

October 28, 2022

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

Dear Sir/Madam,

**Sub: Outcome of Board Meeting – Unaudited Financial Results for the quarter and half-year ended September 30, 2022**

In continuation of our letter dated September 28, 2022, we would like to inform you that the Board of Directors of the Company at its meeting held on October 28, 2022, has *inter alia* approved the Unaudited Financial Results of the Company for the quarter and half-year ended September 30, 2022.

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

1. Unaudited Consolidated Financial Results of the Company and its subsidiaries for the quarter and half-year ended September 30, 2022, prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB)
2. Press Release on Unaudited Financial Results of the Company for the aforesaid period.
3. Unaudited Consolidated Financial Results of the Company and its subsidiaries for the quarter and half-year ended September 30, 2022, as per Indian Accounting Standards.
4. Unaudited Standalone Financial Results of the Company for the quarter and half-year ended September 30, 2022, as per Indian Accounting Standards.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Limited Review reports of the Statutory Auditors on the Unaudited Consolidated and Unaudited Standalone Financial results as mentioned at serial no 3 & 4 are also enclosed.

The Board Meeting commenced at 2.00 PM and concluded at 3.55 PM

This is for your information and records.

Thanking you.

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



K Randhir Singh  
**Company Secretary & Compliance Officer**

Encl: as above

**DR. REDDY'S LABORATORIES LIMITED**

Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and half year ended 30 September 2022 prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenues	63,057	52,154	57,632	115,211	106,826	214,391
2	Cost of revenues	25,810	26,148	26,846	51,958	50,341	100,551
3	<b>Gross profit (1 - 2)</b>	<b>37,247</b>	<b>26,006</b>	<b>30,786</b>	<b>63,253</b>	<b>56,485</b>	<b>113,840</b>
4	Selling, general and administrative expenses	16,560	15,493	15,951	32,053	30,996	62,081
5	Research and development expenses	4,869	4,325	4,463	9,194	8,997	17,482
6	Impairment of non-current assets	25	-	-	25	-	7,562
7	Other income, net	(334)	(6,024)	(1,743)	(6,358)	(2,230)	(2,761)
	<b>Total operating expenses</b>	<b>21,120</b>	<b>13,794</b>	<b>18,671</b>	<b>34,914</b>	<b>37,763</b>	<b>84,364</b>
8	<b>Results from operating activities [(3) - (4 + 5 + 6 + 7)]</b>	<b>16,127</b>	<b>12,212</b>	<b>12,115</b>	<b>28,339</b>	<b>18,722</b>	<b>29,476</b>
	Finance income	153	2,696	553	2,849	1,398	3,077
	Finance expense	(309)	(347)	(234)	(656)	(427)	(958)
9	<b>Finance income, net</b>	<b>(156)</b>	<b>2,349</b>	<b>319</b>	<b>2,193</b>	<b>971</b>	<b>2,119</b>
10	Share of profit of equity accounted investees, net of tax	140	94	247	234	413	703
11	<b>Profit before tax (8 + 9 + 10)</b>	<b>16,111</b>	<b>14,655</b>	<b>12,681</b>	<b>30,766</b>	<b>20,106</b>	<b>32,298</b>
12	Tax expense/(benefit), net	4,983	2,779	2,761	7,762	4,478	8,730
13	<b>Profit for the period/year (11 -12)</b>	<b>11,128</b>	<b>11,876</b>	<b>9,920</b>	<b>23,004</b>	<b>15,628</b>	<b>23,568</b>
14	<b>Earnings per share:</b>						
	Basic earnings per share of Rs.5/- each	67.04	71.56	59.80	138.59	94.24	142.08
	Diluted earnings per share of Rs.5/- each	66.89	71.40	59.65	138.30	94.00	141.69
		(Not annualised)					



(MSK)

**Segment information**

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<b>Segment wise revenue and results:</b>						
1	<b>Segment revenue:</b>						
	a) Pharmaceutical Services and Active Ingredients	8,110	8,133	9,990	16,243	18,852	36,995
	b) Global Generics	55,946	44,324	47,431	100,270	88,544	179,170
	c) Others	677	740	1,829	1,417	2,370	4,481
	<b>Total</b>	<b>64,733</b>	<b>53,197</b>	<b>59,250</b>	<b>117,930</b>	<b>109,766</b>	<b>220,646</b>
	Less: Inter-segment revenues	1,676	1,043	1,618	2,719	2,940	6,255
	<b>Net revenues</b>	<b>63,057</b>	<b>52,154</b>	<b>57,632</b>	<b>115,211</b>	<b>106,826</b>	<b>214,391</b>
2	<b>Segment results:</b>						
	Gross profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	233	1,110	2,166	1,343	3,796	6,821
	b) Global Generics	36,567	24,399	26,990	60,966	50,709	103,270
	c) Others	447	497	1,630	944	1,980	3,749
	<b>Total</b>	<b>37,247</b>	<b>26,006</b>	<b>30,786</b>	<b>63,253</b>	<b>56,485</b>	<b>113,840</b>
	Less: Selling and other un-allocable expenditure, net of other income	21,136	11,351	18,105	32,487	36,379	81,542
	<b>Total profit before tax</b>	<b>16,111</b>	<b>14,655</b>	<b>12,681</b>	<b>30,766</b>	<b>20,106</b>	<b>32,298</b>

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

**Notes:**

- 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 quarter ended 30 September 2022, an amount of Rs. 1,933 million representing government grants has been accounted for as a reduction from cost of revenues.
- Revenues for the quarter ended 30 June 2022 includes:
  - Rs. 902 million from sale of brands Z&D, Pedicloryl, Pecef and Ezinapi to J B Chemicals and Pharmaceuticals Limited;
  - Rs. 1,399 million from sale of brands Styptovit-E, Finast, Finast-T and Dynapres to Torrent Pharmaceuticals Limited. These transactions pertain to Company's Global Generics segment.
- On 23 June 2022, the Company entered into a settlement agreement with Indivior Inc., Indivior UK Limited and Aquestive Therapeutics, Inc. Pursuant to the agreement, the Company will receive payments totaling U.S.\$ 72 million by 31 March 2024. The said agreement resolves all claims between the parties relating to the Company's generic buprenorphine and naloxone sublingual film including Indivior's and Aquestive's patent infringement allegations and the Company's antitrust counterclaims. On 28 June 2022 the U.S. Court dismissed all claims and counterclaims pending in the case with prejudice, pursuant to a joint stipulation of dismissal filed by the parties. The Company recognised the present value of the amount receivable at Rs.5,638 million (U.S.\$ 71.39 million discounted to present value) on the date of the settlement as 'Other income, net' in the consolidated financial results of the Company. The aforesaid transaction pertain to Company's Global Generics segment.
- As the revenues and gross profits of the Proprietary Products segment are considerably lower than the quantitative thresholds mentioned in IFRS 8, "Operating Segments", the Company believes that Proprietary Products segment no longer qualifies to be a reportable segment and consequently, effective 1 April 2022, the Company included the financial information relating to Proprietary Products segment in "Others". The corresponding information relating to Proprietary Products segment for earlier periods has been restated to reflect the aforementioned change.
- Revenues for the year ended 31 March 2022 includes:
  - Rs. 1,774 million towards the sale of territorial rights relating to two of the Company's anti-bacterial brands (Ciprolet® and Levolet®) in Russia and CIS region to Alium JSC;
  - Rs. 390 million towards the sale of two of the Company's Brands (Daffy bar and Combihale) in India to Mankind Pharma Limited;
  - Rs. 1,084 million towards sale of its U.S. and Canada territory rights for ELYXYB (celecoxib oral solution) 25 mg/mL, to BioDelivery Sciences International, Inc. The aforesaid transactions pertain to Company's Global Generics and Others segment.
- During the year ended 31 March 2022, there were significant changes to the market conditions for certain of the products forming part of Company's Global Generics and Others segment. The changes include, decrease in the market potential of products, increased competition leading to lower volumes, and revenues not being in line with projections. Due to these adverse market developments, the Company recorded an impairment loss of Rs. 7,562 million on various non-current assets. The said impairment loss includes:
  - Rs. 4,337 million relating to PPC-06 (Tepilamide Fumarate Extended Release Tablets) in-process research and development asset;
  - Rs. 3,051 million pertaining to Shreveport Cash Generating Unit ("CGU") comprising of Property, plant and equipment and Goodwill;
  - Rs. 174 million relating to other intangible assets.
- Included in "Other income, net" for the quarter ended 30 September 2021, is Rs. 1,064 million representing the profit on sale of intangible asset, E7777 (anti-cancer agent) to Citius Pharmaceuticals, Inc. This transaction pertains to the Company's Others segment.
- The Company received an anonymous complaint in September 2020, alleging that healthcare professionals in Ukraine and potentially in other countries were provided with improper payments by or on behalf of the Company in violation of U.S. anti-corruption laws, specifically the U.S. Foreign Corrupt Practices Act. The Company disclosed the matter to the U.S. Department of Justice ("DOJ"), Securities and Exchange Commission ("SEC") and Securities Exchange Board of India. The Company engaged a U.S. law firm to conduct the investigation at the instruction of a committee of the Company's Board of Directors. On 6 July 2021 the Company received a subpoena from the SEC for the production of related documents, which were provided to the SEC. The Company made presentations to the SEC and the DOJ in relation to the investigation with respect to certain countries during the current and previous fiscal year. The Company also made a presentation to the SEC and the DOJ in relation to its Global Compliance Framework, including the ongoing enhancement initiatives, during the six months ended 30 September 2022. The Company is complying with its listing obligations as it relates to updating the regulatory agencies. While the findings from the aforesaid investigations could result in government or regulatory enforcement actions against the Company in the United States and/or foreign jurisdictions, which can lead to civil and criminal sanctions under relevant laws, the outcomes including liabilities are not reasonably ascertainable at this time.




All amounts in Indian Rupees millions

Particulars	As at	As at
	30.09.2022 (Unaudited)	31.03.2022 (Audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	9,096	14,852
Other investments	18,479	29,513
Trade and other receivables	76,987	66,764
Inventories	49,042	50,884
Derivative financial instruments	608	1,906
Tax assets	3,065	4,035
Other current assets	18,329	13,902
<b>Total current assets</b>	<b>175,606</b>	<b>181,856</b>
<b>Non-current assets</b>		
Property, plant and equipment	63,817	62,169
Goodwill	4,328	4,418
Other intangible assets	31,756	27,246
Trade and other receivables	-	54
Investment in equity accounted investees	4,376	4,318
Other investments	1,731	3,668
Deferred tax assets	7,559	8,204
Other non-current assets	1,801	894
<b>Total non-current assets</b>	<b>115,368</b>	<b>110,971</b>
<b>Total assets</b>	<b>290,974</b>	<b>292,827</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade and other payables	22,778	25,572
Short-term borrowings	10,770	27,082
Long-term borrowings, current portion	4,721	1,017
Provisions	4,690	4,258
Tax liabilities	1,257	1,615
Derivative financial instruments	2,500	479
Bank overdraft	3	-
Other current liabilities	33,312	33,992
<b>Total current liabilities</b>	<b>80,031</b>	<b>94,015</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,795	5,746
Deferred tax liabilities	46	60
Provisions	52	57
Other non-current liabilities	2,825	2,422
<b>Total non-current liabilities</b>	<b>4,718</b>	<b>8,285</b>
<b>Total liabilities</b>	<b>84,749</b>	<b>102,300</b>
<b>Equity</b>		
Share capital	832	832
Treasury shares	(1,533)	(1,601)
Share premium	9,436	9,280
Share based payment reserve	1,733	1,628
Capital redemption reserve	173	173
Debenture redemption reserve	304	304
Special economic zone re-investment reserve	327	755
Retained earnings	194,165	175,712
Other components of equity	788	3,444
<b>Total equity</b>	<b>206,225</b>	<b>190,527</b>
<b>Total liabilities and equity</b>	<b>290,974</b>	<b>292,827</b>



(MSK)

## 11 Consolidated statements of cash flows

All amounts in Indian Rupees millions

Particulars	Half year ended	
	30.09.2022	30.09.2021
	(Unaudited)	(Unaudited)
<b>Cash flows from/(used in) operating activities :</b>		
Profit for the period	23,004	15,628
<i>Adjustments for:</i>		
Tax expense	7,762	4,478
Fair value changes and profit on sale of financial instruments measured at FVTPL**, net	(78)	(217)
Depreciation and amortization	6,176	5,890
Impairment of non-current assets	25	-
Allowance for credit losses (on trade receivables and other advances)	69	138
(Gain)/loss on sale or de-recognition of non-current assets, net	68	(1,161)
Share of profit of equity accounted investees	(234)	(413)
Foreign exchange (gain)/loss, net	(345)	(398)
Interest expense/(income), net	223	(19)
Equity settled share-based payment expense	263	290
Dividends income	.*	-
<i>Changes in operating assets and liabilities:</i>		
Trade and other receivables	(10,150)	(19,031)
Inventories	1,842	(4,288)
Trade and other payables	(2,356)	4,934
Other assets and other liabilities, net	(5,693)	(634)
<b>Cash generated from operations</b>	<b>20,576</b>	<b>5,197</b>
Income tax paid, net	(4,640)	(3,539)
<b>Net cash generated from operating activities</b>	<b>15,936</b>	<b>1,658</b>
<b>Cash flows from/(used in) investing activities :</b>		
Expenditures on property, plant and equipment	(5,816)	(6,781)
Proceeds from sale of property, plant and equipment	48	154
Expenditures on other intangible assets	(6,203)	(3,767)
Proceeds from sale of other intangible assets	-	2,946
Purchase of other investments	(47,008)	(30,095)
Proceeds from sale of other investments	59,395	35,494
Interest received	394	411
<b>Net cash used in investing activities</b>	<b>810</b>	<b>(1,638)</b>
<b>Cash flows from/(used in) financing activities :</b>		
Proceeds from issuance of equity shares (including treasury shares)	66	281
Repayment of short-term borrowings	(16,862)	(62)
Payment of principal portion of lease liabilities	(499)	(408)
Dividend paid	(4,979)	(4,146)
Interest paid	(872)	(616)
<b>Net cash used in financing activities</b>	<b>(23,146)</b>	<b>(4,951)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(6,400)</b>	<b>(4,931)</b>
Effect of exchange rate changes on cash and cash equivalents	641	91
Cash and cash equivalents at the beginning of the period <sup>(1)</sup>	14,852	14,820
<b>Cash and cash equivalents at the end of the period<sup>(2)</sup></b>	<b>9,093</b>	<b>9,980</b>

\*Rounded off to million.

\*\*FVTPL (fair value through profit or loss)

<sup>(1)</sup> Adjusted for bank-overdraft of Rs. Nil and Rs. 9 million for the periods ended 30 September 2022 and 30 September 2021, respectively.

<sup>(2)</sup> Adjusted for bank-overdraft of Rs. 3 million and Rs. Nil for the periods ended 30 September 2022 and 30 September 2021, respectively.

- India's Code on Social Security, 2020, which aims to consolidate, codify and revise certain existing social security laws, received Presidential assent in September 2020 and has been published in the Gazette of India. However, the related final rules have not yet been issued and the date on which this Code will come into effect has not been announced. The Company will assess the impact of this Code and the rules thereunder when they come into effect.
- The Company considered the uncertainties relating to the COVID-19 pandemic and military conflict between Russia and Ukraine, in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. Based on its judgments, estimates and assumptions, including sensitivity analysis, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets. The Company will continue to closely monitor any material changes to future economic conditions.
- The unaudited results were reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meeting held on 28 October 2022.
- The results for the quarter and half year ended 30 September 2022 were subject to a "Limited Review" by the Independent Auditors of the Company. An unqualified report has been issued by them thereon.

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



V Prasad  
Co-Chairman & Managing Director

Place: Hyderabad  
Date: 28 October 2022




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

#### CONTACT

#### INVESTOR RELATIONS

AMIT AGARWAL  
[amita@drreddys.com](mailto:amita@drreddys.com)

#### MEDIA RELATIONS

USHA IYER  
[ushaiyer@drreddys.com](mailto:ushaiyer@drreddys.com)

## Dr. Reddy's Q2 & H1 FY23 Financial Results

**Hyderabad, India, October 28, 2022:** Dr. Reddy's Laboratories Ltd. (BSE: 500124 | NSE: DRREDDY | NYSE: RDY | NSEIFSC: DRREDDY) today announced its consolidated financial results for the quarter and the half year ended September 30, 2022. The information mentioned in this release is on the basis of consolidated financial statements under International Financial Reporting Standards (IFRS).

### Q2 Performance Summary

**Rs. 6,306 Cr**

**Revenue**

[Up: 21% QoQ; 9% YoY]

**59.1%**

**Gross Margin**

[Q1 FY23: 49.9%; Q2 FY22: 53.4%]

**Rs.1,656 Cr**

**SGNA expenses**

[Up: 7% QoQ; 4% YoY]

**Rs. 487 Cr**

**R&D expenses**

[7.7% of Revenues]

**Rs. 1,932 Cr**

**EBITDA**

[30.6% of Revenues]

**Rs. 1,611 Cr**

**Profit before Tax**

[Up: 10% QoQ; 27% YoY]

**Rs. 1,113 Cr**

**Profit after Tax**

[Down: 6% QoQ; Up: 12% YoY]

### H1 Performance Summary

**Rs. 11,521 Cr**

**Revenue**

[Up: 8% YoY]

**54.9%**

**Gross Margin**

[H1 FY22: 52.9%]

**Rs. 3,205 Cr**

**SGNA expenses**

[Up: 3% YoY]

**Rs. 919 Cr**

**R&D expenses**

[8.0% of Revenues]

**Rs. 3,711 Cr**

**EBITDA**

[32.2% of Revenues]

**Rs. 3,077 Cr**

**Profit before Tax**

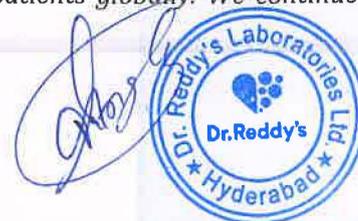
[Up: 53% YoY]

**Rs. 2,300 Cr**

**Profit after Tax**

[Up: 47% YoY]

*Commenting on the results, Co-Chairman & MD, G V Prasad said "We are pleased with the strong financial performance in the current quarter, driven by the launch of Lenalidomide capsules in the US market. Our focus is to build a robust pipeline with products that improve affordability and access to patients globally. We continue to progress well in our productivity, innovation and sustainability agenda."*

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

Particulars	Q2 FY23		Q2 FY22		YoY Gr %	Q1 FY23		QoQ Gr%
	(\$)	(Rs.)	(\$)	(Rs.)		(\$)	(Rs.)	
<b>Revenues</b>	<b>775</b>	<b>63,057</b>	<b>708</b>	<b>57,632</b>	<b>9</b>	<b>641</b>	<b>52,154</b>	<b>21</b>
Cost of Revenues	317	25,810	330	26,846	(4)	321	26,148	(1)
<b>Gross Profit</b>	<b>458</b>	<b>37,247</b>	<b>378</b>	<b>30,786</b>	<b>21</b>	<b>320</b>	<b>26,006</b>	<b>43</b>
<b>Operating Expenses</b>								
Selling, General & Administrative expenses	204	16,560	196	15,951	4	190	15,493	7
Research and Development expenses	60	4,869	55	4,463	9	53	4,325	13
Impairment of non-current assets	0	25	0	0		0	0	
Other operating income	(4)	(334)	(21)	(1,743)	(81)	(74)	(6,024)	(94)
<b>Results from operating activities</b>	<b>198</b>	<b>16,127</b>	<b>149</b>	<b>12,115</b>	<b>33</b>	<b>150</b>	<b>12,212</b>	<b>32</b>
Net finance income	2	156	(4)	(319)	(149)	(29)	(2,349)	(107)
Share of profit of equity accounted investees	(2)	(140)	(3)	(247)	(43)	(1)	(94)	49
<b>Profit before income tax</b>	<b>198</b>	<b>16,111</b>	<b>156</b>	<b>12,681</b>	<b>27</b>	<b>180</b>	<b>14,655</b>	<b>10</b>
Income tax expense	61	4,983	34	2,761	80	34	2,779	79
<b>Profit for the period</b>	<b>137</b>	<b>11,128</b>	<b>122</b>	<b>9,920</b>	<b>12</b>	<b>146</b>	<b>11,876</b>	<b>(6)</b>
<b>Diluted Earnings Per Share (EPS)</b>	<b>0.82</b>	<b>66.89</b>	<b>0.73</b>	<b>59.65</b>	<b>12</b>	<b>0.88</b>	<b>71.40</b>	<b>(6)</b>

As % to revenues
Gross Profit
SG&A
R&D
EBITDA
PBT
PAT

Q2 FY23
59.1
26.3
7.7
30.6
25.5
17.6

Q2 FY22
53.4
27.7
7.7
27.0
22.0
17.2

Q1 FY23
49.9
29.7
8.3
34.1
28.1
22.8

**EBITDA Computation**

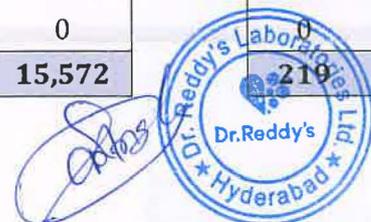
Particulars	Q2 FY23	
	(\$)	(Rs.)
<b>Profit before Income Tax</b>	<b>198</b>	<b>16,111</b>
Interest income (net)*	1	61
Depreciation	26	2,107
Amortization	13	1,018
Impairment	0	25
<b>EBITDA</b>	<b>237</b>	<b>19,322</b>

Q2 FY22	
(\$)	(Rs.)
156	12,681
(1)	(93)
25	2,075
11	910
0	0
<b>191</b>	<b>15,572</b>

Q1 FY23	
(\$)	(Rs.)
180	14,655
1	84
25	2,050
12	1,000
0	0
<b>219</b>	<b>17,789</b>

\* Includes income from Investments

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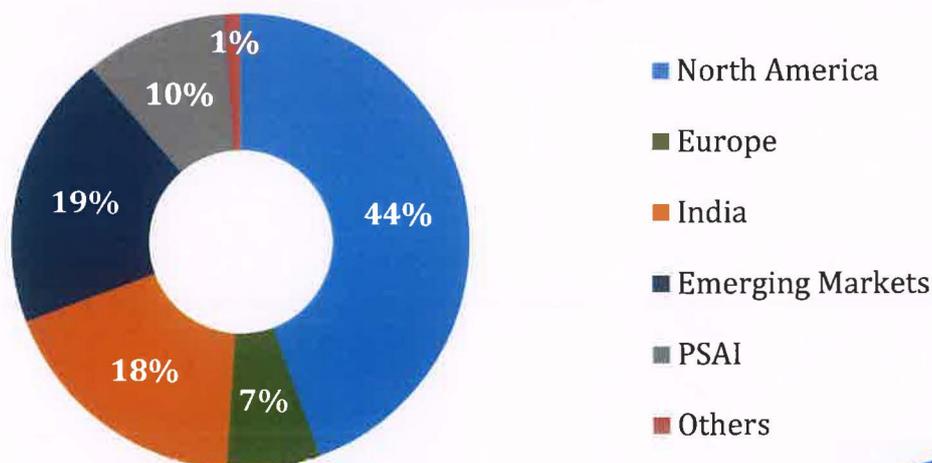
## Key Balance Sheet Items

Particulars	As on 30th Sep 2022		As on 30th Jun 2022		As on 30th Sep 2021	
	(\$)	(Rs.)	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents and other investments	360	29,306	436	35,468	346	28,188
Trade receivables	946	76,987	901	73,274	844	68,666
Inventories	603	49,042	637	51,810	611	49,700
Property, plant and equipment	784	63,817	784	63,826	740	60,229
Goodwill and Other Intangible assets	443	36,084	445	36,213	457	37,206
Loans and borrowings (current & non-current)	212	17,289	303	24,666	372	30,273
Trade payables	280	22,778	308	25,052	314	25,552
Equity	2,534	2,06,225	2,463	2,00,389	2,260	1,83,928

## Revenue Mix by Segment

Segment	Q2 FY23 (Rs.)	Q2 FY22 (Rs.)	YoY Growth %	Q1 FY23 (Rs.)	QoQ Growth %
<b>Global Generics</b>	<b>55,946</b>	<b>47,431</b>	<b>18</b>	<b>44,324</b>	<b>26</b>
North America	28,001	18,909	48	17,815	57
Europe	4,199	4,135	2	4,141	1
India	11,500	11,402	1	13,339	(14)
Emerging Markets	12,246	12,985	(6)	9,028	36
<b>Pharmaceutical Services and Active Ingredients (PSAI)</b>	<b>6,434</b>	<b>8,372</b>	<b>(23)</b>	<b>7,090</b>	<b>(9)</b>
<b>Others</b>	<b>677</b>	<b>1,829</b>	<b>(63)</b>	<b>740</b>	<b>(9)</b>
<b>Total</b>	<b>63,057</b>	<b>57,632</b>	<b>9</b>	<b>52,154</b>	<b>21</b>

## Q2 FY23 Sales Mix




## Revenue Analysis

### Global Generics (GG)

Revenues from **GG** segment at Rs. 55.9 billion:

- Year-on-year growth of 18% and sequential quarter growth of 26% driven by launch of the Lenalidomide capsules in the US market (as part of the volume limited settlement with innovator) and sequential quarter improvement in Russia sales. However, the growth was partly offset by price erosion in our generic markets and higher base due to covid product sales in previous year.

### North America

Revenues from **North America** at Rs. 28.0 billion:

- Year-on-year growth of 48% and sequential quarter growth of 57%, driven by launch and scale up of new products and favorable movement of forex rates, which was partly offset by price erosion in some of our key molecules.
- During this quarter, we launched 7 new products. These were Lenalidomide capsules (as part of the volume limited settlement with innovator), Fesoterodine Fumarate tablets, Bortezomib Inj 3.5 mg, Neostigmine PFS, Potassium Chloride UD, Fexofenadine HCl + Pseudoephedrine HCl ER tablets, and Oxaliplatin Inj in Canada.
- We filed one ANDA during the quarter. As of 30<sup>th</sup> September 2022, cumulatively 81 generic filings are pending for approval with the USFDA (78 ANDAs and 3 NDAs under 505(b)(2) route). Out of these 81 pending filings, 42 are Para IVs and we believe 22 have 'First to File' status.

### Europe

Revenues from **Europe** at Rs. 4.2 billion, with year-on-year growth of 2% and sequential quarter growth of 1%. This was driven by volume traction in base business and new product launches across our markets, however, it was partially offset by price erosion in some molecules and the impact of adverse forex rates during the quarter. We launched ten new products across countries during this quarter.

### India

Revenues from **India** at Rs. 11.5 billion:

- Year-on-year growth of 1% impacted due to higher base of Q1 FY22, which included contribution from covid product sales. Adjusted for this, we have grown in double digit.
- Sequential quarter declined by 14% primarily on account of high base impact, as we had recognized divestment income of a few non-core brands in Q1 FY23.
- We launched two new products during the quarter. These were Curaprox and Stig.



## Emerging Markets

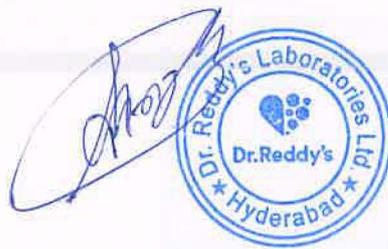
Revenues from **Emerging Markets** at Rs. 12.2 billion. Year-on-year decline of 6% and sequential quarter growth of 36%:

- Revenues for **Russia** at Rs. 5.9 billion. Year-on-year growth of 4% was on account of new product launches, increase in sales prices and favorable movement of forex rates, partly offset by reduction in base volumes. Sequential quarter growth of 85% was primarily due to lower sales base of Q1 FY23, which was impacted due to channel inventory normalization.
- Revenues from other **CIS countries and Romania** at Rs. 2.2 billion. Year-on-year decline of 1% due to reduction in base volumes and adverse movement of forex rates, partly offset by increase in sales prices and new product launches. Sequential quarter growth of 13% was driven by increase in base volumes and new product launches, partly offset by adverse movement of forex rates.
- Revenues from **Rest of World (RoW)** markets at Rs. 4.1 billion. Year-on-year decline of 18% was on account of reduction in the covid product sales in current quarter vs. last year, decrease in sales prices, which was partly offset by new product launches. Sequential growth of 6% was driven by new product launches, partly offset by a reduction in base volumes and sales price of some of our products.

## Pharmaceutical Services and Active Ingredients (PSAI)

Revenues from **PSAI** at Rs. 6.4 billion with a year-on-year decline of 23% and sequential decline of 9%.

- Year-on-year decline was primarily on account lower volumes due to higher base in Q2 FY22 which had covid product sales, partly offset by new product sales and favorable forex rates.
- Sequential decline was majorly due to lower traction in the volumes for some of our products, partly offset by new product sales.
- During the quarter we filed three DMFs in the US.



## Income Statement Highlights:

- **Gross profit** margin for the quarter at 59.1%:
  - Increased by ~565 bps over previous year and ~920 bps sequentially, majorly driven due to product mix (including new products), accruals related to production linked incentive scheme, which was partly offset by price erosion and provision made on inventory for covid products.
  - Gross profit margin for GG and PSAI business segments are at 65.4% and 3.6% respectively. Gross profit margin of PSAI have been impacted due to covid inventory provision and adverse impact of manufacturing overheads which are at similar levels over lower sales base.
- **Selling, general & administrative (SG&A) expenses** at Rs. 16.6 billion, increased by 4% on a year-on-year basis and by 7% sequentially, in line with the business growth.
- **Research & development (R&D) expenses** at Rs. 4.9 billion. As % to revenues – Q2 FY23: 7.7% | Q1 FY23: 8.3% | Q2 FY22: 7.7%. We continue to invest in R&D to build a healthy pipeline of products across our markets.
- **Other operating income** at Rs. 0.3 billion compared to Rs. 1.7 billion in Q2 FY22. Q2 FY22 was higher on account of recognition of income towards sale of rights relating to anti-cancer agent E7777 (denileukin diftitox).
- **Net Finance expense** at Rs. 156 million compared to net finance income of Rs. 319 million in Q2 FY22.
- **Profit before Tax** at Rs. 16.1 billion, increased by 27% year-on-year and by 10% sequentially.
- **Profit after Tax** at Rs. 11.1 billion. The effective tax rate is 30.9% for the quarter.
- **Diluted earnings per share** is at Rs. 66.89.

## Other Highlights:

- **EBITDA** is at Rs. 19.3 billion and the EBITDA margin is 30.6%.
- **Capital expenditure** is at Rs. 2.5 billion.
- **Free cash flow** is at Rs. 5.8 billion.
- **Net cash surplus** for the company is at Rs. 13.7 billion as on September 30, 2022. Consequently, net debt to equity ratio is (0.07).



## Earnings Call Details (06:30 pm IST, 09:00 am EDT, October 28, 2022)

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=0019119&linkSecurityString=16c6dcfd>

#### Option 2: Join through below Dial-In Numbers

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

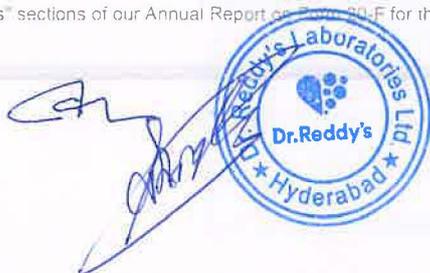
No password/pin number is necessary to dial in to any of the above numbers. The operator will provide instructions on asking questions before and during the call.

**Play Back:** The play back will be available after the earnings call, till November 3<sup>rd</sup>, 2022. For play back dial in phone No: +91 22 7194 5757 | +91 22 6663 5757, and Playback Code is 21258.

**Transcript:** Transcript of the Earnings call will be available on the Company's website: [www.drreddys.com](http://www.drreddys.com)

**About Dr. Reddy's:** Dr. Reddy's Laboratories Ltd. (BSE: 500124, NSE: DRREDDY, NYSE: RDY, NSEIFSC: DRREDDY) is a global pharmaceutical company headquartered in Hyderabad, India. Established in 1984, we are committed to providing access to affordable and innovative medicines. Driven by our purpose of "Good Health Can't Wait", we offer a portfolio of products and services including APIs, generics, branded generics, biosimilars and OTC. Our major therapeutic areas of focus are gastrointestinal, cardiovascular, diabetology, oncology, pain management and dermatology. Our major markets include – USA, India, Russia & CIS countries, China, Brazil, and Europe. As a company with a history of deep science that has led to several industry firsts, we continue to plan ahead and invest in businesses of the future. As an early adopter of sustainability and ESG actions, we released our first Sustainability Report in 2004. Our current ESG goals aim to set the bar high in environmental stewardship; access and affordability for patients; diversity; and governance. For more information, log on to: [www.drreddys.com](http://www.drreddys.com).

**Disclaimer:** This press release may include statements of future expectations and other forward-looking statements that are based on the management's current views and assumptions and involve known or unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions such as performance of financial markets, credit defaults, currency exchange rates, interest rates, persistency levels and frequency / severity of insured loss events (ii) mortality and morbidity levels and trends, (iii) changing levels of competition and general competitive factors, (iv) changes in laws and regulations and in the policies of central banks and/or governments, (v) the impact of acquisitions or reorganization, including related integration issues, and (vi) the susceptibility of our industry and the markets addressed by our, and our customers', products and services to economic downturns as a result of natural disasters, epidemics, pandemics or other widespread illness, including coronavirus (or COVID-19) and (vii) other risks and uncertainties identified in our public filings with the Securities and Exchange Commission, including those listed under the "Risk Factors" and "Forward-Looking Statements" sections of our Annual Report on Form 20-F for the year ended March 31, 2022. The company assumes no obligation to update any information contained herein.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

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

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

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Dr. Reddy's Laboratories Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its joint ventures for the quarter and six month period ended September 30, 2022 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

<b>S.No</b>	<b>Name of the Company</b>
-------------	----------------------------

**Subsidiaries**

- |    |   |
|----|---|
| 1  | Aurigene Discovery Technologies Limited                                 |
| 2  | Cheminor Investments Limited  |
| 3  | Dr. Reddy's Bio-Sciences Limited  |
| 4  | Dr. Reddy's Formulations Limited  |
| 5  | Dr. Reddy's Farmaceutica Do Brasil Ltda.                                |
| 6  | Dr. Reddy's Laboratories SA   |
| 7  | Idea2Enterprises (India) Private Limited                                |
| 8  | Imperial Credit Private Limited   |
| 9  | Industrias Quimicas Falcon de Mexico, S.A.de C.V.                       |
| 10 | Svaas Wellness Limited (Formerly known as Regkinetics Services Limited) |
| 11 | Aurigene Discovery Technologies (Malaysia) Sdn. Bhd.                    |
| 12 | Aurigene Pharmaceutical Services Limited                                |
| 13 | beta Institut gemeinnützige GmbH  |



# **S.R. BATLIBOI & ASSOCIATES LLP**

## **Chartered Accountants**

- 14 betapharm Arzneimittel GmbH
- 15 Chirotech Technology Limited
- 16 DRL Impex Limited
- 17 Dr. Reddy's Laboratories (Australia) Pty. Limited
- 18 Dr. Reddy's (Beijing) Pharmaceutical Co. Limited
- 19 Dr. Reddy's Laboratories Canada, Inc.
- 20 Dr. Reddy's Laboratories B.V.
- 21 Dr. Reddy's Laboratories Chile SPA.
- 22 Dr. Reddy's Laboratories (EU) Limited
- 23 Dr. Reddy's Laboratories Inc.
- 24 Dr. Reddy's Laboratories Japan KK
- 25 Dr. Reddy's Laboratories Kazakhstan LLP
- 26 Dr. Reddy's Laboratories LLC, Ukraine
- 27 Dr. Reddy's Laboratories Louisiana LLC
- 28 Dr. Reddy's Laboratories Malaysia Sdn. Bhd.
- 29 Dr. Reddy's Laboratories New York, LLC
- 30 Dr. Reddy's Laboratories Philippines Inc.
- 31 Dr. Reddy's Laboratories (Proprietary) Limited
- 32 Dr. Reddy's Laboratories Romania S.R.L.
- 33 Dr. Reddy's Laboratories SAS
- 34 Dr. Reddy's Laboratories Taiwan Limited
- 35 Dr. Reddy's Laboratories (Thailand) Limited
- 36 Dr. Reddy's Laboratories (UK) Limited
- 37 Dr. Reddy's New Zealand Limited
- 38 Dr. Reddy's Research and Development B.V.
- 39 Dr. Reddy's Srl
- 40 Dr. Reddy's Venezuela, C.A.
- 41 Lacock Holdings Limited
- 42 Dr. Reddy's Laboratories LLC, Russia
- 43 Promius Pharma LLC
- 44 Reddy Holding GmbH
- 45 Reddy Netherlands B.V.
- 46 Reddy Pharma Iberia SAU
- 47 Reddy Pharma Italia S.R.L
- 48 Reddy Pharma SAS
- 49 Nimbus Health GmbH

## **Joint ventures**

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

## **Other consolidating entities**

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



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

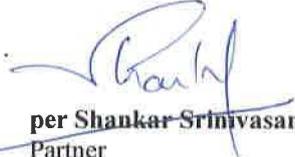
THE SKYVIEW 10  
18th Floor, "NORTH LOBBY"  
Survey No. 83/1, Raidurgam  
Hyderabad - 500 032, India  
Tel : +91 40 6141 6000

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

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

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



UDIN: 22213271BBC H H 2506

Place: Hyderabad

Date: October 28, 2022

DR. REDDY'S LABORATORIES LIMITED  
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2022

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Revenue from operations</b>						
	a) Net sales/income from operations	61,632	48,180	55,167	109,812	103,429	205,144
	b) License fees and service income	1,425	3,974	2,465	5,399	3,397	9,247
	c) Other operating income	261	175	237	436	494	1,061
	<b>Total revenue from operations</b>	<b>63,318</b>	<b>52,329</b>	<b>57,869</b>	<b>115,647</b>	<b>107,320</b>	<b>215,452</b>
<b>2</b>	<b>Other income</b>	<b>408</b>	<b>8,539</b>	<b>2,055</b>	<b>8,825</b>	<b>3,134</b>	<b>4,844</b>
<b>3</b>	<b>Total income (1 + 2)</b>	<b>63,726</b>	<b>60,868</b>	<b>59,924</b>	<b>124,472</b>	<b>110,454</b>	<b>220,296</b>
<b>4</b>	<b>Expenses</b>						
	a) Cost of materials consumed	6,688	11,891	8,232	18,579	19,371	43,124
	b) Purchase of stock-in-trade	8,089	8,755	10,314	16,844	20,049	34,837
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,693	(1,533)	1,730	2,160	(2,123)	(3,539)
	d) Employee benefits expense	11,517	10,457	10,104	21,974	19,569	38,858
	e) Depreciation and amortisation expense	3,092	3,018	2,941	6,110	5,780	11,652
	f) Impairment of non-current assets	25	-	-	25	1,838	9,304
	g) Finance costs	309	347	234	656	427	958
	h) Selling and other expenses	14,317	13,347	13,891	27,542	27,673	55,191
	<b>Total expenses</b>	<b>47,730</b>	<b>46,282</b>	<b>47,446</b>	<b>93,890</b>	<b>92,584</b>	<b>190,385</b>
<b>5</b>	<b>Profit before tax and before share of equity accounted investees(3 - 4)</b>	<b>15,996</b>	<b>14,586</b>	<b>12,478</b>	<b>30,582</b>	<b>17,870</b>	<b>29,911</b>
<b>6</b>	<b>Share of profit of equity accounted investees, net of tax</b>	<b>140</b>	<b>94</b>	<b>247</b>	<b>234</b>	<b>413</b>	<b>703</b>
<b>7</b>	<b>Profit before tax (5+6)</b>	<b>16,136</b>	<b>14,680</b>	<b>12,725</b>	<b>30,816</b>	<b>18,283</b>	<b>30,614</b>
<b>8</b>	<b>Tax expense/(benefit):</b>						
	a) Current tax	3,674	(2,905)	1,668	769	3,035	11,013
	b) Deferred tax	1,320	5,695	1,099	7,015	1,486	(2,224)
<b>9</b>	<b>Net profit after taxes and share of profit of associates (7 - 8)</b>	<b>11,142</b>	<b>11,890</b>	<b>9,958</b>	<b>23,032</b>	<b>13,762</b>	<b>21,825</b>
<b>10</b>	<b>Other comprehensive income</b>						
	a) (i) Items that will not be reclassified subsequently to profit or loss	(112)	(562)	(101)	(674)	(1,344)	(3,568)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	293	305
	b) (i) Items that will be reclassified subsequently to profit or loss	(189)	(3,135)	(137)	(3,324)	(205)	653
	(ii) Income tax relating to items that will be reclassified to profit or loss	(320)	1,568	(77)	1,248	96	(288)
	<b>Total other comprehensive (loss)/income</b>	<b>(621)</b>	<b>(2,129)</b>	<b>(315)</b>	<b>(2,750)</b>	<b>(1,160)</b>	<b>(2,898)</b>
<b>11</b>	<b>Total comprehensive income (9 + 10)</b>	<b>10,521</b>	<b>9,761</b>	<b>9,643</b>	<b>20,282</b>	<b>12,602</b>	<b>18,927</b>
<b>12</b>	<b>Paid-up equity share capital (face value Rs. 5/- each)</b>	<b>832</b>	<b>832</b>	<b>832</b>	<b>832</b>	<b>832</b>	<b>832</b>
<b>13</b>	<b>Other equity</b>						<b>191,292</b>
<b>14</b>	<b>Earnings per equity share (face value Rs. 5/- each)</b>						
	Basic	67.13	71.64	60.03	138.77	82.99	131.57
	Diluted	66.98	71.49	59.88	138.47	82.77	131.21
		(Not annualised)					

See accompanying notes to the financial results



Segment information

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<b>Segment wise revenue and results:</b>						
<b>1</b>	<b>Segment revenue :</b>						
	a) Pharmaceutical Services and Active Ingredients	8,230	8,263	10,187	16,493	19,167	37,499
	b) Global Generics	56,009	44,371	47,472	100,380	88,723	179,647
	c) Others	755	738	1,828	1,493	2,370	4,561
	<b>Total</b>	<b>64,994</b>	<b>53,372</b>	<b>59,487</b>	<b>118,366</b>	<b>110,260</b>	<b>221,707</b>
	Less: Inter-segment revenue	1,676	1,043	1,618	2,719	2,940	6,255
	<b>Total revenue from operations</b>	<b>63,318</b>	<b>52,329</b>	<b>57,869</b>	<b>115,647</b>	<b>107,320</b>	<b>215,452</b>
<b>2</b>	<b>Segment results:</b>						
	Gross profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	235	1,115	2,169	1,350	3,803	6,834
	b) Global Generics	36,568	24,399	26,990	60,967	50,708	103,270
	c) Others	447	497	1,629	944	1,980	3,749
	<b>Total</b>	<b>37,250</b>	<b>26,011</b>	<b>30,788</b>	<b>63,261</b>	<b>56,491</b>	<b>113,853</b>
	Less: Selling and other un-allocable expenditure/(income), net	21,114	11,331	18,063	32,445	38,208	83,239
	<b>Total profit before tax</b>	<b>16,136</b>	<b>14,680</b>	<b>12,725</b>	<b>30,816</b>	<b>18,283</b>	<b>30,614</b>

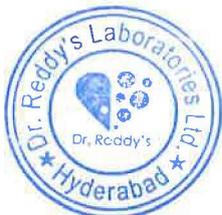
Global Generics includes operations of Biologics business. Inter-segment revenue represents sales from Pharmaceutical Services and Active Ingredients to Global Generics and Others at cost.

Segmental capital employed

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

Notes:

- 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 quarter ended 30 September 2022, an amount of Rs. 1,933 million representing government grants has been accounted for as a reduction from cost of material consumed.
- License fee and service income for the quarter ended 30 June 2022 includes:
  - Rs. 902 million from sale of brands Z&D, Pedicloryl, Pecef and Ezinapi to J B Chemicals and Pharmaceuticals Limited;
  - Rs. 1,399 million from sale of brands Styptovit-E, Finast, Finast-T and Dynapres to Torrent Pharmaceuticals Limited. These transactions pertain to Company's Global Generics segment.
- On 23 June 2022, the Company entered into a Settlement Agreement with Indivior Inc., Indivior UK Limited and Aquestive Therapeutics, Inc. Pursuant to the agreement, the Company will receive payments totaling U.S.\$ 72 million by 31 March 2024. The said agreement resolves all claims between the parties relating to the Company's generic buprenorphine and naloxone sublingual film including Indivior's and Aquestive's patent infringement allegations and the Company's antitrust counterclaims. On 28 June 2022 the U.S. Court dismissed all claims and counterclaims pending in the case with prejudice, pursuant to a joint stipulation of dismissal filed by the parties. The Company recognised the present value of the amount receivable at Rs.5,638 million (U.S.\$ 71.39 million discounted to present value) on the date of the settlement as 'Other income' in the consolidated financial results of the Company. The aforesaid transaction pertain to Company's Global Generics segment.
- As the revenues and gross profits of the Proprietary Products segment are considerably lower than the quantitative thresholds mentioned in IND AS 108, "Operating Segments", the Company believes that Proprietary Products segment no longer qualifies to be a reportable segment and consequently, effective 1 April 2022, the Company included the financial information relating to Proprietary Products Segment in "Others". The corresponding information relating to Proprietary Products segment for earlier periods has been restated to reflect the aforementioned change.
- During the quarter ended 30 June 2022, pursuant to a change in the U.S. Income tax regulations relating to the timing of recognition of certain sales based accruals, the Company recognised a reduction in current tax liability of Rs. 4,768 million with a corresponding increase in the deferred tax liability.
- License fee and service income for the year ended 31 March 2022 includes:
  - Rs. 1,774 million towards the sale of territorial rights relating to two of the Company's anti-bacterial brands (Ciprolet® and Levolet®) in Russia and CIS region to Alium JSC;
  - Rs. 390 million towards the sale of two of the Company's Brands (Daffy bar and Combihale) in India to Mankind Pharma Limited;
  - Rs. 1,084 million towards sale of its U.S. and Canada territory rights for ELYXYB (celecoxib oral solution) 25 mg/mL, to BioDelivery Sciences International, Inc. The aforesaid transactions pertain to Company's Global Generics and Others segment.
- During the year ended 31 March 2022, there were significant changes to the market conditions for certain of the products forming part of Company's Global Generics and Others segment. The changes include, decrease in the market potential of products, and increased competition leading to lower volumes and revenues not being in line with projections. Due to these adverse market developments, the Company recorded an impairment loss of Rs. 9,304 million on various non-current assets. The said impairment loss includes:
  - Rs. 4,337 million relating to PPC-06 (Tepilamide Fumarate Extended Release Tablets) intangible assets under development;
  - Rs. 2,955 million pertaining to Shreveport Cash Generating Unit ("CGU") comprising of Property, plant and equipment and Goodwill;
  - Rs. 174 million relating to other intangible assets.
- Included in "Other income" for the quarter ended 30 September 2021, is Rs.1,064 million representing the profit on sale of intangible asset, E7777 (anti-cancer agent) to Citius Pharmaceuticals, Inc. This transaction pertains to the Company's Others segment.
- On 14 June 2021, the Company received the arbitration decision and award in favour of Hatchtech Pty Limited regarding the Civil Litigation and Arbitration relating to the acquisition of the product Xeglyze®. The award required the Company to pay an amount of Rs. 3,401 million (U.S.\$ 46.25 million) towards milestone payments, interest, and fees. As the Company was carrying only Rs. 1,471 million (U.S.\$ 20 million) as the provision towards this litigation, an additional expense of Rs. 1,930 million (U.S.\$ 26.25 million) [Rs. 1,838 million (U.S.\$ 25 million) as "Impairment of non-current assets" and Rs. 92 million (U.S.\$ 1.25 million) as "selling and other expenses"] was recognised during the six months ended 30 September 2021. The said expense forms part of the Company's Others segment.



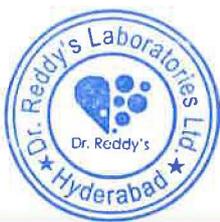
11 The Company received an anonymous complaint in September 2020, alleging that healthcare professionals in Ukraine and potentially in other countries were provided with improper payments by or on behalf of the Company in violation of U.S. anti-corruption laws, specifically the U.S. Foreign Corrupt Practices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

The Company made presentations to the SEC and the DOJ in relation to the investigation with respect to certain countries during the current and previous fiscal year. The Company also made a presentation to the SEC and the DOJ in relation to its Global Compliance Framework, including the ongoing enhancement initiatives, during the six months ended 30 September 2022. The Company is complying with its listing obligations as it relates to updating the regulatory agencies. While the findings from the aforesaid investigations could result in government or regulatory enforcement actions against the Company in the United States and/or foreign jurisdictions, which can lead to civil and criminal sanctions under relevant laws, the outcomes including liabilities are not reasonably ascertainable at this time.

12 Consolidated Balance Sheet

All amounts in Indian Rupees millions

Particulars	As at	
	30.09.2022	31.03.2022
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	51,667	48,869
Capital work-in-progress	11,613	12,796
Goodwill	5,224	5,473
Other intangible assets	31,044	26,873
Intangible assets under development	545	138
Investment in equity accounted investees	4,376	4,318
<b>Financial assets</b>		
Investments	1,731	1,668
Trade receivables	-	54
Other financial assets	1,673	2,773
Deferred tax assets, net	7,522	12,770
Tax assets, net	3,072	3,285
Other non-current assets	680	629
<b>Total non-current assets</b>	<b>119,147</b>	<b>119,646</b>
<b>Current assets</b>		
Inventories	49,042	50,884
<b>Financial assets</b>		
Investments	13,793	20,173
Trade receivables	76,987	66,764
Derivative financial instruments	608	1,906
Cash and cash equivalents	9,096	14,852
Other bank balances	4,686	9,340
Other financial assets	2,736	1,574
Other current assets	15,594	12,330
<b>Total current assets</b>	<b>172,542</b>	<b>177,823</b>
<b>TOTAL ASSETS</b>	<b>291,689</b>	<b>297,469</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	832	832
Other equity	206,920	191,292
<b>Total equity</b>	<b>207,752</b>	<b>192,124</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	-	3,800
Lease liabilities	1,795	1,946
Other financial liabilities	54	-
Provisions	270	258
Deferred tax liabilities, net	16	14
Other non-current liabilities	1,935	1,669
<b>Total non-current liabilities</b>	<b>4,070</b>	<b>7,687</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	14,573	27,082
Lease liabilities	921	1,017
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	128	125
Total outstanding dues of creditors other than micro enterprises and small enterprises	20,178	22,537
Derivative financial instruments	2,500	479
Other financial liabilities	24,969	24,832
Liabilities for current tax, net	1,264	5,442
Provisions	6,249	5,866
Other current liabilities	9,085	10,278
<b>Total current liabilities</b>	<b>79,867</b>	<b>97,658</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>291,689</b>	<b>297,469</b>



13 Consolidated statement of cashflows

All amounts in Indian Rupees millions

Particulars	Half year ended	
	30.09.2022	30.09.2021
	(Unaudited)	(Unaudited)
<b>Cash flows from/(used in) operating activities :</b>		
Profit before tax	30,816	18,283
Adjustments for:		
Fair value changes and profit on sale of financial instruments measured at FVTPL**, net	(78)	(217)
Depreciation and amortisation expense	6,110	5,780
Impairment of non-current assets	25	1,838
Allowance for credit losses (on trade receivables and other advances)	69	138
Loss/(Profit) on sale/disposal of property, plant and equipment and other intangible assets, net	68	(1,161)
Share of profit of equity accounted investees	(234)	(413)
Foreign exchange (gain)/loss, net	(329)	(395)
Interest income	(433)	(446)
Finance costs	656	427
Equity settled share-based payment expense	263	290
Dividend income	*	-
Changes in operating assets and liabilities:		
Trade and other receivables	(10,150)	(19,031)
Inventories	1,842	(4,288)
Trade and other payables	(2,356)	4,934
Other assets and other liabilities, net	(5,693)	(542)
<b>Cash generated from operations</b>	<b>20,576</b>	<b>5,197</b>
Income tax paid, net	(4,640)	(3,539)
<b>Net cash from operating activities</b>	<b>15,936</b>	<b>1,658</b>
<b>Cash flows from/(used in) investing activities :</b>		
Expenditures on property, plant and equipment	(5,816)	(6,781)
Proceeds from sale of property, plant and equipment	48	154
Expenditures on other intangible assets	(6,203)	(3,767)
Proceeds from sale of other intangible assets	-	2,946
Purchase of other investments	(47,008)	(30,095)
Proceeds from sale of other investments	59,395	35,494
Interest received	394	411
<b>Net cash used in investing activities</b>	<b>810</b>	<b>(1,638)</b>
<b>Cash flows from/(used in) financing activities :</b>		
Proceeds from issuance of equity shares (including treasury shares)	66	281
Repayment of short-term borrowings, net	(16,862)	(62)
Payment of principal portion of lease liabilities	(499)	(408)
Dividend paid	(4,979)	(4,146)
Interest paid	(872)	(616)
<b>Net cash used in financing activities</b>	<b>(23,146)</b>	<b>(4,951)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(6,400)</b>	<b>(4,931)</b>
Effect of exchange rate changes on cash and cash equivalents	641	91
Cash and cash equivalents at the beginning of the period <sup>(1)</sup>	14,852	14,820
<b>Cash and cash equivalents at the end of the period<sup>(2)</sup></b>	<b>9,093</b>	<b>9,980</b>

\*Rounded off to million.

\*\*FVTPL (fair value through profit or loss)

<sup>(1)</sup> Adjusted for bank-overdraft of Rs. Nil and Rs. 9 million for the periods ended 30 September 2022 and 30 September 2021, respectively.

<sup>(2)</sup> Adjusted for bank-overdraft of Rs. 3 million and Rs. Nil for the periods ended 30 September 2022 and 30 September 2021, respectively.

- 14 India's Code on Social Security, 2020, which aims to consolidate, codify and revise certain existing social security laws, received Presidential assent in September 2020 and has been published in the Gazette of India. However, the related final rules have not yet been issued and the date on which this Code will come into effect has not been announced. The Company will assess the impact of this Code and the rules thereunder when they come into effect.
- 15 The Company considered the uncertainties relating to the COVID-19 pandemic and military conflict between Russia and Ukraine, in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. Based on its judgments, estimates and assumptions, including sensitivity analysis, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets. The Company will continue to closely monitor any material changes to future economic conditions.
- 16 The unaudited results were reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meeting held on 28 October 2022.
- 17 The results for the quarter and half year ended 30 September 2022 were subject to a "Limited Review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

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



G V Prasad  
Co-Chairman & Managing Director

Place: Hyderabad  
Date: 28 October 2022



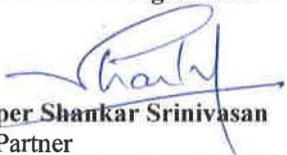
**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****Review Report to  
The Board of Directors  
Dr. Reddy's Laboratories Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Dr. Reddy's Laboratories Limited (the "Company") for the quarter and six month ended September 30, 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

  
per Shankar Srinivasan  
Partner  
Membership No.: 213271

UDIN: 22213271BBC HRF7806

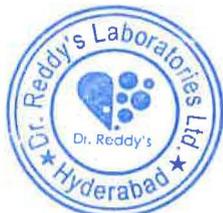
Hyderabad  
October 28, 2022

DR. REDDY'S LABORATORIES LIMITED  
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2022

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2022 (Unaudited)	30.06.2022 (Unaudited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
<b>1</b>	<b>Revenue from operations</b>						
	a) Net sales/income from operations	48,475	33,399	36,731	81,874	70,732	138,864
	b) License fees and service income	186	2,757	1,364	2,943	1,464	4,289
	c) Other operating income	142	150	139	292	373	899
	<b>Total revenue from operations</b>	<b>48,803</b>	<b>36,306</b>	<b>38,234</b>	<b>85,109</b>	<b>72,569</b>	<b>144,052</b>
<b>2</b>	<b>Other income</b>	<b>1,180</b>	<b>4,034</b>	<b>1,181</b>	<b>5,214</b>	<b>3,043</b>	<b>4,820</b>
	<b>Total income (1 + 2)</b>	<b>49,983</b>	<b>40,340</b>	<b>39,415</b>	<b>90,323</b>	<b>75,612</b>	<b>148,872</b>
<b>3</b>	<b>Expenses</b>						
	a) Cost of materials consumed	6,367	8,047	6,732	14,414	15,439	33,784
	b) Purchase of stock-in-trade	4,391	4,836	6,562	9,227	12,797	20,571
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,336	172	252	1,508	(2,773)	(3,896)
	d) Employee benefits expense	7,101	6,490	6,352	13,591	12,217	24,346
	e) Depreciation and amortisation expense	2,262	2,215	2,066	4,477	4,037	8,143
	f) Impairment of non-current assets	-	-	-	-	-	98
	g) Finance costs	17	98	111	115	176	380
	h) Selling and other expenses	11,580	10,966	10,853	22,546	21,787	43,208
	<b>Total expenses</b>	<b>33,054</b>	<b>32,824</b>	<b>32,928</b>	<b>65,878</b>	<b>63,680</b>	<b>126,634</b>
<b>4</b>	<b>Profit before tax (1 + 2 - 3)</b>	<b>16,929</b>	<b>7,516</b>	<b>6,487</b>	<b>24,445</b>	<b>11,932</b>	<b>22,238</b>
<b>5</b>	<b>Tax expense/(benefit)</b>						
	a) Current tax	2,976	1,358	1,156	4,334	2,140	3,926
	b) Deferred tax	2,790	1,163	841	3,953	1,168	2,080
<b>6</b>	<b>Net profit for the period/year (4 - 5)</b>	<b>11,163</b>	<b>4,995</b>	<b>4,490</b>	<b>16,158</b>	<b>8,624</b>	<b>16,232</b>
<b>7</b>	<b>Other comprehensive income</b>						
	a) (i) Items that will not be reclassified to profit or loss	2	(1)	1	1	2	(45)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	17
	b) (i) Items that will be reclassified to profit or loss	912	(4,486)	207	(3,574)	(324)	832
	(ii) Income tax relating to items that will be reclassified to profit or loss	(320)	1,568	(73)	1,248	113	(291)
	<b>Total other comprehensive income</b>	<b>594</b>	<b>(2,919)</b>	<b>135</b>	<b>(2,325)</b>	<b>(209)</b>	<b>513</b>
<b>8</b>	<b>Total comprehensive income (6 + 7)</b>	<b>11,757</b>	<b>2,076</b>	<b>4,625</b>	<b>13,833</b>	<b>8,415</b>	<b>16,745</b>
<b>9</b>	<b>Paid-up equity share capital (face value Rs. 5/- each)</b>	<b>832</b>	<b>832</b>	<b>832</b>	<b>832</b>	<b>832</b>	<b>832</b>
<b>10</b>	<b>Other equity</b>						<b>182,530</b>
<b>11</b>	<b>Earnings per equity share (face value Rs. 5/- each)</b>						
	Basic	67.25	30.10	27.07	97.35	52.01	97.85
	Diluted	67.10	30.03	27.00	97.14	51.87	97.58
		(Not annualised)					

See accompanying notes to the financial results.



Segment information

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<b>Segment wise revenue and results</b>						
<b>1</b>	<b>Segment revenue</b>						
	a) Pharmaceutical Services and Active Ingredients	6,452	5,976	9,089	12,428	16,481	31,718
	b) Global Generics	43,829	31,221	29,548	75,050	57,747	116,999
	c) Others	106	152	1,215	258	1,281	1,590
	<b>Total</b>	<b>50,387</b>	<b>37,349</b>	<b>39,852</b>	<b>87,736</b>	<b>75,509</b>	<b>150,307</b>
	Less: Inter-segment revenue	1,584	1,043	1,618	2,627	2,940	6,255
	<b>Total revenue from operations</b>	<b>48,803</b>	<b>36,306</b>	<b>38,234</b>	<b>85,109</b>	<b>72,569</b>	<b>144,052</b>
<b>2</b>	<b>Segment results</b>						
	Profit/(loss) before tax and interest from each segment						
	a) Pharmaceutical Services and Active Ingredients	(869)	(282)	725	(1,151)	932	384
	b) Global Generics	19,040	11,124	4,891	30,164	10,615	21,871
	c) Others	(28)	22	1,039	(6)	995	1,160
	<b>Total</b>	<b>18,143</b>	<b>10,864</b>	<b>6,655</b>	<b>29,007</b>	<b>12,542</b>	<b>23,415</b>
	Less: (i) Finance costs	17	98	111	115	176	380
	(ii) Other un-allocable expenditure/(income), net	1,197	3,250	57	4,447	434	797
	<b>Total profit before tax</b>	<b>16,929</b>	<b>7,516</b>	<b>6,487</b>	<b>24,445</b>	<b>11,932</b>	<b>22,238</b>

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 quarter ended 30 September 2022, an amount of Rs. 1,933 million representing government grants has been accounted for as a reduction from cost of material consumed.
- License fee and service income for the quarter ended 30 June 2022 includes:
  - Rs. 902 million from sale of brands Z&D, Pedicloryl, Pecef and Ezinapi to J B Chemicals and Pharmaceuticals Limited;
  - Rs. 1,399 million from sale of brands Styptovit-E, Finast, Finast-T and Dynapres to Torrent Pharmaceuticals Limited.
 These transactions pertain to Company's Global Generics segment.
- As the revenues and gross profits of the Proprietary Products segment are considerably lower than the quantitative thresholds mentioned in IND AS 108, "Operating Segments", the Company believes that Proprietary Products segment no longer qualifies to be a reportable segment and consequently, effective 1 April 2022, the Company included the financial information relating to Proprietary Products segment in "Others". The corresponding information relating to Proprietary Products segment for earlier periods has been restated to reflect the aforementioned change.
- License fee and service income for the year ended 31 March 2022 includes:
  - Rs. 1,774 million towards the sale of territorial rights relating to two of the Company's anti-bacterial brands (Ciprolet® and Levolet®) in Russia and CIS region to Alium JSC;
  - Rs. 390 million towards the sale of two of the Company's Brands (Daffy bar and Combihale) in India to Mankind Pharma Limited;
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- The Company received an anonymous complaint in September 2020, alleging that healthcare professionals in Ukraine and potentially in other countries were provided with improper payments by or on behalf of the Company in violation of U.S. anti-corruption laws, specifically the U.S. Foreign Corrupt Practices Act. The Company disclosed the matter to the U.S. Department of Justice ("DOJ"), Securities and Exchange Commission ("SEC") and Securities Exchange Board of India. The Company engaged a U.S. law firm to conduct the investigation at the instruction of a committee of the Company's Board of Directors. On 06 July 2021 the Company received a subpoena from the SEC for the production of related documents, which were provided to the SEC. The Company made presentations to the SEC and the DOJ in relation to the investigation with respect to certain countries during the current and previous fiscal year. The Company also made a presentation to the SEC and the DOJ in relation to its Global Compliance Framework, including the ongoing enhancement initiatives, during the six months ended 30 September 2022. The Company is complying with its listing obligations as it relates to updating the regulatory agencies. While the findings from the aforesaid investigations could result in government or regulatory enforcement actions against the Company in the United States and/or foreign jurisdictions, which can lead to civil and criminal sanctions under relevant laws, the outcomes including liabilities are not reasonably ascertainable at this time.



CMSK

## 8 Balance sheet

All amounts in Indian Rupees millions

Particulars	As at	As at
	30.09.2022	31.03.2022
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	42,981	40,240
Capital work-in-progress	10,481	11,864
Goodwill	853	853
Other intangible assets	24,448	20,412
Intangible assets under development	139	139
Financial assets		
Investments	32,270	30,243
Trade receivables	-	54
Loans	70	12
Other financial assets	513	2,514
Deferred tax assets, net	-	194
Tax assets, net	2,090	3,115
Other non-current assets	633	480
<b>Total non-current assets</b>	<b>114,478</b>	<b>110,120</b>
<b>Current assets</b>		
Inventories	30,525	33,478
Financial assets		
Investments	12,330	19,124
Trade receivables	60,582	49,454
Derivative instruments	294	1,903
Cash and cash equivalents	5,213	11,595
Other bank balances	4,066	8,710
Other financial assets	532	565
Other current assets	12,623	9,981
<b>Total current assets before assets held for sale</b>	<b>126,165</b>	<b>134,810</b>
Assets held for sale	26	26
<b>Total current assets</b>	<b>126,191</b>	<b>134,836</b>
<b>TOTAL ASSETS</b>	<b>240,669</b>	<b>244,956</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	832	832
Other equity	191,709	182,530
<b>Total Equity</b>	<b>192,541</b>	<b>183,362</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease liabilities	256	197
Deferred tax liabilities, net	2,511	-
Provisions	103	104
Other non-current liabilities	838	842
<b>Total non-current liabilities</b>	<b>3,708</b>	<b>1,143</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	3,003	21,711
Lease liabilities	187	146
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	115	120
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,936	16,542
Derivative instruments	2,488	472
Other financial liabilities	13,843	12,153
Provisions	3,418	3,222
Other current liabilities	5,430	6,085
<b>Total current liabilities</b>	<b>44,420</b>	<b>60,451</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>240,669</b>	<b>244,956</b>


 (MSK)


9 Statement of cashflows

All amounts in Indian Rupees millions

Particulars	Half year ended	
	30.09.2022	30.09.2021
	(Unaudited)	(Unaudited)
<b>Cash flows from/(used in) operating activities :</b>		
<b>Profit before tax</b>	<b>24,445</b>	<b>11,932</b>
<i>Adjustments for:</i>		
Fair value changes and profit on sale of financial instruments measured at FVTPL**, net	(56)	(199)
Depreciation and amortisation expense	4,477	4,037
Allowance for credit losses (on trade receivables and other advances)	63	105
Loss on sale/disposal of property , plant and equipment and other intangible assets, net	71	12
Foreign exchange loss/(gain), net	472	(754)
Interest income	(618)	(929)
Finance costs	115	176
Equity settled share-based payment expense	212	290
Dividend income	*	-
<i>Changes in operating assets and liabilities:</i>		
Trade receivables	(11,033)	(19,267)
Inventories	2,953	(4,043)
Trade payables	(611)	4,857
Other assets and other liabilities, net	(1,194)	(1,221)
<b>Cash flow (used in)/from operations</b>	<b>19,296</b>	<b>(5,004)</b>
Income taxes paid, net	(3,178)	(1,919)
<b>Net cash (used in)/from operating activities</b>	<b>16,118</b>	<b>(6,923)</b>
<b>Cash flows from/(used in) investing activities :</b>		
Proceeds from sale of property, plant and equipment	106	19
Expenditures on property, plant and equipment	(5,020)	(5,864)
Expenditures on other intangible assets	(5,160)	(264)
Purchase of investments	(46,353)	(28,967)
Proceeds from sale of investments	57,444	34,006
Purchase of equity investments of subsidiary	(459)	-
Dividend received	*	-
Interest income received	550	916
Loans and advances given to subsidiaries	(50)	-
<b>Net cash from/(used in) investing activities</b>	<b>1,058</b>	<b>(154)</b>
<b>Cash flows from/(used in) financing activities :</b>		
Proceeds from issuance of equity shares (including treasury shares)	66	281
Proceeds from/(repayment of ) short-term loans and borrowings, net	(18,711)	6,050
Payment of principle portion of lease liabilities	(133)	(96)
Dividend paid	(4,979)	(4,146)
Interest paid	(234)	(253)
<b>Net cash from/(used in) financing activities</b>	<b>(23,991)</b>	<b>1,837</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(6,815)</b>	<b>(5,240)</b>
Effect of exchange rate changes on cash and cash equivalents	430	83
Cash and cash equivalents at the beginning of the period <sup>(1)</sup>	11,595	13,054
<b>Cash and cash equivalents at the end of the period<sup>(2)</sup></b>	<b>5,210</b>	<b>7,896</b>

\*Rounded off to million.

\*\*FVTPL (fair value through profit or loss)

<sup>(1)</sup> Adjusted for bank overdraft of Rs. Nil and Rs. 9 million for periods ended 30 September 2022 and 30 September 2021 respectively.

<sup>(2)</sup> Adjusted for bank overdraft of Rs. 3 million and Rs. Nil for periods ended 30 September 2022 and 30 September 2021 respectively.

10 The Company considered the uncertainties relating to the COVID-19 pandemic and military conflict between Russia and Ukraine, in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. Based on its judgments, estimates and assumptions, including sensitivity analysis, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets. The Company will continue to closely monitor any material changes to future economic conditions.

11 The unaudited results were reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meeting held on 28 October 2022.

12 The results for the quarter and half year ended 30 September 2022 were subject to a "Limited Review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

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



G V Prasad  
Co-Chairman & Managing Director

Place: Hyderabad  
Date: 28 October 2022



(MSK)