



21st August, 2019

Mr. Sandeep Poddar,
Company Secretary
Dr. Reddy's Laboratories Limited
8-2-337, Road No. 3, Banjara Hills,
Hyderabad - 500034.

Dear Sir,

Sub: Clarification on compliance of pricing provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") for the proposed amalgamation of Dr. Reddy's Holdings Limited into Dr. Reddy's Laboratories Limited.

With reference to your query dated 19th August, 2019 with respect to the compliance of pricing provisions of Chapter V of ICDR regulations, our clarification / response is as under:

1. As per the draft Scheme of Amalgamation and Arrangement ("Scheme") for the proposed amalgamation of Dr. Reddy's Holdings Limited (hereinafter referred to as "DRHL" or "Amalgamating Company") into Dr. Reddy's Laboratories Limited (hereinafter referred to as "DRL" or the "Company" or "Amalgamated Company"), DRL is issuing same number of equity shares to the shareholders of DRHL as held by DRHL in the Company. Upon the Scheme becoming effective, the existing equity shares held by DRHL shall stand cancelled. Thus, no additional shares are being issued to shareholders of DRHL and there would be no impact on shareholding of other shareholders of DRL.
2. Further as on the Appointed Date, the net worth of DRHL is positive and no additional shares are being issued against any excess net surplus assets of DRHL.
3. In our view, since the amalgamation is precisely cancellation and re-issue of same number of equity shares to the shareholders of DRHL without increasing promoter shareholding or affecting the interest of other shareholders, valuation as per ICDR guidelines is not applicable.
4. Further, valuation approaches and formats given for display of the workings, relative fair value per share and fair exchange ratio under the National Stock Exchange of India Limited circular number NSE/CML/2017/12 dated 01 June 2017 and BSE Limited circular number LIST/COMP/02/2017-18 dated 29 May 2017 have not been undertaken herein as they are not relevant in the instant case as there would merely be a cancellation and re-issue of same number of same number of shares and thus, have not been reported in the format prescribed by the aforementioned circulars.

Hope the above clarifies. Should you need further assistance, please feel free to contact us.

For N S KUMAR & CO.

Chartered Accountants

ICAI Firm Registration Number: 139792W

Niranjan Kumar
Proprietor
Membership No. 121635
Place: Pune

