
Equity		
Equity share capital	834	834
Other equity	306,659	281,714
Equity attributable to equity shareholders of the parent company	307,493	282,548
Non-Controlling interests	3,939	-
Total equity	311,432	282,548
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	3,800	3,800
Lease liabilities	3,561	2,190
Other financial liabilities	2,806	-
Provisions	331	239
Deferred tax liabilities, net	13,762	841
Other non-current liabilities	2,385	3,140
Total non-current liabilities	26,645	10,210
Current liabilities		
Financial liabilities		
Borrowings	40,022	12,723
Lease liabilities	1,158	1,307
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	241	282
Total outstanding dues of creditors other than micro enterprises and small enterprises	29,965	25,862
Derivative financial instruments	337	468
Other financial liabilities	35,929	34,540
Liabilities for current tax, net	5,089	2,341
Provisions	6,361	6,920
Other current liabilities	10,105	11,437
Total current liabilities	129,207	95,880
TOTAL EQUITY AND LIABILITIES	467,284	388,638



12 Consolidated statement of cashflows

All amounts in Indian Rupees millions

Particulars	Half year ended	
	30.09.2024	30.09.2023
	(Unaudited)	(Unaudited)
Cash flows from/(used in) operating activities :		
Profit before tax	38,000	37,667
<i>Adjustments for:</i>		
Fair value changes and profit on sale of financial instruments measured at FVTPL*, net	(2,245)	(1,527)
Depreciation and amortisation expense	7,776	7,288
Impairment of non-current assets	929	66
Allowance for credit losses (on trade receivables and other advances)	96	137
(Profit)/loss on sale or de-recognition of non-current assets, net	(447)	(445)
Share of profit of equity accounted investees	(120)	(85)
Unrealized exchange (gain)/loss, net	504	(1,179)
Interest income	(1,409)	(1,048)
Finance costs	1,355	724
Equity settled share-based payment expense	208	211
Inventories write-down	2,844	1,418
<i>Changes in operating assets and liabilities:</i>		
Trade receivables	(4,182)	2,689
Inventories	(11,330)	(9,340)
Trade and other payables	4,062	4,568
Other assets and other liabilities, net	(9,474)	(3,482)
Cash generated from operations	26,565	37,662
Income tax paid, net	(8,754)	(8,486)
Net cash generated from operating activities	17,811	29,176
Cash flows (used in)/from investing activities :		
Purchase of property, plant and equipment	(12,646)	(7,323)
Proceeds from sale of property, plant and equipment	411	487
Purchase of other intangible assets	(1,687)	(8,787)
Proceeds from sale of other intangible assets	419	21
Investment in equity accounted investees	(317)	-
Payment for acquisition of businesses	(51,441)	-
Purchase of investments (including bank deposits)	(138,326)	(70,008)
Proceeds from sale of investments (including bank deposits)	162,988	71,815
Interest and dividend received	1,280	597
Dividend received from equity accounted investees	-	445
Net cash (used in)/from investing activities	(39,319)	(12,753)
Cash flows (used in) financing activities :		
Proceeds from issuance of equity shares (including treasury shares)	157	765
Proceeds/(Repayment) of short-term borrowings, net	27,556	(1,054)
Repayment of long-term loans and borrowings	-	(3,800)
Proceeds from long term borrowings	-	3,800
Proceeds from issuance of equity shares in Subsidiary to Non-controlling interest	7,056	-
Payment of principal portion of lease liabilities	(735)	(524)
Dividend paid	(6,662)	(6,648)
Interest paid	(1,681)	(1,051)
Net cash from/(used in) financing activities	25,691	(8,512)
Net increase/(decrease) in cash and cash equivalents	4,184	7,911
Effect of exchange rate changes on cash and cash equivalents	(6)	(155)
Cash and cash equivalents at the beginning of the period	7,107	5,779
Cash and cash equivalents at the end of the period⁽¹⁾	11,285	13,535

**FVTPL (fair value through profit or loss)

⁽¹⁾ Adjusted for bank-overdraft of Rs. 45 million and Rs. 4 million for the half year ended 30 September 2024 and 30 September 2023, respectively.

Place: Hyderabad
Date: 05 November 2024

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


G V Prasad
Co-Chairman & Managing Director




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 Half Year Ended 30 September, 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.: 213271UDIN: **24213271BKELLB2962**

Place: Hyderabad

Date: November 05, 2024

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2024

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations						
	a) Sales	58,534	58,076	48,037	116,610	102,071	192,764
	b) License fees and service income	8,254	163	154	8,417	321	1,277
	c) Other operating income	175	173	196	348	368	797
	Total revenue from operations	66,963	58,412	48,387	125,375	102,760	194,838
2	Other income	2,076	2,178	2,231	3,935	4,567	8,623
	Total income (1 + 2)	69,039	60,590	50,618	129,310	107,327	203,461
3	Expenses						
	a) Cost of materials consumed	9,343	9,111	7,512	18,454	15,651	32,915
	b) Purchase of stock-in-trade	6,565	7,403	4,992	13,968	8,834	19,866
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(930)	(1,261)	(1,054)	(2,191)	(1,217)	(2,388)
	d) Employee benefits expense	8,401	8,559	7,837	16,960	15,239	30,857
	e) Depreciation and amortisation expense	2,600	2,498	2,458	5,098	4,830	9,756
	f) Impairment of non current assets, net	-	-	-	-	-	260
	g) Finance costs	284	71	58	355	103	218
	h) Other expenses	16,368	15,070	12,809	31,119	25,685	54,064
	Total expenses	42,631	41,451	34,612	83,763	69,125	145,548
4	Profit before tax (1 + 2 - 3)	26,408	19,139	16,006	45,547	38,202	57,913
5	Tax expense						
	a) Current tax	7,033	4,666	3,960	11,699	9,347	13,618
	b) Deferred tax	554	301	120	855	535	875
6	Net profit for the period/year (4 - 5)	18,821	14,172	11,926	32,993	28,320	43,420
7	Other comprehensive income / (loss)						
	a) (i) Items that will not be reclassified to profit or loss	-	-	1	-	2	21
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(7)
	b) (i) Items that will be reclassified subsequently to profit or loss	(88)	55	(802)	(33)	(281)	(446)
	(ii) Income tax relating to items that will be reclassified to profit or loss	22	(14)	201	8	71	114
	Total other comprehensive (loss) / income	(66)	41	(600)	(25)	(208)	(318)
8	Total comprehensive income (6 + 7)	18,755	14,213	11,326	32,968	28,112	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	22.60	17.02	14.34	39.62	34.06	52.19
	Diluted	22.56	16.99	14.31	39.55	33.99	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			Half year ended		Year ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Segment wise revenue and results						
1	Segment revenue						
	a) Pharmaceutical Services and Active Ingredients	7,972	8,520	6,357	16,492	13,242	30,742
	b) Global Generics	61,467	52,447	43,995	113,914	93,673	173,405
	c) Others	23	61	128	84	259	678
	Total	69,462	61,028	50,480	130,490	107,174	204,825
	Less: Inter-segment revenue	2,499	2,616	2,093	5,115	4,414	9,987
	Total revenue from operations	66,963	58,412	48,387	125,375	102,760	194,838
2	Segment results						
	Profit / (loss) before tax and interest from each segment						
	a) Pharmaceutical Services and Active Ingredients	(146)	(70)	(540)	(216)	(1,136)	(287)
	b) Global Generics	26,800	19,667	16,174	46,467	38,666	57,670
	c) Others	20	97	108	117	99	536
	Total	26,674	19,694	15,742	46,368	37,629	57,919
	Less: (i) Finance costs	284	71	58	355	103	218
	(ii) Other un-allocable expenditure / (income), net	(18)	484	(322)	466	(676)	(212)
	Total profit before tax	26,408	19,139	16,006	45,547	38,202	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 05 November 2024. The Statutory Auditors have carried out a limited review on the unaudited standalone financial results and issued unmodified report thereon.
- "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 half year ended 30 September 2024, an amount of Rs. 896 million and Rs. 1,700 million respectively and during quarter and half year ended 30 September 2023, an amount of Rs. 1,590 million and Rs. 2,263 million respectively, representing government grants have been accounted as a reduction from cost of material 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 period on land, during the quarter and half year ended 30 September 2024.
- Agreement with Nestlé 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 quarter and half year ended 30 September 2024.

This acquisition pertains to Company's Global Generics segment.



- 6 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, the authorized share capital was sub-divided into 1,450,000,000 equity shares, the paid up share capital is sub-divided into 834,384,730 equity shares and Treasury shares are sub-divided into 1,338,570 having a face value of Rupee One each w.e.f record date of 28 October 2024.

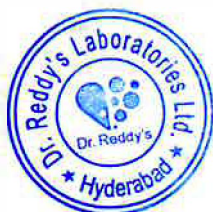
Post stock split, the number of each stock option vested and unvested and not exercised as on the record date were sub-divided into five options and the exercise price was proportionately adjusted.

The affect of stock split was considered in the computation of basic and diluted EPS for the quarter and half year ended 30 September 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.

- 7 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, including sensitivity analysis, 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.

- 8 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.



9 Balance sheet

All amounts in Indian Rupees millions

Particulars	As at	As at
	30.09.2024	31.03.2024
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	54,419	51,094
Capital work-in-progress	15,754	11,719
Goodwill	853	853
Other intangible assets	23,341	23,944
Intangible assets under development	391	391
Financial assets		
Investments	99,686	32,027
Loans	15	617
Other financial assets	873	919
Tax assets, net	1,023	3,161
Other non-current assets	790	709
Total non-current assets	197,145	125,434
Current assets		
Inventories	45,679	40,189
Financial assets		
Investments	25,333	41,179
Trade receivables	59,514	46,239
Derivative instruments	242	165
Cash and cash equivalents	983	2,014
Other bank balances	5,547	10,155
Other financial assets	14,288	22,078
Other current assets	17,865	16,140
Total current assets	169,451	178,159
TOTAL ASSETS	366,596	303,593
EQUITY AND LIABILITIES		
Equity		
Equity share capital	834	834
Other equity	268,245	241,574
Total Equity	269,079	242,408
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	480	495
Provisions	92	93
Deferred tax liabilities, net	5,007	4,161
Other non-current liabilities	952	1,055
Total non-current liabilities	6,531	5,804
Current liabilities		
Financial liabilities		
Borrowings	37,100	7,100
Lease liabilities	307	334
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	240	268
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,618	20,180
Derivative instruments	322	290
Other financial liabilities	18,826	17,023
Liabilities for current tax, net	4,066	670
Provisions	2,977	3,283
Other current liabilities	5,530	6,233
Total current liabilities	90,986	55,381
TOTAL EQUITY AND LIABILITIES	366,596	303,593



10 Statement of cashflows

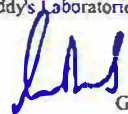
All amounts in Indian Rupees millions

Particulars	Half year ended	
	30.09.2024	30.09.2023
	(Unaudited)	(Unaudited)
Cash flows from/(used in) operating activities :		
Profit before tax	45,547	38,202
Adjustments for:		
Fair value changes and profit on sale of financial instruments measured at FVTPL**, net	(1,988)	(1,477)
Depreciation and amortisation expense	5,098	4,830
Allowance for credit losses (on trade receivables and other advances)	87	111
Profit on sale or de-recognition of non-current assets, net	(4)	(380)
Unrealized exchange (gain)/loss, net	(117)	105
Interest income	(1,718)	(1,425)
Finance costs	355	103
Equity settled share-based payment expense	189	180
Inventories write-down	1,635	769
Dividend income	-	(445)
Changes in operating assets and liabilities:		
Trade receivables	(13,354)	(13,753)
Inventories	(7,125)	(6,475)
Trade payables	1,410	3,012
Other assets and other liabilities, net	(2,100)	(3,014)
Cash generated from operations	27,915	20,343
Income taxes paid, net	(6,166)	(4,643)
Net cash generated from operating activities	21,749	15,700
Cash flows from/(used in) investing activities :		
Purchase of property, plant and equipment	(10,204)	(6,379)
Proceeds from sale of property, plant and equipment	194	414
Purchase of other intangible assets	(577)	(964)
Proceeds from sale of other intangible assets	104	21
Purchase of investments (including bank deposits)	(113,202)	(65,458)
Proceeds from sale of investments (including bank deposits)	143,644	62,762
Equity investments in subsidiary/associates	(67,601)	(500)
Dividend received	-	445
Interest income received	1,619	683
Loans and advances repaid/(given) by/to subsidiaries	602	(602)
Net cash used in investing activities	(45,421)	(9,578)
Cash flows from/(used in) financing activities :		
Proceeds from issuance of equity shares (including treasury shares)	157	765
Proceeds/(Repayment of) from short-term loans and borrowings, net	29,985	(6)
Payment of principal portion of lease liabilities	(140)	(126)
Dividend paid	(6,662)	(6,648)
Interest paid	(683)	(117)
Net cash from/(used in) financing activities	22,657	(6,132)
Net decrease in cash and cash equivalents	(1,015)	(10)
Effect of exchange rate changes on cash and cash equivalents	(16)	3
Cash and cash equivalents at the beginning of the period	2,014	1,123
Cash and cash equivalents at the end of the period	983	1,116

*Rounded off to million.

**FVTPL (fair value through profit or loss)

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



G V Prasad
Co-Chairman & Managing Director

Place: Hyderabad
Date: 05 November 2024