

May 14, 2021

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

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Dear Sir/Madam,

Sub: Outcome of Board Meeting – Audited Financial Results for the quarter and year ended March 31, 2021.

Further to our letter dated March 29, 2021 we would like to inform you that the Board of Directors of the Company at their meeting held on May 14, 2021, have *inter alia* approved the Audited Financial Results of the Company for the quarter and year ended March 31, 2021.

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

1. Audited Consolidated Financial Results of the Company and its subsidiaries for the quarter and year ended March 31, 2021 as per International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).
2. Press Release on Financial Results of the Company for the above period.
3. Audited Consolidated Financial Results of the Company and its subsidiaries for the quarter and year ended March 31, 2021 as per Indian Accounting Standards.
4. Audited Standalone Financial Results of the Company for the quarter and year ended March 31, 2021 as per Indian Accounting Standards.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Report of the Statutory Auditors on the financial results as mentioned at serial Nos. 3 & 4 are also enclosed.

We would like to confirm that the Statutory Auditors of the Company, have issued Audit Reports with 'Unmodified Opinion' on the Audited Financial Statements of the Company (Standalone and Consolidated) for the year ended March 31, 2021.

We would also like to inform that the Board of Directors have recommended a **final dividend** of **Rs. 25/- (500%)** per equity share of Rs. 5/- face value for the financial year 2020-21. The dividend will be paid on or after five days from the date of declaration of the final dividend by the shareholders at the 37th Annual General Meeting (AGM). The AGM date and book closure date for the purpose of the payment of final dividend will be announced in due course.

The Board Meeting commenced at 09.00 AM and concluded at 12.05 PM.

This is for your information and records.

With regards,


Sandeep Poddar
Company Secretary

Encl : as above

Audited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and year ended 31 March 2021 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			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenues	47,284	49,296	44,318	189,722	174,600
2	Cost of revenues	21,909	22,758	21,510	86,645	80,591
3	Gross profit (1 - 2)	25,375	26,538	22,808	103,077	94,009
4	Selling, general and administrative expenses	14,279	14,387	12,177	54,559	50,129
5	Research and development expenses	4,094	4,108	4,190	16,541	15,410
6	Impairment of non current assets	15	5,972	7	6,768	16,767
7	Other income, net	(587)	(128)	(168)	(982)	(4,290)
	Total operating expenses	17,801	24,339	16,206	76,886	78,016
8	Results from operating activities [(3) - (4 + 5 + 6 + 7)]	7,574	2,199	6,602	26,191	15,993
	Finance income	615	681	665	2,623	2,461
	Finance expense	(297)	(188)	(230)	(970)	(983)
9	Finance income, net	318	493	435	1,653	1,478
10	Share of profit of equity accounted investees, net of tax	179	151	105	480	561
11	Profit before tax (8 + 9 + 10)	8,071	2,843	7,142	28,324	18,032
12	Tax expense/(benefit), net	2,536	2,645	(500)	9,175	(1,466)
13	Profit for the period / year (11 - 12)	5,535	198	7,642	19,149	19,498
14	Earnings per share:					
	Basic earnings per share of Rs.5/- each	33.38	1.19	46.10	115.47	117.63
	Diluted earnings per share of Rs.5/- each	33.29	1.19	46.01	115.14	117.40
		(Not annualised)	(Not annualised)	(Not annualised)		

Segment reporting (consolidated)

All amounts in Indian Rupees millions

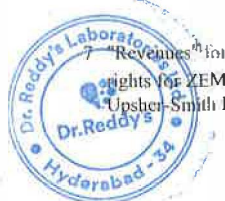
Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Segment wise revenue and results:					
	Segment revenue:					
	a) Pharmaceutical Services and Active Ingredients	9,796	8,745	8,673	38,887	31,657
	b) Global Generics	38,737	40,751	36,398	154,404	138,123
	c) Proprietary Products	243	124	2	523	7,949
	d) Others	389	1,412	723	2,813	2,781
	Total	49,165	51,032	45,796	196,627	180,510
	Less: Inter-segment revenues	1,881	1,736	1,478	6,905	5,910
	Net revenues	47,284	49,296	44,318	189,722	174,600
2	Segment results:					
	Gross profit from each segment					
	a) Pharmaceutical Services and Active Ingredients	2,513	1,773	2,043	9,426	6,190
	b) Global Generics	22,446	23,454	20,332	91,111	78,449
	c) Proprietary Products	238	100	(7)	482	7,744
	d) Others	178	1,211	440	2,058	1,626
	Total	25,375	26,538	22,808	103,077	94,009
	Less: Selling and other un-allocable expenditure, net of other income	17,304	23,695	15,666	74,753	75,977
	Total profit before tax	8,071	2,843	7,142	28,324	18,032

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

Notes:

- The audited results have been reviewed by the Audit Committee of the Board on 13 May 2021 and approved by the Board of Directors of the Company at their meeting held on 14 May 2021. The above financial results have been prepared in accordance with International Financial Reporting Standards and its interpretations (IFRS), as issued by the International Accounting Standards Board (IASB).
- During the year ended 31 March 2021, there were significant changes to the market conditions for certain of the products forming part of Company's Global Generics and Proprietary Products segments. The changes include the launch by competitor of generic version of the product, decrease in the market potential of products primarily due to higher than expected price erosion and increased competition, and higher than expected value erosion. Due to these adverse market developments, the Company recorded an impairment loss of:
 - Rs. 3,180 million relating to Ethinyl estradiol / Ethenogestral vaginal ring (a generic equivalent to NuvaRing®);
 - Rs. 1,587 million relating to Saxagliptin and metformin (generic version of Kombiglyze-XR) and Phentermine and Topiramate (generic version of Qsymia®); and
 - Rs. 1,955 million relating to other intangible assets forming part of the Company's Global Generics and Proprietary Products segments.
 In addition, an amount of Rs. 46 million was recorded as impairment loss pertaining to property, plant and equipment on write-down of assets to fair value less costs to sell forming part of Company's Global generics segment.
- Tax expense for the year ended 31 March 2021 includes the following:
 - Rs. 1,012 million of benefit, in the quarter ended 30 June 2020, on account of recognition of deferred tax asset consequent to a planned restructuring activity between the Group companies; and
 - Rs. 627 million of expense, in the quarter ended 31 March 2021, on account of derecognition of deferred tax asset due to non-availability of depreciation on goodwill pursuant to an amendment to section 2(11) of the Income Tax Act in the Finance Act, 2021.
- During the quarter ended 31 December 2020, the Company entered into a definitive agreement with Glenmark Pharmaceuticals Ltd. to acquire, certain brands in various Emerging Market countries for a total consideration of Rs. 1,516 million. The said transaction was accounted for as an acquisition of product related intangibles.
- On 10 June 2020, the Company completed the acquisition of select divisions of Wockhardt Limited's branded generics business in India and the territories of Nepal, Sri Lanka, Bhutan and Maldives. The business comprises a portfolio of 62 brands in multiple therapy areas, such as respiratory, neurology, venous malformations, dermatology, gastroenterology, pain, and vaccines. This entire portfolio has been transferred to the Company, along with related sales and marketing teams, the manufacturing plant located in Baddi, Himachal Pradesh, and employees. During the quarter ended 30 September 2020, the Company completed the purchase price allocation. The fair value of consideration transferred is Rs.16,115 million. The Company recognised Rs. 373 million, Rs. 14,888 million and Rs. 530 million towards property, plant and equipment, intangible assets, and goodwill, respectively. The acquisition pertains to Company's Global Generics segment.
- The Company has commenced a detailed investigation into an anonymous complaint. The complaint alleges 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 US Foreign Corrupt Practices Act. A legal firm is conducting the investigation at the instruction of a Committee of the Company Board of Directors. The investigation is ongoing. The Company has disclosed the matter to the US Department of Justice, Securities and Exchange Commission and Securities Exchange Board of India. While the matter may result in government enforcement actions against the Company in the United States and/or foreign jurisdictions, which could lead to civil and criminal sanctions under relevant laws, the probability of such action and the outcome are not reasonably ascertainable at this time.

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



- 8 "Other income, net" for the year ended 31 March 2020 includes an amount of Rs. 3,457 million received from Celgene, pursuant to a settlement agreement entered in April 2019. The agreement effectively settles any claim the Company or its affiliates may have had for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of REVLIMID brand capsules, (Lenalidomide) pending before Health Canada.
- 9 Total impairment charge for the year ended 31 March 2020 is Rs. 16,767 million, of which Rs. 11,137 million was towards impairment of gNuvaring, Rs. 4,385 million was towards ramelteon, tobramycin and imiquimod, and the balance is towards other product related intangibles forming part of the Company's Global generics and Proprietary Products segments.
- 10 Tax benefit for the year ended 31 March 2020 was primarily due to recognition of deferred tax asset of:
 - Rs. 4,989 million towards MAT recoverable pursuant to enactment of Taxation Laws (Amendment) Act, 2019;
 - Rs. 1,264 million pursuant to a planned restructuring activity between the group Companies.

11 Consolidated statements of financial position

All amounts in Indian Rupees millions

Particulars	As at	As at
	31.03.2021	31.03.2020
	(Audited)	(Audited)
ASSETS		
Current assets		
Cash and cash equivalents	14,829	2,053
Other investments	19,744	23,687
Trade and other receivables	49,641	50,278
Inventories	45,412	35,066
Derivative financial instruments	1,218	1,105
Tax assets	2,745	4,379
Other current assets	14,509	13,802
Total current assets before assets held for sale	148,098	130,370
Assets held for sale	151	-
Total current assets	148,249	130,370
Non-current assets		
Property, plant and equipment	57,111	52,332
Goodwill	4,568	3,994
Other intangible assets	35,648	27,659
Trade and other receivables	118	1,737
Investment in equity accounted investees	3,375	2,763
Other investments	4,958	328
Deferred tax assets	10,630	12,214
Other non-current assets	834	844
Total non-current assets	117,242	101,871
Total assets	265,491	232,241
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	21,916	16,659
Short-term borrowings	23,136	16,441
Long-term borrowings, current portion	864	4,266
Provisions	3,435	3,800
Tax liabilities	1,389	573
Derivative financial instruments	326	1,602
Bank overdraft	9	91
Other current liabilities	30,397	29,382
Total current liabilities	81,472	72,814
Non-current liabilities		
Long-term borrowings	6,299	1,304
Deferred tax liabilities	338	275
Provisions	58	54
Other non-current liabilities	2,343	2,806
Total non-current liabilities	9,038	4,439
Total liabilities	90,510	77,253
Equity		
Share capital	832	831
Treasury shares	(1,967)	(1,006)
Share premium	8,887	8,495
Share based payment reserve	1,461	1,233
Capital redemption reserve	173	173
Special economic zone re-investment reserve	1,326	-
Retained earnings	157,934	144,247
Other components of equity	6,335	1,015
Total equity	174,981	154,988
Total liabilities and equity	265,491	232,241

12 Consolidated statements of cash flows

All amounts in Indian Rupees millions

Particulars	Year ended	Year ended
	31.03.2021	31.03.2020
	(Audited)	(Audited)
Cash generated from operating activities:		
Profit for the year	19,149	19,498
Adjustments for:		
Tax expense/(benefit), net	9,175	(1,466)
Fair value changes and profit on sale of units of mutual funds, net	(557)	(929)
Depreciation and amortization	12,796	12,472
Impairment of non-current assets	6,768	16,767
Allowance for credit losses (on trade receivables and other advances)	230	190
Loss/(gain) on sale or de-recognition of non-current assets, net	42	68
Share of profit of equity accounted investees	(480)	(561)
Foreign exchange (gain)/loss, net	1,856	(2,168)
Interest expense, net	144	95
Equity settled share-based payment expense	584	521
Dividends income	*	(5)
Changes in operating assets and liabilities:		
Trade and other receivables	2,081	(12,446)
Inventories	(9,881)	(1,487)
Trade and other payables	2,861	1,576
Other assets and other liabilities, net	(3,349)	4,821
Cash generated from operations	41,419	36,946
Income tax paid, net	(5,716)	(7,105)
Net cash generated from operating activities	35,703	29,841
Cash flows from/(used in) investing activities:		
Expenditure on property, plant and equipment	(9,741)	(4,846)
Proceeds from sale of property, plant and equipment	85	131
Expenditures on other intangible assets	(2,820)	(1,269)
Proceeds from sale of other intangible assets	-	259
Payment for acquisition of business	(15,514)	-
Purchase of other investments	(75,418)	(111,918)
Proceeds from sale of other investments	79,528	111,704
Dividends received from equity accounted investees	-	392
Interest and dividend received	1,220	624
Net cash used in investing activities	(22,660)	(4,923)
Cash flows from/(used in) financing activities:		
Proceeds from issuance of equity shares (including treasury shares)	269	4
Purchase of treasury shares	(1,193)	(474)
Proceeds from short-term borrowings, net	6,791	4,235
Proceeds from long-term borrowings	3,800	-
Repayment of long-term borrowings	(3,743)	(22,918)
Payment of principal portion of lease liabilities	(754)	(482)
Dividend paid (including corporate dividend tax for the year ended 31 March 2020)	(4,147)	(3,916)
Interest paid	(1,321)	(1,608)
Net cash used in financing activities	(298)	(25,159)
Net increase / (decrease) in cash and cash equivalents	12,745	(241)
Effect of exchange rate changes on cash and cash equivalents	113	(25)
Cash and cash equivalents at the beginning of the year ⁽¹⁾	1,962	2,228
Cash and cash equivalents at the end of the year⁽²⁾	14,820	1,962

* Rounded off to the nearest million.

⁽¹⁾ Adjusted for bank overdraft of Rs. 91 million and Rs. Nil for the years ended 31 March 2021 and 31 March 2020, respectively.

⁽²⁾ Adjusted for bank-overdraft of Rs. 9 million and Rs. 91 million for the years ended 31 March 2021 and 31 March 2020, respectively.

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

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

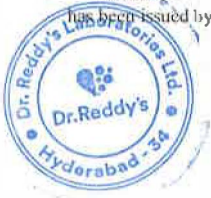


- 15 The Company continues to consider the impact of COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, and certain investments. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. The Company based on its judgements, estimates and assumptions including sensitivity analysis expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets. The Company will continue to closely monitor any material changes to future economic conditions.
- 16 The audited results were reviewed by the Audit Committee of the Board on 13 May 2021 and approved by the Board of Directors of the Company at their meeting held on 14 May 2021.
- 17 The Board of Directors, at their meeting held on 14 May 2021, have recommended a final dividend of Rs. 25 per share subject to approval of shareholders.
- 18 The figures of the fourth quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the relevant financial year. Also the figures upto the end of third quarter were only reviewed and not subjected to audit.
- 19 The results for the quarter and year ended 31 March 2021 periods presented have been audited by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

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

G V Prasad
Co-Chairman & Managing Director

Place: Hyderabad
Date: 14 May 2021



DR. REDDY'S LABORATORIES LTD.

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Hyderabad - 500034. Telangana, India.

CONTACT

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Dr. Reddy's Q4 & FY21 Financial Results

Hyderabad, India, May 14, 2021: Dr. Reddy's Laboratories Ltd. (BSE: 500124 | NSE: DRREDDY | NYSE: RDY | NSEIFSC: DRREDDY) today announced its consolidated financial results for the fourth quarter and full year ended March 31, 2021. The information mentioned in this release is on the basis of consolidated financial statements under International Financial Reporting Standards (IFRS).

Q4 Performance Summary

Rs. 4,728 Cr

Revenue

[Up: 7% YoY; Down: 4% QoQ]

53.7%

Gross Margin

[Q4 FY20: 51.5%; Q3 FY21: 53.8%]

Rs. 1,428 Cr

SGNA expenses

[Up: 17% YoY; Down: 1% QoQ]

Rs. 409 Cr

R&D expenses

[8.7% of Revenues]

Rs. 1,133 Cr

EBITDA

[24.0% of Revenues; Up: 13% YoY; Down: 4% QoQ]

Rs. 807 Cr

Profit before Tax

[Up: 13% YoY; 184% QoQ]

Rs. 554 Cr

Profit after Tax

[Down: 28% YoY; Up: 2695% QoQ]

FY21 Performance Summary

Rs. 18,972 Cr

Revenue

[Up: 9% YoY]

54.3%

Gross Margin

[FY20: 53.8%]

Rs. 5,456 Cr

SGNA expenses

[Up: 9% YoY]

Rs. 1,654 Cr

R&D expenses

[8.7% of Revenues]

Rs. 4,748 Cr

EBITDA

[25.0% of Revenues; Up: 2% YoY]

Rs. 2,832 Cr

Profit before Tax

[Up: 57% YoY]

Rs. 1,915 Cr

Profit after Tax

[Down: 2% YoY]

Commenting on the results, Co-Chairman & MD, G V Prasad said "In FY 21, we continued to grow across all our businesses, enhance productivity and strengthen our development pipeline. We are prioritizing our efforts to launch Sputnik V vaccine across India while working on the development and commercialization of several drugs for the treatment of mild to severe COVID 19 infections."

Dr. Reddy's Laboratories Limited and Subsidiaries**Consolidated Income Statement**

Particulars	Q4 FY21		Q4 FY20		YoY Gr %	Q3 FY21		QoQ Gr%
	(\$)	(Rs.)	(\$)	(Rs.)		(\$)	(Rs.)	
Revenues	646	47,284	606	44,318	7	674	49,296	(4)
Cost of Revenues	300	21,909	294	21,510	2	311	22,758	(4)
Gross Profit	347	25,375	312	22,808	11	363	26,538	(4)
Operating Expenses								
Selling, General & Administrative expenses	195	14,279	166	12,177	17	197	14,387	(1)
Research and Development expenses	56	4,094	57	4,190	(2)	56	4,108	(0)
Impairment of non-current assets	0	15	0	7	114	82	5,972	(100)
Other operating income	(8)	(587)	(2)	(168)	249	(2)	(128)	359
Results from operating activities	104	7,574	90	6,602	15	30	2,199	244
Net finance income	(4)	(318)	(6)	(435)	(27)	(7)	(493)	(35)
Share of profit of equity accounted investees	(2)	(179)	(1)	(105)	70	(2)	(151)	19
Profit before income tax	110	8,071	98	7,142	13	39	2,843	184
Income tax expense / (benefit)	35	2,536	(7)	(500)	(607)	36	2,645	(4)
Profit for the period	76	5,535	104	7,642	(28)	3	198	2695

Diluted Earnings Per Share (EPS)	0.46	33.29	0.63	46.01	(28)	0.02	1.19	2705
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As % to revenues	Q4 FY21	Q4 FY20	Q3 FY21
Gross Profit	53.7	51.5	53.8
SG&A	30.2	27.5	29.2
R&D	8.7	9.5	8.3
EBITDA	24.0	22.6	24.0
PBT	17.1	16.1	5.8
PAT	11.7	17.2	0.4

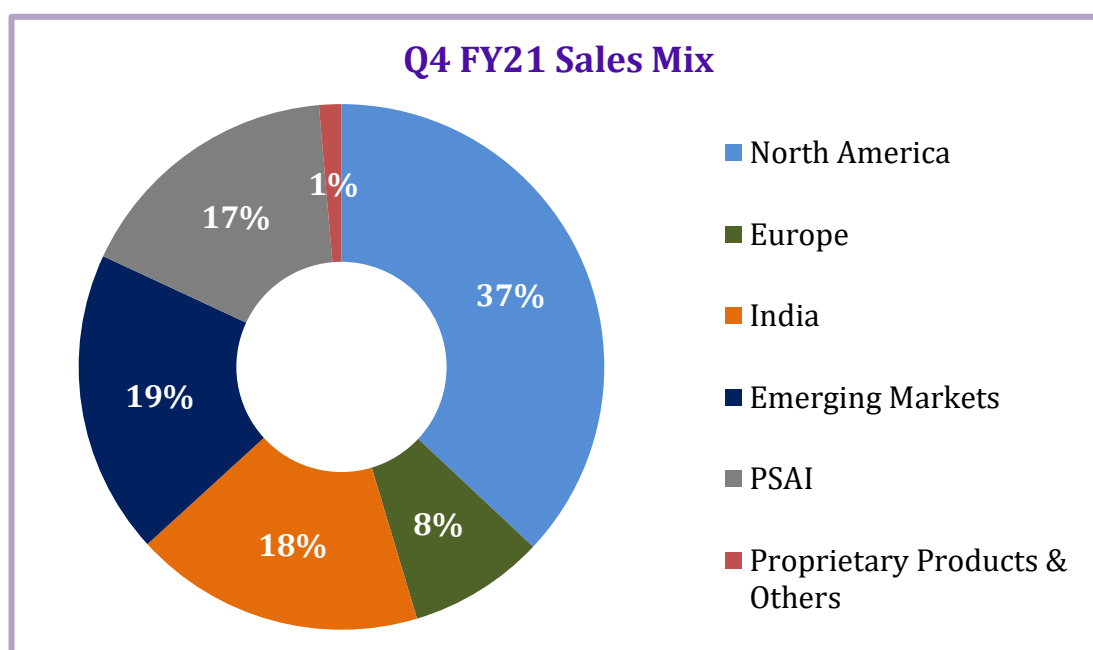
EBITDA Computation

Particulars	Q4 FY21		Q4 FY20		Q3 FY21	
	(\$)	(Rs.)	(\$)	(Rs.)	(\$)	(Rs.)
Profit before Income Tax	110	8,071	98	7,142	39	2,843
Interest (income) / expense (net)*	1	75	(1)	(100)	(2)	(180)
Depreciation	29	2,089	28	2,080	29	2,131
Amortization	15	1,080	12	885	15	1,086
Impairment	0	15	0	7	82	5,972
EBITDA	155	11,330	137	10,013	162	11,851

* Includes income from Investments

Revenue Mix by Segment

Segment	Q4 FY21	Q4 FY20	YoY Gr %	Q3 FY21	QoQ Gr %
	(Rs.)	(Rs.)		(Rs.)	
Global Generics	38,737	36,398	6	40,751	(5)
North America	17,491	18,072	(3)	17,394	1
Europe	3,956	3,446	15	4,143	(5)
India	8,445	6,839	23	9,591	(12)
Emerging Markets	8,845	8,041	10	9,623	(8)
Pharmaceutical Services and Active Ingredients (PSAI)	7,915	7,195	10	7,009	13
Proprietary Products & Others	632	725	(13)	1,536	(59)
Total	47,284	44,318	7	49,296	(4)



Dr. Reddy's Laboratories Limited and Subsidiaries**Consolidated Income Statement**

Particulars	FY21			FY20			Gr %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Revenue	2,594	1,89,722	100.0	2,387	1,74,600	100.0	9
Cost of revenues	1,185	86,645	45.7	1,102	80,591	46.2	8
Gross profit	1,409	1,03,077	54.3	1,285	94,009	53.8	10
Operating Expenses							
Selling, General & Administrative expenses	746	54,559	28.8	685	50,129	28.7	9
Research and Development expenses	226	16,541	8.7	211	15,410	8.8	7
Impairment of non-current assets	93	6,768	3.6	229	16,767	9.6	(60)
Other operating income	(13)	(982)	(0.5)	(59)	(4,290)	(2.5)	(77)
Results from operating activities	358	26,191	13.8	219	15,993	9.2	64
Net finance income	(23)	(1,653)	(0.9)	(20)	(1,478)	(0.8)	12
Share of profit of equity accounted investees	(7)	(480)	(0.3)	(8)	(561)	(0.3)	(14)
Profit before income tax	387	28,324	14.9	247	18,032	10.3	57
Income tax expense / (benefit)	125	9,175	4.8	(20)	(1,466)	(0.8)	(726)
Profit for the period	262	19,149	10.1	267	19,498	11.2	(2)
Diluted EPS	1.57	115.14		1.61	117.40		(2)

EBITDA Computation

Particulars	FY21		FY20	
	(\$)	(Rs.)	(\$)	(Rs.)
Profit before Income Tax	387	28,324	247	18,032
Interest income (net)*	(6)	(412)	(11)	(839)
Depreciation	117	8,527	118	8,640
Amortization	58	4,269	52	3,832
Impairment	93	6,768	229	16,767
EBITDA	649	47,477	635	46,431

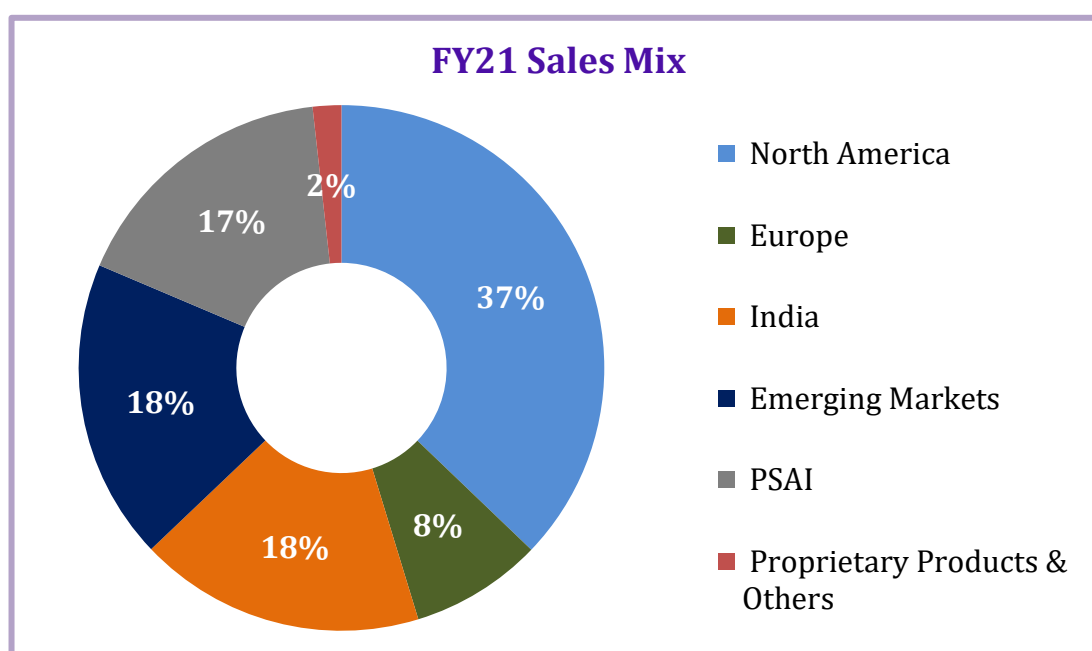
* Includes income from Investments

Key Balance Sheet Items

Particulars	As on 31st Mar 2021		As on 31st Dec 2020		As on 31st Mar 2020	
	(\$)	(Rs.)	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents and other investments	540	39,531	291	21,282	356	26,068
Trade receivables (current & non-current)	680	49,759	730	53,408	711	52,015
Inventories	621	45,412	606	44,309	479	35,066
Property, plant and equipment	781	57,111	769	56,263	716	52,332
Goodwill and Other Intangible assets	550	40,216	561	41,062	433	31,653
Loans and borrowings (current & non-current)	414	30,308	280	20,443	302	22,102
Trade payables	300	21,916	315	23,072	228	16,659
Equity	2,392	1,74,981	2,316	1,69,395	2,119	1,54,988

Revenue Mix by Segment [year on year]

Segment	FY21			FY20			Gr %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Global Generics	2,111	1,54,404	81.4	1,888	1,38,123	79.1	12
North America		70,494			64,659		9
Europe		15,404			11,707		32
India		33,419			28,946		15
Emerging Markets		35,087			32,812		7
Pharmaceutical Services and Active Ingredients (PSAI)	437	31,982	16.9	352	25,747	14.7	24
Proprietary Products & Others	46	3,336	1.8	147	10,730	6.1	(69)
Total	2,594	1,89,722	100.0	2,387	1,74,600	100.0	9



COVID portfolio

We continue to play our role in the fight against Covid-19 by acting proactively to bring multiple preventive and curative treatment options, including a vaccine. Some of our major Covid-19 products are:

Sputnik V vaccine: The trials demonstrated efficacy @ 91.6%, consistent safety and immunogenicity results. In April, 2021 we received Emergency Use Authorization (EUA) for the vaccine. We have launched it today and the first dose of the vaccine was administered. Our priority is to ensure widest reach in the shortest possible time.

Remdesivir: We launched it in India and have ramped up our supplies to meet with the higher demand due to surge of the COVID cases in India.

Avigan® (Favipiravir): We are selling it in India and few other markets. We are conducting phase 3 trials in North America for outpatient setting with mild to moderate symptoms.

2-deoxy-D-glucose (2-DG): We developed it in collaboration with DRDO lab. Received EUA as adjunct therapy for hospitalized moderate to severe Covid-19 patients.

Other Covid drugs: We are also working on Molnupiravir, Baricitinib and several other covid drugs for treatment ranging from mild to severe conditions.

Revenue Analysis [Q4 and full year FY21]

Global Generics (GG)

- Revenues from GG segment at Rs. 154.4 billion higher by 12% over FY20, on account of growth across all our markets. We witnessed double digit growth in Europe and India during the year.
- Q4 revenue at Rs. 38.7 billion, YoY growth of 6% and QoQ decline of 5%. The YoY growth was driven by branded markets (India and emerging markets), Europe partly offset by decline in NAG. QoQ decline was on account of branded markets & Europe.

North America

- Revenues from North America Generics for the year at Rs. 70.5 billion, YoY growth of 9%. The year was benefited by new launches, scale up of existing products and a favorable forex rate, which was partially offset by price erosion.
- Revenues for Q4 at Rs. 17.5 billion, YoY decline of 3% and QoQ growth of 1%. The YoY decline was primarily on account of higher volumes during Q4 last year due to COVID-19 related stocking up and price erosion. The QoQ growth was driven by volume traction in our base business and new product launches partly offset by price erosion.
- During this quarter, we launched 6 new products – Vigabatrin tablets (CGT status granted), Febuxostat tablets, Capecitabine tablets, Fluphenazine Hydrochloride tablets, Lansoprazole OD tablets and Abiraterone Acetate in Canada.
- As of 31st March 2021, cumulatively 95 generic filings are pending for approval with the USFDA (92 ANDAs and 3 NDAs under 505(b)(2) route). Out of the pending ANDAs, 47 are Para IVs, and we believe 23 have 'First to File' status.

Europe

- Revenues from Europe for the year at Rs. 15.4 billion. YoY growth of 32%, primarily on account of volume traction in base business, new product launches across our markets including newer markets of France, Italy and Spain and favorable forex, which was partially offset by price erosion.

- Revenues for Q4 at Rs. 4.0 billion, YoY growth of 15% and QoQ decline of 5%. QoQ decline was on account of lower volumes in our base business and price erosion which was partly offset by new products launched during the quarter.

India

- Revenues from India for the year at Rs. 33.4 billion. Year-on-year growth of 15%, driven by revenues from the acquired business of Wockhardt and contribution from new product launches.
- Revenues for Q4 at Rs. 8.4 billion, YoY growth of 23%, QoQ decline of 12%. QoQ decline was led by reduction in covid drugs sales and seasonality.

Emerging Markets

- Revenues from Emerging Markets for the year at Rs. 35.1 billion, growth of 7%.
 - Revenues from **Russia** for the year at Rs. 15.8 billion, YoY decline of 6%. The decline was primarily driven by adverse forex and lower volumes of some of our key molecules.
 - Revenues from other **CIS countries and Romania** for the year at Rs. 7.4 billion, YoY growth of 15%. Growth was on account of increase in volumes and new launches.
 - Revenues from **Rest of World (RoW)** territories for the year at Rs. 11.8 billion, YoY growth of 25%. Growth primarily on account of new launches and volume traction in key products, partially impacted by price erosion in certain markets.
- Revenues for the quarter are Rs. 8.8 billion, YoY growth of 10%, QoQ decline of 8%.
 - Revenues for **Russia** for the Q4 at Rs. 4.0 billion, YoY growth of 3%, QoQ decline of 11%.
 - Revenues from other **CIS countries and Romania** for the quarter are Rs. 1.9 billion, YoY growth of 7%, QoQ decline of 11%.
 - Revenues from **Rest of World (RoW)** territories for this quarter are Rs. 2.9 billion, YoY growth of 24%, QoQ decline of 1%.

Pharmaceutical Services and Active Ingredients (PSAI)

- Revenues from PSAI at Rs. 32.0 billion. Year-on-year growth of 24% driven by new products, increase in volumes of key products of API business and favorable forex partially offset by price erosion.
- Revenues for Q4 at Rs. 7.9 billion, YoY growth of 10% and QoQ growth of 13%.
- During the year, we have filed 14 DMFs in the US.

Proprietary Products (PP) & Others

- Revenues from PP & Others for the year at Rs. 3.3 billion, YoY decline of 69%. FY20 was higher due to income from sale of the US and select territory rights for two of Neurology franchise products pertaining to PP.
- Revenues for Q4 are Rs. 632 million.

Income Statement Highlights:

- **Gross profit** margin for the year at 54.3%, an increase of ~50 bps over previous year. The increase was driven by a better product mix and increased leverage from manufacturing overheads. This was partly offset by price erosion, lower export incentives and benefit from PP out-licensing income in FY 20. Gross profit margin for GG and PSAI business segments are at 59.0% and 29.5% respectively.
- Gross profit margin for the Q4 at 53.7% (GG: 57.9%, PSAI: 31.7%).
 - YoY gross margin increased by ~220 bps, primarily due to a better product mix and increased leverage from manufacturing overheads, partly offset by price erosion and lower export benefits
 - QoQ gross margin declined by ~10 bps.
- **Selling, general & administrative (SG&A) expenses** for FY21 at Rs. 54.6 billion, an increase of 9% on a YoY basis. This increase was primarily due to incremental costs post the integration of the acquired divisions from Wockhardt in this year and increased freight expenses. SG&A expenses for Q4 at Rs. 14.3 billion, YoY increase of 17% and QoQ decline of 1%. SG&A as a % to sales for the full year remained in line with FY20.
- **Impairment charge** at Rs. 6.8 billion in FY21, which were taken considering the triggers which occurred during the year.
- **Research & development (R&D) expenses** in FY21 at Rs. 16.5 billion. As % to Revenues – FY21: 8.7% | FY20: 8.8%. R&D expenses for Q4 at Rs. 4.1 billion, as % to revenues stood at 8.7%. Our focus continues on building a healthy pipeline of new products across our markets including development of products pertaining to COVID-19 treatment.
- **Other operating income** for the year at Rs. 982 million compared to Rs. 4.3 billion in FY20. Previous year included Rs. 3.5 billion received from Celgene pursuant to a settlement agreement in Canada.
- **Net Finance income** for the year at Rs. 1.7 billion compared to Rs. 1.5 billion in FY20. The increase is primarily on account of higher foreign exchange gain in current year as compared to FY20. Net finance income in Q4 is Rs. 0.3 billion.
- **Profit before Tax** for the year at Rs. 28.3 billion, YoY growth of 57%. Profit before Tax for Q4 is at Rs. 8.1 billion.
- **Profit after Tax** for the year at Rs. 19.1 billion and for Q4 at Rs. 5.5 billion. The tax rate in FY21 is higher due to non-recognition of deferred tax asset (DTA) on losses arising out of impairment. It was lower in FY20 due to recognition of deferred tax asset (DTA) on losses arising out of impairment, recognition of MAT credit, and others in line with the requirements of accounting standards.
- **Diluted earnings per share** for the year is Rs. 115.14. Diluted earnings per share for Q4 is Rs. 33.29.

Other Highlights:

- **EBITDA** for FY21 at Rs. 47.5 billion and the EBITDA margin is 25.0%. EBITDA for Q4 FY21 is at 11.3 billion and the EBITDA margin in 24.0%.
- **Capital expenditure** for FY21 is at Rs. 9.7 billion. Capital expenditure for Q4 FY21 is at Rs. 2.9 billion.
- **Free cash-flow** at Rs. 24.6 billion before acquisitions. Free cash-flow for Q4 FY21 at Rs. 7.9 billion.
- **Net cash surplus** for the company is at Rs. 7.5 billion as on March 31, 2021. Consequently, net debt to equity ratio is (0.04).
- The Board has recommended payment of a **dividend** of Rs. 25 per equity share of face value Rs 5/- each (500% of face value) for the year ended March 31, 2021 subject to approval of members.

Earnings Call Details (05:30 pm IST, 08:00 am EDT, May 14, 2021)

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

Conference Joining Information

Option 1: Express Join with DiamondPass™

Pre-register with the below link and join without waiting for the operator.

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=3461534&linkSecurityString=baf4735fc>

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 May 21st, 2021. For play back dial in phone No: +91 22 7194 5757 | +91 22 6663 5757, and Playback Code is 40700.

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

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

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

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

To
The Board of Directors of
Dr. Reddy's Laboratories Limited

Report on the audit of the Consolidated Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Dr. Reddy's Laboratories Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its joint ventures for the quarter and year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. includes the results of the following entities:

SL.No Name of the Company**Subsidiaries**

- 1 Aurigene Discovery Technologies Limited
- 2 Cheminor Investments Limited
- 3 Dr. Reddy's Bio-Sciences Limited
- 4 Dr. Reddy's Farmaceutica Do Brasil Ltda.
- 5 Dr. Reddy's Laboratories SA
- 6 Idea2Enterprises (India) Private Limited
- 7 Imperial Credit Private Limited
- 8 Industrias Quimicas Falcon de Mexico, S.A.de C.V.
- 9 Reddy Antilles N.V. (till 02 November 2019)
- 10 Svaas Wellness Limited (formerly 'Regkinetics Services Limited' name changed December 18, 2020)
- 11 Aurigene Discovery Technologies (Malaysia) SDN BHD
- 12 Aurigene Discovery Technologies Inc.
- 13 Aurigene Pharmaceuticals Services Limited (from 16 September 2019)
- 14 beta Institut gemeinnützige GmbH
- 15 betapharm Arzneimittel GmbH
- 16 Chirotech Technology Limited
- 17 DRL Impex Limited
- 18 Dr. Reddy's Laboratories (Australia) Pty. Limited
- 19 Dr. Reddy's Laboratories Canada, Inc.
- 20 Dr. Reddy's Laboratories Chile SPA.
- 21 Dr. Reddy's Laboratories (EU) Limited
- 22 Dr. Reddy's Laboratories Inc.
- 23 Dr. Reddy's Laboratories Japan KK
- 24 Dr. Reddy's Laboratories Kazakhstan LLP



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- 25 Dr. Reddy's Laboratories LLC
- 26 Dr. Reddy's Laboratories Louisiana LLC
- 27 Dr. Reddy's Laboratories Malaysia Sdn. Bhd.
- 28 Dr. Reddy's Laboratories New York, LLC
- 29 Dr. Reddy's Laboratories Philippines Inc.
- 30 Dr. Reddy's Laboratories (Proprietary) Limited
- 31 Dr. Reddy's Laboratories Romania S.R.L.
- 32 Dr. Reddy's Laboratories SAS
- 33 Dr. Reddy's Laboratories Taiwan Limited
- 34 Dr. Reddy's Laboratories (Thailand) Limited
- 35 Dr. Reddy's Laboratories (UK) Limited
- 36 Dr. Reddy's Research and Development B.V.
- 37 Dr. Reddy's Singapore PTE Limited (till 04 June 2019)
- 38 Dr. Reddy's Srl
- 39 Dr. Reddy's New Zealand Limited
- 40 Dr. Reddy's (WUXI) Pharmaceutical Co. Limited
- 41 Dr. Reddy's Venezuela, C.A.
- 42 Dr. Reddy's Laboratories B.V. (Formerly Eurobridge Consulting B.V.)
- 43 Lacock Holdings Limited
- 44 OOO Dr. Reddy's Laboratories Limited
- 45 OOO DRS LLC
- 46 Promius Pharma LLC
- 47 Reddy Holding GmbH
- 48 Reddy Netherlands B.V.
- 49 Reddy Pharma Iberia SA
- 50 Reddy Pharma Italia S.R.L.
- 51 Reddy Pharma SAS
- 52 Dr. Reddy's (Beijing) Pharmaceutical Co. Limited (from August 19, 2020)
- 53 Dr. Reddy's Formulations Limited (from March 11, 2021)

Joint ventures

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

Other consolidating entities

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

- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2021.



Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group, and its joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its joint ventures in accordance with the applicable accounting standards prescribed under section 133 of the Act 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 respective Board of Directors of the companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and its joint ventures are responsible for assessing the ability of the Group and its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Other Matter

The accompanying Statement includes the audited financial results/statements and other financial information, in respect of:

- Two subsidiaries, whose financial results/statements include total assets of Rs 23,729 million as at March 31, 2021, total revenues of Rs 7,234 million and Rs 32,687 million, total net profit after tax of Rs. 431 million and Rs. 2,290 million, total comprehensive income/ (loss) of Rs. 81 million and Rs. (149) million, for the quarter and the year ended on that date respectively, and net cash outflows of Rs. 169 million for the year ended March 31, 2021, as considered in the Statement which have been audited by their respective independent auditors.

The independent auditor's report on the financial statements/financial results/financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors.

These subsidiaries are located outside India whose financial results/financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results / financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per S Balasubrahmanyam

Partner

Membership No.: 053315



UDIN: 21053315AAAABJ5651

Place: Chennai

Date: May 14, 2021

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations					
	a) Net sales / income from operations	46,083	47,109	43,361	184,202	163,574
	b) License fees and service income	1,201	2,187	957	5,520	11,026
	c) Other operating income	398	123	171	753	570
	Total revenue from operations	47,682	49,419	44,489	190,475	175,170
2	Other income	826	705	736	2,914	6,206
3	Total income (1 + 2)	48,508	50,124	45,225	193,389	181,376
4	Expenses					
	a) Cost of materials consumed	10,261	11,773	7,453	42,958	29,848
	b) Purchase of stock-in-trade	6,768	6,803	5,875	25,736	25,459
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,614)	(2,199)	1,983	(7,905)	237
	d) Employee benefits expense	8,930	9,157	8,555	36,299	33,802
	e) Depreciation and amortisation expense	3,088	3,112	2,741	12,288	11,631
	f) Impairment of non-current assets	15	5,972	7	6,768	16,767
	g) Finance costs	297	188	230	970	983
	h) Selling and other expenses	12,790	12,520	11,124	47,920	44,353
	Total expenses	40,535	47,326	37,968	165,034	163,080
5	Profit before tax and before share of equity accounted investees(3 - 4)	7,973	2,798	7,257	28,355	18,296
6	Share of profit of equity accounted investees, net of tax	179	151	105	480	561
7	Profit before tax (5+6)	8,152	2,949	7,362	28,835	18,857
8	Tax expense / (benefit):					
	a) Current tax	1,380	1,902	417	8,172	6,616
	b) Deferred tax	1,199	768	(866)	1,147	(8,019)
9	Net profit after taxes and share of profit of associates (7 - 8)	5,573	279	7,811	19,516	20,260
10	Other comprehensive income					
	a) (i) Items that will not be reclassified subsequently to profit or loss	1,042	2,803	(326)	4,026	(412)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(220)	-	(22)	(220)	(22)
	b) (i) Items that will be reclassified subsequently to profit or loss	(6)	930	(1,011)	1,913	(448)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(24)	(1)	96	(319)	232
	Total other comprehensive income	792	3,732	(1,263)	5,400	(650)
11	Total comprehensive income (9 + 10)	6,365	4,011	6,548	24,916	19,610
12	Paid-up equity share capital (face value Rs. 5/- each)	832	831	831	832	831
13	Other equity				175,585	155,157
14	Earnings per equity share (face value Rs. 5/- each)					
	Basic	33.61	1.68	47.12	117.67	122.22
	Diluted	33.51	1.67	47.03	117.34	121.99
		(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			Year ended	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	Segment wise revenue and results:					
1	Segment revenue :					
	a) Pharmaceutical Services and Active Ingredients	9,923	8,841	8,782	39,284	32,086
	b) Global Generics	39,007	40,778	36,460	154,759	138,264
	c) Proprietary Products	243	124	2	523	7,949
	d) Others	390	1,412	723	2,814	2,781
	Total	49,563	51,155	45,967	197,380	181,080
	Less: Inter-segment revenue	1,881	1,736	1,478	6,905	5,910
	Total revenue from operations	47,682	49,419	44,489	190,475	175,170
2	Segment results:					
	Gross profit from each segment					
	a) Pharmaceutical Services and Active Ingredients	2,517	1,776	2,050	9,444	6,219
	b) Global Generics	22,446	23,454	20,332	91,111	78,449
	c) Proprietary Products	238	100	(7)	482	7,744
	d) Others	178	1,211	442	2,058	1,626
	Total	25,379	26,541	22,817	103,095	94,038
	Less: Selling and other un-allocable expenditure/(income), net	17,227	23,592	15,455	74,260	75,181
	Total profit before tax	8,152	2,949	7,362	28,835	18,857

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

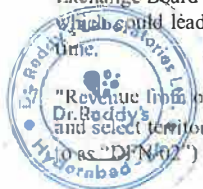
Segmental Capital employed

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

Notes:

- These results have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 as amended.
- During the year ended 31 March 2021, there were significant changes to the market conditions for certain of the products forming part of Company's Global Generics and Proprietary Products segments. The changes include the launch by competitor of generic version of the product, decrease in the market potential of products primarily due to higher than expected price erosion and increased competition, and higher than expected value erosion. Due to these adverse market developments, the Company recorded an impairment loss of:
 - Rs. 3,180 million relating to Ethinyl estradiol / Ethenogestral vaginal ring (a generic equivalent to NuvaRing®);
 - Rs. 1,587 million relating to Saxagliptin and metformin (generic version of Kombiglyze-XR) and Phentermine and Topiramate (generic version of Qsymia®); and
 - Rs. 1,955 million relating to other intangible assets forming part of the Company's Global Generics and Proprietary Products segments.
 In addition, an amount of Rs. 46 million was recorded as impairment loss pertaining to property, plant and equipment on write-down of assets to fair value less costs to sell forming part of Company's Global generics segment.
- Tax expense for the year ended 31 March 2021 includes the following:
 - Rs. 1,012 million of benefit, in the quarter ended 30 June 2020, on account of recognition of deferred tax asset consequent to a planned restructuring activity between the Group companies; and
 - Rs. 627 million of expense, in the quarter ended 31 March 2021, on account of derecognition of deferred tax asset due to non-availability of depreciation on goodwill pursuant to an amendment to section 2(11) of the Income Tax Act in the Finance Act, 2021.
- During the quarter ended 31 December 2020, the Company entered into a definitive agreement with Glenmark Pharmaceuticals Ltd. to acquire, certain brands in various Emerging Market countries for a total consideration of Rs. 1,516 million. The said transaction was accounted for as an acquisition of product related intangibles.
- On 10 June 2020, the Company completed the acquisition of select divisions of Wockhardt Limited's branded generics business in India and the territories of Nepal, Sri Lanka, Bhutan and Maldives. The business comprises a portfolio of 62 brands in multiple therapy areas, such as respiratory, neurology, venous malformations, dermatology, gastroenterology, pain, and vaccines. This entire portfolio has been transferred to the Company, along with related sales and marketing teams, the manufacturing plant located in Baddi, Himachal Pradesh, and employees. During the quarter ended 30 September 2020, the Company completed the purchase price allocation. The fair value of consideration transferred is Rs. 16,115 million. The Company recognised Rs. 373 million, Rs. 14,888 million and Rs. 530 million towards property, plant and equipment, intangible assets, and goodwill, respectively. The acquisition pertains to Company's Global Generics segment.
- The Company has commenced a detailed investigation into an anonymous complaint. The complaint alleges 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 US Foreign Corrupt Practices Act. A legal Firm is conducting the investigation at the instruction of a Committee of the Company Board of Directors. The investigation is ongoing. The Company has disclosed the matter to the US Department of Justice, Securities and Exchange Commission and Securities Exchange Board of India. While the matter may result in government enforcement actions against the Company in the United States and/or foreign jurisdictions, which could lead to civil and criminal sanctions under relevant laws, the probability of such action and the outcome are not reasonably ascertainable at this time.

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



- 8 "Other income" for the year ended 31 March 2020 includes an amount of Rs. 3,457 million received from Celgene, pursuant to a settlement agreement entered in April 2019. The agreement effectively settles any claim the Company or its affiliates may have had for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of REVLIMID brand capsules, (Lenalidomide) pending before Health Canada.
- 9 Total impairment charge for the year ended 31 March 2020 is Rs. 16,767 million, of which Rs. 11,137 million was towards impairment of gNuvaring, Rs. 4,385 million was towards ramelteon, tobramycin and imiquimod, and the balance is towards other product related intangibles forming part of the Company's Global generics and Proprietary Products segments.
- 10 Tax benefit for the year ended 31 March 2020 was primarily due to recognition of deferred tax asset of:
- Rs. 4,989 million towards MAT recoverable pursuant to enactment of Taxation Laws (Amendment) Act, 2019;
 - Rs. 1,264 million pursuant to a planned restructuring activity between the group Companies.

11 Consolidated Balance Sheet

All amounts in Indian Rupees millions

Particulars	As at	As at
	31.03.2021	31.03.2020
	(Audited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	47,322	47,779
Capital work-in-progress	9,539	4,364
Goodwill	5,599	4,913
Other intangible assets	29,136	15,811
Intangible assets under development	6,112	10,987
Investment in equity accounted investees	3,375	2,763
Financial assets		
Investments	4,958	328
Trade receivables	118	1,737
Other financial assets	768	793
Deferred tax assets, net	10,686	12,199
Tax assets, net	2,745	4,379
Other non-current assets	307	209
Total non-current assets	120,665	106,262
Current assets		
Inventories	45,412	35,067
Financial assets		
Investments	19,744	23,687
Trade receivables	49,641	50,278
Derivative instruments	1,218	1,105
Cash and cash equivalents	14,829	2,053
Other financial assets	1,858	3,377
Other current assets	12,650	10,424
Total current assets before assets held for sale	145,352	125,991
Assets held for sale	151	-
Total current assets	145,503	125,991
TOTAL ASSETS	266,168	232,253
EQUITY AND LIABILITIES		
Equity		
Equity share capital	832	831
Other equity	175,585	155,157
Total equity	176,417	155,988
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	6,299	1,304
Provisions	508	745
Deferred tax liabilities, net	289	20
Other non-current liabilities	1,617	2,055
Total non-current liabilities	8,713	4,124
Current liabilities		
Financial liabilities		
Borrowings	23,145	16,532
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	158	55
Total outstanding dues of creditors other than micro enterprises and small enterprises	17,951	15,193
Derivative instruments	326	1,602
Other financial liabilities	24,281	27,006
Liabilities for current tax, net	1,388	572
Provisions	5,015	4,669
Other current liabilities	8,774	6,512
Total current liabilities	81,038	72,141
TOTAL EQUITY AND LIABILITIES	266,168	232,253



12 Consolidated statement of cashflows

All amounts in Indian Rupees millions

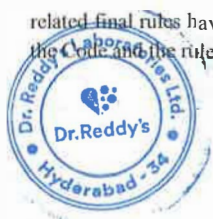
Particulars	Year ended	Year ended
	31.03.2021	31.03.2020
	(Audited)	(Audited)
Cash flows from / (used in) operating activities		
Profit before tax	28,835	18,857
Adjustments for:		
Fair value gain on financial instruments at fair value through profit or loss	(557)	(929)
Depreciation and amortisation expense	12,288	11,631
Impairment of non-current assets	6,768	16,767
Allowance for credit losses (on trade receivables and other advances)	230	190
Loss/(gain) on sale or de-recognition of non-current assets, net	42	68
Share of profit of equity accounted investees	(480)	(561)
Foreign exchange loss/(gain), net	1,853	(2,152)
Interest income	(826)	(888)
Finance costs	970	983
Equity settled share-based payment expense	584	521
Dividend on mutual funds	-*	(5)
Changes in operating assets and liabilities:		
Trade receivables	2,081	(12,446)
Inventories	(9,881)	(1,487)
Trade payables	2,861	1,576
Other assets and other liabilities, net	(3,349)	4,821
Cash generated from operations	41,419	36,946
Income tax paid, net	(5,716)	(7,105)
Net cash from operating activities	35,703	29,841
Cash flows from / (used in) investing activities		
Expenditures on property, plant and equipment	(9,741)	(4,846)
Proceeds from sale of property, plant and equipment	85	131
Expenditures on other intangible assets	(2,820)	(1,269)
Proceeds from sale of other intangible assets	-	259
Payment for acquisition of business	(15,514)	-
Purchase of investments	(75,418)	(111,918)
Proceeds from sale of investments	79,528	111,704
Dividend received from equity accounted investees	-	392
Interest and dividend received	1,220	624
Net cash used in investing activities	(22,660)	(4,923)
Cash flows from / (used in) financing activities		
Proceeds from issuance of equity shares (including treasury shares)	269	4
Purchase of treasury shares	(1,193)	(474)
Proceeds from short-term loans and borrowings, net	6,791	4,235
Proceeds from long-term loans and borrowings	3,800	-
Repayment of long-term loans and borrowings	(3,743)	(22,918)
Payment of principal portion of lease liabilities	(754)	(482)
Dividends paid (including corporate dividend tax for the year ended 31 March 2020)	(4,147)	(3,916)
Interest paid	(1,321)	(1,608)
Net cash used in financing activities	(298)	(25,159)
Net increase / (decrease) in cash and cash equivalents	12,745	(241)
Effect of exchange rate changes on cash and cash equivalents	113	(25)
Cash and cash equivalents at the beginning of the year ⁽¹⁾	1,962	2,228
Cash and cash equivalents at the end of the year⁽²⁾	14,820	1,962

* Rounded off to the nearest million.

⁽¹⁾ Adjusted for bank-overdraft of Rs. 91 million and Rs. Nil for the years ended 31 March 2021 and 31 March 2020, respectively.

⁽²⁾ Adjusted for bank-overdraft of Rs. 91 million and Rs. Nil for the years ended 31 March 2021 and 31 March 2020, respectively.

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



- 14 On 22 October 2020, the Company experienced a cybersecurity incident related to ransomware. The Company could contain the incident in a timely fashion and has also ensured that all traces of the infection are completely cleaned from the network. All affected systems were restored and brought back to normalcy in the order of priority. Based on our forensic investigation, no evidence was found of any data breaches leading to personally identifiable information. Since then, the Company has also been focused on implementing significant improvements to its cyber and data security systems to safeguard from such risks in the future.
- 15 The Company continues to consider the impact of COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, and certain investments. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. The Company based on its judgements, estimates and assumptions including sensitivity analysis expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets. The Company will continue to closely monitor any material changes to future economic conditions.
- 16 The audited results were reviewed by the Audit Committee of the Board on 13 May 2021 and approved by the Board of Directors of the Company at their meeting held on 14 May 2021.
- 17 The Board of Directors, at their meeting held on 14 May 2021, have recommended a final dividend of Rs. 25 per share subject to the approval of shareholders.
- 18 The figures of the fourth quarter are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the third quarter of the relevant financial year. Also the figures upto the end of third quarter were only reviewed and not subjected to audit.
- 19 The results for the quarter and year ended 31 March 2021 periods presented have been audited by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.



Place: Hyderabad
Date: 14 May 2021

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

G V Prasad
Co-Chairman & Managing Director

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

To
The Board of Directors of
Dr. Reddy's Laboratories Limited

Report on the audit of the Standalone Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Dr. Reddy's Laboratories Limited (the "Company") for the quarter and for the year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2021 and for the year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other



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matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

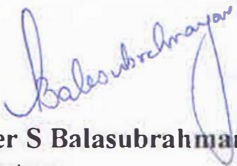
Other Matter

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per S Balasubrahmanyam

Partner

Membership No.: 053315



UDIN: 21053315AAAABI5406

Place: Chennai

Date: May 14, 2021

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2021 (Audited)	31.12.2020 (Unaudited)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
1	Revenue from operations					
	a) Net sales / income from operations	32,779	33,818	28,195	132,094	109,925
	b) License fees and service income	356	157	184	720	8,105
	c) Other operating income	372	107	138	677	474
	Total revenue from operations	33,507	34,082	28,517	133,491	118,504
2	Other income	816	628	1,274	8,011	7,432
	Total income (1 + 2)	34,323	34,710	29,791	141,502	125,936
3	Expenses					
	a) Cost of materials consumed	8,163	8,453	6,543	32,663	25,565
	b) Purchase of stock-in-trade	3,266	3,211	2,261	12,523	11,172
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	208	(877)	672	(3,956)	(999)
	d) Employee benefits expense	5,456	5,715	5,166	22,701	20,302
	e) Depreciation and amortisation expense	2,107	2,124	1,923	8,350	7,892
	f) Impairment	-	97	-	150	-
	g) Finance costs	169	65	118	467	478
	h) Selling and other expenses	10,385	9,743	8,667	38,042	33,768
	Total expenses	29,754	28,531	25,350	110,940	98,178
4	Profit before tax (1 + 2 - 3)	4,569	6,179	4,441	30,562	27,758
5	Tax expense / (benefit)					
	a) Current tax	788	1,108	690	5,401	4,839
	b) Deferred tax	666	634	(1,277)	3,297	(6,458)
6	Net profit for the period / year (4 - 5)	3,115	4,437	5,028	21,864	29,377
7	Other comprehensive income					
	a) (i) Items that will not be reclassified to profit or loss	(174)	6	85	(169)	88
	(ii) Income tax relating to items that will not be reclassified to profit or loss	62	-	(33)	62	(33)
	b) (i) Items that will be reclassified to profit or loss	78	136	(464)	994	(750)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(28)	(33)	161	(346)	259
	Total other comprehensive income	(62)	109	(251)	541	(436)
8	Total comprehensive income (6 + 7)	3,053	4,546	4,777	22,405	28,941
9	Paid-up equity share capital (face value Rs. 5/- each)	832	831	831	832	831
10	Other equity				169,005	151,088
11	Earnings per equity share (face value Rs. 5/- each)					
	Basic	18.78	26.74	30.34	131.84	177.23
	Diluted	18.73	26.66	30.28	131.46	176.88
		(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			Year ended	
		31.03.2021 (Audited)	31.12.2020 (Unaudited)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
	Segment wise revenue and results					
1	Segment revenue					
	a) Pharmaceutical Services and Active Ingredients	8,993	7,763	7,373	33,458	26,996
	b) Global Generics	26,144	27,970	22,606	106,467	89,774
	c) Proprietary Products	251	85	16	471	7,644
	Total	35,388	35,818	29,995	140,396	124,414
	Less: Inter-segment revenue	1,881	1,736	1,478	6,905	5,910
	Total revenue from operations	33,507	34,082	28,517	133,491	118,504
2	Segment results					
	Profit / (loss) before tax and interest from each segment					
	a) Pharmaceutical Services and Active Ingredients	1,227	428	438	7,486	1,465
	b) Global Generics	3,565	6,447	4,203	23,928	22,116
	c) Proprietary Products	44	(220)	(97)	(631)	6,525
	Total	4,836	6,655	4,544	30,783	30,106
	Less: (i) Finance costs	169	65	118	467	478
	(ii) Other un-allocable expenditure / (income), net	98	411	(15)	(246)	1,870
	Total profit before tax	4,569	6,179	4,411	30,562	27,758

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

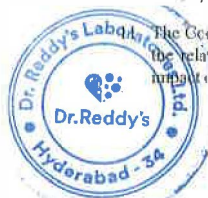
Segmental capital employed

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

Notes:

- These results have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 as amended.
- "Other income" for the year ended 31 March 2021 includes
 - Rs. 4,772 million received from Aurigene Pharmaceutical Services limited (APSL) during the quarter ended 30 June 2020, pursuant to sale of the contract development and manufacturing organisation (CDMO) division of the Custom Pharmaceutical Services (CPS) business of the Company.
 - Rs. 516 million of preference dividend from Dr. Reddy's Laboratories S.A.
- During the year ended 31 March 2021, the Company recorded a total impairment loss of Rs. 150 million the details of which are as under:
 - Rs. 97 million in the quarter ended 31 December, 2020 on account of decreased market potential of certain products, forming part of the Company's Global Generics segment, primarily due to higher than expected price erosion, increased competition, and higher than expected value erosion.
 - Rs. 53 million in the quarter ended 30 September 2020 on account of the Company's decision to discontinue the development of certain product related intangibles in the Company's Global Generics segment.
- During the three months ended 31 December 2020, the Company entered into a definitive agreement with Glenmark Pharmaceuticals Ltd. to acquire certain brands in various Emerging Market countries for a total consideration of Rs. 1,516 million. The said transaction was accounted for as an acquisition of product related intangibles.
- On 10 June 2020, the Company completed the acquisition of select divisions of Wockhardt Limited's branded generics business in India and the territories of Nepal, Sri Lanka, Bhutan and Maldives. The business comprises a portfolio of 62 brands in multiple therapy areas, such as respiratory, neurology, venous malformations, dermatology, gastroenterology, pain, and vaccines. This entire portfolio has been transferred to the Company, along with related sales and marketing teams, the manufacturing plant located in Baddi, Himachal Pradesh, and employees. During the quarter ended 30 September 2020, the Company completed the purchase price allocation. The fair value of consideration transferred is Rs. 16,115 million. The Company recognised Rs. 373 million, Rs. 14,888 million and Rs. 530 million towards property, plant and equipment, intangible assets, and goodwill, respectively. The acquisition pertains to Company's Global Generics segment.
- Tax expense for the quarter ended 31 March 2021 includes an amount Rs. 627 million on account of derecognition of deferred tax asset due to non-availability of depreciation on goodwill pursuant to an amendment to section 2(11) of the Income Tax Act in the Finance Act, 2021.
- The Company has commenced a detailed investigation into an anonymous complaint. The complaint alleges 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 US Foreign Corrupt Practices Act. A legal firm is conducting the investigation at the instruction of a Committee of the Company Board of Directors. The investigation is ongoing. The Company has disclosed the matter to the US Department of Justice, Securities and Exchange Commission and Securities Exchange Board of India. While the matter may result in government enforcement actions against the Company in the United States and/or foreign jurisdictions, which could lead to civil and criminal sanctions under relevant laws, the probability of such action and the outcome are not reasonably ascertainable at this time.
- "Revenue from operations" for the year ended 31 March 2020 includes an amount of Rs. 7,486 million (U.S. \$108.7 million), respectively, towards license fee for selling US and select territory rights for ZEMBRACE® SYMTOUCH® (sumatriptan injection) 3 mg and TOSYMRA® (sumatriptan nasal spray) 10 mg, (formerly referred to as "DFN-02") to Upsher-Smith Laboratories, LLC. The costs associated with this transaction are Rs. 328 million.
- "Other income" for the year ended 31 March 2020 includes an amount of Rs. 3,457 million received from Celgene, pursuant to a settlement agreement entered in April 2019. The agreement effectively settles any claim the Company or its affiliates may have had for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of REVLIMID brand capsules, (Lenalidomide) pending before Health Canada.
- Tax benefit for the year ended 31 March 2020 was primarily due to recognition of deferred tax asset of:
 - Rs. 4,989 million towards MAT recoverable pursuant to enactment of Taxation Laws (Amendment) Act, 2019;
 - Rs. 1,264 million pursuant to a planned restructuring activity between the group Companies

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



- 12 On 22 October 2020, the Company experienced a cybersecurity incident related to ransomware. The Company could contain the incident in a timely fashion and has also ensured that all traces of the infection are completely cleaned from the network. All affected systems were restored and brought back to normalcy in the order of priority. Based on our forensic investigation, no evidence was found of any data breaches leading to personally identifiable information. Since then, the Company has also been focused on implementing significant improvements to its cyber and data security systems to safeguard from such risks in the future.
- 13 The Company continues to consider the impact of COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, and certain investments. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. The Company based on its judgements, estimates and assumptions including sensitivity analysis expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets. The Company will continue to closely monitor any material changes to future economic conditions.

14 Balance sheet

All amounts in Indian Rupees millions

Particulars	As at	As at
	31.03.2021	31.03.2020
	(Audited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	35,792	37,698
Capital work-in-progress	8,771	3,841
Goodwill	853	323
Other intangible assets	21,798	6,318
Intangible assets under development	237	277
Financial assets		
Investments	33,922	33,671
Trade receivables	118	1,737
Loans	12	12
Other financial assets	492	474
Deferred tax assets, net	2,548	6,129
Tax assets, net	2,151	3,073
Other non-current assets	160	138
Total non-current assets	106,854	93,691
Current assets		
Inventories	28,197	21,904
Financial assets		
Investments	15,972	21,184
Trade receivables	40,800	46,387
Derivative instruments	915	783
Cash and cash equivalents	13,063	392
Other financial assets	529	1,888
Other current assets	9,966	8,529
Total current assets	109,442	101,067
TOTAL ASSETS	216,296	194,758
EQUITY AND LIABILITIES		
Equity		
Equity share capital	832	831
Other equity	169,005	151,088
Total Equity	169,837	151,919
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	177	193
Provisions	251	545
Deferred tax liabilities, net	-	-
Other non-current liabilities	428	296
Total non-current liabilities	856	1,034
Current liabilities		
Financial liabilities		
Borrowings	11,809	10,436
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	152	55
Total outstanding dues of creditors other than micro enterprises and small enterprises	13,212	10,629
Derivative instruments	306	1,524
Other financial liabilities	12,169	13,928
Provisions	2,987	2,073
Other current liabilities	4,968	3,160
Total current liabilities	45,603	41,805
TOTAL EQUITY AND LIABILITIES	216,296	194,758

15 Statement of cashflows

All amounts in Indian Rupees millions

Particulars	Year ended	Year ended
	31.03.2021	31.03.2020
	(Audited)	(Audited)
Cash flows from/(used in) operating activities		
Profit before taxation	30,562	27,758
Adjustments for:		
Depreciation and amortisation expense	8,350	7,892
Impairment of non-current assets	150	-
Equity settled share-based payment expense	584	521
Fair value gain on financial instruments at fair value through profit or loss	(510)	(821)
Foreign exchange loss / (gain), net	(443)	(229)
(Profit)/loss on sale/disposal of property, plant and equipment and other intangible assets, net	(4,711)	135
Interest income	(1,223)	(856)
Finance costs	467	478
Allowance for credit losses (on trade receivables and other advances)	69	95
Dividend from subsidiary, joint ventures and other entities	-	(397)
Changes in operating assets and liabilities:		
Trade receivables	7,137	(10,927)
Inventories	(5,827)	(1,748)
Trade payables	2,680	368
Other assets and other liabilities, net	2,337	892
Cash generated from operations	39,622	23,161
Income taxes paid, net	(4,480)	(4,769)
Net cash generated from operating activities	35,142	18,392
Cash flows from/(used in) investing activities		
Proceeds from sale of property, plant and equipment	4,900	58
Expenditures on property, plant and equipment	(8,575)	(4,262)
Expenditures on other intangible assets	(2,364)	(476)
Purchase of investments	(69,520)	(122,726)
Proceeds from sale of investments	74,861	109,186
Loans and advances (given) /repaid by subsidiaries	-	343
Payment for acquisition of business	(15,514)	-
Dividend income received	-	397
Interest income received	1,632	588
Net cash used in investing activities	(14,580)	(16,892)
Cash flows from/(used in) financing activities		
Proceeds from issuance of equity shares (including treasury shares)	269	4
Proceeds from short-term loans and borrowings, net	1,527	4,630
Repayment of long-term loans and borrowings, net	(3,743)	(1,805)
Payment of principal portion of lease liabilities	(38)	(155)
Dividend paid (including corporate dividend tax for the year ended 31 March 2020)	(4,147)	(3,914)
Purchases of treasury shares	(1,193)	(474)
Interest paid	(618)	(527)
Net cash used in financing activities	(7,943)	(2,241)
Net increase / (decrease) in cash and cash equivalents	12,619	(741)
Effect of exchange rate changes on cash and cash equivalents	44	-
Cash and cash equivalents at the beginning of the year ⁽¹⁾	391	1,132
Cash and cash equivalents at the end of the year ⁽²⁾	13,054	391

*Rounded off to the nearest million.

⁽¹⁾ Adjusted for bank overdraft of Rs. 1 million and Rs. Nil for the years ended 31 March 2021 and year ended 31 March 2020 respectively.

⁽²⁾ Adjusted for bank overdraft of Rs. 9 million and Rs. 1 million for the years ended 31 March 2021 and year ended 31 March 2020 respectively.

- 16 The audited results were reviewed by the Audit Committee of the Board on 13 May 2021 and approved by the Board of Directors of the Company at their meeting held on 14 May 2021.
- 17 The Board of Directors, at their meeting held on 14 May 2021, have recommended a final dividend of Rs. 25 per share subject to the approval of shareholders.
- 18 The figures of the fourth quarter are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the third quarter of the relevant financial year. Also the figures upto the end of third quarter were only reviewed and not subjected to audit.
- 19 The results for the quarter and year ended 31 March 2021 periods presented have been audited by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.


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



 G.V. Prasad
Co-Chairman & Managing Director