

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

Chartered Accountants

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 Hyderabad - 500 081, India  
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**Independent Auditors' Report on accounting treatment contained in Draft Scheme of Amalgamation of Dr. Reddy's Holdings Limited with Dr. Reddy's Laboratories Limited and their respective shareholders**

To  
 The Board of Directors,  
 Dr. Reddy's Laboratories Limited  
 8-2-337, Road No. 3, Banjara Hills,  
 Hyderabad – 500 034, Telangana,

1. This Certificate is issued in accordance with the terms of our service scope letter dated September 11, 2018 and master engagement letter dated October 4, 2016 with Dr. Reddy's Laboratories Limited (herein referred to as "the Company").
2. We, the statutory auditors of the Company, have examined the proposed accounting treatment specified in clause 12 of the Draft Scheme of Amalgamation and Arrangement (hereinafter referred to as "Scheme") between Dr. Reddy's Holdings Limited (herein after referred to as the amalgamating Company"), Dr. Reddy's Laboratories Limited and their respective Shareholders / promoters as defined in the Scheme, as approved by the Board of Directors in their meeting held on July 29, 2019, in terms of provisions of Section(s) 230 to 232 and other applicable provisions of the Companies Act, 2013 with reference to the compliance with the Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles. This Scheme is proposed to be filed in terms of the provisions of the Companies Act, 2013 and is subject to the approval of the respective shareholders and creditors of the Company and other relevant regulatory authorities. We have not examined any other clauses of the Scheme which could have an impact on the accounting treatment in the amalgamating Company.

**Management's Responsibility**

3. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

4. Our responsibility is to examine and report whether the accounting treatment specified in clause 12 of the Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of the financial statements of the Company.



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5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (Revised 2016). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria. Accordingly, we have performed procedures in the form of reading clause 12 of the Scheme and the proposed accounting specified therein and obtained necessary information and explanations, and appropriate representation from the Management.

Further, our examination did not extend to any aspects of tax, legal or propriety nature of the Scheme and other compliances thereof.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## **Opinion**

7. Based on our examination and according to the information and explanations given to us, and representation obtained, we are of the opinion that the accounting treatment contained in clause 12 of the Scheme is in compliance with the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013, read with rules made thereunder, and Other Generally Accepted Accounting Principles, as applicable.

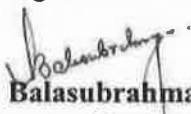
## **Restriction on Use**

8. This Certificate is issued at the request of the Company pursuant to the requirements of the circulars issued under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the National Stock Exchange of India, Bombay Stock Exchange of India, and jurisdictional National Company Law Tribunal. This Certificate should not be used for any other purposes without our prior consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom the certificate is shown or into whose hands it may come without our prior consent in writing.

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

Chartered Accountants

Firm Registration No. 101049W/E300004

  
per **S Balasubrahmanyam**

Membership Number: 053315

UDIN: 19053315AAAAAU1635



Place: Hyderabad

Date: July 29, 2019



**Satyanarayana & Co.**  
**CHARTERED ACCOUNTANTS**

5-5-88/5, 1st FLOOR, AMAR MANSION,  
 RANIGUNJ, SECUNDERABAD - 500 003.

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 G. VENKATA RATNAM RES : 2780 0569  
 RAMESH BALARAM  
 E-MAIL : satco.ca@gmail.com

**Auditor's Certificate**

To,  
 The Board of Directors,  
 Dr. Reddy's Holdings Limited  
 7-1-27, Ameerpet  
 Hyderabad – 500016, Telangana, India

We, the statutory auditors of Dr. Reddy's Holdings Limited, (hereinafter referred to as the "Company"), have examined the proposed accounting treatment specified in Clause 12 of the Draft Scheme of Amalgamation and Arrangement between the Company and Dr. Reddy's Laboratories Limited and their respective shareholders in terms of the provisions of Sections 230 – 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("Act") with reference to its compliance with the applicable Accounting Standards specified under Companies (Indian Accounting Standards) Rules, 2015 in accordance with Section 133 of the Act and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid Scheme is in compliance with all the applicable Accounting Standards specified under Companies (Indian Accounting Standards) Rules, 2015 in accordance with Section 133 of the Act and Other Generally Accepted Accounting Principles.

This Certificate is issued at the request of the Company pursuant to the requirements set forth under proviso to Section 230(7) read with 232(3) of the Act for onward submission to National Company Law Tribunal and other regulatory authorities as may be required.

This Certificate should not be used for any other purpose without our prior written consent.

For (M/s Satyanarayana & Co.)  
 Chartered Accountants  
 Firm Registration No.: 003680 S  
 Signature



G. Venkataratnam  
 Partner  
 Membership Number: 019455  
 Place: Hyderabad  
 Date: 29<sup>th</sup> July 2019