



Dr. Reddy's Laboratories Ltd.  
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October 27, 2023

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, 2023**

In furtherance to our letter dated September 22, 2023, we would like to inform that the Board of Directors of the Company, at its meeting held on October 27, 2023, has *inter alia* approved the Unaudited Financial Results of the Company for the quarter and half-year ended September 30, 2023.

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, 2023, prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB);
2. Press Release on Financial Results of the Company for the above period;
3. Unaudited Consolidated Financial Results of the Company and its subsidiaries for the quarter and half-year ended September 30, 2023, as per Indian Accounting Standards; and
4. Unaudited Standalone Financial Results of the Company for the quarter and half-year ended September 30, 2023, as per Indian Accounting Standards.

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

The Board Meeting commenced at 09:00 AM and concluded at 15:12 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 & Head-CSR**

Encl: As above

**DR. REDDY'S LABORATORIES LIMITED**

Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and half year ended 30 September 2023 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
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenues	68,802	67,384	63,057	136,186	115,211	245,879
2	Cost of revenues	28,434	27,831	25,810	56,265	51,958	106,536
3	<b>Gross profit (1 - 2)</b>	<b>40,368</b>	<b>39,553</b>	<b>37,247</b>	<b>79,921</b>	<b>63,253</b>	<b>139,343</b>
4	Selling, general and administrative expenses	18,795	17,702	16,560	36,497	32,053	68,026
5	Research and development expenses	5,447	4,984	4,869	10,431	9,194	19,381
6	Impairment of non-current assets	55	11	25	66	25	699
7	Other income, net	(1,796)	(780)	(334)	(2,576)	(6,358)	(5,907)
	<b>Total operating expenses</b>	<b>22,501</b>	<b>21,917</b>	<b>21,120</b>	<b>44,418</b>	<b>34,914</b>	<b>82,199</b>
8	<b>Results from operating activities [(3) - (4 + 5 + 6 + 7)]</b>	<b>17,867</b>	<b>17,636</b>	<b>16,127</b>	<b>35,503</b>	<b>28,339</b>	<b>57,144</b>
	Finance income	1,578	1,155	153	2,733	2,849	4,281
	Finance expense	(353)	(371)	(309)	(724)	(656)	(1,428)
9	<b>Finance income/(expense), net</b>	<b>1,225</b>	<b>784</b>	<b>(156)</b>	<b>2,009</b>	<b>2,193</b>	<b>2,853</b>
10	Share of profit of equity accounted investees, net of tax	42	43	140	85	234	370
11	<b>Profit before tax (8 + 9 + 10)</b>	<b>19,134</b>	<b>18,463</b>	<b>16,111</b>	<b>37,597</b>	<b>30,766</b>	<b>60,367</b>
12	Tax expense, net	4,334	4,438	4,983	8,772	7,762	15,300
13	<b>Profit for the period/year (11 - 12)</b>	<b>14,800</b>	<b>14,025</b>	<b>11,128</b>	<b>28,825</b>	<b>23,004</b>	<b>45,067</b>
14	<b>Earnings per share:</b>						
	Basic earnings per share of Rs.5/- each	88.96	84.40	67.04	173.36	138.59	271.43
	Diluted earnings per share of Rs.5/- each	88.78	84.22	66.89	173.00	138.30	270.85
		(Not annualised)					



**Segment information**

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Segment wise revenue and results:</b>						
	<b>Segment revenue:</b>						
	a) Pharmaceutical Services and Active Ingredients	9,446	9,218	8,110	18,664	16,243	36,646
	b) Global Generics	61,084	60,083	55,946	121,167	100,270	213,768
	c) Others	684	592	677	1,276	1,417	3,042
	<b>Total</b>	<b>71,214</b>	<b>69,893</b>	<b>64,733</b>	<b>141,107</b>	<b>117,930</b>	<b>253,456</b>
	Less: Inter-segment revenues	2,412	2,509	1,676	4,921	2,719	7,577
	<b>Net revenues</b>	<b>68,802</b>	<b>67,384</b>	<b>63,057</b>	<b>136,186</b>	<b>115,211</b>	<b>245,879</b>
<b>2</b>	<b>Segment results:</b>						
	Gross profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	1,254	1,009	233	2,263	1,343	4,715
	b) Global Generics	38,873	38,387	36,567	77,260	60,966	132,719
	c) Others	241	157	447	398	944	1,909
	<b>Total</b>	<b>40,368</b>	<b>39,553</b>	<b>37,247</b>	<b>79,921</b>	<b>63,253</b>	<b>139,343</b>
	Less: Selling and other un-allocable expenditure, net of other income	21,234	21,090	21,136	42,324	32,487	78,976
	<b>Total profit before tax</b>	<b>19,134</b>	<b>18,463</b>	<b>16,111</b>	<b>37,597</b>	<b>30,766</b>	<b>60,367</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 statement of unaudited consolidated financial results of Dr.Reddy's Laboratories Limited ("the Company"), which have been prepared in accordance with recognition and measurement principles of IAS 34 as issued by the International Accounting Standards Board (IASB) and were reviewed and recommended by Audit Committee and approved by the Board of Directors at their meetings held on 27 October 2023. The Auditors have carried out a limited review on the unaudited consolidated financial results and issued an unmodified report thereon.
- "Other income, net" for the quarter ended 30 September 2023 includes Rs.984 million recognized pursuant to settlement of product related litigation by the Company and its affiliates in the United Kingdom. This transaction pertain to Company's Global Generics segment.
- "Other income, net" for the quarter ended 30 June 2023 includes Rs.540 million recognised pursuant to settlement agreement with Janssen Group, in settlement of the claim brought in the Federal Court of Canada by the Company and its affiliates for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of Zytiga®(Abitraterone). This transaction pertain to Company's Global Generics segment.
- "Other income, net" for the half year ended 30 September 2022 includes an amount of Rs.5,638 million (U.S.\$71.39 million discounted to present value) towards the settlement of an ongoing litigation relating to launch of a product with Indivior Inc., Indivior UK Limited and Aquestive Therapeutics, Inc.
- Included in "Other income, net" for the year ended 31 March 2023, is an amount of Rs.991 million representing the Loss on sale of Assets, pursuant to agreement dated 16 December 2022 with Delpharm Development Leiden B.V (Delpharm) for transfer of its certain assets, liabilities and employees at its site at Leiden, Netherlands. This transaction pertains to Company's Global Generics segment.
- Revenues for the year ended 31 March 2023 includes :
  - Rs.2,640 million from sale of certain non-core dermatology brands to Eris Lifesciences Limited;
  - Rs.1,399 million from sale of brands Styptovit-E, Finast, Finast-T and Dynapres to Torrent Pharmaceuticals Limited;
  - Rs.902 million from sale of brands Z&D, Pedicloryl, Pcccf and Ezinapi to J B Chemicals and Pharmaccuticals Limited.
 The amounts recognised above are adjusted for expected sales returns. These transactions pertain to Company's Global Generics segment.
- During the year ended 31 March 2023, Company considered impairment of Rs.540 million towards:
  - The Company assessed performance of business acquired from Nimbus Health GmbH against the initial estimates and performance of the products. Basis the assessment, the Company has recorded an impairment charge of the carrying values amounting to Rs.375 million (Goodwill - Rs.272 million and Other intangibles - Rs.103 million). The said impairment charge pertains to the Company's Global Generics segment.
  - Consequent to adverse market conditions with respect to certain of the Company's products related intangibles forming part of the company's Global Generics and Pharmaceutical Services and Active Ingredients segments, the Company assessed the recoverable amount of these products and recognised an amount of Rs. 165 million as impairment charge during the year ended 31 March 2023.
- The Company has considered the impact of recent tax regulations and developments, including updates to its estimate on the impact of adoption of the Taxation Laws (Amendment) Act 2019, in determining its "Tax expense, net" for the half year ended 30 September 2023 and year ended 31 March 2023.
- During the half year and quarter ended 30 September 2023, an amount of Rs.2,274 million and Rs.1,598 million, respectively, representing government grants has been accounted as a reduction from cost of revenues.
- During the quarter ended 30 September 2022, an amount of Rs.1,933 million representing government grants has been accounted as a reduction from cost of revenues.



## 11 Consolidated statements of financial position

All amounts in Indian Rupees millions

Particulars	As at	
	30.09.2023	31.03.2023
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	13,539	5,779
Other investments	54,390	56,018
Trade and other receivables	69,722	72,485
Inventories	56,592	48,670
Derivative financial instruments	731	1,232
Tax assets	298	2,687
Other current assets	22,423	20,069
<b>Total current assets</b>	<b>217,695</b>	<b>206,940</b>
<b>Non-current assets</b>		
Property, plant and equipment	70,478	66,462
Goodwill	4,223	4,245
Other intangible assets	37,055	30,849
Investment in equity accounted investees	4,069	4,702
Other investments	1,855	660
Deferred tax assets	10,835	7,196
Other non-current assets	812	800
<b>Total non-current assets</b>	<b>129,327</b>	<b>114,914</b>
<b>Total assets</b>	<b>347,022</b>	<b>321,854</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade and other payables	30,485	26,444
Short-term borrowings	5,847	7,390
Long-term borrowings, current portion	1,336	4,804
Provisions	5,239	5,454
Tax liabilities	3,985	2,144
Derivative financial instruments	542	137
Bank overdraft	4	-
Other current liabilities	36,745	39,472
<b>Total current liabilities</b>	<b>84,183</b>	<b>85,845</b>
<b>Non-current liabilities</b>		
Long-term borrowings	6,043	1,278
Deferred tax liabilities	102	833
Provisions	59	59
Other non-current liabilities	3,549	2,848
<b>Total non-current liabilities</b>	<b>9,753</b>	<b>5,018</b>
<b>Total liabilities</b>	<b>93,936</b>	<b>90,863</b>
<b>Equity</b>		
Share capital	834	833
Treasury shares	(1,021)	(1,269)
Share premium	10,625	9,688
Share based payment reserve	1,442	1,652
Capital redemption reserve	173	173
Debenture redemption reserve	-	380
Special economic zone re-investment reserve	810	886
Retained earnings	238,226	215,593
Other components of equity	1,997	3,055
<b>Total equity</b>	<b>253,086</b>	<b>230,991</b>
<b>Total liabilities and equity</b>	<b>347,022</b>	<b>321,854</b>

12 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 previous fiscal years. 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 year ended 31 March 2023. 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.



13 Consolidated statements of cash flows

All amounts in Indian Rupees millions

Particulars	Half year ended	
	30.09.2023	30.09.2022
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities :</b>		
Profit for the period	28,825	23,004
<i>Adjustments for:</i>		
Tax expense	8,772	7,762
Fair value changes and profit on sale of financial instruments measured at FVTPL**, net	(1,527)	(78)
Depreciation and amortization	7,358	6,176
Impairment of non-current assets	66	25
Allowance for credit losses (on trade receivables and other advances)	137	69
(Gain)/loss on sale or de-recognition of non-current assets, net	(445)	68
Share of profit of equity accounted investees	(85)	(234)
Inventories write-down	1,418	2,732
Foreign exchange gain, net	(1,179)	(345)
Interest (income)/expense, net	(324)	223
Equity settled share-based payment expense	211	263
Dividends income	-	-*
<i>Changes in operating assets and liabilities:</i>		
Trade and other receivables	2,689	(10,150)
Inventories	(9,340)	(890)
Trade and other payables	4,568	(2,356)
Other assets and other liabilities, net	(3,482)	(5,693)
<b>Cash generated from operations</b>	<b>37,662</b>	<b>20,576</b>
Income tax paid, net	(8,486)	(4,640)
<b>Net cash generated from operating activities</b>	<b>29,176</b>	<b>15,936</b>
<b>Cash flows (used in)/from investing activities :</b>		
Expenditures on property, plant and equipment	(7,323)	(5,816)
Proceeds from sale of property, plant and equipment	487	48
Expenditures on other intangible assets	(8,787)	(6,203)
Proceeds from sale of other intangible assets	21	-
Purchase of other investments	(70,008)	(47,008)
Proceeds from sale of other investments	71,815	59,395
Dividend received from equity accounted investees	445	-
Interest and dividend received	597	394
<b>Net cash (used in)/from investing activities</b>	<b>(12,753)</b>	<b>810</b>
<b>Cash flows used in financing activities :</b>		
Proceeds from issuance of equity shares (including treasury shares)	765	66
Repayment of short-term borrowings, net	(1,054)	(16,862)
Repayment of long term borrowings	(3,800)	-
Proceeds from long term borrowings	3,800	-
Payment of principal portion of lease liabilities	(524)	(499)
Dividend paid	(6,648)	(4,979)
Interest paid	(1,051)	(872)
<b>Net cash used in financing activities</b>	<b>(8,512)</b>	<b>(23,146)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,911</b>	<b>(6,400)</b>
Effect of exchange rate changes on cash and cash equivalents	(155)	641
Cash and cash equivalents at the beginning of the period	5,779	14,852
<b>Cash and cash equivalents at the end of the period<sup>(1)</sup></b>	<b>13,535</b>	<b>9,093</b>

\*Rounded off to million.

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

<sup>(1)</sup> Adjusted for bank-overdraft of Rs. 4 million and Rs. 3 million for the half year ended 30 September 2023 and 30 September 2022, respectively.

- 14 The Company considered the uncertainties relating to the 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.



Place: Hyderabad  
Date: 27 October 2023



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



G V Prasad  
Co-Chairman & Managing Director

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

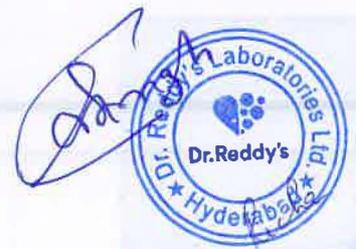
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## Dr. Reddy's Q2 FY24 Financial Results

**Hyderabad, India, Oct 27, 2023:** Dr. Reddy's Laboratories Ltd. (BSE: 500124 | NSE: DRREDDY | NYSE: RDY | NSEIFSC: DRREDDY) today announced its consolidated financial results for the quarter ended Sep 30, 2023. The information mentioned in this release is based on consolidated financial statements under International Financial Reporting Standards (IFRS).

<b>Revenues</b>	<b>Rs. 68,802 Mn</b> [Up: 9% YoY; Up: 2% QoQ]
<b>Gross Margin</b>	<b>58.7%</b> [Q2 FY23: 59.1%; Q1 FY24: 58.7%]
<b>SG&amp;A Expenses</b>	<b>Rs. 18,795 Mn</b> [Up: 13% YoY; 6% QoQ]
<b>R&amp;D Expenses</b>	<b>Rs. 5,447 Mn</b> [7.9% of Revenues]
<b>EBITDA</b>	<b>Rs. 21,813 Mn</b> [31.7% of Revenues]
<b>Profit before Tax</b>	<b>Rs. 19,134 Mn</b> [Up: 19% YoY; Up: 4% QoQ]
<b>Profit after Tax</b>	<b>Rs. 14,800 Mn</b> [Up: 33% YoY; Up: 6% QoQ]

**Commenting on the results, Co-Chairman & MD, G V Prasad said:** "We delivered another quarter of strong results with highest ever sales and profits, driven by market share gains & momentum in our US generics business and robust growth in Europe. We are continuing to strengthen our pipeline both organically and through business development to drive growth and create differentiation."



## Dr. Reddy's Laboratories Limited and Subsidiaries

### Consolidated Income Statement

Particulars	Q2 FY24		Q2 FY23		YoY Gr %	Q1 FY24		QoQ Gr%
	(\$)	(Rs.)	(\$)	(Rs.)		(\$)	(Rs.)	
<b>Revenues</b>	828	68,802	759	63,057	9	811	67,384	2
Cost of Revenues	342	28,434	311	25,810	10	335	27,831	2
<b>Gross Profit</b>	<b>486</b>	<b>40,368</b>	<b>448</b>	<b>37,247</b>	<b>8</b>	<b>476</b>	<b>39,553</b>	<b>2</b>
<b>Operating Expenses</b>								
Selling, General & Administrative expenses	226	18,795	199	16,560	13	213	17,702	6.2
Research and Development expenses	66	5,447	59	4,869	12	60	4,984	9
Impairment of non-current assets	1	55	0	25	120	0	11	400
Other operating (income)/expense	(22)	(1796)	(4)	(334)	438	(9)	(780)	130
<b>Results from operating activities</b>	<b>215</b>	<b>17,867</b>	<b>194</b>	<b>16,127</b>	<b>11</b>	<b>212</b>	<b>17,636</b>	<b>1</b>
Net finance (income)/expense	(15)	(1225)	2	156	(885)	(9)	(784)	56
Share of profit of equity accounted investees	(1)	(42)	(2)	(140)	(70)	(1)	(43)	(2)
<b>Profit before income tax</b>	<b>230</b>	<b>19,134</b>	<b>194</b>	<b>16,111</b>	<b>19</b>	<b>222</b>	<b>18,463</b>	<b>4</b>
Income tax expense	52	4,334	60	4,983	(13)	53	4,438	(2)
<b>Profit for the period</b>	<b>178</b>	<b>14,800</b>	<b>134</b>	<b>11,128</b>	<b>33</b>	<b>169</b>	<b>14,025</b>	<b>6</b>

<b>Diluted Earnings Per Share (EPS)</b>	<b>1.07</b>	<b>88.78</b>	<b>0.81</b>	<b>66.89</b>	<b>33</b>	<b>1.01</b>	<b>84.22</b>	<b>5</b>
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As % to revenues	Q2 FY24	Q2 FY23	Q1 FY24
Gross Profit	58.7	59.1	58.7
SG&A	27.3	26.3	26.3
R&D	7.9	7.7	7.4
EBITDA	31.7	30.6	31.7
PBT	27.8	25.5	27.4
PAT	21.5	17.6	20.8

### EBITDA Computation

Particulars	Q2 FY24		Q2 FY23		Q1 FY24	
	(\$)	(Rs.)	(\$)	(Rs.)	(\$)	(Rs.)
<b>Profit before Income Tax</b>	230	19,134	194	16,111	222	18,463
Interest (income) / expense - Net*	(14)	(1,166)	1	61	(8)	(685)
Depreciation	29	2,437	25	2,107	27	2,281
Amortization	16	1,353	12	1,018	16	1,302
Impairment	0	55	0	25	0	11
<b>EBITDA</b>	<b>262</b>	<b>21,813</b>	<b>233</b>	<b>19,322</b>	<b>257</b>	<b>21,372</b>

\* Includes income from Investments



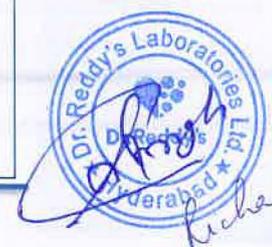
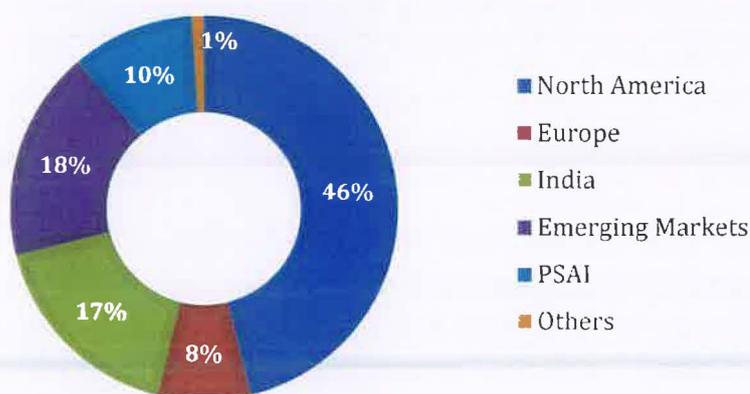
## Key Balance Sheet Items

Particulars	As on 30 <sup>th</sup> Sep 2023		As on 30 <sup>th</sup> Jun 2023		As on 30 <sup>th</sup> Sep 2022	
	(\$)	(Rs.)	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents and other investments	840	69,784	736	61,162	353	29,306
Trade receivables	839	69,722	928	77,095	927	76,987
Inventories	681	56,592	631	52,398	590	49,042
Property, plant, and equipment	848	70,478	809	67,207	768	63,817
Goodwill and Other Intangible assets	497	41,278	509	42,306	434	36,084
Loans and borrowings (current & non-current)	159	13,230	151	12,520	208	17,289
Trade payables	367	30,485	333	27,682	274	22,778
Equity	3,046	2,53,086	2,952	2,45,259	2,482	2,06,225

## Revenue Mix by Segment

Segment	Q2 FY24 (Rs.)	Q2 FY23 (Rs.)	YoY Gr %	Q1 FY24 (Rs.)	QoQ Gr %
<b>Global Generics</b>	<b>61,084</b>	<b>55,946</b>	<b>9</b>	<b>60,083</b>	<b>2</b>
North America	31,700	28,001	13	31,978	(1)
Europe	5,286	4,199	26	5,071	4
India	11,860	11,500	3	11,482	3
Emerging Markets	12,163	12,246	(1)	11,552	5
<b>Pharmaceutical Services and Active Ingredients (PSAI)</b>	<b>7,034</b>	<b>6,434</b>	<b>9</b>	<b>6,709</b>	<b>5</b>
Others	684	677	1	592	15
<b>Total</b>	<b>68,802</b>	<b>63,057</b>	<b>9</b>	<b>67,384</b>	<b>2</b>

## Q2 FY24 SALES MIX



## Revenue Analysis [Q2 FY24]

### Global Generics (GG)

- **Q2 FY24 revenue** at Rs. 61.1 billion, YoY growth of 9% and QoQ growth of 2%. This growth was primarily driven by North America and Europe.

### **North America**

- **Q2 FY24 revenue** at Rs. 31.7 billion, YoY growth of 13% and QoQ decline of 1%. The growth was on account of growing momentum in our core portfolio, Mayne integration, favorable move from foreign exchange which was partly offset by price erosion.
- During the quarter, we launched 4 new products in US.
- During the quarter, we filed 2 new Abbreviated New Drug Applications (ANDAs) with the US Food and Drug Administration (USFDA). As of 30<sup>th</sup> Sep 2023, cumulatively 79 generic filings are pending for approval with the USFDA (75 ANDAs and 4 NDAs under 505(b)(2) route). Out of the pending 79 ANDAs, 41 are Para IVs, and we believe 20 have 'First to File' status.

### **Europe**

- **Q2 FY24 revenue** at Rs. 5.3 billion, YoY growth of 26% and QoQ growth of 4%. The growth was driven by leveraging existing portfolio, contribution from new products and favorable forex which was partly offset by price erosion.

### **India**

- **Q2 FY24 revenue** at Rs. 11.9 billion, YoY growth of 3% and QoQ increase of 3%. This growth was largely driven by pricing, new launches and partly offset by NLEM impact and muted demand due to weak acute season. Excluding NLEM, operational sales grew in mid-single digit.

### **Emerging Markets**

- **Q2 FY24 revenue** from Emerging Markets at Rs. 12.2 billion, YoY decline of 1% and QoQ growth of 5%.
  - Revenue from **Russia** for the quarter at Rs. 5.8 billion, YoY decline of 3% and QoQ growth of 3%. YoY decline was majorly due to currency devaluation, excluding which YoY growth of 4% and QoQ growth of 9%. The increase was mainly driven by favorable pricing.
  - Revenue from other **CIS countries and Romania** for the year at Rs. 2.2 billion, YoY growth of 1% and QoQ growth of 12%. YoY growth, primarily on account of price increases on certain products, favorable move from foreign exchange which was partly offset by decline in base business volumes. QoQ growth was primarily driven by base business demand, partly offset by pricing pressure.
  - Revenue from **Rest of World (RoW)** territories for the year at Rs. 4.2 billion, YoY growth of 1% and QoQ growth of 6%. YoY growth, led by new product launches, which was partly offset by pricing pressure and lower base business. QoQ growth was mainly driven by new product launches and increase in demand of existing products and was partly offset by price erosion.



## Pharmaceutical Services and Active Ingredients (PSAI)

- **Q2 FY24 revenue** at Rs. 7.0 billion, with a growth of 9% YoY and 5% QoQ. YoY growth was mainly driven by new product launches, favorable move from foreign exchange partly offset with price erosion. QoQ growth was mainly driven by new product launches.

## **Income Statement Highlights:**

- **Q2 FY24 gross margin** at 58.7% (GG: 63.6%, PSAI: 17.8%). Gross margin decreased by ~40 bps YoY and was in line with preceding quarter. The decline in gross margin was primarily driven by marginal adverse price variance in certain products and mix change offset with favorable forex benefit.
- **Selling, general & administrative (SG&A) expenses for Q2 FY24** at Rs. 18.8 billion, YoY increase of 13% and by 6% QoQ. The YoY SG&A spend increase is largely on account of investment in sales & marketing, digitalization, and other business initiatives.
- **Research & development (R&D) expenses in Q2 FY24** at Rs. 5.4 billion. As % to Revenues – Q2FY24: 7.9% | Q1FY24: 7.4% | Q2 FY23: 7.7%. R&D investments are driven by ongoing clinical trials on differentiated assets, as well as other developmental efforts to build a healthy pipeline of new products across our markets for both small molecules and biosimilars.
- **Other operating income for Q2 FY24** at Rs. 1.8 billion compared to Rs. 0.3 billion in Q2 FY23. Other operating income included the one-off income benefit of ~ Rs. 0.98 billion pursuant to settlement of product related litigation.
- **Net Finance income for Q2 FY24** at Rs.1.2 billion compared to net finance expense of Rs. 0.2 billion in Q2 FY23. The higher income was primarily on account of profit on sale of units of mutual funds and other investments.
- **Profit before Tax for Q2 FY24** at Rs. 19.1 billion, YoY growth of 19%. QoQ growth of 4%
- **Profit after Tax for Q2 FY24** at Rs. 14.8 billion. The effective tax rate for the quarter has been 22.7% as compared to 30.9% in Q2 FY23. The lower tax was primarily due to adoption of corporate tax rate under section 115BAA of the Income Tax Act of India.
- **Diluted earnings per share for Q2 FY24** is Rs. 88.78

## **Other Highlights:**

- **EBITDA for Q2 FY24** at Rs. 21.8 billion and the EBITDA margin is 31.7%.
- **Capital expenditure for Q2 FY24** at Rs. 3.2 billion.
- **Free cash-flow for Q2 FY24** at Rs. 14.5 billion (before acquisition payout).
- **Net cash surplus** for the company at Rs. 59.1 billion as on Sep 30, 2023.



## About key metrics and non-GAAP Financial Measures

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

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

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

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



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All amounts in millions, except EPS

## Reconciliation of GAAP measures to non-GAAP measures

### Free Cash Flow

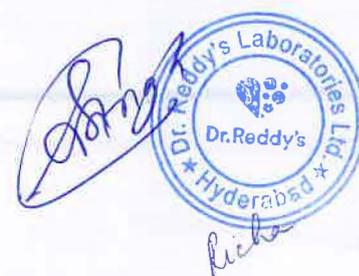
	Three months Ended Sep 30, 2023
Net cash generated from operating activities	24,030
Less:	
Taxes	(6102)
Investments in PPE and Intangibles	(3450)
<b>Free Cash Flow before acquisition</b>	<b>14,478</b>
Less:	
Acquisitions related pay-out	-
<b>Free Cash Flow</b>	<b>14,478</b>

### Operating working capital

	Quarter Ended Sep 30, 2023
Inventories	56,592
Trade Receivables	69,722
Less:	
Trade Payables	(30,485)
<b>Operating Working Capital</b>	<b>95,829</b>

### Net cash surplus

	Quarter Ended Sep 30, 2023
Cash and cash equivalents	13,539
Investments	56,245
Short-term borrowings	(5,847)
Long-term borrowings, non-current	(6043)
Less:	
Restricted cash balance – Unclaimed dividend	89
Lease liabilities (included in Long-term borrowings, non-current)	(2243)
Equity Investments (Included in Investments)	988
<b>Net Cash Surplus</b>	<b>59,060</b>



All amounts in millions, except EPS

### Computation of Return on Capital Employed

	Year Ended Sep 30, 2023
Profit before tax	19,134
Less:	
Interest and Investment Income (Excluding forex gain/loss)	1,166
Earnings Before Interest and taxes [A]	17,968
Average Capital Employed [B]	1,83,550
<b>Return on Capital Employed (A/B) (Ratio)</b>	<b>38.9%</b>

### Computation of capital employed.

	Year Ended Sep 30, 2023	Year Ended Mar 31, 2023
Property Plant and Equipment	70,478	66,462
Intangibles	37,055	30,849
Goodwill	4,223	4,245
Investment in equity accounted associates	4,069	4,702
Other Current Assets	22,423	20,069
Other investments	1,855	660
Other non-current assets	812	800
Inventories	56,592	48,670
Trade Receivables	69,722	72,485
Derivative Financial Instruments	189	1,095
Less:		
Other Liabilities	40,297	42,320
Provisions	5,298	5,513
Trade payables	30,485	26,444
<b>Operating Capital Employed</b>	<b>1,91,341</b>	<b>1,75,760</b>
<b>Average Capital Employed</b>	<b>1,83,550</b>	

### Computation of EBITDA

Refer page no. 2 for EBITDA computations.



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## Earnings Call Details (07:30 pm IST, 10:00 am EDT, Oct 27, 2023)

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=7967211&linkSecurityString=2c6ede051b>

#### 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

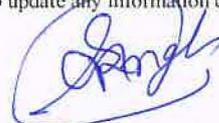
No password/pin number is necessary to dial in to any of the above numbers. The operator will provide instructions on asking questions before and during the call.

**Play Back:** The play back will be available after the earnings call, till Nov 3<sup>rd</sup>, 2023. For play back dial in phone No: +91 22 7194 5757, and Playback Code is 02796.

**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 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. Dr. Reddy's assumes no obligation to update any information contained herein.



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

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2023 (the "Statement") of Dr. Reddy's Laboratories Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the 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:

**Holding Company:**

Dr. Reddy's Laboratories Limited

**Subsidiaries**

1. Aurigene Oncology limited (Formerly, 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
11. Aurigene Discovery Technologies (Malaysia) Sdn. Bhd.
12. Aurigene Pharmaceutical Services Limited



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

**Chartered Accountants**

13. beta Institut gemeinnützige GmbH
14. betapharm Arzneimittel GmbH
15. Chirotech Technology Limited (Under the process of liquidation)
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 Chile SPA.
21. Dr. Reddy's Laboratories (EU) Limited
22. Dr. Reddy's Laboratories Inc.
23. Dr. Reddy's Laboratories Japan KK
24. Dr. Reddy's Laboratories Kazakhstan LLP
25. Dr. Reddy's Laboratories LLC, Ukraine
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 New Zealand Limited
37. Dr. Reddy's Research and Development B.V.
38. Dr. Reddy's Srl
39. Dr. Reddy's Venezuela, C.A.
40. Dr. Reddy's Laboratories LLC
41. Lacock Holdings Limited
42. Promius Pharma LLC
43. Reddy Holding GmbH
44. Reddy Netherlands B.V.
45. Reddy Pharma Iberia SAU
46. Reddy Pharma Italia S.R.L
47. Reddy Pharma SAS
48. Nimbus Health GmbH
49. Dr. Reddy's Laboratories Jamaica Limited (from 25 September 2023)

## **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 Employees ESOS Trust
3. Dr. Reddy's Research Foundation



# S.R. BATLIBOI & ASSOCIATES LLP

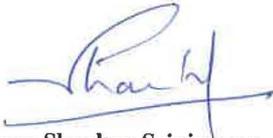
Chartered Accountants

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

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Shankar Srinivasan  
Partner

Membership No.: 213271



UDIN: 23213271BGSEQU2517

Place: Hyderabad

Date: October 27, 2023.

**DR. REDDY'S LABORATORIES LIMITED**  
**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2023**

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Revenue from operations</b>						
	a) Net sales/income from operations	67,348	66,143	61,632	133,491	109,812	234,595
	b) License fees and service income	1,454	1,241	1,425	2,695	5,399	11,284
	c) Other operating income	224	195	261	419	436	818
	<b>Total revenue from operations</b>	<b>69,026</b>	<b>67,579</b>	<b>63,318</b>	<b>136,605</b>	<b>115,647</b>	<b>246,697</b>
<b>2</b>	<b>Other income</b>	<b>3,150</b>	<b>1,740</b>	<b>408</b>	<b>4,890</b>	<b>8,825</b>	<b>10,555</b>
<b>3</b>	<b>Total income (1 + 2)</b>	<b>72,176</b>	<b>69,319</b>	<b>63,726</b>	<b>141,495</b>	<b>124,472</b>	<b>257,252</b>
<b>4</b>	<b>Expenses</b>						
	a) Cost of materials consumed	9,559	12,968	6,688	22,527	18,579	42,198
	b) Purchase of stock-in-trade	11,378	8,771	8,089	20,149	16,844	33,670
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(907)	(2,363)	3,693	(3,270)	2,160	709
	d) Employee benefits expense	12,803	11,897	11,517	24,700	21,974	46,466
	e) Depreciation and amortisation expense	3,755	3,533	3,092	7,288	6,110	12,502
	f) Impairment of non-current assets	55	11	25	66	25	699
	g) Finance costs	353	371	309	724	656	1,428
	h) Selling and other expenses	16,055	15,674	14,317	31,729	27,542	59,465
	<b>Total expenses</b>	<b>53,051</b>	<b>50,862</b>	<b>47,730</b>	<b>103,913</b>	<b>93,890</b>	<b>197,137</b>
<b>5</b>	<b>Profit before tax and before share of equity accounted investees(3 - 4)</b>	<b>19,125</b>	<b>18,457</b>	<b>15,996</b>	<b>37,582</b>	<b>30,582</b>	<b>60,115</b>
<b>6</b>	<b>Share of profit of equity accounted investees, net of tax</b>	<b>42</b>	<b>43</b>	<b>140</b>	<b>85</b>	<b>234</b>	<b>370</b>
<b>7</b>	<b>Profit before tax (5+6)</b>	<b>19,167</b>	<b>18,500</b>	<b>16,136</b>	<b>37,667</b>	<b>30,816</b>	<b>60,485</b>
<b>8</b>	<b>Tax expense/(benefit):</b>						
	a) Current tax	5,901	7,197	3,674	13,098	769	8,144
	b) Deferred tax	(1,556)	(2,747)	1,320	(4,303)	7,015	7,268
<b>9</b>	<b>Net profit after taxes and share of profit of associates (7 - 8)</b>	<b>14,822</b>	<b>14,050</b>	<b>11,142</b>	<b>28,872</b>	<b>23,032</b>	<b>45,073</b>
<b>10</b>	<b>Other comprehensive income</b>						
	a) (i) Items that will not be reclassified subsequently to profit or loss	(222)	106	(112)	(116)	(674)	(660)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(43)
	b) (i) Items that will be reclassified subsequently to profit or loss	(1,113)	147	(189)	(966)	(3,324)	276
	(ii) Income tax relating to items that will be reclassified to profit or loss	201	(210)	(320)	(9)	1,248	306
	<b>Total other comprehensive (loss)/income</b>	<b>(1,134)</b>	<b>43</b>	<b>(621)</b>	<b>(1,091)</b>	<b>(2,750)</b>	<b>(121)</b>
<b>11</b>	<b>Total comprehensive income (9 + 10)</b>	<b>13,688</b>	<b>14,093</b>	<b>10,521</b>	<b>27,781</b>	<b>20,282</b>	<b>44,952</b>
<b>12</b>	<b>Paid-up equity share capital (face value Rs. 5/- each)</b>	<b>834</b>	<b>833</b>	<b>832</b>	<b>834</b>	<b>832</b>	<b>833</b>
<b>13</b>	<b>Other equity</b>						<b>232,028</b>
<b>14</b>	<b>Earnings per equity share (face value Rs. 5/- each)</b>						
	Basic	89.09	84.55	67.13	173.64	138.77	271.47
	Diluted	88.91	84.36	66.98	173.27	138.47	270.90
		(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
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<b>Segment wise revenue and results:</b>						
1	<b>Segment revenue :</b>						
	a) Pharmaceutical Services and Active Ingredients	9,625	9,365	8,230	18,990	16,493	37,195
	b) Global Generics	61,130	60,130	56,009	121,260	100,380	213,953
	c) Others	683	593	755	1,276	1,493	3,126
	<b>Total</b>	<b>71,438</b>	<b>70,088</b>	<b>64,994</b>	<b>141,526</b>	<b>118,366</b>	<b>254,274</b>
	Less: Inter-segment revenue	2,412	2,509	1,676	4,921	2,719	7,577
	<b>Total revenue from operations</b>	<b>69,026</b>	<b>67,579</b>	<b>63,318</b>	<b>136,605</b>	<b>115,647</b>	<b>246,697</b>
2	<b>Segment results:</b>						
	Gross profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	1,260	1,013	235	2,273	1,350	4,733
	b) Global Generics	38,872	38,386	36,568	77,258	60,967	132,719
	c) Others	242	156	447	398	944	1,909
	<b>Total</b>	<b>40,374</b>	<b>39,555</b>	<b>37,250</b>	<b>79,929</b>	<b>63,261</b>	<b>139,361</b>
	Less: Selling and other un-allocable expenditure/(income), net	21,207	21,055	21,114	42,262	32,445	78,876
	<b>Total profit before tax</b>	<b>19,167</b>	<b>18,500</b>	<b>16,136</b>	<b>37,667</b>	<b>30,816</b>	<b>60,485</b>

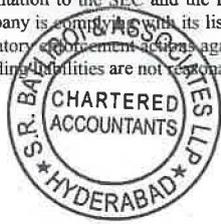
Global Generics includes operations of Biologics business. Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics and others at cost.

Segmental capital employed

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

Notes:

- The above statement of unaudited consolidated financial results of Dr. Reddy's Laboratories Limited ("the Company"), which have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of Companies Act, 2013 ("the Act") read with relevant rules issues thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI") were reviewed and recommended by Audit Committee and approved by the Board of Directors at their meetings held on 27 October 2023. The Statutory Auditors have carried out a limited review on the unaudited consolidated financial results and issued an unmodified report thereon.
- "Other income" for the quarter ended 30 September 2023 includes Rs.984 million recognized pursuant to settlement of product related litigation by the Company and its affiliates in the United Kingdom. This transaction pertains to the Company's Global Generics segment.
- "Other income" for the quarter ended 30 June 2023 includes Rs.540 million recognised pursuant to settlement agreement with Janssen Group, in settlement of the claim brought in the Federal Court of Canada by the Company and its affiliates for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of Zytiga®(Abiraterone). This transaction pertains to the Company's Global Generics segment.
- During the half year and quarter ended 30 September 2023, an amount of Rs.2,274 million and Rs.1,598 million, respectively, representing government grants has been accounted as a reduction from cost of revenues.
- During the quarter ended 30 September 2022 Rs.1,933 million, representing government grants has been accounted as a reduction from cost of revenues.
- License fee and service income for the year ended 31 March 2023 includes:
  - Rs. 2,640 million from sale of certain non-core dermatology brands to Eris Lifesciences Limited;
  - Rs. 1,399 million from sale of brands Styptovit-E, Finast, Finast-T and Dynapres to Torrent Pharmaceuticals Limited;
  - Rs. 902 million from sale of brands Z&D, Pedicloryl, Pecef and Ezinapi to J B Chemicals and Pharmaceuticals Limited.
 The amounts recognised above are adjusted for expected sales returns. These transactions pertain to Company's Global Generics segment.
- During the year ended 31 March 2023, Company considered a total impairment of Rs. 540 million towards:
  - The Company assessed performance of business acquired from Nimbus Health GmbH against the initial estimates and performance of the products. Basis the assessment, the Company has recorded an impairment charge of the carrying values amounting to Rs. 375 million (Goodwill- Rs. 272 million and Other intangibles- Rs. 103 million). The said impairment charge pertains to the Company's Global Generics segment.
  - Consequent to adverse market conditions with respect to certain of the Company's products related intangibles forming part of the Company's Global Generics and Pharmaceutical Services and Active Ingredients segments, the Company assessed the recoverable amount of these products and recognised an amount of Rs. 165 million as impairment charge.
- Included in "Selling and other expenses" for the year ended 31 March 2023, is an amount of Rs. 991 million representing the Loss on sale of Assets, pursuant to agreement dated 16 December 2022 with Delpharm Development Leiden B.V (Delpharm) for transfer of its certain assets, liabilities and employees at its site at Leiden, Netherlands. This transaction pertains to Company's Global Generics segment.
- The Company has considered the impact of recent tax regulations and developments, including updates to its estimate on the impact of adoption of the Taxation Laws (Amendment) Act 2019, in determining its "Tax expense/(benefit)" for the half year ended 30 September 2023 and year ended 31 March 2023.
- "Other income" for the half year ended 30 September 2022 includes an amount of Rs.5,638 million (U.S.\$71.39 million discounted to present value) towards the settlement of an ongoing litigation relating to launch of a product with Indivior Inc., Indivior UK Limited and Aquestive Therapeutics, Inc.
- 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 previous fiscal years. 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 year ended 31 March 2023. 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 regulator 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	
	30.09.2023	31.03.2023
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	58,496	56,542
Capital work-in-progress	11,514	9,752
Goodwill	5,410	5,474
Other intangible assets	36,384	30,175
Intangible assets under development	609	549
Investment in equity accounted investees	4,069	4,702
Financial assets		
Investments	1,855	660
Other financial assets	738	727
Deferred tax assets, net	10,732	7,052
Tax assets, net	298	2,687
Other non-current assets	592	276
<b>Total non-current assets</b>	<b>130,697</b>	<b>118,596</b>
<b>Current assets</b>		
Inventories	56,592	48,670
Financial assets		
Investments	38,650	44,496
Trade receivables	69,722	72,485
Derivative financial instruments	731	1,232
Cash and cash equivalents	13,539	5,779
Other bank balances	15,740	11,523
Other financial assets	4,582	4,950
Other current assets	17,841	15,120
<b>Total current assets</b>	<b>217,397</b>	<b>204,255</b>
<b>TOTAL ASSETS</b>	<b>348,094</b>	<b>322,851</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	834	833
Other equity	254,134	232,028
<b>Total equity</b>	<b>254,968</b>	<b>232,861</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	3,800	-
Lease liabilities	2,243	1,278
Provisions	194	199
Deferred tax liabilities, net	100	760
Other non-current liabilities	2,724	2,032
<b>Total non-current liabilities</b>	<b>9,061</b>	<b>4,269</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	5,851	11,190
Lease liabilities	1,336	1,004
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	89	83
Total outstanding dues of creditors other than micro enterprises and small enterprises	27,163	22,601
Derivative financial instruments	542	137
Other financial liabilities	28,390	29,175
Liabilities for current tax, net	3,985	2,143
Provisions	6,305	6,525
Other current liabilities	10,404	12,863
<b>Total current liabilities</b>	<b>84,065</b>	<b>85,721</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>348,094</b>	<b>322,851</b>



13 Consolidated statement of cashflows

All amounts in Indian Rupees millions

Particulars	Half year ended	
	30.09.2023	30.09.2022
	(Unaudited)	(Unaudited)
<b>Cash flows from/(used in) operating activities :</b>		
<b>Profit before tax</b>	<b>37,667</b>	<b>30,816</b>
<i>Adjustments for:</i>		
Fair value changes and profit on sale of financial instruments measured at FVTPL**, net	(1,527)	(78)
Depreciation and amortisation expense	7,288	6,110
Impairment of non-current assets	66	25
Allowance for credit losses (on trade receivables and other advances)	137	69
(Profit)/loss on sale or de-recognition of non-current assets, net	(445)	68
Share of profit of equity accounted investees	(85)	(234)
Foreign exchange (gain), net	(1,179)	(329)
Interest income	(1,048)	(433)
Finance costs	724	656
Equity settled share-based payment expense	211	263
Inventories write-down	1,418	2,732
Dividend income	-	.*
<i>Changes in operating assets and liabilities:</i>		
Trade and other receivables	2,689	(10,150)
Inventories	(9,340)	(890)
Trade and other payables	4,568	(2,356)
Other assets and other liabilities, net	(3,482)	(5,693)
<b>Cash generated from operations</b>	<b>37,662</b>	<b>20,576</b>
Income tax paid, net	(8,486)	(4,640)
<b>Net cash from operating activities</b>	<b>29,176</b>	<b>15,936</b>
<b>Cash flows (used in)/from investing activities :</b>		
Expenditures on property, plant and equipment	(7,323)	(5,816)
Proceeds from sale of property, plant and equipment	487	48
Expenditures on other intangible assets	(8,787)	(6,203)
Proceeds from sale of other intangible assets	21	-
Purchase of investments	(70,008)	(47,008)
Proceeds from sale of investments	71,815	59,395
Interest and dividend received	597	394
Dividend received from equity accounted investees	445	-
<b>Net cash (used in)/from investing activities</b>	<b>(12,753)</b>	<b>810</b>
<b>Cash flows (used in) financing activities :</b>		
Proceeds from issuance of equity shares (including treasury shares)	765	66
Repayment of short-term borrowings, net	(1,054)	(16,862)
Repayment of long-term loans and borrowings	(3,800)	-
Proceeds from long term borrowings	3,800	-
Payment of principal portion of lease liabilities	(524)	(499)
Dividend paid	(6,648)	(4,979)
Interest paid	(1,051)	(872)
<b>Net cash used in financing activities</b>	<b>(8,512)</b>	<b>(23,146)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,911</b>	<b>(6,400)</b>
Effect of exchange rate changes on cash and cash equivalents	(155)	641
Cash and cash equivalents at the beginning of the period	5,779	14,852
<b>Cash and cash equivalents at the end of the period<sup>(1)</sup></b>	<b>13,535</b>	<b>9,093</b>

\*Rounded off to million.

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

<sup>(1)</sup> Adjusted for bank-overdraft of Rs. 4 million and Rs. 3 million for the half year ended 30 September 2023 and 30 September 2022, respectively.

- 14 The Company considered the uncertainties relating to the 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.

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

  
G V Prasad  
Co Chairman & Managing Director

Place: Hyderabad  
Date: 27 October 2023



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

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

1. We have reviewed the accompanying statement of unaudited standalone financial results for the quarter and half year ended September 30, 2023 (the "Statement") of Dr. Reddy's Laboratories Limited (the "Company") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

  
per Shankar Srinivasan  
Partner  
Membership No.: 213271



UDIN: 23243271 BGSF QV8129

Place: Hyderabad  
Date: October 27, 2023

**DR. REDDY'S LABORATORIES LIMITED**  
**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2023**

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2023 (Unaudited)	30.06.2023 (Unaudited)	30.09.2022 (Unaudited)	30.09.2023 (Unaudited)	30.09.2022 (Unaudited)	31.03.2023 (Audited)
<b>1</b>	<b>Revenue from operations</b>						
	a) Net sales/income from operations	48,037	54,034	48,475	102,071	81,874	162,989
	b) License fees and service income	154	167	186	321	2,943	6,002
	c) Other operating income	196	172	142	368	292	634
	<b>Total revenue from operations</b>	<b>48,387</b>	<b>54,373</b>	<b>48,803</b>	<b>102,760</b>	<b>85,109</b>	<b>169,625</b>
<b>2</b>	<b>Other income</b>	<b>2,231</b>	<b>2,336</b>	<b>1,180</b>	<b>4,567</b>	<b>5,214</b>	<b>5,913</b>
	<b>Total income (1 + 2)</b>	<b>50,618</b>	<b>56,709</b>	<b>49,983</b>	<b>107,327</b>	<b>90,323</b>	<b>175,538</b>
<b>3</b>	<b>Expenses</b>						
	a) Cost of materials consumed	7,512	8,139	6,367	15,651	14,414	31,614
	b) Purchase of stock-in-trade	4,992	3,842	4,391	8,834	9,227	17,793
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,054)	(163)	1,336	(1,217)	1,508	1,295
	d) Employee benefits expense	7,837	7,402	7,101	15,239	13,591	28,326
	e) Depreciation and amortisation expense	2,458	2,372	2,262	4,830	4,477	9,232
	f) Impairment of non-current assets	-	-	-	-	-	51
	g) Finance costs	58	45	17	103	115	169
	h) Selling and other expenses	12,809	12,876	11,580	25,685	22,546	48,398
	<b>Total expenses</b>	<b>34,612</b>	<b>34,513</b>	<b>33,054</b>	<b>69,125</b>	<b>65,878</b>	<b>136,878</b>
<b>4</b>	<b>Profit before tax (1 + 2 - 3)</b>	<b>16,006</b>	<b>22,196</b>	<b>16,929</b>	<b>38,202</b>	<b>24,445</b>	<b>38,660</b>
<b>5</b>	<b>Tax expense/(benefit)</b>						
	a) Current tax	3,960	5,387	2,976	9,347	4,334	8,641
	b) Deferred tax	120	415	2,790	535	3,953	3,891
<b>6</b>	<b>Net profit for the period/year (4 - 5)</b>	<b>11,926</b>	<b>16,394</b>	<b>11,163</b>	<b>28,320</b>	<b>16,158</b>	<b>26,128</b>
<b>7</b>	<b>Other comprehensive income</b>						
	a) (i) Items that will not be reclassified to profit or loss	1	1	2	2	1	89
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(53)
	b) (i) Items that will be reclassified to profit or loss	(802)	521	912	(281)	(3,574)	(928)
	(ii) Income tax relating to items that will be reclassified to profit or loss	201	(130)	(320)	71	1,248	358
	<b>Total other comprehensive income</b>	<b>(600)</b>	<b>392</b>	<b>594</b>	<b>(208)</b>	<b>(2,325)</b>	<b>(534)</b>
<b>8</b>	<b>Total comprehensive income (6 + 7)</b>	<b>11,326</b>	<b>16,786</b>	<b>11,757</b>	<b>28,112</b>	<b>13,833</b>	<b>25,594</b>
<b>9</b>	<b>Paid-up equity share capital (face value Rs. 5/- each)</b>	<b>834</b>	<b>833</b>	<b>832</b>	<b>834</b>	<b>832</b>	<b>833</b>
<b>10</b>	<b>Other equity</b>						<b>203,909</b>
<b>11</b>	<b>Earnings per equity share (face value Rs. 5/- each)</b>						
	Basic	71.68	98.66	67.25	170.32	97.35	157.37
	Diluted	71.54	98.45	67.10	169.96	97.14	157.03
		<i>(Not annualised)</i>					

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
		30.09.2023 (Unaudited)	30.06.2023 (Unaudited)	30.09.2022 (Unaudited)	30.09.2023 (Unaudited)	30.09.2022 (Unaudited)	31.03.2023 (Audited)
<b>Segment wise revenue and results</b>							
<b>1</b>	<b>Segment revenue</b>						
	a) Pharmaceutical Services and Active Ingredients	6,357	6,885	6,452	13,242	12,428	27,896
	b) Global Generics	43,995	49,678	43,829	93,673	75,050	147,999
	c) Others	128	131	106	259	258	497
	<b>Total</b>	<b>50,480</b>	<b>56,694</b>	<b>50,387</b>	<b>107,174</b>	<b>87,736</b>	<b>176,392</b>
	Less: Inter-segment revenue	2,093	2,321	1,584	4,414	2,627	6,767
	<b>Total revenue from operations</b>	<b>48,387</b>	<b>54,373</b>	<b>48,803</b>	<b>102,760</b>	<b>85,109</b>	<b>169,625</b>
<b>2</b>	<b>Segment results</b>						
	Profit/(loss) before tax and interest from each segment						
	a) Pharmaceutical Services and Active Ingredients	(540)	(596)	(869)	(1,136)	(1,151)	(1,336)
	b) Global Generics	16,174	22,492	19,040	38,666	30,164	46,716
	c) Others	108	(9)	(28)	99	(6)	(154)
	<b>Total</b>	<b>15,742</b>	<b>21,887</b>	<b>18,143</b>	<b>37,629</b>	<b>29,007</b>	<b>45,226</b>
	Less: (i) Finance costs	58	45	17	103	115	169
	(ii) Other un-allocable expenditure/(income), net	(322)	(354)	1,197	(676)	4,447	6,397
	<b>Total profit before tax</b>	<b>16,006</b>	<b>22,196</b>	<b>16,929</b>	<b>38,202</b>	<b>24,445</b>	<b>38,660</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:

- The above statement of unaudited standalone financial results of Dr. Reddy's Laboratories Limited ("the Company"), which have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI") were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meetings held on 27 October 2023. The Statutory Auditors have carried out a limited review on the unaudited standalone financial results and issued unmodified report thereon.
- During the quarter and half year ended 30 September 2023, an amount of Rs. 1,590 million and Rs. 2,263 million respectively, representing government grants has been accounted as a reduction from cost of material consumed.
- During the quarter ended 30 September 2022, an amount of Rs. 1,933 million representing government grants has been accounted as a reduction from cost of material consumed.
- Other income for the quarter ended 30 June 2023 includes Rs.540 million recognised pursuant to settlement agreement with Janssen Group, in settlement of the claim brought in the Federal Court of Canada by the Company and its affiliates for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of Zytiga®(Abiraterone).This transaction pertains to the Company's Global Generics segment.
- Other income for the quarter ended 30 June 2023 includes dividend income of Rs. 443 million declared by Kunshan Rotan Reddy Pharmaceutical Company Limited.
- License fee and service income for the year ended 31 March 2023 includes:
  - Rs. 2,640 million from sale of certain non-core dermatology brands in India to Eris Lifesciences Limited;
  - Rs. 1,399 million from sale of brands Styptovit-E, Finast, Finast-T and Dynapres to Torrent Pharmaceuticals Limited;
  - Rs. 902 million from sale of brands Z&D, Pedicloryl, Pecef and Ezinapi to J B Chemicals and Pharmaceuticals Limited;
 The amounts recognised above are adjusted for expected sales returns. These transactions pertain to the Company's Global Generics segment.
- The Company has considered the impact of recent tax regulations and developments, including updates to its estimate on the impact of adoption of the Taxation Laws (Amendment) Act 2019, in determining its "Tax expense/(benefit)" for the half year ended 30 September 2023 and year ended 31 March 2023.
- 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 previous fiscal years. 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 year ended 31 March 2023. 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.



**9 Balance sheet**

All amounts in Indian Rupees millions

Particulars	As at	As at
	30.09.2023	31.03.2023
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	48,011	47,379
Capital work-in-progress	10,483	8,991
Goodwill	853	853
Other intangible assets	23,704	23,835
Intangible assets under development	139	139
<b>Financial assets</b>		
Investments	33,026	31,422
Loans	613	11
Other financial assets	537	533
Deferred tax assets, net	268	-
Tax assets, net	-	2,546
Other non-current assets	424	156
<b>Total non-current assets</b>	<b>118,058</b>	<b>115,865</b>
<b>Current assets</b>		
Inventories	36,136	30,430
<b>Financial assets</b>		
Investments	35,842	42,978
Trade receivables	56,604	42,889
Derivative instruments	253	715
Cash and cash equivalents	1,116	1,123
Other bank balances	15,673	5,335
Other financial assets	1,401	2,224
Other current assets	14,782	12,189
<b>Total current assets</b>	<b>161,807</b>	<b>137,883</b>
<b>TOTAL ASSETS</b>	<b>279,865</b>	<b>253,748</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	834	833
Other equity	226,348	203,909
<b>Total Equity</b>	<b>227,182</b>	<b>204,742</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Lease liabilities	440	286
Provisions	79	79
Deferred tax liabilities, net	4,124	3,392
Other non-current liabilities	1,029	852
<b>Total non-current liabilities</b>	<b>5,672</b>	<b>4,609</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	-	6
Lease liabilities	359	216
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	67	72
Total outstanding dues of creditors other than micro enterprises and small enterprises	20,590	17,573
Derivative instruments	175	135
Other financial liabilities	15,296	15,369
Liabilities for current tax, net	1,790	-
Provisions	2,978	3,052
Other current liabilities	5,756	7,974
<b>Total current liabilities</b>	<b>47,011</b>	<b>44,397</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>279,865</b>	<b>253,748</b>



10 Statement of cashflows

All amounts in Indian Rupees millions

Particulars	Half year ended	
	30.09.2023	30.09.2022
	(Unaudited)	(Unaudited)
<b>Cash flows from/(used in) operating activities :</b>		
<b>Profit before tax</b>	<b>38,202</b>	<b>24,445</b>
<i>Adjustments for:</i>		
Fair value changes and profit on sale of financial instruments measured at FVTPL**, net	(1,477)	(56)
Depreciation and amortisation expense	4,830	4,477
Allowance for credit losses (on trade receivables and other advances)	111	63
(Profit)/Loss on sale/disposal of property , plant and equipment and other intangible assets, net	(380)	71
Inventory write-downs	769	2,119
Foreign exchange loss/(gain), net	105	472
Interest income	(1,425)	(618)
Dividend from subsidiary, joint ventures and other entities	(445)	.*
Finance costs	103	115
Equity settled share-based payment expense	180	212
<i>Changes in operating assets and liabilities:</i>		
Trade receivables	(13,753)	(11,033)
Inventories	(6,475)	834
Trade payables	3,012	(611)
Other assets and other liabilities, net	(3,014)	(1,194)
<b>Cash flow generated from operations</b>	<b>20,343</b>	<b>19,296</b>
Income taxes paid, net	(4,643)	(3,178)
<b>Net cash from operating activities</b>	<b>15,700</b>	<b>16,118</b>
<b>Cash flows from/(used in) investing activities :</b>		
Proceeds from sale of property, plant and equipment	414	106
Expenditures on property, plant and equipment	(6,379)	(5,020)
Proceeds from sale of other intangible assets	21	-
Expenditures on other intangible assets	(964)	(5,160)
Purchase of investments	(65,458)	(46,353)
Proceeds from sale of investments	62,762	57,444
Purchase of equity investments of subsidiary	(500)	(459)
Dividend income received	445	.*
Interest income received	683	550
Loans and advances given to subsidiaries	(602)	(50)
<b>Net cash (used in)/from investing activities</b>	<b>(9,578)</b>	<b>1,058</b>
<b>Cash flows from/(used in) financing activities :</b>		
Proceeds from issuance of equity shares (including treasury shares)	765	66
Proceeds from/(repayment of ) short-term loans and borrowings, net	(6)	(18,711)
Payment of principle portion of lease liabilities	(126)	(133)
Dividend paid	(6,648)	(4,979)
Interest paid	(117)	(234)
<b>Net cash used in financing activities</b>	<b>(6,132)</b>	<b>(23,991)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(10)</b>	<b>(6,815)</b>
Effect of exchange rate changes on cash and cash equivalents	3	430
Cash and cash equivalents at the beginning of the period	1,123	11,595
<b>Cash and cash equivalents at the end of the period<sup>(1)</sup></b>	<b>1,116</b>	<b>5,210</b>

\*Rounded off to million.

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

<sup>(1)</sup> Adjusted for bank overdraft of Rs. Nil and Rs. 3 million for periods ended 30 September 2023 and 30 September 2022 respectively.

11 The Company considered the uncertainties relating to the 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.

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

  
G V Prasad  
Co-Chairman & Managing Director

Place: Hyderabad  
Date: 27 October 2023

