



“Dr. Reddy’s Laboratories Limited 37th Annual General Meeting”

July 28, 2021

**PARTICIPANTS:**

Mr. Satish Reddy – Chairman and Member

Mr. G V Prasad – Co-Chairman and Managing Director

Mr. Allan Oberman – Independent Director

Dr. Bruce L A Carter – Independent Director and ADR holder

Ms. Kalpana Morparia – Independent Director and Member

Mr. Leo Puri – Independent Director

Mr. Prasad R Menon – Independent Director

Ms. Shikha Sharma – Independent Director

Mr. Sridar Iyengar – Independent Director

Mr. Erez Israeli – Chief Executive Officer

Mr. Parag Agarwal – Chief Financial Officer

Mr. Sandeep Poddar – Company Secretary and Member

Mr. G Raghu Babu – Scrutinizer, M/s. R & A Associates, Practicing  
Company Secretaries

Representatives of M/s. S.R. Batliboi & Associates LLP, Statutory  
Auditors

Mr. Makarand M. Joshi, Partner, Makarand M Joshi & Co. (MMJC),  
Secretarial Auditor, and

Members

**Moderator:** Dear Members. Good morning and warm welcome to all of you to the 37th Annual General Meeting of Dr. Reddy's Laboratories Limited held through video conferencing facility or other audio-visual means. For smooth conduct of the meeting, all the members will be in mute mode. Audio and video facility will be enabled for those members who have registered themselves as speaker shareholders once the company secretary announces to commence question and answer session. If you wish to raise any queries during the meeting, please post the queries by clicking on the 'Communicate' icon available on the screen. Kindly mention your email ID, DP ID, client ID and mobile number in the text box while posting your question, so that it is easy for us to send you replies for your questions if any. Please note that as per the requirements of the law, the proceedings of Annual General Meeting will be recorded and transcript of the same will be available on the website of the company. I now hand over the proceedings to Mr. Satish Reddy – Chairman of Dr. Reddy's Laboratories Limited. Thank you and over to you, Sir!

**Satish Reddy:** Very good morning, ladies and gentlemen to the 37th Annual General Meeting for joining us today. First I would like to introduce the Board of Directors of the company starting with our Lead Director, Prasad Menon on the stage. We have Kalpana Morparia joining us from Mumbai today, we have Bruce Carter joining in from Seattle in the US, we have Sridar Iyengar joining in from San Francisco in the US, we have Leo Puri joining us from Singapore, we have Shikha Sharma joining in from Mumbai, Allan Oberman from Toronto and G V Prasad the Co-Chairman and Managing Director from Hyderabad.

**Sandeep Poddar:** Thank you Satish. Good morning, ladies and gentlemen. On behalf of the company, I welcome all the members of the company and their representatives, all the board members, auditors and other invitees to this 37th Annual General Meeting of your Company. I would like to mention that Mr. Satish Reddy, Chairman, Mr. G V Prasad, Co-Chairman and Managing Director, Mr. Prasad Menon, Lead Independent Director and Chairman of Nomination, Governance and Remuneration Committee, and CSR Committee, Mr. Erez Israeli, Chief Executive Officer and Mr. Parag Agarwal, Chief Financial Officer are present at Dr. Reddy's Corporate Office in Hyderabad. All other independent directors including Chairpersons of Stakeholders Relationship Committee and Audit Committee, auditors and other invitees are participating from their respective locations.

Before we start the proceedings of the meeting, I would like to state that the meeting is being held through video conference facility or other audio-visual means in compliance with the provisions of the Companies Act 2013, rules made thereunder, SEBI (Listing) Obligations and Disclosure Requirements) Regulations, 2015 to be read with General Circulars dated April 8, 2020, April 13, 2020, May 5, 2020, and January 13, 2021 respectively, issued by the Ministry of Corporate Affairs and SEBI Circulars dated May 12, 2020 and January 15, 2021 respectively.

The company has engaged the services of National Securities Depository Limited to provide remote e-voting facility and e-voting facility during the AGM. Therefore, any members who have not yet

cast their votes electronically and who are participating in the meeting have an opportunity to cast their votes during the meeting through the e-voting system provided by NSDL. Members can click on e-voting icon on the screen to avail this feature, which will redirect them to a separate window to the e-voting portal of NSDL. As stated in the notice convening this AGM, since this AGM is being held virtually the facility for appointment of proxies by the members was not available and members attending this AGM through audio-visual means shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

We have 51 members attending this AGM through audio-visual means. The requisite quorum being present, I call this meeting to order.

This meeting being conducted through audio-visual means also complies with Regulation 44(6) of SEBI Listing Regulations. The register of directors and key managerial personnel and their shareholding, the register of contracts or arrangements in which directors are interested and the certificate from statutory auditors on stock option schemes of the company and other documents have been made available for inspection in electronic mode to members, if any, who have sent a request for inspection. In case any member during the AGM wishes to inspect the same, they are requested to kindly write to the company by sending an e-mail to [shares@drreddys.com](mailto:shares@drreddys.com) and the documents can be inspected by them electronically.

Now, we commence the proceedings of this meeting. The Annual Report for FY2021 comprising the notice of the AGM, Standalone and Consolidated Audited Financial Statements for the financial year 2021, and Auditor's Report thereon along with the Board's Report has been sent through sent through electronic mode to all the members who have registered their e-mail addresses with the company or their depository participants. Consequently, I will take the notice convening the meeting and the auditor's report on both the standalone and consolidated financial statements as read.

I would like to mention that there were no qualifications, observations and adverse remarks or comments mentioned in the statutory auditor's report or secretarial auditor's report.

May I now request our Chairman, Mr. Satish Reddy to address the members.

**Satish Reddy:**

Thank you, Sandeep. Good morning, ladies and gentlemen again. The financial year 2021 was a very difficult year for all of us. When we met this time last year it was our first ever completely virtual AGM and now for the second time we meet virtually.

The second COVID wave in India has been devastating and most of us are coping with the loss of our family member, a friend or a loved one. It is your continued support in these trying times that allowed us to do our best for our employees and our patients alike.

I would also like to acknowledge the management and the employees of Dr. Reddy's across the world and also our partners, customers and collaborators for their contributions.

Our credo of “Good Health Can’t Wait”, it guided our priorities, ensuring the supply of medicines to patients and promoting the health and safety of our employees.

I hope you have all received the copy of the company’s Annual Report on 2020-2021. Under the theme of ‘For Health, For Life, connecting science, technology and innovation’ this year’s annual report includes a snapshot of our financial performance for FY21, the management commentary on our business performance and outlook as well as our statutory reports.

We have also offered a glimpse of the various ways your company has responded to the challenges posed by the pandemic through our COVID portfolio, through our initiatives to help employees, through our communities, our partners, our collaborators and our customers, and also by adapting our business operations to ensure the continuous supply of medicines.

Some highlights from the annual report, just to remind a couple of them. We have made significant efforts to increase productivity and ramp up our digital transformation agenda, and off late there has been a lot of focus on the ESG aspects of companies, the environmental, social and government’s aspects and I am happy to inform you that Dr. Reddy’s has been ranked number one, its been ranked number one in pharma in the CRISIL’s ESG ratings and ranked among the top ten in India across the various sectors.

Also I would like to take this opportunity to congratulate the leadership team of Dr. Reddy’s led by our CEO, Erez and also members of the Dr. Reddy’s family around the world for the encouraging performance right through the pandemic.

So reflecting back on the priorities and approach during the COVID times over the last year and a half, based on our learnings from the first wave we set three priorities for ourselves, they were important then and they are also important now.

One is to ensure the safety of our employees and their families; the second to meet commitments to our patients and partners worldwide and the third to develop medicines to fight COVID. To deliver on these priorities we invested heavily in work place safety and our successive business continuity plans have helped ensure a safe and productive working environment.

The range of employee benefits and facilities helped colleagues physically, financially and psychologically right through the pandemic. As far as our COVID portfolio is concerned, Prasad will be taking us within more detail, I only wanted to mention that in addition to the various COVID product launches and also ramping up of the production of essential therapeutics your company will continue to explore innovative therapeutics for COVID and associated complications in preparation for any future waves.

Also as part of the COVID relief efforts Dr. Reddy’s has committed a sum of Rs.50 Crores towards the COVID-19 India relief fund which it will carry out various initiatives.

To briefly talk about the pharma industry, the overall Indian pharmaceutical industry's response during the COVID times - the COVID situation in the first half of 2021 was grim indeed. At Dr. Reddy's, we lost 22 of our colleagues to COVID and quite a large number of staffs were infected and we have made every effort to extend support to the bereaved families and we will continue to do so.

The pandemic brought home the impact on lives that the pharmaceutical sector, the government and the healthcare providers can make in collaboration with each other. In fact, the collaborative approach between the government and the pharmaceutical industry was truly exemplary and the agility with which we could identify solutions to the problems on how we put together relevant SOPs it was unprecedented. There were control rooms for example which were setup by the Department Of Pharmaceuticals to streamline, to clarify, and implement government notifications on the ground.

There was co-ordination with the Central, State Governments to resolve the disruptions on the ground and we worked in tandem, the industry worked in tandem with the authorities to develop safety protocols for our work places. In addition to addressing the COVID situation the government also embarked on launching critical policies and made the right interventions to give an impetus to the R&D as well as the pharma manufacturing in the country. Just to name a couple of them, the PLI scheme. The government launched the much awaited Production Linked Incentive scheme to provide an impetus to domestic manufacturing of pharmaceuticals, bio pharmaceuticals, APIs, KSMs, excipients and some other critical drugs and under this scheme the government announced a total incentive outlay of Rs. 15,000 Crores to be paid to the participants over a six year period.

The second is the R&D committee which is very much focused on innovation. The government had constituted an R&D committee comprising of leaders from the industry, from academia and also the policymakers to generate ideas to boost R&D in the country. The R&D committee made almost about 25 recommendations across the key building blocks of trajectory processes, of R&D funding, industry academia collaborations, R&D policy and infrastructure and these are now in the process of being implemented by the government.

Despite all these positive things that have happened, a lot could have gone better in the past year. We as a country were probably too quick to declare victory over COVID and the second wave in a sense caught us unawares.

From some kind of laxity in following the COVID norms to dismantling the infrastructure that was built for the COVID patients in the first wave and also by not planning ahead in creating stockpiles of essential medicines, there is much to learn, there is much to learn from the ones leaning up to the second wave; however, I think once the situation became clear the turnaround was quite impressive. In a very short span of time India has put into effect the vaccination drive and a good amount of work has been done at several levels and the authorities have played their part in expediting approval processes to ensure wider access for essential medicines.

In fact it is due to the emergency usage approval process that was set in motion during the pandemic; it helped fast track development of several COVID therapeutics and also vaccines and made them

available across the country. A few potential solutions that I feel we must continue to work on in partnership with the government number one the government and pharma companies must collectively build a stockpile of essential drugs for COVID as well as other diseases that we can tap to when it comes to the time of need. An effort was already underway on this in the case of Remdesivir for example in the month of May and it is needed for other products also.

Second a funding mechanism needs to be in place by the government which will enable the companies to take the risk and give a thrust to the R&D and also inventory building for such essential COVID drugs in emergency situations.

Third in the future more capabilities needs to be built in enabling a higher level of expertise in review of the new product as well as the drug approvals and four sustained CSR efforts by the industry in partnership with the government to contribute towards developing primary healthcare in underserved areas. And there is a lot to learn from every new situation and we as a country have learnt on the job. The pharmaceutical sector has truly risen to the challenge and it is poised with the support of other stakeholders to do even more.

So lastly, on the CSR activities carried out by your company, on COVID relief as I had mentioned before we have played an active role to support communities in India as well as in all the countries where we operate in to provide relief during the pandemic times and Prasad will talk more about it.

On educational activities despite the various challenges posed by the pandemic and the lockdowns, we leveraged the digital capabilities to ensure continuity in learning in all our flagship, education programs that we carry out through the Dr. Reddy's Foundation whether it was the schools, the vocational college or the school implement programs in partnership with the government lot of activities were carried out digitally.

In addition we renewed our partnership with Sarva Shiksha Abhiyan of Andhra Pradesh State which will benefit 21,000 students in the tribal areas. We awarded the Dr. Reddy's scholarship for meritorious students to 320 students of which 60% were girls. We organized interventions to support adolescent girls health had benefited more than 8000 girls at various schools.

Also at the Dr. Reddy's Foundation, we introduced online training to transform our flagship skilling program which is called GROW into a new model of delivery which is called GROW Digital. GROW Digital offers similar training modules and impact in terms of skillships and placements but in a more contemporary mode that is suited to the workplace for the future.

Similarly GROW for the specially-abled also transitioned into a digital program. Our flagship livelihoods program called MITRA it also created a significant impact in the last year touching the lives of 30,000 plus farmers. These interventions resulted in almost 20% increase in the yield of paddy crop for example a 15% decrease in the cost of cultivation and a 20% increase in the income. Almost 1,000 plus farmers were benefited through this approach.

Also spirit of giving which is a volunteer program which is carried out in the company to commemorate our Founder Dr. Anji Reddy passing every year, in this program more than 400 volunteers from across the company were engaged in the spirit of giving activities in the financial year 2021. We introduced a virtual volunteering platform that enabled more employees across the company to participate in various activities such as podcast recording, online mentoring, to name a few and we conducted a plasma donation drive where 120 employees contributed to build our own dynamic repository of potential donors.

Also project Fever was carried out which was in partnership with the Indian Institute of Public Health in Hyderabad to launch something which is a community driven program to enhance the awareness on dengue fever and about 80 to 100 employees have contributed to this over the financial year. Also in our US office over 30 volunteers engaged to in activities such as food distribution and disaster relief over the course of the year.

So in conclusion, the late Founder Anji Reddy's words are echoed in this year's annual report theme, for health, for life, connecting science, technology and innovation. Innovative, effective and quick solutions were the need for the past year and a half we will need more of them in the near future if we have to stay ahead of the curve and defeat the pandemic.

I wish to reiterate that your company is committed to doing everything it can to contribute to this fight. Once again, I would like to thank all of you, our shareholders, our partners, customers, employees, collaborators and the medical professionals for your faith in the company and all of us. I would also like to thank our Board of Directors who are present on this call today and please stay safe and stay well. Thank you very much.

I just want to read out the statutory disclaimer. In view of the continuing COVID-19 pandemic for maintaining social distancing norms the Ministry of Corporate Affairs and SEBI has issued circulars permitting companies to hold the AGMs virtually. Hence the 37th Annual General Meeting of your company is being held through audio-visual means in compliance with aforesaid circulars. All feasible efforts have been made by the company to enable its members to participate and vote during the AGM. The company has engaged the services of NSDL to facilitate this AGM and pursuant to the secretarial standards, please note that as per AGM notice dated May 24, 2021, the resolution numbers 1 to 4 are mandatorily required to be passed at the AGM under Section 102(2) of the Companies Act 2013 and resolution number 5 is a special business considered as important and unavoidable by the board and hence are proposed at this AGM.

I am pleased to bring to your notice that as required under the Companies Act 2013 rules thereunder and SEBI listing regulations, the company has provided to all the members the facility to cast their vote electronically on all the resolutions set forth in this notice. Members who have not yet cast their votes electronically and who are present in this meeting have an option to cast their votes during the meeting through the e-voting system provided by NSDL. Members can click on e-voting icon on the video conference screen to avail of this feature. The company has appointed Mr. G Raghu Babu,

Practicing Company Secretary as Scrutinizer for the remote e-voting process and e-voting during the AGM.

On behalf of the board, Sandeep Poddar, the Company Secretary, he is authorized to receive the scrutinizer's report and to announce the results of the voting members. Over to your Sandeep!

**Sandeep Poddar:**

Thank you, Chairman. May I now request our Co-Chairman and Managing Director, Mr. Prasad to address the members.

**G V Prasad:**

Good morning and welcome to your company's 37th AGM. I would like to start by echoing Satish's sentiments on the lives we lost to COVID this year and reaffirm our commitments to support the bereaved families. It has been another difficult year in terms of coping with the pandemic and learning to live with its challenges. At the same time, the pandemic has also seen us in unprecedented collaborative efforts and advances to find solutions. Throughout this period as Satish mentioned our main priorities have been and continue to be to ensure the supply of critically needed medicines to patients around the world and the health and safety of our employees in this process. We have also done our best to bring COVID solutions for patients through collaborations, innovation and our own development efforts. I will talk a little bit little more about this later in my address.

First I would like to begin with a few remarks on the performance of the company in FY2021. I am pleased to report that the fiscal 21 was a year of significantly improved performance for your company with a growth of 57% in profit before tax. The EBITDA margin improved by 33% over FY2020 before impairment and RoCE for the year FY2021 was 23% before impairment.

Despite the numerous hardships presented by the pandemic we did well regarding our highest revenue figures till date. We had about 273 different product launches globally, finalized some key partnerships around the world and greatly improved our productivity. The year also saw some good progress on the oncology discovery pipeline at Aurigene, the nutraceuticals business in India and the launch of our digital health solution pilot called SVAAS yesterday.

Over the year we restructured our proprietary products business in USA and successfully integrated the Wockhardt portfolio into our India business. It was a good year and the dividend recommended by the board is 25% per equity share subject to deduction of applicable tax.

Beyond the company's performance at an industry level we are aware that COVID-19 has led to some very important and permanent changes in how we work. The ability to accelerate innovation in all forms was one of this and it has led to some very tangible results in cures as well as vaccines. The impact of supply chain agility automation and deeper digital collaboration is already being felt across the industry.

At the people level, Satish discussed in detail, the health and safety of our employees and how important it is to us and we have spared no effort towards this right through the pandemic from



protection, distancing measures, the safe workplace and to comprehensive multi-pronged support to employees and their families were some of the measures we did and we will continue to do this.

We have also announced a series of measures in this in terms of the bereaved families they will continue to receive fixed salaries and medical insurance coverage for two years for their families as well as support for the education for up to two children till they graduate. In every location we are offering our support to colleagues and their families in different ways. Throughout the pandemic the communities across the world that had been impacted by COVID-19 from food and rations to hospital infrastructure free medicines, we sprung into action very quickly and touched many charitable hospitals and communities across India with particular focus on the vulnerable populations.

The urgent need for COVID therapeutics drove us to push boundaries. We worked on repurposing drugs, entered into collaborations with leading firms across the world to bring some of the most effective drugs to India. At the same time, we instituted innovative ways to maintain and enhance effectiveness of work from simple things like tools for remote working to virtual audits as well as covering the doctor visits through our in-house IT tools and all of our plants across the world were operational throughout the lockdowns. Thanks in large part to the stupendous effort of our workers and workforce.

In addition to the collective effort our teams were able to bring some of the most effective COVID therapeutics to India via partnerships, with Gilead Life Sciences for Remdesivir, Fujifilm for Favipiravir, Merck Sharp & Dohme for Molnupiravir and Eli Lilly for Baricitinib and of course our work with DRDO to bring in novel drug to the market 2-Deoxy Glucose. When the second wave of COVID hit India in April and demand began to outstrip supply we immediately took measures to enhance capacities of these drugs. We ramped up production of Redyx from 100000 doses per month to 600000 doses per month and also cut its price by 50%. The newly approved Redyx L is also available now alongside with the lyophilized version of the product.

We collaborated with our long-term partners, the Defense Research and Development Organization to conduct clinical development on the oral antiviral drug 2-Deoxy Glucose and we launched this drug in June. Last month we announced a collaboration between five leading pharmaceutical companies in India to conduct the phase III clinical trial for promising new antiviral Molnupiravir.

Your company is leading the clinical trial of this group and this is the first of its kind collaboration in the Indian industry and it is a testimony to see how the collaboration, how the pharma industry has been working together to find solutions in the most efficient way possible, and your company has launched therapies across the spectrum from mild to moderate and severe conditions of the disease and ofcourse the vaccine.

In the current situation of the pandemic the most significant contribution that we thought we could bring into the Indian market was the collaboration with the Russian Direct Investment Fund in September 2020 for clinical trial and distribution of 125 million people doses of the Sputnik V vaccine in India. We initiated a launch of this product in May across the country and in July we

scaled up our commercial rollout to big cities and towns all over India in partnership with major hospital chains.

As you are aware Sputnik V requires the minus 18° degree centigrade storage and this presents some unique distribution challenges. I am pleased to see that our teams have done a great job of ensuring cold storage logistical arrangement at all our partner sites. Supply constraints have of course limited our ability to make larger quantities of the vaccine available in India and we are working on ensuring that we get some supplies very soon so that we can continue the rollout. Meanwhile, the commencement of manufacturing in India and ease of supplies should see greater momentum of this rollout.

To be able to contribute to India's massive national inoculation effort as the matter of pride as well as the great responsibility at one that helps us truly live our purpose. Beyond the COVID portfolio we have clearly identified the markets, geographies and businesses to build our leadership position in four areas in our focus areas. North America, Emerging Markets, India and the PSAI business continue to be our focus areas while we look at additional growth options. To achieve our strategic objectives, you are aware that we are working on three major themes, leadership in the chosen spaces, operational excellence and continuous improvement and patient centric product innovation and we saw good progress on all the three themes. We have seen improvement in our market ranks and market share in the important markets of North America, Europe and India.

The restructuring of our proprietary products business and successful integration of the Wockhardt portfolio that executed to conserve resources and allocate the capital efficiently. We saw a reduction in operating expenses which and lowering of manpower cost which showed an improvement of almost 30 BPS over FY2021.

We made significant strides by combining digital, data and design and this has yielded significant productivity improvements across manufacturing, development as well as reaching demand. The unprecedented impact and urgency of COVID-19 drove us to focus our energies in finding solutions to the pandemic. While I already discussed details of this re-purposing of 2-DG as a COVID therapeutic drug and our partnership with RDIF are two examples of how your company has extended itself to explore every possible opportunity to find solutions in the hour of need.

We have also seen very significant progress on the development of novel oncology pipeline with Aurigene and we should see further announcements in this regard. We are exploring opportunities to expand our presence in biologics, oncology, vaccines, each of which could be a significant opportunity in the future.

Digital therapeutics is another area through which I believe we can serve patients well and yesterday we announced the pilot launch of SVAAS (meaning breath). SVAAS is our integrated digital initiative to bring together four key touch points in the journey of outpatient healthcare, diagnostic laboratories, pharmacies and insurance all on a mobile platform with the aim of offering a one-stop cashless and seamless user experience across all channels. At present, SVAAS is in pilot phase and

for this we have partnered with ICICI Lombard. Using the learnings and takeaways from this phase we will scale up and deepen our efforts in healthcare and wellness across the country. The extended fallout of the pandemic has severely impacted lives and livelihoods around the world. Never before as our purpose of accelerating access to innovation and affordable medicines to patients around the world has been more relevant and never before as a credo of “Good Health Can’t wait” seen more urgency. We have carried the sense of urgency into FY22 and our business continuity plan guides our actions and gives us resilience to meet the challenges of the pandemic with the determination and assurance. The responsibility we have taken on that is to make a difference to millions of patients around the world is at once challenging as well as humbling.

Once again I wish to acknowledge and thank all my colleagues around the world who are at the frontlines of this battle for the passion and commitment they bring to work every day. We know that the battle is not over and we will continue to do our best as part of the national and global effort against the pandemic and of course to serve our patients and stakeholders.

I wish to again thank all our partners, suppliers, customers, healthcare professionals and regulatory authorities for their support and partnerships in the past year. My gratitude also to the Board for their guidance and counsel and finally I would like to thank you our shareholders for your support and trust in Dr. Reddy's. Wish you all safety, good health and safety and please take good care of yourself. Thank you.

**Sandeep Poddar:**

Thank you, Mr. Prasad. I would like to inform the members that the text of resolutions and the explanatory statement, wherever applicable have been provided in the notice convening this AGM and has been circulated to the members and also available on the website of the company.

I would also like to inform that item No.3 of the notice pertains to Mr. G V Prasad's reappointment who retires by rotation and being eligible seeks reappointment. Mr. Satish Reddy and Mr. G V Prasad are interested in this resolution. Hence, in accordance with the Companies Act, 2013 and Secretarial Standards SS-2, the Board has recommended that Mr. Prasad Menon, Lead Independent Director, to chair this item of the notice. Mr. Menon!

**Prasad Menon:**

Good morning, everyone. Based on the recommendation of the Nominations, Governance and Compensation Committee, the Board of Directors of the company have considered the item No.3 pertaining to reappointment of Mr. G V Prasad, who retires by rotation and seeks reappointment. On behalf of the Board of Directors of the company, I recommend the resolution for approval of the members.

**Sandeep Poddar:**

Thank you, Mr. Menon. As members know, the remote e-voting facility was opened from Sunday July 24, 2021, 9 am IST to Tuesday, July 27, 2021, 5 pm IST. The members who have not participated in the remote e-voting and are present at this meeting, have an opportunity to cast their votes during the meeting through the e-voting system provided by NSDL. The consolidated results of remote e- voting and e-voting during the AGM would be available on the company's and NSDL's website and submitted to the Stock Exchanges within the prescribed time.

I now invite the members who have pre-registered as speaker shareholders to ask their questions. Members are requested to clearly state their names, folio number, or DP ID and client ID and location from where they are participating for record purpose. Members are requested to keep their questions brief and avoid repetition. In the interest of time, may I request members to kindly restrict their questions or comments to three minutes please.

I now request the moderator to unmute the first speaker shareholder.

**Moderator:** Thank you. I now invite, Mr. Manoj Kumar Gupta to unmute your audio and video and ask question or give comments. Please proceed.

**Manoj Kumar Gupta:** (DP ID/Client ID: IN300XXXXXXXXX986) Hello Good morning, Respected Chairman, Board of Directors, fellow shareholders. My name is Manoj Kumar Gupta. I am shareholder of Dr. Reddy's Laboratories from last 28 years and I have joined this meeting from Calcutta. First of all, I would like to congratulate our Chairman and his team for the excellent results for 2021, and Sir, I thanks to our Company Secretary and his team that who has helped us to join this meeting through VC and I pay my respect to Mrs. Kalpana Morparia and Shikha Sharma after a long time, I am looking them in our board because I know them from the ICICI time and Mrs. Morparia and Mrs. Shikha Sharma has left us between and they have joined other groups, so I respect them. Sir I will not say single word on CSR and I am very sorry to hear in your opening remarks that we have lost our 22 people in this epidemic and I also pay my tribute to them and please convey our sentiment to their families and several people have infected as you have informed in your opening remarks.

Sir your dividend, I agree with your dividend policy that you have paid a dividend of 25 rupees, unclaimed dividend, before sending this dividend to the central government, send a notice to the central government that they can collect, sent notice to the investor that they can collect their dividend from the company or you can do that you can put your name on your website that they can claim whenever they open your website if they get their names and they can claim from the company. Otherwise now the law has changed you have to transfer their holding also to the central, and Sir COVID vaccine I salute you and your team to bring the Sputnik because now the young generation like the Sputnik. I also run two charitable hospital in Kolkata and we got the Covishield from the government to serve the people, to give infuse the people Covishield but people start commenting about the Sputnik whenever we approach the government to get but that no, no Bengal government says that we have got only for the charitable and government hospital only Covishield. So when the Sputnik will be available in the market that people can because people have faith on the Sputnik that Sputnik is more effective and more working in this COVID. So I think that you will spread the wings of the Sputnik in coming times to save the people from this epidemic COVID-19, and I thank to you and your team to bring this very valuable product in the country from Russia. And Sir what is your future outlook for pharma business.

Two days back I was reading a news clip in the paper that pharma business will grow by 30 times in the country next five years so what will be our position in that period and the pharma business will go up 30 times in next five years? Sir have you any plan to split the shares because now our market cap

is near about Rs.90000 Crores and share price is near about Rs.5000, today share price is slipped due to some now our profit has gone down by 36% in the first quarter so that price has gone down about Rs.4700 but have you any plan to split the shares to increase more liquidity in the market or to attract the small investors, and sir how you will face a competition from generic medicines. Now whenever we go to government hospitals if there is a (*cheap*) shop is there for medicine we will find that generic medicine.

Government do not believe into give the allopathic medicine, government want to give the generic medicines 67% discount, 70% discount so how you face that scenario in Rajasthan, Chhattisgarh, Madhya Pradesh, Bengal, even that in Bengal if you go to government hospitals government is giving 67% less on medicines on the generic medicines. Sir have you any plan to acquire new project in coming times or you can launch some new plants in eastern part of the country or North East, North East is also growing after become the NDA government in these states of northeast so you can get a new plant in these areas sir and sir how much is your export and what is the status on export during the epidemic COVID and sir why are you not launching the immunity booster products. Immunity booster in the COVID people have lost their immunity so company should launch some immunity booster products and just now our MD and Co-Chairman says that you have launched some pilot project of SVAAS when the SVAAS will be launched by the national so will you also offer to the shareholders also from the shareholder on their mail that they can also be a part of the SVAAS under the Dr. Reddy and try to launch some vaccine from new born baby to 5 year old baby all vaccines for new born baby to 5 year old baby.

India is a world capital of diabetes, kidney, heart, liver and cancer. How you will serve them on a minimized price because middle class are suffering from these five disease so how you will survive them because these five disease treatment cost is very high so will you launch some standardized medicines in these five sectors and sir yesterday there was a news on the MoneyControl that view on the complaint by healthcare workers of Ukraine under the USA anticorruption laws so what is your view on that, in MoneyControl, there was a news and we have also started investigation of that matter so what is your view on that report? Last but not least I thanks to you, your team for good result and I thank to our Company Secretary. He knows me from last 22 years. So I thank so after a long time I am joining your meeting. I have attended one physical meeting in 1998 when I was in Hyderabad, after long time I have joined. I thanks to your Secretarial Department that you have helped us and once again I request Dr. Reddy to please come to this side for some investment to attract the peoples of eastern region. Thank you.

**Satish Reddy:**

Thank you Manoj Gupta Ji. There are lot of questions I will just try to at least address some part of it, I will also request my colleagues to add on to it essentially if I miss something in this. Starting with the vaccine itself Sputnik right so the issue is we had in fact launched it, done the pilot across 80 cities across the country and in terms of supply, while we have the first dose of the component which we received earlier, the second dose is taking time in terms of supply coming in from Russia so we are still in the process of doing it. At this point of time, probably about close to 25000 plus people have been vaccinated by Dr. Reddy's, the reason why you do not find it on the CoWin portal is that it is like only when the commercial quantities come in large numbers we will be able to open it up. That

is one of the reasons why we do it. Hopefully, we should be able to resolve the supply situation soon and then we should be able to provide this.

As far as the outlook for pharmaceutical business is concerned the one that you talked about was my statement which I gave during the convocation of one of the Pharmaceutical Education Institutions called NIPER, during that time, this was in fact the vision of the Indian Pharmaceuticals Alliance of which I am also the Chair of that. This is mainly to say that the potential for growth for the pharmaceutical industry from the current stage \$42 billion, there is a potential to grow at least 12% compounded for the next 10 years to take it to \$120, \$130 billion so that was the context of that so that is the potential we are talking about so as far as an aspiration for a company like ours happens in that we are there in several segments of that growth whether it is the APIs, whether it is the generic medicines, India is a big market for us, also biosimilars, proprietary products also in the innovation part so there are several areas and several spaces for growth for Dr. Reddy's and since I cannot talk about a specific number because we do not give guidance, it is reasonable to say that it is a very good situation that we are in, in the leadership that we want to gain in the chosen spaces. That is on the outlook for the pharmaceutical business.

You talked about generic medicines in India, of course, the Jan Aushadhi program which the government launched was with an intension to also provide the affordable medicines to the poorer sections of the society. That was a stated objective and the government took it upon itself to also make sure that these are available at stores across the country at a much lower prices, say 60-70% of the prices is what you have said so that is what they have done. Again, the view is it is like if you see the access is important. India is a large country especially in terms of the reach to mostly the tier II and tier III cities and villages. There is a lot more that needs to be done. There is also the issue of affordability so the government in its wisdom has taken that step to do it, but that is one part of it, which is mainly going through a different channel. The leading companies are not part of it because of the system of procurement which the government does at this point of time. So the way I can put it as it is like saying it is good for the country, but in terms of participation, the existing procedure does not allow that so that is why we are not part of that.

In terms of facilities we are mainly concentrated in three locations in Hyderabad, in Vizag as well as in Baddi, Himachal Pradesh. At the present point of time, we have no plans to expand into any other new location because there are already capacity that have been built in. They still have to be utilized but should there be a reasonable opportunity we definitely be look at in the future. You have also asked about immunity booster so you will be happy to know that we have launched in immunity booster recently called CureHealth which already is in the market and on the pediatric vaccines, the trial design for Sputnik is also in the process of being put together and once it goes through the clinical trials, it will also be in the pipeline for that.

As far as your other medicines as talked about diabetes and everything else I think we are pretty much there in all the medicines that you talked about. It is always the purpose of the company to provide access to affordable medicines so we are always there for that. So if I had missed out

anything I think Erez you want to cover I think there are couple questions he asked on Ukraine and maybe also about the outlook for the business overall to the next few years.

**Erez Israeli:** As for the outlook, we will continue to grow. So we have a growth strategy and we have a leadership in those respective spaces. We are investing to better improve R&Ds, into products that would be differentiated the requirement. We will be in India, emerging market as well as in the US, and Europe and you can absolutely see us growing in this respect. As related to Ukraine its something that we shared in November as well as in the activities that we will have start of the courses that we need to do as part of being a third in line (inaudible), it needs to be in compliance with external relations, and it is part of the process as we do not see immediate actions as of yet.

**Sandeep Poddar:** On the reminders to claim dividend, we would like to say that periodical reminders are being sent to the shareholders to claim their unclaimed dividend and also at the time when the shares are due to be transferred to the IEPF during such unclaimed dividend. May I request the moderator to put to the second shareholder please?

**Moderator:** Thank you. I now invite Ms. Celestine Elizabeth Mascarenhas to unmute audio and video and proceed with your question, please.

**Celestine E Mascarenhas:** (DP ID/Client ID: 120XXXXXXXXXXXX218) Respected Chairman, Mr. K Satish Reddy, Co-Chairman, G V Prasad, MD Eric Israeli other very, very honorable directors I can see all of them, my shareholders attending the virtual my name is Mrs. Celestine Elizabeth Mascarenhas. I am speaking from Mumbai. My number is (120XXXXXXXXXXXX218).

Now first of all I thank the Company Secretary, Mr. Sandeep Poddar and his team for sending me an e-annual report but I would have definitely preferred a physical copy as my eyes water due to age. Anyway thanks for registering me, my application for speaker and also I thank the Chorus team.

Now I come to the annual report though working not that well obviously because of COVID disruption and lockdowns our PAT, PBT slightly down but I am very happy you all have given a dividend of Rs.25 on a face value of Rs.5 which shows the management's care for us and also market cap is very good except yesterday because after the results and guidance was not so exciting, the market cap came down and with this all the pharma companies also came down because everybody all, it was flying high, suddenly it has little touched but I know very well that you all are, our team here is very tough and they say the tough times do not last but the tough people last forever and this is my observation because I know this company from many years, I am talking first time because I was not able to come to Hyderabad. This virtual has given me a platform to express myself. Sir, I also endorse the view of the earlier shareholder, Mr. Gupta ji that making our share affordable to a small investor by splitting and also increasing the liquidity so we may get some big deep pocketed investor in our company and that will create more and more valuation for our company. These are my thinking. The Board is a very intelligent board. They may have a different thinking.

Now my queries Sir our total number of employees are 22739 and temporary 1201, you told me how many COVID deaths. I would like to know how many of them means percentage you can tell were affected by COVID one and two, is vaccination both the vaccination is done for the employees. Of course, by working at home I think the expenses has somewhat come down. Now we had a collaboration we have and we have with Russia to supply 100 million doses of vaccines to us and we have done also clinical trials through BIRAC, the efficiency of Sputnik was reported as 91.6%.

Sir I would like to know there are there are six manufacturing companies who you have **(audio cut) 52:18**, could you put up the name of those six pharma companies. We are the third pharma company to supply the COVID-19 vaccine. Also I want to get some light whether one and two **(audio cut) 52:37** and their requirement for a booster vaccine in future because I feel the COVID is here to stay, it would not go that fast maybe three, four years it will go on till it completely disappears. Now my third question is the 2-DG has been developed by our DRDO Lab in collaboration with Dr. Reddy's. It has received emergency use **(audio cut) 53:11** approval, hospitals moderate-to-severe COVID patients. Sir I would like to know how many patients it has administered so far and how many are cured. Also throw some light on Molnupiravir and Baricitinib. I cannot pronounce please excuse me for my pronunciation. What is the efficacy level and how are they priced? Number four, we have launched 273 products what is the market share and all of them are they affordable because yesterday's that report was they are priced high so I would like you to share with me will you bring down the price or something because that was the report yesterday I heard. Sir number five any acquisition for inorganic growth. Next one is promoter shareholding is 26.76 or 26.75 and foreign holding is as high as 29 plus percent. Sir I feel promoter should increase because if tomorrow something adverse is heard and the foreign just dumps and goes, we Indians shareholders will have little somewhat hard feelings. So I think you all should try to increase this share. Now next one is any provisions made for sunpeona and what is the status of that. Can you throw some light on Sputnik Light, the future roadmap and the capex for the next three years and any acquisition by way of inorganic growth? Now my queries are over now I congratulate you, the entire team for all the awards and accolades received during in spite of the COVID and lockdowns. I will not do justice if I do not appreciate the CSR work done to the community, already given in the report. I want to be brief I would have little expanded but time is the constraint. I support all the resolutions. I like the slogan for Health for Life, Good Health and we are future ready with the virtual reality. Special congratulations for launching yesterday's pilot project SVAAS. I wish you and the entire, Dr. Reddy's team good health and safe, be safe and grow from strength-to-strength. Thank you so much and I also bring the greetings from my Bombay shareholders especially Mr. Rangwala. He has given great appreciation and praying for our company. With this, I end my thoughts and my aspirations for this company. Thank you very much for giving me this patient hearing. Thanks once again.

**Satish Reddy:**

Thank you Mrs. Mascarenhas. It is great to know that you have joined for the first time our annual general meeting. That is an advantage of a virtual meeting that it is like people who find it difficult to travel to and come all the way to Hyderabad at least they are able to join through this virtual platform so again thank you for all the questions. There were several of them. I will again probably lean on Erez to elaborate in detail but just on one or two things that you asked in the beginning in terms of



infections that I talked about if you get both the first and the second it is almost about 6500 or so people who got infected across the company in the first wave it is about 2500 or so and then it was about 3800 in the second wave, but again like I said this lot of steps which the company had taken lot of people within the company who volunteered we made arrangements to ensure the safety of our employees and we are fortunate that 99.6% or so I mean they have all recovered and they are back to the work so that is something I wanted to express my appreciation to all my colleagues who volunteered to take care of our staff across the company.

In terms of Sputnik you had asked about the six other companies, which is public knowledge but I will just tell you there is Hetero Drugs in terms of manufacturers, there is Virtual Labs, there is Stelis Pharmaceuticals which is part of the Strides Group, there is Gland Pharma, there is also Shilpa Medicare and there is Panacea Biotech. So these are the companies which are the manufacturers of Sputnik and I think there were a few more questions, sorry on promoters holdings because this pertains to both me and Prasad. Just wanted to also let you know that we have raised our shareholding it was below 26% at some point of time so we had increased our shareholding in the previous years so that is something I just wanted to let you know. So Erez over to you on, I think there were questions on Sputnik Light and also about the 2-DG and Molnupiravir and Baricitinib.

**Erez Israeli:**

Yes so on Sputnik Light, this is the first dose of Sputnik as you know a Sputnik V has two formulations which in other line which you say rAd26 and rAd5. So Sputnik Light is rAd26 and right now it is in trials in Russia, so it basically as well and once we will have those results we will put them (inaudible) and we are very excited about 2-DG. The drug was launched recently by us with the MRP price of 900, but we are also offering also subsidized for the government the Sputnik, and I believe that the affordability and the accessibility for the people especially India is very important for us and we will continue to do it for all of the products and also moving forward to stay committed to the tradition, for the visions and mission statements that we have already trying about, the affordability and accessibility. Also the other products that were launched will be available to market, meaning the Molnupiravir as well as Remdesivir when applicable and (inaudible) the trials with the rest of the companies being offered to bring it to the market place. About the subpoena like I mentioned to previous shareholder this is a process under investigation so the status is that we are under investigation once investigation will be done, we will submit to the relevant authorities and moving across into the process, this stage I do not see any immediate actions.

**Satish Reddy:**

Can we have the next shareholder please?

**Moderator:**

Sure. I now invite Dr. Arun Boppana to unmute audio and video and proceed with your question, please.

**Arun Boppana:**

(DP ID/Client ID: IN300XXXXXXXXX069) Good morning to everybody. Thanks to Sudipta. I missed Bharat bhai Doshi on the board but thrilled to know Dr. Usha Iyer has joined Dr. Reddy's in Corporate Communications, the little one grew up in front of me, at 70 plus I am Santa Claus to all these kids in Mumbai Sir. So happy to see her and so happy for Reddy's and tributes to a remarkable man we had serious questions. I would like to lighten up. Tributes to remarkable man, his prime

purpose was to create, his intentions were to serve so pure, he was committed to his decisions, he stayed flexible with his approach, his hallmark get the right things done. He is our Founder Chairman, Dr. Anji Reddy. Salute to him. Today the illustrious, promoters Dr. Reddy's is trusted name in the pharma for effective manufacturing process. Dr. Reddy has owned global market and it is beacon of hope in COVID.

My questions: with increasing raw material costs how will you manage the price hikes and the margins. How much would you adopt the digital world? How much you did invest in automation and what is the capex during the pandemic? World population is expected to be 10 billion by 2050. We will need new innovations and what is Dr. Reddy's budget? Are you into transdermal medication that novel therapy for palliative therapy in cancer, Alzheimer's, etc., transdermal patches? US holds top spot in innovation. China used to continue dominance in raw material. Will Dr. Reddy change this narrative and help India reduce import dependence in favor of products in India? Can we ask for issue of rights, any rights issue in the offing? COVID-19 the impact what was impact on the labour row and Dr. Reddy's impact on cash flow? Research has shown a positive correlation between granted patents and financial performance. What is the future forecast for five years? And Sir there is a seismic shift in clean energy pursuit to go net carbon zero ahead of the targets set by energy majors across the world. We have an obligation to live in harmony with the nature. We must change the narrative of recycling and reuse what are Dr. Reddy's plans? In conclusion, I think my friend, Dr. Prasad Menon and Shikha Sharma will support me and ever smiling Sridar and Leo, they have been smiling all the while there also support me in my sentiments. Glad to know Dr. Reddy's work and service perspirations and I am more glad that the owners Satish Garu and Prasad Garu have no political aspirations. I wish you all the best Prasad Garu and Satish Garu. Bye bye to all my friends there in Hyderabad. Thank you very much and all the best to Dr. Usha Iyer to Dr. Reddy's. Thank you very much.

**Satish Reddy:**

Thank you Dr. Boppana for actually lightening up everything now. In fact thank you also for the tributes that you paid to our Founder, Dr. Reddy and I will probably just answer the part on China and then I will hand it over to Prasad because especially on the sustainability that you asked questions on he has been leading the effort within the company and is extremely passionate about it maybe he will say few words about it. Just on the China part of it when you said it is like are we contributing to lessening the import dependency of APIs and KSMs this again you see is for the entire industry right because of what the pandemic exposed the issue was especially in front of the government to say that we were so dependent on China, is there a way to reduce the import dependence, but I think we have to also be realistic about where we stand on this because the capacities and the pricing which the Chinese companies have built over a period of time it is not something that is easy to displace right so but there are also obviously opportunities that is why I talked about the production linked incentive scheme so that companies which would have otherwise been risk averse have taken the steps to either increase their capacities or also increase in Greenfield facilities with this impetus given by the government so this is not something that will be a simple issue of saying that we will displace China. I do not think that is the intention. Again, my view is that we have to look at the entire global supply chain all across the world. There is increasing situation where countries are talking about localization

but I firmly believe that it has to be more of a diversified supply chain where people work together and not try to displace each other so that will be my view on that. So Prasad you want to talk about sustainability and then we can have Erez answer the question.

**G V Prasad:** Ya I think there are three points which I want to cover one is on innovation, the second was on the digital and third one is on sustainability. On innovation it is a very high priority for us. It is not just in terms of new products to the market but also new areas where our efforts to bring therapies to the market as well as play in the digital ecosystem that we have just launched the pilot. We have many, many initiatives and digital innovation both of these are top in one of our top five priorities. So there is certainly a lot more coming out of our innovation efforts and digitalization is a huge priority for us and we are working on all aspects to the value chain. In terms of sustainability, we have made a lot of progress we took some very ambitious goals to reduce our emissions, reduce the intensity of materials in our products, and also use products which are biodegradable and recyclable. We are one of the leaders in sustainability in the pharmaceutical space and we have been recognized for that. There is an ongoing program to reduce our carbon footprint and I am very proud of the progress we made we published all our results in a sustainability report it is available on our website and I encourage you to go and review it to understand our efforts in sustainability. Thank you. Next question, may be.

**Moderator:** Thank you. I now invite Mr. Kamal Kishore Jhawar to unmute audio and proceed with your question, please.

Mr. Kamal Jhawar please unmute your audio and proceed with your question

**Sandeep Poddar:** Mr. Kamal Kishore Jhawar

**Satish Reddy:** Maybe you can take the next question and come back to him later.

**Moderator:** Yes. We will take the next question which is from the line of Mr. Dipankar Purkayastha. Please unmute your audio and video and proceed with your question, please.

**Dipankar Purkayastha:** (DP ID/Client ID: 120XXXXXXXXXX188) Good morning. I have got five questions. The first is regarding Sputnik V. What will be the production in India in terms of number of doses giving FY21 and FY22, what are the prospects for sale outside India only within India but can you sell outside India? What will be the price at which you can sell in India and abroad?

My next question is on the future of the US generics business. We have been observing that for the last few years, there has been a continuous downwards pressure on margins. The Q1 results which you released yesterday only confirmed the trend so what will be the long term future of this business. The way I see it is that apparently this business is only going to serve to recover your fixed cost overheads and it will not be a driver of profits in future. So am I correct in that reading or in that assessment?

My next question is on your API business for the last ever since these geopolitical tensions with China and COVID-19 crisis grow I find that every pharma company in India is rushing in to this API business so what is differentiating about your strategy for the API business? Are there specific therapeutic areas that you plan to target or molecules that you will be focusing on patented, non-patented, if you can give us some thoughts your thoughts on this?

Are you going to apply under the PLI scheme which the government has launched for API? My next question is on these impairment charges for the last two years, we have been seeing impairment charges. Shareholders come to know of this only when the accounts are finalized. When you find impairment is underway, why do not you give early warning signals to the shareholders by say intimating the stock exchanges instead of waiting for the accounts to be finalized?

Finally my last question is on acquisition. Sometime back you all had done an acquisition in Germany and you had also acquired products from TEVA neither of these have been very successful and resulted in large impairment charges. So what are the lessons you have learned from these why I asked this question is because we have again got good cash balances and I keep hearing that you will be doing some inorganic growth, if you find opportunities. So what are the lessons that you have learned from these two bad experiences in the past? That is all. Thank you for the time and good day.

**Satish Reddy:**

Thank you Mr. Dipankar. Prasad you want to take it?

**G V Prasad:**

Yes, let me answer this in parts. The first question was on Sputnik availability. Sputnik V we have some supply challenges and that is related to the second dose of the vaccine both the Russians and the Indian companies are with this and as it gets resolved supply will increase and then we will increase the rollout. We expect this to happen in the next few months but having said that I think there is some uncertainty still about supplies from Russia as well as the scale up and approval process in India, it will take some time.

Your question on the generics business, I think the generics business is always driven by competition so if a company does not innovate launch new products, go into segments which are lesser competition you are right, prices will decrease and it will get some less valuable; however, the US is the largest generics market. It is still very attractive. There are still good opportunities there for products if you can deliver complex assets with less competition and also products where the company has a strong competitive position this will be very useful. I still think the US market is quite attractive. It is not just meeting overheads but it actually contributes significantly to the overall profit pool.

In terms of the API you are right a lot of companies have jumped into this. APIs was the business with which Dr. Reddy's was founded so the company is very strong in its capabilities, in developing products that the market needs as well as to drive costs down. Of course, in the last few years our costs has been a little offline and now we are focused heavily on improving our competitiveness in the API business and I still see it as a business in which we can claim the leadership positions, we are aiming for that so I feel quite bullish about that.

You also asked us about the PLI scheme. The PLI scheme we will make an application for some of the products and its certainly on our agenda. You even commented about impairment charges. Yes, impairment charges come only when you finalize the accounts. The process is such that you only recognize it at the end of the quarter when you do a valuation process. We cannot deviate from that and we follow GAAP procedures and it does not allow us to give you any advance or early warning.

In terms of M&A, you made a comment about Germany and also the TEVA assets. I have to say that Germany while in a short-term it led to some impairment, in the long-term it has established ourselves as a serious player in the German market. We had to impair because the markets moved from a branded market to a tender market and that structural shift is what caused us the impairment at that point, but you will be happy to note that the German business is doing quite well and it is growing quite well.

The other thing you mentioned is about the TEVA impairment. Yes, one of the assets we were not successful in bringing to the market, which led to the impairment charges but overall the deal has delivered value while Nuvaring is the asset which led to the impairment. Overall, the portfolio has been positive and accretive for the company. Broad lessons, I think every M&A has risk and we have to be careful about what risks we take on and how we execute to mitigate the risk and I think we have been pretty good at some of the acquisitions especially the most recent one that we acquired in India, the Wockhardt business has clearly met all our targets and we continue to learn and improve. Thank you for your suggestions. Thanks.

**Sandeep Poddar:** Next speaker shareholder, please.

**Moderator:** Thank you. I now invite Mr. Kamal Kishore Jhawar to unmute audio and proceed with your question, please.

**Kamal Kishore Jhawar:** (DP ID/Client ID: 120XXXXXXXXXX701) (in Hindi) Chairman saab, sab directors ko mera namaskar, aaj apna second video conference ho raha hai sir corona ke baad. Every year apna meeting aise hi video conference me rakhiye sab taraf se humareko bhi sunne ko milta hai. Uske vaste mai bolna chahta hu. Aur sir aapne jo product ke vaste, pharma medicines nikaale, bohot khushi ki baat hai acha dawa nikalke sabko benefit mila hai. Kal apna CNBC me Agarwal saab ka bhi mai interview dekha tha jo ye quarter ke alawa aage ka quarter ka results bhi bohot acha rahenga bolke, to unko bhi uske vaaste bohot dhanyavaad aapka. Aur sir abhi ye next pipeline me corona jo abhi failte jaa raha hai, uske vaaste koi aise dawa nikaaliye, jisse kamsekam apna dr. reddy ka hi naam ho, drreddy ki dawa acha saleho, turnover ho, sab kuch acha ho. To aise me corona ke vaaste research karke koi aise dawa nikaalo, to kamsekam apna sale bhi bohot acha badhta hai. Aur saab secretarial department me humareko bohot respond milta hai. Kabhi bhi kuch problem hota hai to humareko same day hi clearing mil jata hai. Dhanyavaad sir!

(Translated into English) Chairman Sir, and all the directors, good evening and Namaskar.

(Translated in English) This is the second video conference after the Covid outbreak, I would like to suggest that going forward if every year our AGM can be convened through video conference it will

gives us an opportunity to participate. Secondly, I am very happy to hear about the pharma medicines, that has been launched for the Covid treatment. Everyone is getting benefited out of it. Yesterday evening, I watched the interview of Mr. Agarwal on CNBC where he forecasted that the results of the next quarter will be good. In the next pipeline, if we can launch any new product relating to Covid which will increase our brand reputation. This will further increase our sales, turnover and can be launched at a reduced rate post conducting necessary research activities. Secondly, our secretarial department is prompt and responsive. Our issues get addressed on the same day. Thank you.)

**Satish Reddy:** Thank you Kamal Ji. We can go to the next question, please?

**Moderator:** Thank you. I now invite Mr. Praful Chavda to unmute audio and video and ask questions.

**Praful Chavda:** (DP ID/Client ID: 120XXXXXXXXXX599) (In Hindi) Chairman Sir, Board of Directors, mera naam Praful Chavda hai. Khaastaur pe AGM report padhne ke baad aur humare Satish sir chairman sir and G V Prasad sir ka speech dekhne ke baad kuch question rehta nahi, to bhi humare ek do speaker ne bohot ache question kiye. Par wo question mai repeat karna nahi chahta hu. Parantu ye baat to kehna chahta huki, AGM report banane wale job hi team hai usko mai dhanyavaad deta hu. Acha se acha AGM report banaya hua hai to secretarial dept ko dhanyavaad. Khaastaur pe sir abhi doctor log hum log ko ek confusion karte hai ke generic dawa lena ya allopathic dawa lena. To aap ye batayenge generic dawa and allopathic dawame kya difference rehta hai . Aur isme kuch nuksaanhota hai kya. Geenric dawa slow asar karta hai mareez ka patient ka der se asar hota hai aise kuch hota hai? Ye baat batayenge. Sir, khaastaur pe Russian government ko aur Russian companies ko dhanyavaad deta hoon, ke Reddy labs jaise India ki sabse badi company se tie up kiya. Sir, covid 19 me aajkal different different type ke vaccine aa rahe. Abhi kal bhi maine suna ke laser se bhi corona virus mar ja rahe hai. To ye Korean virus ka business apne ko kaise chalega aur kitna chalega. Koi log kehta hai baar baar lagana padega, one year lagana padega to iske baareme batayenge. Sab kuch acha ho raha hai sir. Ek baat karna chahta hu CSR me aajtak reddy labs ne jo kaam kiyahai bohot acha kaam kiya hai. Sir, ek baat hai . company ki taraf se ek koi player ko help nahi kiya jo aage jaake India ko gold medal ya silver medal dila sake. To future me aap ispe focus kijiye. India me kahi se bhi ache se ache player ko help kijiye, jo gareeb hai player aage nahi badh saktahai, jisko acha khana peena nahi milta hai. Paisa arrangement karke wo log ko aage leke aye.aur bata dijiye ke reddy lab jo kaam karta hai wo India ko ek nahi das gold medal dila sakte hai. Iske baarme bhi sochiye. Dhanyawaad sir.

(Translated in English) Chairman Sir, Board of Directors, my name is Praful Chavda. Sir, after reading the AGM report and after listening to the speeches of our Chairman, Mr. Satish sir and after Mr. G.V Prasad Sir's speech there are no questions left to ask. One or two speakers have already asked some very good questions, and hence I do not want to repeat those questions, but I would like to say that the team behind making the AGM report, I want to thank the Secretarial team that they are bringing out very good AGM report and for that I would heartily give my congratulations. Now the question is the doctors put us in a dilemma that whether we should buy generic medicines or allopathic (non-generic) medicines. Can you please tell us what is the difference between the generics

and allopathic (non-generic) medicines and is there any risk like how is the effectiveness of the generic drug, whether it is slow or if we give it to a patient, it will start affecting late for the person. I also thank the Russian government and the Russian companies that they have tied up with Dr. Reddy's Labs one of the renowned companies in India, we find during the times of COVID-19, there are different kinds of vaccines available. Like yesterday only I heard, that coronavirus can be killed through laser also. So how is the corona virus (*vaccine*) business for us and how it will be done and in the future how it is going to be? Can you tell us something about it? Whether the vaccine has to be put once or again and again? Everything is going on perfectly well Sir. I also want to talk about the CSR, they have done very good. Sir, one thing, is that the company has not helped any of the players, who can bring Gold medal, Silver medal for India. My humble request would be in the future, you can please focus on this. There are many players in India, please help them, and who are very poor who are not able to show their talents, please help them. They also do not have any food and no living also. If you can help these people and tell the world that Dr. Reddy Labs through their work, India can get not only one but 10 medals in future. Please think about it. Thank you Sir.

**Satish Reddy:**

Thank you Chavda Ji. Just generics, I would like to tell you. So it all depends on your doctor. Whatever the doctor tells, what medicines you have to take, you should go according to your doctor's advice because this whole substitution right so the doctors prescribe say our company's medicine because he trust our brand, he trusts our quality, he knows about the company's quality systems everything that is why he has the confidence to prescribe the medicine. So if it is being substituted, there has to be a very clear reason why it is being done and it has to be done the ethical way so that is something I would just ask you to be cautious about that because it is a issue of the quality systems in terms of the medicine that you are getting. In terms of the virus you also said it is like how long will this last, it is a pandemic. It is not an easy solution just when we thought it was getting over in India we found the new variant again has wreaked havoc not just in India but also across the world, so the thing is we have to live with the pandemic but there is always better solutions because now we have therapeutics to treat the disease, we also have vaccines which will provide the immunity as we go forward and more booster doses which will be given in the future which will help us address the pandemic that is something we have to live with it as we go on. So that is the responses. Can we have the next speaker, please?

**Moderator:**

I now invite Mr. Ramesh Shanker Golla to unmute audio and video and proceed with your question.

**Ramesh Shanker Golla:**

(DP ID/Client ID: IN300XXXXXXXXX189) I am Ramesh Shanker Golla, shareholder. Sir first of all congratulations to our Chairman and Co-Chairman G V Prasad Garu and greet to all other directors and other shareholders. Sir my first question is bonus share and also rights issue and very less premium. Why because our funds is more, (translated in English) which you are giving to the shareholders, the confidence in your company will go up, and I am asking about the split. Secondly, in foreign exchange how much we have earned in this year? Coming year what is the expectation in foreign exchange. In our generic products I keep taking Wockhardt and Sun Pharmaceuticals again Cipla and Torrent so many companies who have seeing and Alchem also but our drugs, generic drugs is not seen Sir, why, I do not know it, but what formulations which we prepare, I do not know. Now CSR activity is very good Sir. Any focus on other CSR items and our 2DG and Sputnik is very good

name comes that also Sputnik please throw light on Sputnik Light Sir. Also employees was doing very well and our Company Secretary Sandeep Poddar ji is very humanologic person. He is taking some like when I call he is taking like brother there are so much appreciate Sir and also and secretarial team is very good Sir. The middle management team whoever receives nicely will go upward sir, , you earn good name. This is what I am seeing Sir and also he is going atmosphere and he is very good Sir for our office. Next is Sir how many generic products is going under in R&D sir that also, Sir?

**Satish Reddy:** Are you finished Mr. Ramesh?

**Ramesh Shankar Bhola:** I am giving to very good wishes and all to your colleagues and our colleagues and staffs sir thank you very much and given very good opportunity for me have a good day and we wish you good luck and God bless you all sir.

**Satish Reddy:** Thank you. I will take the generics part of it I will hand it over to our CFO, Mr. Parag Agarwal for the forex question. Again generics like I said this is a different channel and again I would look at it from the perspective of saying look at the doctor's prescription he does it with a trust and it is not to be substituted because that is not legal in this country without the doctor's permission. So if you are asking why Dr. Reddy's is not into this generics when these other companies are into it so it is a different channel which they are addressing, they are not addressing the regular channel in which the Dr. Reddy's products are being distributed. There is a different reason, there is a different business model that is why some companies have done it. We have chosen not to do that we have considered it the past and we chose not to do it but it again depends on the future how things work and all that so that is a different matter but this is the reason why we are not there in this then most of the other companies they are not all of them just a few handful of companies are in this part of the business. Parag, you want to answer the forex part.

**Parag Agarwal:** Ramesh Ji about your question on exports during financial year 2021 we had exports of more than 9700 Crores from India and these grew by more than 13% over previous year. In the years to come we expect to continue to grow exports because we are expanding our portfolio as well as we are entering new markets all over the world.

**Sandeep Poddar:** Chairman, if I am allowed I have one message from a shareholder, Mr. Yogananda with client ID 12253839. He says, I appreciate our Board of Directors, its staff, employees for showing good work in this pandemic and are giving good results. May I request the Board to think of issuing bonus share in the ratio of 10 for every one share so that the company can be accessible to more small investors? Thank you.

**Satish Reddy:** Ok

**Sandeep Poddar:** With this we are done with the speaker shareholders. Thank you for your participation. Members may note that the voting on the NSDL platform will continue to be available for 30 minutes. Members who have not cast their vote yet are requested to do so.