



“Dr. Reddy’s Laboratories 36th Annual General Meeting”

July 30, 2020

PARTICIPANTS:

Mr. Satish Reddy – Chairman and Member

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

Mr. Allan Oberman – Independent Director

Mr. Bharat N Doshi – Independent Director and Member

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. Saumen Chakraborty – Chief Financial Officer and Member

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

Dr. K R Chandratre, Secretarial Auditor, and Members

Moderator: Dear members, good morning and a warm welcome to all of you to the 36th Annual General Meeting of Dr. Reddy's Laboratories Limited held through video conferencing facility or other audio-visual means. For the 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. Please note that as per the requirements of the law, the proceedings of the 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. Sandeep Poddar, Company Secretary of Dr. Reddy's Laboratories Limited
Over to you, sir

Sandeep Poddar: Good morning, ladies and gentlemen. On behalf of the company, I welcome all the members of the company and their representatives, board members, auditors and other invitees to this 36th 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, Chairman of the Nomination, Governance and Compensation Committee, and Mr. Saumen Chakraborty, Chief Financial Officer are present at Dr. Reddy's Corporate Office in Hyderabad. All other independent directors, CEO, auditors and the other invitees are participating from their respective locations.

Before we start the proceedings of the meeting, I would like to state that this meeting is being held through video conference facility in compliance with the provisions of the Companies Act 2013, rules made there under, SEBI (Listing obligations and Disclosure Requirements) Regulations 2015, Read with General Circular dated 8th April 2020, 13th April 2020 and 5th May 2020 respectively, issued by the Ministry of Corporate Affairs and SEBI Circular dated 12th May 2020. 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 cast their votes yet 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 you to a separate window on 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. Members attending this AGM through audio-visual means shall be counted for the purpose of reckoning the quorum under Sec. 103 of the Companies Act 2013.

We have 42 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 options schemes of the company and other documents have been made available for inspection in electronic mode to members 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 and the documents will be shared with them electronically.

Now, we commence the proceedings of this meeting. The Annual Report for FY2020 comprising the notice of the AGM, Audited Financial Statements for the Financial Year 2019-20, Boards and Auditor's Report have been sent through electronic mode to all the members who have registered their e-mail addresses with the company or their respective 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 comments or remarks in the statutory auditor's report or secretarial auditor's report.

Now I request the Chairman, Mr. Satish Reddy to address the members.

Satish Reddy:

Thank you, Sandeep. Good morning, ladies and gentlemen. Welcome to your company's 36th Annual General Meeting. Thank you very much for joining us today. At the outset, I would like to thank all of you for your continued support in these trying times. I would also like to thank the management and employees at Dr. Reddy's for their hard work, commitment and for staying true to the purpose of providing affordable and innovative medicines to those who need them across the globe.

I am pleased to report that the company has had a very positive year. Despite the challenges and demands of the COVID-19 pandemic, your company closed the year with the highest ever annual sales and EBITDA in our history. This is largely due to a turnaround in our Europe Generics business and continued growth in our branded markets. The faith that you have reposed in us, as well as the efforts of the employees of your company, have resulted in the eighth consecutive quarter of improving financial performance.

There has been a progress across your company beyond revenues as well. Our exercise to control costs and efforts to streamline our operations have come to fruition. Today, we operate a much leaner business model while ensuring that quality, compliance and processes are strengthened. All our sites are now fully compliant with the requirements of global regulatory agencies. Continuous improvement and striving to attain the highest levels of quality are now ingrained in every employee of your company.

Your company has also significantly improved productivity and built a healthy pipeline of products. We have settled legal disputes, and entered into synergetic deals such as the Wockhardt deal with the intent to enter FY21 on a strong note.

Digitization has also been a key area of focus for your company this year, and with the use of automation, digital connect and advanced analytics, we seek to ensure that your company is future-ready. While Prasad will share further details on these aspects, I would like to take you through the COVID-19 crisis, its impact on pharma and the way forward for the industry.

When one speaks of COVID-19, the word that comes to mind is 'unprecedented'. In the initial stages of the pandemic, as the country braced itself for an extended lockdown, the Indian pharmaceutical industry rose to the challenge and ensured continuity in its operations. Your company's response was two-fold: First, we had to ensure the safety and well-being of our employees. Second, we had to ensure continuous supply of medicines to patients in need. On both counts, I am pleased to report that the management, the leadership and the teams at Dr. Reddy's did an outstanding job.

The centre and the state governments quickly realized the significance of the pharma industry in this time of crisis, and while their interventions and quick response ensured that we could rise to the occasion. There were several challenges we encountered in the initial stages. Our employees struggled to reach work, material movement was a major constraint, ancillary industries that fed into pharma were not operational and the industry collaborated like never before, leveraging platforms such as the Indian Pharmaceutical Alliance (IPA) to work in an integrated manner with the authorities. Eventually one challenge after another was ironed out and we could reach higher operational levels.

It is with pride that I can report that Dr. Reddy's went above and beyond to support the nation in a time of need. We collaborated with governments and other organizations to support those in need through a range of relief efforts.

In the midst of a global crisis, your company and the Indian pharma industry proved itself to be a consistent and reliable supplier of life-saving medicines to India and the world. While the economic impact of this pandemic will indeed be felt, I recall how our founder Dr. Anji Reddy once said "In each problem, there is an opportunity" and true to that, I would like to view this as an opportunity for your company. This was an opportunity for us to learn the power of collaboration and also of digitization. Furthermore, due to the pandemic, the time is now ripe for the Indian pharmaceutical industry to play an even larger role in supplying drugs to the world and to cement its position as pharmacy to the post-COVID world.

Apart from the COVID specific relief efforts, your company has remained true to the vision of its founder and has continued to have a positive impact on society through the various initiatives implemented by the Dr. Reddy's Foundation.

Our flagship initiative GROW, that takes forward the two decades long legacy of our LABS initiative, i.e., Livelihood Advancement Business School of legacy has trained close to 8,000 youth in FY20 and the ones that were sponsored by Dr. Reddy's. In addition to this, our 29

centres for the specially-abled youth helped them acquire vital skills that enabled them to seek gainful employment. Of over 3,000 specially-abled youth benefited from this program, of which 115 were visually impaired.

Amongst hundreds of others, the program helped Kanhu Charan Maharana, the son of a small-scale farmer, who struggled to graduate and still could not find employment due to lack of guidance and information. GROW training helped him gain employment in the BFSI sector, and within months, he managed to repay the loans of his father who had taken the loans.

MITRA (Marking Integrated Transformation for Resourceful Agriculture) is another such initiative that focuses on helping small and marginal farmers in adopting new technologies and best farming practices. Farmers are essential to the growth and food security of our nation. In FY'20, the MITRA program has had a positive impact on over 20,000 farmers and the agricultural reforms that were announced in the recent pronouncements by the government will actually help us in this regard.

The Community Health Intervention Program or the CHIP is one of our healthcare programs, run in partnership with the NICE Foundation. And this year, the coverage is extended to over 2 lakh people. This program has become even more relevant due to the pandemic, outreach workers had visited several homes and villages to conduct awareness drives on preventive measures, social distancing and hygiene.

It is said that "To educate a child, is to turn walls into doors." Through Dr. Reddy's Foundation, we run multiple initiatives in the field of education. 229 schools located in the vicinity of our manufacturing facilities in both Andhra Pradesh and Telangana benefit from our School Improvement Program called SIP where we seek to augment government schools and provide the highest standards of holistic education to students. Of the 21,000 students at these schools, I am pleased to report that close to 50% are girls. Our efforts have paid off as these SIP schools have consistently shown an increase in the year-on-year pass percentage which now lies at an impressive 98.5%. 40 schools exhibited a 100% pass percentage while 95 students have secured a GP of 10/10. In this context, over 500 scholarships were granted to meritorious students to encourage and enable them to pursue higher education.

Named after our visionary founder, the Kallam Anji Reddy Vocational Junior College is another significant part of our education centric CSR initiatives. The college trains underprivileged students in two-year vocational courses. It is a testimony to the high standards of education at this college that seven students received state ranks, of which three stood first in their respective streams.

Once again, I would like to reiterate that your company is dedicated to uplifting society and cares deeply for the community that we operate in.

I would now like to talk about the industry, and what lies ahead for us. The pharma industry as a whole has seen an increased usage of medicines. Rate of usage has in fact been higher than the population growth. This was largely observed in the emerging markets, where growth estimates are in the range of 5%-8% even today. As per the recent reports, the global spending on medicines is poised to cross \$1.1 trillion by 2024. This is primarily due to increased availability and reach of medicines. Some key trends that are expected to emerge include transformation of the manufacturing process through continuous processing, drug pricing reforms, increase in supply chain security through serialization and increased scrutiny of quality. Digitization and technology such as Artificial Intelligence are definitely going to play a larger role in the pharmaceutical industry.

The COVID-19 pandemic has infected millions across the globe and claimed several lives. Unfortunately, this will have economic implications, many of which are already being felt across the world.

We anticipate that there may be a lower spend of medicines in some countries due to the sharp economic downturn and increased unemployment and lower income levels could potentially affect healthcare spends. As COVID treatments take precedence, treatment of other medical ailments may be delayed or deprioritized which could in the short-term reduce demand for pharma products across the globe. Medical tourism also could be impacted due to the travel restrictions.

However, there are several developments anticipated, that could auger well for our industry. Key stakeholders have taken cognizance of the industry's dependence on China, and India could emerge as a viable alternative to China. The government's new API policy which just got notified this week and the push to Make in India, could significantly bolster the domestic API industry and help us attain self-sufficiency as an industry. The policies move in the right direction, but a few more additions or improvements can actually help it to fortify our competitive advantage.

Some forecasts indicate an increased spend on preventive healthcare and public health emergencies. In the short to medium term, this could lead to an increased demand for pharmaceutical products. Similarly, there could potentially be an increased demand for OTC products and medicines to mitigate the symptoms of COVID-19.

The way we do business is certainly going to change. And I assure you that your company is up to the task. We intend to strengthen our competitiveness, and we will focus on increasing market share without compromising on profitability. We will seek to increase productivity through leveraging technology, automation, digitization and optimization.

At the start of the pandemic and the lockdown, our business continuity plan helped us tide over the crisis. And we are even better prepared now to overcome any challenges that lie in wait for

us. At every decision point, the safety and wellbeing of our employees and the patients who count on us assume paramount importance.

Today, several meetings are virtual including this one and work from home is now a tried and tested way of doing business. Our field staff across the country have been adequately trained certified and have received protective kits to ensure that they stay safe and adhere to recommended precautions as they go about their work. Your company has already adopted to the new normal.

It is in times like this, in the midst of a crisis, that the core values of any organization assume a place of significance. Our founder built this organization on values that remained at the heart of everything we do and we continue to remain true to these values even today. As we work together in an integrated and collaborative manner with industry associations, governments and other key stakeholders, I assure you that your company will strive to remain true to its purpose to ensure that we continue to provide affordable and innovative medicines to those in need. Thank you very much for your attention.

I have a small statutory statement to make. 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 AGMs virtually. Hence the 36th 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.

As required under the secretarial standards, please note that as per AGM notice dated the 17th June 2020, resolution numbers 1 to 3 and 6 are mandatorily required to be passed at an AGM under Section 102(2) of the Companies Act 2013 and resolution numbers 4 and 5 are special businesses and were considered important and unavoidable by the board and hence proposed at this AGM.

I am pleased to bring to your notice that as required under the Companies Act 2013 rules there under and SEBI listing regulations, the company has provided to all the members the facility to cast their vote electronically on all resolution set forth in the notice. Members who have not cast their votes electronically yet and what presented this meeting will have an option to cast the 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 Raghav 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, Company Secretary is authorized to receive the scrutinizer's report and announce the results of the voting

Sandeep Poddar: Thank you, Chairman. Now I request our Co-Chairman and Managing Director, Mr. Prasad to address the members.

G V Prasad: Good morning. Let me add my warm welcome to all the participants of this virtual Annual General Meeting. I am pleased to report that the fiscal year FY2020 has been a year of strong financial performance across our businesses. Consolidated revenues for FY2020 saw a 13% increase over the previous year on top of an 8% growth in previous year. Consolidated net profit grew 4% and EBITDA saw a strong increase of 36%. Diluted earnings per share (EPS) was 117.40 in FY2020 versus 113 in FY2019. Despite the impact of the COVID pandemic towards the end of the fiscal year, this performance represents your company's highest ever sales & EBITDA in a fiscal year, of course helped by outlice

nsing revenue from our Proprietary Products business.

The Board recommended a final dividend of Rs.25 which is 500% of our share value per equity share for fiscal year 2019-20.

Apart from strong financial results across our business, we achieved successful closure to the USFDA warning letter affected Srikakulam plant, built up a healthy product pipeline as well as significantly helped improved productivity. We registered robust performance in critical growth markets - Branded Markets & EU Generics in line with our intention to achieve leadership in our chosen spaces.

The Proprietary Products business, Euro deal and the Celgene settlement have helped improve our cash reserves and also settle pending legal disputes. Additionally, the transaction with Wockhardt to acquire select brands has placed us in a good position as we move into FY'21. We divested our US commercial Proprietary Products business along with the marketed pipeline because it did not achieve critical performance metrics. We will for now focus on licensing out our products and await the opportune time to build up our commercial presence in this market and other markets.

In FY2020, we filed eight new ANDAs with the USFDA. As on 31, March 2020, we had 99 generic filings pending approval from the USFDA, consisting of 97 ANDAs and two New Drug Applications. We believe that 30 of these 97 pending ANDAs have 'First to File' status. In APIs, we filed 98 Drug Master Files worldwide including 10 in the US.

I now want to take you through the Challenge that the COVID-19 pandemic inflicted upon us: The first objective was for fulfilling our mission which was making our medicines available to all. The COVID pandemic has put the pharmaceuticals industry in the spotlight like perhaps never before. Our industry both innovators who are working on vaccines and therapeutics as well as generic firms who will and are already making products available at scale has shouldered

a truly important responsibility. Dr Reddy's is also investing significant efforts on both innovation to find solution as well as manufacturing selected COVID drugs at scale.

Under license from Gilead, we will be manufacturing Remdesivir to make it accessible to large populations in many developing nations at affordable prices. We have also signed a deal with Fujifilm, the originator of the antiviral medication Favipiravir which is now under clinical trials in different countries around the world with early indications of efficacy against mild COVID-19. We will market this drug in some countries for emergency use and post the trials we will market this product globally.

We are also working on developing a version of Nitazoxanide, another antiviral drug under clinical trials in India for COVID-19. We are also collaborating with the Institute of Nuclear Medicine & Allied Sciences, a wing of DRDO on clinical trials for a novel drug product 2-Deoxy Glucose. One of our priorities in these times has been to ensure the continued supply of essential medicines to patients worldwide.

All our plants across the world were operational throughout the lockdown, enabled by the efforts of our frontline workers and enabling teams from supply chain, quality, safety, HR and facilities management who kept the engines running. We have also been able to launch several new products in key markets during this time.

The second big priority was ensuring the health and safety of our employees. We took extensive health and safety measures to keep everyone safe including physical distancing, thermal scanning, PPEs and others as appropriate and a combination of digital solutions such as our "Keep Safe" app and on-ground measures like zoning and disinfection work in tandem to contain the spread of the virus. We have also taken additional insurance cover for all our employees and their families in case of infection and we are also ensuring all affected employees get access to highest quality care.

Of course, third priority was to give relief to people who do not have access to these relief efforts. And as Satish mentioned, we have reached out to communities that have been impacted by COVID-19, distributing meals, dry rations, personal protective equipments, monetary support to frontline staff, migrant workers, healthcare professionals and needy families and we allocated over Rs.225 crores to this effort. Additionally, many of our colleagues have volunteered to provide relief to the people affected due to lockdowns in their communities and we are proud of the passion with which they rose to the occasion in true spirit of service.

As we move forward, we are building a strong foundation for growth. The full impact of the pandemic is still not clear to us. We are already in the midst of a global economic downturn, which is likely to have a deep impact on employment as well as on primary demand.

Our Business Continuity Plan has guided our actions to tackle the pandemic and the successful lockdowns with agility and assurance. Our focus will now have to be on increasing market share without compromising profitability and we have already begun this journey with a strong showing this year. In our view, the elements of sustainable organizations in the years to come will be digital, tackling climate change and sustainability and commitment to quality. And we are taking actions on all these three fronts.

Let me take you through the efforts of digitization in the company first. Digitization is a critical focus area for us, and during the pandemic it has delivered enormous benefits to help people work remotely, reduce shop floor and office presence and without impacting productivity. Key digitization projects in R&D, manufacturing have helped achieve significant efficiencies and cost savings in the current fiscal year. Perhaps the most immediate impact on revenue to digitization will be in our branded markets. The teams have quickly converted their physical doctor visits and brand plans to digital calls and digital brand plans. They are deploying multi-channel marketing, remote calls and digital touch points to engage with all the healthcare professionals.

We have always stressed that the secret to adopting anything new is “Make it Simple to Use and Remove the alternative”. While the pandemic helped remove the alternative, our teams have truly risen to the challenge and enabled both businesses and employee collaboration and connect by making the digital systems very simple to use. And digital literacy is absolutely essential to thrive in the future and we are driving this across the organization through a number of programs.

Coming to “Sustainability,” sustainability is integrated into our business strategy and processes and our journey so far. We declared our ambitious environmental commitment in 2010 for 2020 and on specific water consumption, waste reduction and hazardous waste landfill, we have far exceeded the set. In addition, a number of our achievements on this front are truly inspiring. Our share of renewable power has moved from 0% in FY2010 to 20% in FY2020. We target to take this to over 50% in the next five years.

We have an aggressive Carbon Neutrality plan and we are the only Indian pharma company to have signed the Science Based Targets Initiative commitment during the COP25 held at Paris. We have already achieved 72% water neutrality and target to be water positive by 2025. In FY2020, 98.8% of the hazardous waste generated in our plants worldwide was co-processed and recycled.

Coming to the third part of this, “Quality.” The final outcome of our Srikakulam plant makes all our sites compliant with regard to all global regulatory agencies. It has been a long and difficult journey to reach this outcome especially for our Srikakulam plant. Credit is due to all the people at the sites, central functions, support functions, who have driven the transformation of manufacturing and quality across our network while actually improving productivity. We aim to continue our effort to build a quality of culture that permeates all aspects of our operations.

While we can mark FY'20 as a year of good progress in this journey, there is still a long way to go and there is a lot more potential both on improving quality and productivity and we are completely committed to this journey.

As we look at the year ahead, we have selected a set of markets and businesses to focus disproportionately and these are India, North America, Russia, China, Global Biologics and Pharmaceutical Services and API businesses while we are evolving our strategy for Proprietary Products and Hospital Products this year. We hope to drive growth across these markets by following a simple algorithm of three major themes -- Leadership in Chosen Spaces, Operational Excellence & Continuous Improvement & Patient-centric innovation. Executing well on these three themes are key to our success. And we are completely committed to drive this improvement in all these three places continuously.

The pandemic holds out a unique opportunity for your company to make a difference to the world. Our credo of "Good Health Can't Wait" is all the more relevant and critical in these times. Speed, scale and cost of manufacture will be key to face the public health challenges posed by the pandemic. As clinical trials gradually bring hope, I am confident that the pharma industry will step up to the task as we have done in the past.

"We can't become what we need to be by remaining what we are" is a line we personally live by and Corona times attest to the truth of this maxim. We are growing, learning and improving as a company and will play our part in reshaping our industry in the years to come. I want to end by thanking all my colleagues around the world and the leadership team who are at the frontiers of this time. I wish to thank our customers, partners and regulatory agencies for their support and partnership as well as our board members for their guidance and vision. And finally, I would like to thank you, ladies and gentlemen, for your support of and trust in Dr. Reddy's. Thank you very much.

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. Satish's reappointment who retires by rotation and being eligible proposes himself for reappointment. And Item No.4 pertains to Mr. Prasad reappointment as Whole Time Director, designated as Co-Chairman and Managing Director. Mr. Satish and Mr. Prasad are interested in these two resolutions. Hence, in accordance with the Companies Act 2013 and Secretarial Standards SS-2, the directors have recommended that Mr. Prasad Menon, Chairperson of Nomination, Governance and Compensation Committee and Lead Independent Director will chair these items of the notice.

Mr. Menon.

Prasad Menon: Good morning, everyone. The Nomination, Governance and Compensation Committee and the Board of Directors of the company have considered the reappointment of Mr. Satish Reddy, who is liable to retire by rotation and the reappointment of Mr. G V Prasad as Whole Time Director designated as Co-Chairman and Managing Director of the company for a further period of five years w.e.f. 30th January 2021 subject to approval of the members at the AGM. On behalf of the Board of Directors of the company, I recommend both the resolutions for approval of the members.

Sandeep Poddar: Thank you, Mr. Menon. As members know, the remote e-voting facility was open from Sunday 26 July, 2020, 9 a.m IST to Wednesday, 29 July, 2020, 5 p.m. 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. Members can click on e-voting icon on their video conference screen to avail this feature. This facility shall be closed after 30 minutes from closure of the meeting. The consolidated results of remote e-voting and e-voting during the AGM would be posted on the company's and NSDL's website and sent to the stock exchanges within the prescribed time.

I now invite the members who have pre-registered as speaker shareholder to ask their questions. Members are requested to 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 repeating questions. In the interest of time, may I request members to kindly restrict their questions or comments to three minutes please? In case the shareholders who have not pre-registered as speakers, but wish to raise any queries during the meeting, they are requested to kindly pose their queries by clicking on the 'communicate' icon available on the screen.

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

Moderator: Thank you so much. We will now begin the question and answer session.

We have the first question from Mr. Arun. Sir, you may go ahead.

Arun Kumar Boppana: (DP ID/Client ID: IN302XXXXXX589) Good Morning. My name is Arun Kumar Boppana. Thanks to Sandeep Poddar and team for the support yesterday. I sent all my questions to the team. I am glad to see my Bombay club here. Mr. Prasad Menon, our favorite on the call. Bharat bhai, kem cho (how are you?) Shikha Sharma ji, welcome and the directors. I second resolution proposed by Mr. Prasad Menon on Satish Reddy and G V Prasad. My question sir, what is the ingredients percentage of your imports from China? Will you reduce dependence on China by backward integration / manufacturing? See, the medical reps could not meet the doctors face-to-face. Did it impact -? And the extended lockdown, has it delayed treatment of other disease for Reddy Labs, I mean, manufacturing the products? Pharma, they say employs around 3 million people. I think we are the third largest in the world with 20% of global exports. What is your

comment on that? They say Indian pharma will grow USD 80 to 90 billion by 2030. Is it true? Placing affordable innovative medicines across the world in the hands of those who needed the most. The crisis as you said is an opportunity to develop a solution to overcome this problem of global magnitude. Compliments to the management for gender equality and differently-abled inclusive. I am glad it has become a benchmark. Lastly, coming to my favorite, in conclusion, Dr. Anji Reddy with all liberty, society with wealth by giving back magnified human greatness, he emerged as a champion. Let us pledge to continue the legacy of Dr. Anji Reddy. Still there is so much left to deliver, so much history to be made. With this I support all the resolutions and I wish the company all the best, and particularly my Bombay friends, Prasad Menon, Bharat Doshi and Shikha Sharma, all the best to you. Hope to see you soon. It is quite long since we met. Thank you.

Satish Reddy:

Thank you for your question. So I just take a couple of questions. You know and then I will ask my colleague Saumen to respond in case I miss something. So I will start with your third question which you asked on the Indian industry when we talk about going up to almost \$90 billion by 2030. In fact, the number we actually said a potential was almost about \$120 billion. Currently, it is about \$40 billion. We said it can go three-fold in the next 10 years, provided a series of steps are taken. That is what we have said. I mean, is it possible? I mean, definitely, the potential is there. The aspiration should be there. There should also be a whole host of things that need to happen if you have to reach that stage. On top of the list happens to be innovation, because that is the higher end in terms of value addition, in terms of what can be done. And then if you compare ourselves to the pharmaceutical industry, or globally, while we lead in the APIs, China in between, but then retaining it back. But then if you see generics, we dominate that space, right, Indian companies, especially in the US and major markets. And then when we see innovative products, that is the one, I think we can create tremendous value, we actually asked for the government to look at policy reforms, which would enable that to happen. And there are a host of things which I would not get into detail, but provided all these things happen, I think Indian industry has the capability, it has certainly the potential to take the industry to very high levels, especially that kind of number that we are talking about. On medical representatives, yes, of course, there was an issue during this COVID times, in the sense that, they could not meet the doctors because most of the private clinics were closed, right, and most of the hospitals also were attending to mostly COVID patients. So this was the time the last of the authority was to meet anybody from the medical reps. So, it did affect, that is why you have seen that effect in the quarterly results also, that is one of the things that we faced. But having said that, this also gave us an opportunity to look at more digital ways of working, some digital launches happened, for example, also digital marketing where the doctors were able to interface with the doctors also happen. And I think like we said, this is going to be the new normal in a way things are going to be. Doctors also have kind of, because of the survey which we did as part of the IPA, which interestingly said that most of the doctors would kind of reduce seeing the medical representatives, they would use more of the digital platforms for their briefings and things like that and also use telemedicine, quite somewhat. So I think things are going to change and both

myself and Prasad have also mentioned in our opening comments, that this is the way the new normal is and companies fully geared up to meet this kind of change. We are doing all the steps.

Saumen Chakraborty: On the China percentages, in terms of inputs from China, it is less than 10%, which goes directly to our production. And in terms of reducing dependence on China, it has started long back right from the time the Olympics was happening in Beijing and a lot of the chemical factories were shut down, from that time onwards it has been ongoing and it is continuing efforts to develop alternate vendors and reduce dependence on the China.

Moderator: Thank you so much. We have the next question from Mr. Anand. Mr. Anand, you may go ahead.

Anand Kakrania: (DP ID/Client ID: IN302 XXXXXXX 226) My question is to Mr. G V Prasad. Before a question, I just wanted to take this opportunity to let you meet my father and you will be privileged to know that he is a promoter shareholder of the company and he has been holding the shares ever since the IPO for the last 35 years and he has not sold a single share till date and now we are holding around 7,500 shares of the company.

G V Prasad: Excellent. Thank you so much.

Satish Reddy: Thank you so much. Please go ahead with your question please.

Anand Kakrania: In view of the ban on Chinese imports, regarding API and pharma intermediates, do we have any big opportunity coming out in India, particularly for our company?

Saumen Chakraborty: Firstly, I think the dependence of Dr. Reddy's on China imports is not very high. And there is an opportunity, some companies in Europe and US want to shift their supply chains to India. So that opportunity will help us. I would not call it a massive opportunity for your company. It is certainly, the company already started backward integration and in-housing, key starting materials for a while now and that will continue. That will make us more competitive. But I see it as an opportunity but not a very big one as such.

Moderator: Thank you so much, sir. We have the next question from Mr. Praful. You may go ahead.

Praful Chavada: (DP ID/Client ID: 120XXXXXXXXXXXX590) (In Hindi) Meri awaaz arahi hai kya sir? Phele sabko Praful Chavda ke taraf se sabko shubhakaamana detahu aur kahana chaata hu ki agar physical meeting hoti thi to pura shareholder kai chehare per smile hota tha kyu ki first time Reddy labs ka sir life time high chal raha hai yaani ki company ka jo result aaya yesterday bahut pasand aaya aur share market me shareholder ko benefit mila. Sir har saal company ka AGM ka wait karta hai, AGM kaisa rehnega. Every year AGM report me changes hota hai aur kuch na kuch naya point rehta hai. Sir jistara secretarial department kitna acha kaam karta hai aur abhi to aaj aur kal merko secretarial department ka aur acha kaam dekhne ko mila ki mera contact kaisa karna, video kaisa dekhna, speech kaise dena iska direction muje do do teen teen bar diya

gaya tha aur video ki clarity, saphaee aur speech bahut acha dikh raha hai. Sir company continuous Satish, G V Prasad aur board of directors ke kaamho se aage badhati ja rahi hai aur healthy hoti jaa rahi hai. Sir page number 70 pe equity ka jo history batate ho, equity kaha thi, kaise thi aur kaise hua abhi wo batate rehna ke baad bhi mera ek suggestion hai ki near future meh company kai pass kitne CA hai, kitne MBA finance hai, kitne scientist hai. uskai bare meh bhi just bataiye tho maalum padata ki company kitna healthy kaam karti hai. Sir book value 933 rupees hai yani next year acha raha ya tho corona ke ye saabh se pharma ko koi problem aane wala nahi hai to 1000 par book value ho jahega. Sir apna 17 plant India meh aur 9 plant out of country meh hai is meh ek plant china meh hai. Magar china se kuch hojaya tho? Abhi china per kitna bharosa karna chahiye Sir. China ka PM wo bhi dhoke baazi karta hai, iske admi per kitna bharosa karna. Chinese men per kitna bharosa karna yea ek savaal hogaya apne aap meh. Abhi Chairman's speech aur AGM report padh leya tho koi savaal karnai ki jarurath nahi hai. CSR meh bahut acha kaam horaha hai, sabko help ho raha hai. Sir ismeh bhi mera ek suggestion hai ki jo Shaheed hua army kai jo family hai unke liye kya help karte hai aap. Inke family member ko job dete ho ya unke baccho ko education meh help karte ho ya nahi. Sir Anji reddy ka photograph last meh diya hai. Bahut acha, sundar photo hai. Sir company ka jo website hai, bahut acha website hai, ismeh Anji Reddy sir ka jo 2013 meh savragavas hogaya tab ek video bhataya gaya tha AGM meh, wo video website ke upar rake tho koi bhi investor, mutual funds wale koi bhi Anji Reddy kaise kaise kaha ponche, iska pura video wo dekh sakte hai. Secretarial department is very good, bahut acha kaam kare hai sir. khastaur per abhi corona hai, kab kaisa kya hojahe kisi ko pata nahi chalta. Kab admi bimaar ho jata hai iske leye apnai company ne pure employees ke safety ke liye acha kadam uthae aur aapka staff khush hai happy hai ki hamare company safety ke bare meh sochti hai aur kartii hai iske leye dhayavaad deta hu sir.

Translation in English (Yes Sir best wishes from my end. I would just like to say if there would be physical meeting today then all the shareholders' would have a smile on their faces because for the first time, Dr. Reddy's is on lifetime high because company's result which has come yesterday was very good and we liked it a lot and shareholders got the benefit for that. Every year we wait for the AGM of the company, how the AGM will be? Every year there is a change in AGM report, there is something new every year. If we see this way secretariat department is doing such a good job. Today and yesterday we have seen a good job done by secretariat department on how to contact, how to see the video and how to give the speech. All those directions were given two to three times to me. Clarity of the video and picture quality is very good. Company is progressing with the work done by GV Prasad and Satish Reddy and other directors and we are very happy. Sir on the Page #70 you give the equity story of the company, where the equity was, where it is and it has become. I have a suggestion that in the future how many CAs, MBA (Finance), scientists are there if you tell us about that then we would come to know how healthy work is done by the company. Our book value is Rs. 933 that means net share is good either because of corona pharmaceuticals which will not have any problem so the book value will cross Rs. 1000. We have 17 plants in India and 9 plants are in out of country and one plant in China. So if there is something happening with China, how much can we trust China,

China's PM is also betraying us, how much can we trust his man? How much can we trust Chinese men it's a big question today. We have a business relations with China but we see that Prime Minister of China is betraying us, he does not listen to us and fight with us. We have read the Chairman's speech and AGM report we have read then there is no reason to question. In CSR we are doing a good job, we are helping so many people so here also I have a suggestion that family for martyr army people what help do we give to the family members of martyr, do we give jobs to them, or do we provide education to their kids or not. Sir Mr. Anji Reddy's picture was given in the end, it is a beautiful picture and sir the website of the company is very good in that. In 2013 after Anji Reddy's demise there was a video that was shown in that AGM so if that video can be put on the website of the Company then any investor, shareholders or mutual fund people can know how Mr. Anji Reddy has reached to such great heights. Company Secretary is doing a good job. Right now during this corona times what will happen no one knows; people are getting sick anytime for that your company has taken good steps for the safety of your staff and your staff is happy that our company thinks a lot about our safety. I thank you for that. Thank you.)

Satish Reddy:

(In Hindi) Bahut shukriya Praful ji. China kai baareh meh bata rahe to.

(Translation in English) (thank you very much Praful ji. You were telling about china).

I will speak in english so that rest of the shareholders will also understand. See, it is all about politics going on there, so let us leave it aside for a moment. But as far as business is concerned, our plant in China makes the finished formulations, no plant for API, and ours is a global company. And as part of our operations, we see a huge opportunity in China. We have also said that in the past that China is a huge opportunity in terms of the market in terms of what it offers. We have several products. Ultimately, our aim is to serve the patients, it is about making people healthy. So if that is our intention, we would like to leave politics out of that .

(In Hindi) Politics alag rakte hai usmeh se. To China ka koi dikat nahi hai hamare business per
(Translation in English) (Will keep politics aside. Operations in china has no impact on our business). You gave a suggestion on Dr. Reddy's video to be put up on our website. We will certainly do. Thank you, Praful ji.

Moderator:

Thank you so much. We have the next question from Mr. Bharat Raj. You may go ahead.

Bharat Raj:

(DP ID/Client ID: 120XXXXXXXXXX970) Good morning Mr. Chairman, and the entire board of directors and my friend CFO and young, energetic Company Secretary. Chairman, thank you very much for the wonderful results and the entire team of Dr. Reddy's for giving wonderful income and I thank the management for the wonderful dividend of Rs.25 and you have increased reserves of Rs.15,000 crores, every year you are increasing our reserves and our leadership my company is growing, I am very happy sir. Please consider the bonus because 20-years are over. Last bonus when we receive it, you think about it or otherwise next year you plan for another

Rs.5 more dividend means Rs.30 round figure dividend. And in the past three years, if I see the net profit, this year it is increased from 127%, a huge increase on the net profit. I thank the management for taking very good decision, giving extension for our CFO two years. And one more suggestion is that for a senior management. (Inaudible due to technical difficulty).

Moderator: Mr. Bharat Raj's facing some network issue. We have next audio question from the line of Mr. Ramesh Mangaluri. You may go ahead.

Ramesh Mangaluri: (DP ID/Client ID: 130XXXXXXXXXX101) Good morning, chairman and all the participants of the meeting. Sir, I have three questions. Number one, how much was impacted due to logistics disruptions in the quarter from Jan to March and also April to June? Have we recovered most of the sales which was delayed? So number two, when do you expect to complete the integration of Wockhardt business and what kind of margins you are expecting from this business? Number three is the company has plenty of cash reserves. Can we expect any buyback of shares? And lastly, our company secretary is very incompetent. Due to his incompetency, our three directors including Late Mr. Anji Reddy also disqualified. I think this company secretary is not capable of doing his job. Thank you very much.

Satish Reddy: Saumen.

Saumen Chakraborty: In terms of impact of logistics in the fourth quarter ending FY'20, there was some impact on last 15 days of March due to lockdown in India, we found it difficult to dispatch the goods to the distributors. So there were some sales which were impacted. But of course, eventually in India, the logistics eased now and so we have been able to restore normalcy completely. So I do not think logistics has played any role in terms of sales in the first quarter of this year. In terms of international logistics, the problem is in the cost because the freight has gone up considerably, the rate has gone up because of limited availability for carrier aircrafts and accordingly the price has gone up. And this is so far as logistics is concerned. In terms of buyback, it will be our continuous endeavor, whenever we have surplus cash and we do not have immediate deployment opportunity, for example, if there is no inorganic growth or anything immediately on the card, we will resort to that kind of measures in terms of buyback. Regarding Wockhardt integration is going quite well. We do not disclose margins for individual geography. But whatever margin we get from our India business, we expect similar kind of margins from the Wockhardt brands.

Moderator: Thank you so much. We have the next question from Mr. Ramesh Shankar Gola. Sir, you may go ahead.

Ramesh Shankar Golla: (DP ID/Client ID: IN300 XXXXXX 189) (In Telugu) Priya mina Prasad gaari ki marriyu toti shareholders ki na shubhodayalu shubakanshalu. Mana company ne stapinchina vyakti mana Anji Reddy gaaru tarvata e company ela untundi enti ani entho mandi ki eno questions madilo miglindi andi but a ha tarvata konnalu sanvikyاملu unna kaani but a haaroju nunchi eroju varaku Prasad gaari saarugyum lo but a entho heights ki teeskailtum annaruedhi nennu as a shareholder

ga chaala thrupti ga undi athama santhrupti ga undi. Nennu enta pedha vallani questions chesai vaadini kaadhu but a na company gurunchi nennu direct ga ochi chepkoleka poena virtual ga chepagalkai avakasaani naaku andinchedaanki secretarial team ki chaala abinandanal. Shareholder ga meeru gani nennu gani bonus anadi manamu teeskoni chaala years iendi. Manaku undai reserves dannichi general ga oka share ki manamu padi shares lu kuda bonus ga echukovalachuna capacity undi. Andukaani cheppinaise meeru manchi bonus ne istaaru ani asinchustaanu. Dividend anta okay but a performance tremendous. Ha dividend kuda performance tho saripolchi inka ekkova dividend eyali ani korkuntunaan. Hyderabad lo presenthu mana Dr. Reddys labs annaide chaala manchi peeru undi. That to ma Prasad gaarri sarugyum lo. Ina kuda chaala handsome person enduku antai erojuna as a shareholder ga memmu shareholder of Dr. Reddy's labs ani cheppukuntunaamu antai ha credit anta meekai dakutundi. Meru chese struggle gaani meeru padhai kastum gaani (inaudible). Mana bharam lo Krishna entathivaadho na company ki Prasad gaaru anthativadhu that to nennu chaala garva padhutunaan. Even two days nunchi ha veelu evariki itai meeru e connectivity kosum ani chepanise mana secretarial department dvara e avakasam andinchaaru vaalu entho try cheshaaru but a oka oka saari madya madya lo nennu connect kaleka video badalu audio lo matladutunnanu. Santhoshamu but a video lo kanipistuntai even me andariki nennu kanipinche vadini. Secretarial department ki head ina Sandeep poddar chaala happy ga untaaru chaala happy ga matlatutaanu. Andarni receive cheyadam lo fantastic Sir. Chaala mandi aim antai chinna company lo chestutaina vaalu entho proud ga feel itharu kaani manna Reddy's labs lo enta pedha company lo chestu andari tho chaala happy ga untaaru mana poddar gaaru. Company Secretary ki entho entho subhakanshalu. Neenu chaala happy ga unnanu and happy ga itunaan. Performance wise ga company chaala high ga teesko veltunaaru kaani e china nunchi aim itai raw materials ostunaayo adhi algai continue itunda ledha potha potha konchum tagacha. COVID vaccine pina Hyderabad nunchi manamu evaritho kalasi work chestunaamha ledha only independent ga aimina manamu kudha chestunaamha anadi na question. E samayam e chinanduku meeku dhanyavadaalu. Board members andariki peru peru ga thanks cheptunaan. Valaki namaskarallu chestunaan. Etlu me Ramesh Shankar Golla your shareholder. My Dp ID is 1283189 Subhakanshalu andariki. Meeru tvaralo bonus announce chesi cheptaaru ani nennu wait chestuntaanu Sir.

Translation in English (My best wishes to dear Prasad sir and all other shareholders. After the demise of our founder Anji Reddy sir, many people had so many questions/doubts in their mind regarding how will the company go ahead what will happen. But I, as a shareholder, am very very satisfied as in Prasad Sir's presence the Company saw so many heights. I am not that big person to ask questions, but I am thankful to the secretarial team for giving me an opportunity to ask any questions regarding my company through virtual (medium) even if I cant come and ask directly. Its been quite long since we took bonus as shareholder. We have the reserves and capacity to give 10 shares for one share bonus generally. So I am speaking about this and hoping that you would grant good bonus. Dividend and all is ok but the performance is tremendous. We wish that granting a higher dividend will also match the better performance. Dr. Reddy's Labs

has a good name in Hyderabad. That is because of Prasad Sir's efforts. He is very handsome. We give him the credit for being proud shareholders of Dr. Reddy's Labs. Your struggles and difficulties (inaudible). As Lord Krishna is important for Mahabharat, Prasad Sir is also as important for our company and I am really proud of that. Since two days, whoever is the person through the secretarial team, has been trying for my proper connectivity. Since my connectivity is not good I am talking through audio instead of video. I am happy, but I would have been more happier if the video connectivity was also there. Head of Secretarial department, Mr. Sandeep Poddar seems to be very happy and speaks in a very happy manner. He receives everyone very fantastically. Even small companies people unnecessary feel proud, but even though he is working for a big company like our company Dr. Reddy's Labs he speaks very happily to everyone. My best wishes to the Company secretary. I am feeling very happy and living very happily. Maybe performance wise the Company will reach very high, but please consider whether to continue or decrease whatever raw materials are coming from China. My question is whether from Hyderabad we are jointly working with someone or not or doing something independently for COVID vaccine. Thank you for giving me this opportunity, my thanks to each and every board member. My namaskar (salutation) to all board members. Kind regards Ramesh Shankar Golla, your shareholder. My DP ID is 1283189 best wishes to everyone. I am waiting that you will very soon decide and announce bonus sir. Have a good day all the best for one and every person's Sir. Bye Sir thank you.)

Satish Reddy:

He has spoken in Telugu. So most of the people in this room as well as people on the board of directors, I am sure none of us understood, so let me just set into a little bit of a translation on the gist of it because if I hand it over to Prasad, he will be very embarrassed because it was mostly about him. So, just to translate what he said about Prasad, he said, he is very handsome, he reminds him of a Lord Krishna who is part of a mythology in terms of steering this company to great heights after the founder Dr. Reddy. That is what he was mentioning, broadly. And he was also praising Sandeep for the effective work. And then I think there are a couple of questions on China. We anyway answered that. So I would not repeat that because it is basically for raw materials and things like that. And then about COVID vaccines, Ramesh sir, we are not in that space, we are not making it. So that is something all of us are looking forward to. But Dr. Reddy's is not a vaccines company. It is more of a pharmaceutical medicines company, so we are not in that space.

Moderator:

Sir, this was the last question. We do not have any further questions. Over to you, Mr. Sandeep.

Sandeep Poddar:

Thank you, Moderator. I would like to thank all the member invitees and the board of directors for participation. Members may please note that the voting on the NSDL platform will continue to be available for the next 30 minutes. Members who have not cast their vote yet, are requested to do so. Thank you, everyone.