

## COMPLIANCE REPORT

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www.drreddys.com

Date: 6<sup>th</sup> August, 2019

It is hereby certified that the draft Scheme of Amalgamation and Arrangement involving Dr. Reddy's Holdings Limited and Dr. Reddy's Laboratories Limited, and their respective shareholders under Sections 230 - 232 read with Section 66 and other relevant provisions of the Companies Act, 2013 does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time, including the following:


Sl.	Reference	Particulars	Compliance
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements	Yes, Complied. Corporate Governance report attached for the quarter ending June 2019
2	Regulation 11 of LODR Regulations	Compliance with securities laws	Yes, Complied
<b>SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017</b>			
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges	Yes, Submitted
(b)	Para (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities	Yes, Complied
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report	Yes, Submitted; Refer Annexure III
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting	Yes, Submitted; Refer Annexure X
(e)	Para (I)(A)(9)	Provision of approval of public shareholders through e-voting	Yes, Shall be complied

  
Sandeep Poddar  
Company Secretary

  
G V Prasad  
Co-Chairman and Managing Director

Certified that the transactions / accounting treatment provided in the draft Scheme of Amalgamation and Arrangement involving Dr. Reddy's Holdings Limited and Dr. Reddy's Laboratories Limited are in compliance with all the Accounting Standards applicable to a listed entity.

  
Saumen Chakraborty  
Chief Financial Officer

  
G V Prasad  
Co-Chairman and Managing Director



Dr. Reddy's Laboratories Ltd.  
8-2-337, Road No. 3, Banjara Hills,  
Hyderabad - 500 034, Telangana,  
India.

CIN : L85195TG1984PLC004507

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July 15, 2019

The Manager  
Corporate Services  
BSE Limited  
Dalal Street, Fort  
Mumbai – 400 001  
Fax Nos.: 022-22723121 / 22723719 /  
22722037 / 22722039  
Scrip Code: 500124

The Manager  
National Stock Exchange of India Ltd.  
“Exchange Plaza”  
Bandra-Kurla Complex, Bandra (East),  
Mumbai – 400 051  
Fax Nos.: 022-26598120/ 26598237/  
26598238  
Scrip Code: DRREDDY-EQ

Dear Sir/Madam,

Please find enclosed herewith a Compliance report on the Corporate Governance for the quarter ended June 30, 2019 under Regulation 27(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the above on record.

With regards,

  
Sandeep Poddar  
Company Secretary

Encl: as above

**ANNEXURE I**

1. Name of Listed Entity - **Dr. Reddy's Laboratories Limited**
2. Quarter ending - **30 June 2019**
3. Whether the Listed entity has a regular chairperson - **Yes**
4. Whether Chairperson is related to MD or CEO - **No<sup>(1)</sup>**

<b>I. Composition of Board of Directors</b>													
Title (Mr./ Ms)	Name of the Director	DIN	PAN	Category (Chairperson /Executive/Non-Executive/Independent/ Nominee)	Date of Birth	Initial date of Appointment	Date of re-appointment	Date of cessation	Tenure (in months)	No of Directorship in listed entities including this listed entity	No of Independent Directorship in listed entities including this listed entity	No of memberships in Audit/ Stakeholder Committee(s) including this listed entity	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity <sup>(3)</sup>
Mr.	K Satish Reddy	00129701	AERPK6948L	Chairman	09-Jun-1967	18-Jan-1993	01-Oct-2017	30-Sep-2022		1	1	1	0
Mr.	G V Prasad	00057433	AAHPP9553C	Co-Chairman, MD & CEO	22-Nov-1960	08-Apr-1986	30-Jan-2016	29-Jul-2021		1	1	1	0
Mr.	Anupam Puri	00209113	AAKPP8503F	Independent Director	07-Oct-1945	04-Jun-2002	27-Jul-2018	26-Jul-2019	12	3	3	1	0
Dr.	Bruce L. A Carter <sup>(2)</sup>	02331774	ZZZZZ999Z	Independent Director	14-Jun-1943	21-Jul-2008	31-Jul-2014	30-Jul-2019	60	1	1	1	0
Mrs.	Kalpana Morparia	00046081	AAGPM5926M	Independent Director	30-May-1949	05-Jun-2007	31-Jul-2014	30-Jul-2019	60	2	2	0	1
Dr.	Omkar Goswami	00004258	AESPG3729A	Independent Director	29-Aug-1956	30-Oct-2000	31-Jul-2014	30-Jul-2019	60	7	7	6	0
Mr.	Sridar Iyengar	00278512	AACPI7514D	Independent Director	13-Aug-1947	22-Aug-2011	31-Jul-2014	30-Jul-2019	60	2	2	0	3
Mr.	Bharat N Doshi	00012541	AADPD3603R	Independent Director	12-Jun-1949	11-May-2016	-	10-May-2021	60	2	2	3	0
Mr.	Prasad R Menon	00005078	AECPM1352B	Independent Director	23-Jan-1946	30-Oct-2017	-	29-Oct-2022	60	1	1	0	0



Title (Mr./ Ms)	Name of the Director	DIN	PAN	Category (Chairperson /Executive/Non-Executive/ Independent/ Nominee)	Date of Birth	Initial date of Appointment	Date of re-appointment	Date of cessation	Tenure (in months)	No of Director ship in listed entities including this listed entity	No of Independent Director ship in listed entities including this listed entity	No of memberships in Audit/ Stakeholder Committee(s) including this listed entity	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity
Mr.	Leo Puri	01764813	AALPP0852A	Independent Director	03-Jan-1961	25-Oct-2018	-	24-Oct-2023	60	2	2	2	1
Mrs.	Shikha Sharma	00043265	ALFPS9244J	Independent Director	19-Nov-1958	31-Jan-2019	-	30-Jan-2024	60	3	3	2	0
Mr.	Allan Oberman <sup>(2)</sup>	08393837	ZZZZZ9999Z	Independent Director	29-Aug-1957	26-Mar-2019	-	25-Mar-2024	60	1	1	0	0

Notes:

1. Mr. K Satish Reddy (Chairman) and Mr. G V Prasad (Co-Chairman, MD and CEO) are not relatives as per the definition of the term 'relative' defined under the Companies Act, 2013. However, Mr. K Satish Reddy and Mr. G V Prasad are brothers-in-law.
2. Dr. Bruce L A Carter and Mr. Allan Grant Oberman, being foreign nationals, do not have PAN. Hence their PAN no. is entered as ZZZZ9999Z, as suggested by the exchanges earlier.
3. Committee membership does not include Committee Chairmanship.

## II. Composition of Committees

Audit Committee						
Sr. No.	Name of the Director	Category	Chairperson/Membership	Date of Appointment	Date of Cessation	Remarks
1	Sridar Iyengar	Independent Director	Chairperson	22-Aug-2011	-	Appointed as Chairperson w.e.f. 14 May 2013
2	Dr. Omkar Goswami	Independent Director	Member	30-Oct-2000	-	-
3	Bharat N Doshi	Independent Director	Member	11-May-2016	-	-
4	Shikha Sharma	Independent Director	Member	31-Jan-2019	-	-

Stakeholders' Relationship Committee						
Sr. No.	Name of the Director	Category	Chairperson/Membership	Date of Appointment	Date of Cessation	Remarks
1	Kalpna Morparia	Independent Director	Chairperson	01-Aug-2014	-	Appointed as Chairperson w.e.f. 1 August 2014
2	Bharat N Doshi	Independent Director	Member	12-May-2016	-	-
3	K Satish Reddy	Chairman	Member	10-May-1994	-	-
4	G V Prasad	Co-Chairman, MD & CEO	Member	30-Oct-2000	-	-



<b>Risk Management Committee</b>						
<i>Sr. No.</i>	<i>Name of the Director</i>	<i>Category</i>	<i>Chairperson/Membership</i>	<i>Date of Appointment</i>	<i>Date of Cessation</i>	<i>Remarks</i>
1	Dr. Omkar Goswami	Independent Director	Chairperson	22-Oct-2010	-	Appointed as Chairperson w.e.f. 1 August 2014
2	Dr. Bruce L A Carter	Independent Director	Member	22-Oct-2010	-	-
3	Sridar Iyengar	Independent Director	Member	22-Aug-2011	-	-
4	Shikha Sharma	Independent Director	Member	31-Jan-2019	-	-
5	Allan Obermân	Independent Director	Member	26-Mar-2019	-	-

<b>Nomination, Governance and Compensation Committee (Nomination and Remuneration Committee)</b>						
<i>Sr. No.</i>	<i>Name of the Director</i>	<i>Category</i>	<i>Chairperson/Membership</i>	<i>Date of Appointment</i>	<i>Date of Cessation</i>	<i>Remarks</i>
1	Anupam Puri	Independent Director	Chairperson	28-Oct-2003	-	Appointed as Chairperson w.e.f. 28 July 2017
2	Bharat N Doshi	Independent Director	Member	11-May-2016	-	-
3	Prasad R Menon	Independent Director	Member	30-Oct-2017	-	-
4	Leo Puri	Independent Director	Member	25-Oct-2018	-	-

<b>Corporate Social Responsibility Committee</b>						
<i>Sr. No.</i>	<i>Name of the Director</i>	<i>Category</i>	<i>Chairperson/Membership</i>	<i>Date of Appointment</i>	<i>Date of Cessation</i>	<i>Remarks</i>
1	Bharat N Doshi	Independent Director	Chairperson	12-May-2016	-	Appointed as Chairperson w.e.f. 27 July 2016
2	K Satish Reddy	Chairman	Member	31-Oct-2013	-	-
3	G V Prasad	Co-Chairman, MD & CEO	Member	31-Oct-2013	-	-

<b>Science, Technology and Operations Committee</b>						
<i>Sr. No.</i>	<i>Name of the Director</i>	<i>Category</i>	<i>Chairperson/Membership</i>			
1	Bruce L A Carter	Independent Director	Chairperson			
2	Anupam Puri	Independent Director	Member			
3	Kalpna Morparia	Independent Director	Member			
4	Prasad R Menon	Independent Director	Member			
5	Leo Puri	Independent Director	Member			
6	Allan Oberman	Independent Director	Member			



**III. Meeting of Board of Directors**

<i>Date(s) of Meeting (if any) in the previous quarter</i>	<i>Date(s) of Meeting (if any) in the relevant quarter</i>	<i>Maximum gap between any two consecutive (in number of days)</i>	<i>Whether requirement of Quorum met (Yes/No)</i>	<i>No. of Directors Present</i>	<i>No: of Independent Directors attending the meeting</i>
26-Mar-2019	17-05-2019	51	Yes	11	9

**IV. Meeting of Committees**

<i>Name of the committee</i>	<i>Date(s) of meeting of the committee in the relevant quarter</i>	<i>Date(s) of meeting of the committee in the previous quarter</i>	<i>Maximum gap between any two consecutive (in number of days)</i>	<i>Whether requirement of Quorum met (Yes/No)</i>	<i>No. of Directors Present</i>	<i>No: of Independent Directors attending the meeting</i>
Audit Committee	25-03-2019	16-05-2019	51	Yes	3	3
Nomination, Governance and Compensation Committee	31-01-2019	16-05-2019	104	Yes	4	4
Risk Management Committee	31-01-2019	16-05-2019	104	Yes	4	4
Corporate Social Responsibility Committee	01-02-2019	16-05-2019	103	Yes	3	1
Stakeholders' Relationship Committee	31-01-2019	16-05-2019	104	Yes	4	2
Science, Technology and Operations Committee	01-02-2019	16-05-2019	103	Yes	6	6

**V. Related Party Transactions**

<i>Subject</i>	<i>Compliance status (Yes/No/NA)</i>
Whether prior approval of audit committee obtained	Yes
Whether shareholder approval obtained for material RPT	Not Applicable
Whether details of RPT entered into pursuant to omnibus approval have been reviewed by Audit Committee	Yes

Note: Pursuant to Regulation 23(5) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 any transactions entered into between a holding company and its wholly owned subsidiary do not require approval of shareholders.



**VI. Affirmations**

1. The composition of Board of Directors is in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. - **Yes**
2. The composition of the following committees is in terms of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015
  - a. Audit Committee - **Yes**
  - b. Nomination, Governance and Compensation (Nomination & Remuneration) Committee - **Yes**
  - c. Stakeholders' Relationship Committee - **Yes**
  - d. Risk Management Committee (applicable to the top 100 listed entities) - **Yes**
3. The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. - **Yes**
4. The meetings of the board of directors and the above committees have been conducted in the manner as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.- **Yes**
5. a. This report and/or the report submitted in the previous quarter has been placed before Board of Directors. - **Yes**  
b. Any comments/observations/advice of Board of Directors may be mentioned here:

The report for the quarter ended March 31, 2019 was placed before the Board of Directors at their meeting held on May 17, 2019 and this report for quarter ended June 30, 2019 is being placed before the Board of Directors at their forthcoming meeting to be held on July 29, 2019.

Name : Sandeep Poddar  
Designation : Company Secretary  
Place : Hyderabad  
Date : July 15, 2019

