



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

estimated by the Company are different from those prescribed in the Schedule.

The capitalised costs of software are amortised over the estimated useful life of the software or the remaining useful life of the related tangible fixed asset, whichever is lower.

g) Intangible assets other than goodwill
Recognition and measurement

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in the consolidated statement of Profit and loss when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditures are capitalised only if:

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Company intends to, and has sufficient resources, to complete development and to use or sell the asset.

The expenditures to be capitalised include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognised in the consolidated statement of Profit and loss as incurred.

As of March 31, 2026, none of the development expenditure amounts have met the aforesaid recognition criteria for capitalisation.

Acquired research and development intangible assets that are under development are recognized as In-Process Research and Development ("IPR&D") assets. Subsequent expenditures on an IPR&D project acquired separately or in a business combination are:

- recognised as an expense when incurred, if it is a research expenditure;

- recognised as an expense when incurred, if it is a development expenditure that does not satisfy the criteria for recognition as an intangible asset in paragraph 57 of Ind AS 38; or
- added to the carrying amount of the acquired IPR&D project, if it is a development expenditure that satisfies the recognition criteria in paragraph 57 of Ind AS 38.

IPR&D assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment charge on such IPR&D assets is recorded in the consolidated statement of Profit and loss under "Impairment of non-current assets".

Payments for intangible assets that are acquired by the Company from third parties as in-licensed or purchased intellectual property rights, compounds and products are capitalized. If additional payments are made to the originator company to continue performing research and development ("R&D") activities an evaluation is made as to the nature of the payments. Such additional payments will be expensed if they represent the compensation for subcontracted R&D services not resulting in an additional transfer of intellectual property rights to the Company. Such additional payments will be capitalized if they represent the compensation for the transfer to the Company of additional intellectual property developed at the risk of the originator company.

Intangible assets that have been acquired through a business combination are initially recorded at fair value at the date of acquisition.

Amortisation

Intangible assets available for use with a definitive useful life are amortised on a straight-line basis and evaluated for potential impairment whenever facts and circumstances indicate that their carrying value may not be recoverable. Amortisation is recognized in the consolidated statement of Profit and loss on a straight-line basis over the estimated useful lives

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

of intangible assets. The amortisation expense is recognised in the consolidated statement of Profit and loss in the expense category that is consistent with the function of the intangible asset.

The estimated useful lives are as follows:

Particulars	Years
Product related intangibles	3 to 25
Other intangibles	3 to 15

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date. Changes in the expected useful lives or expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate and are treated as change in accounting estimate.

Goodwill, intangible assets relating to products in development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognised immediately in the consolidated statement of profit and loss under "Impairment of non-current assets".

De-recognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the consolidated statement of profit and loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as at the date of de-recognition.

h) Leases

The Company recognises a right-of-use asset and a corresponding lease liability for all arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low-value

leases. For these short-term and low-value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. In the case of arrangements involving lease and non-lease components, the Company allocates the consideration in the lease contract to the lease and non-lease components on the basis of the relative standalone price of each component.

Right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease over the shorter of the useful life of the right-of-use asset or the end of the lease term and are assessed for impairment whenever there is an indication that the carrying amount may not be recoverable using cash flow projections for the useful life.

Lease liabilities include the net present value of the fixed and variable lease payments that depend on an index or a rate to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease or the Company's incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Lease payments are allocated between principal and interest cost. The interest cost is charged to consolidated statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise information technology equipment and small items of office furniture.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

i) **Inventories**

Inventories are valued at the lower of cost or net realisable value.

Inventories consist of raw materials, stores and spares, work in progress and finished goods. The cost of all categories of inventories is determined based on the weighted average method. Cost includes purchase cost less refundable taxes, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares consists of packing materials, engineering spares (such as machinery spare parts) and consumables (such as lubricants, cotton waste and oils), which are used in operating machines or consumed as indirect materials in the manufacturing process.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

j) **Impairment**

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount is estimated for the asset or the cash generating unit to which the asset

belongs. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31 or when circumstances indicate that carrying value may be impaired.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised in the consolidated statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in joint venture is not recognised

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in joint venture is tested for impairment as a single asset when there are indicators that the investment in joint venture may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognised in the consolidated statement of profit and loss, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

k) **Employee benefits**

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Company's contributions to defined contribution plans are charged to the consolidated statement of profit and loss as and when the services are received from the employees.

The liability in respect of defined benefit plans and other post-employment benefits is the defined benefit obligation calculated annually by independent actuaries using the projected unit credit method. The current service cost of the defined benefit plan is recognized in the consolidated statement of profit and loss. Past service costs are recognized immediately in the consolidated statement of profit and loss.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognized in OCI in the period in which they arise.

Other long-term employee benefits

The Company's net obligation in respect of other long-term employee benefits is the amount of future

benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value by independent actuaries using the projected unit credit method. The current service cost, past service cost as well as re-measurements are recognised in the consolidated statement of profit and loss in the period in which they arise.

Compensated absences

The Company's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary. The resultant expenses are recognized in the consolidated statement of Profit and loss.

l) **Share-based payments**

Equity settled share-based payment transactions

The grant date fair value of options granted to employees is recognized as an expense in the consolidated statement of Profit and loss, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service at the vesting date. The expense is recorded for each separately vesting portion of the award if each portion of the award was, in substance, a separate award. The increase in equity recognized in connection with share-based payment transaction is presented as a separate component in equity under "share-based payment reserve". The amount recognised as an



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

expense is adjusted to reflect the actual number of stock options that vest.

The fair value of employee stock options is measured using the Black-Scholes-Merton valuation model. Measurement inputs include the share price on the grant date, the exercise price of the instrument, the expected volatility (based on weighted average historical volatility), the expected life of the instrument (based on historical experience), the expected dividends, and the risk free interest rate (based on government bonds).

Cash settled share-based payment transactions

The fair value of the amount payable to employees in respect of share-based payment transactions which are settled in cash is recognised as an expense, with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment.

The liability is re-measured at each reporting date and at the settlement date based on the fair value of the share-based payment transaction. Any changes in the liability are recognised in the consolidated statement of profit and loss.

m) Provisions

A provision is recognised in the consolidated statement of profit and loss if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Onerous contracts

A provision for onerous contracts is recognised in the consolidated statement of profit and loss when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liabilities and contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the consolidated financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

n) Revenue

The Company's revenue is derived from sales of goods, service income and income from licensing arrangements. Most of such revenue is generated from the sale of goods. The Company has generally concluded that it is the principal in its revenue arrangements.

Sale of goods

Revenue is recognised when the control of the goods has been transferred to a third party. This is usually when the title passes to the customer, either upon shipment or upon receipt of goods by the customer as per the terms agreed upon with the customer. Generally, at that point, the customer has full discretion over the channel and price to sell the products, and there are no unfulfilled obligations that could affect the customer's acceptance of the product.

Revenue from the sale of goods is measured at the transaction price which is the consideration received or receivable, net of expected returns, taxes and applicable trade discounts and allowances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Revenue includes shipping and handling costs billed to the customer since the Company acts as a principal in rendering those services.

In arriving at the transaction price, the Company considers the terms of the contract with the customers and its customary business practices. The transaction price is the amount of consideration the Company is entitled to receive in exchange for transferring promised goods or services, excluding amounts collected on behalf of third parties. The amount of consideration varies because of estimated rebates, returns and chargebacks, which are considered to be key estimates. Any amount of variable consideration is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur. The Company estimates the amount of variable consideration using the expected value method.

Presented below are the points of recognition of revenue with respect to the Company's sale of goods:

Particulars	Point of recognition of revenue
Sales of generic products in India	Control is transferred upon delivery of products to distributors by clearing and forwarding agents of the Company.
Sales of active pharmaceutical ingredients and intermediates in India	Upon delivery of products to customers, unless the terms of the applicable contract provide for specific revenue generating activities to be completed, in which case revenue is recognized once all such activities are completed.
Export sales and other sales outside of India	Upon delivery or dispatch of products to customers, subject to the terms of the applicable contract.

Profit share revenues

The Company from time to time enters into marketing arrangements with certain business partners for the sale of its products in certain markets. Under such arrangements, the Company sells its products to the business partners at a non-refundable base purchase price agreed upon

in the arrangement and is also entitled to a profit share which is over and above the base purchase price. The profit share is typically dependent on the business partner's ultimate net sale proceeds or net profits, subject to any reductions or adjustments that are required by the terms of the arrangement. Such arrangements typically require the business partner to provide confirmation of units sold and net sales or net profit computations for the products covered under the arrangement.

Revenue in an amount equal to the base sale price is recognised in these transactions upon delivery of products to the business partners. An additional amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

At the end of each reporting period, the Company updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Out licensing arrangements, milestone payments and royalties

Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment received on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. In cases where the transaction has two or more performance obligations, the Company accounts for the completed obligation (for example, the transfer of title) as a separate unit of accounting and record revenue upon delivery of that component, provided that the Company can make a reasonable estimate of the fair value of the undelivered component. Otherwise, non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the balance period in which the Company has pending performance obligations. Milestone payments which are contingent on achieving certain clinical milestones



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

are recognised as revenues on achievement of such milestones, over the performance period depending on the terms of the contract. If milestone payments are creditable against future royalty payments, the milestones are deferred and released over the period in which the royalties are anticipated to be paid.

Royalty income earned through a license is recognised when the underlying sales have occurred.

Provision for chargeback, rebates and discounts

Provisions for chargeback, rebates, discounts and Medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue. A chargeback claim is a claim made by the wholesaler for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Company. Rebates are deductions based on contractual obligations and may include direct rebates, indirect rebates and other pricing adjustments. Provisions for such chargebacks, rebates and discounts are accrued and estimated based on the terms of the agreement with the wholesaler, historical average chargeback rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesaler. The provision represents estimates of the related obligations, requiring the use of judgment when estimating the effect of these revenue deductions.

Shelf stock adjustments

Shelf stock adjustments are credits issued to customers to reflect decreases in the selling price of products sold by the Company, and accruals for shelf stock adjustments are recognized as a reduction from revenues when the customer has a material right to them under the terms of the applicable contract. Such right is often contingent upon future events such as a decline in the prices of certain products as a result of price competition or new competitive launches. These credits are customary in the pharmaceutical industry and are intended to reduce the customer

inventory cost to better reflect the current market prices. The determination to grant a shelf stock adjustment to a customer is based on the terms of the applicable contract, which may or may not specifically limit the age of the stock on which a credit would be offered.

Refund Liability

The Company accounts for sales returns accrual by recording refund liability concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates. With respect to established products, the Company considers its historical experience of actual sales returns, levels of inventory in the distribution channel, estimated shelf life, any revision in the shelf life of the product, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors. At the time of recognising the refund liability, the Company also recognises an asset, (i.e., the right to the returned goods) which is included in inventories for the products expected to be returned. The Company initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, and any potential decreases in the value of the returned goods.

Along with re-measuring the refund liability at the end of each reporting period, the Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Services

Revenue from services rendered, which primarily relate to contract research, is recognised in the consolidated statement of profit and loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

License fees

License fees primarily consist of income from the out-licensing of the intellectual property, and other licensing and supply arrangements with various parties. Revenue from license fees is recognised when control transfers to the third party and the Company's performance obligations are satisfied. Some of these arrangements include certain performance obligations by the Company. Revenue from such arrangements is recognised in the period in which the Company completes all its performance obligations.

o) Shipping and handling costs

Shipping and handling costs incurred to transport products to customers, and internal transfer costs incurred to transport the products from the Company's factories to its various points of sale, are included in other expenses.

p) Other income and finance cost

Other income include interest income on funds invested, dividend income and gains on the disposal of financial assets. Interest income is recognized in the consolidated statement of profit and loss as it accrues, using the effective interest method. Dividend income is recognised in the consolidated statement of profit and loss on the date that the Company's right to receive payment is established. The associated cash flows are classified as investing activities in the statement of cash flows.

Finance costs consist of interest expense on loans and borrowings.

Borrowing costs are recognized in the consolidated statement of profit and loss using the effective interest method unless capitalisation criteria are

met as per accounting policy on Property, plant and Equipment. The associated cash flows are classified as financing activities in the consolidated statement of cash flows.

Foreign currency gains and losses are reported on a net basis within other income and/or other expenses. These primarily include: exchange differences arising on the settlement or translation of monetary items; changes in the fair value of derivative contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied; and the ineffective portion of cash flow hedges.

q) Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in the consolidated statement of profit and loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI directly in equity, respectively. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination if at the time of the transaction, it
 - affects neither accounting nor taxable profit or loss and
 - does not give rise to equal taxable and deductible temporary differences;
- temporary differences relating to investments in subsidiaries, joint ventures and associates if the timing of the reversal of the temporary differences can be controlled and it is probable



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

that the temporary differences will not reverse in the foreseeable future; and

- taxable temporary differences arising upon the initial recognition of goodwill.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Any deferred tax asset or liability arising from deductible or taxable temporary differences in respect of unrealised inter-company profit or loss on inventories held by the Company in different tax jurisdictions is recognised using the tax rate of the jurisdiction in which such inventories are held. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the tax positions will probably be accepted by the

tax authorities. This is based upon management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

The Company applies the exception to not recognize or disclose information about deferred tax assets and deferred tax liabilities related to countries that have enacted tax legislation that comply with the Organization for Economic Cooperation and Development ("OECD") Pillar Two model rules.

r) Government grants and incentives

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Grants related to income are deducted in reporting the related expense in the consolidated statement of profit and loss.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

t) Dividend

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company.

In the case of interim dividends to equity shareholders, this is when declared by Board of Directors. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

u) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million currency units unless otherwise stated.

1.4 Determination of fair values

The Company's accounting policies and disclosures require the determination of fair value, for all financial and certain non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as assets acquired in a business combination and significant liabilities, such as contingent consideration. Involvement of external valuers is determined by the management, based on market knowledge, reputation, independence and whether professional standards are maintained

a) Intangible assets

The fair value of brands, product related intangibles and other intangible assets acquired in business combinations are determined using the multi-period excess earnings method (i.e., form of the income approach). Under this method, values are estimated as the present value of the benefits anticipated from ownership of the intangible assets in excess of the returns required or the investment in the contributory assets necessary to realize those benefits.

b) Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

c) Investments in equity and debt securities and units of mutual funds

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

d) Derivatives

The fair value of foreign exchange forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of foreign currency option and swap contracts and interest rate swap contracts is determined based on the appropriate valuation techniques, considering the terms of the contract.

e) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the Company's borrowings that have floating rates of interest, their fair value approximates carrying value.

f) Contingent consideration

The fair value of the contingent consideration arising out of business combination is estimated by applying the income approach. The fair value measurement is based on significant inputs that are not observable in the market, which Ind AS 113, "Fair Value Measurement" refers to as Level 3 inputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.1 Property, plant and equipment

Particulars	Land	Buildings	Plant and Equipment	Furniture, fixtures and office equipment	Vehicles	Total
Gross carrying value						
Balance as at April 01, 2024	4,390	32,952	107,094	8,374	2,264	155,074
Additions	85	4,972	14,396	1,583	1,073	22,109
Disposals	(133)	(3,502)	(6,105)	(1,720)	(598)	(12,058)
Effect of changes in foreign exchange rates	(45)	167	(364)	8	122	(112)
Balance as at March 31, 2025	4,297	34,589	115,021	8,245	2,861	165,013
Balance as at April 01, 2025	4,297	34,589	115,021	8,245	2,861	165,013
Additions	-	12,499	26,270	1,289	1,185	41,243
Disposals	-	(2,960)	(1,316)	(264)	(555)	(5,095)
Effect of changes in foreign exchange rates	138	626	1,355	220	242	2,581
Balance as at March 31, 2026	4,435	44,754	141,330	9,490	3,733	203,742
Accumulated Depreciation						
Balance as at April 01, 2024	70	15,581	69,480	6,445	1,011	92,587
Depreciation for the year	-	2,114	6,936	1,011	423	10,484
Impairment for the year ⁽²⁾	-	-	3	-	-	3
Disposals	(73)	(3,323)	(6,013)	(1,283)	(345)	(11,037)
Effect of changes in foreign exchange rates	3	101	(154)	17	25	(8)
Balance as at March 31, 2025	-	14,473	70,252	6,190	1,114	92,029
Balance as at April 01, 2025	-	14,473	70,252	6,190	1,114	92,029
Depreciation for the year	-	2,619	8,429	1,090	615	12,753
Impairment for the year ⁽¹⁾	35	375	716	85	-	1,211
Disposals	-	(2,462)	(1,312)	(265)	(474)	(4,513)
Effect of changes in foreign exchange rates	3	254	945	195	87	1,484
Balance as at March 31, 2026	38	15,259	79,030	7,295	1,342	102,964
Net carrying value						
As at March 31, 2025	4,297	20,116	44,769	2,055	1,747	72,984
As at March 31, 2026	4,397	29,495	62,300	2,195	2,391	100,778

- (1) Impairment losses recorded for the year ended March 31, 2026 include the following:
- a. Consequent to certain technical challenges in product development, the Company discontinued development of conjugated estrogen at its site in Middleburgh, New York and recorded an impairment loss of ₹ 545 in the Company's Global Generics segment representing the full carrying value of the property, plant and equipment at this site.
- In addition, the Company recorded the following impacts in the consolidated statement of profit and loss:
- Inventory related provisions of ₹ 260;
 - Other development program related wind down costs of ₹ 129; and
- b. During the year ended March 31, 2026, the Company has decided to discontinue certain of its research and development programs associated with its Chimeric Antigen Receptor T-cell (CAR-T) therapy portfolio in light of the current development status and recent clinical trial outcomes. Consequent to this decision, the Company has recognized a net loss of ₹ 885 relating to property, plant and equipment (including Capital-work-in-progress and Right-of-use assets) in the Company's Global Generic segment.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.1 Property, plant and equipment (continued)

In addition, the Company recorded the following impacts in the consolidated statement of profit and loss:

- Impairment of intangible assets ₹406; and
- Other development program related wind down costs under Other expenses of ₹59.

(2) This represents the impairment loss recognized on additions made during the year in respect of the Company's subsidiary, Dr. Reddy's Laboratories Louisiana, LLC, as the recoverable amount remained lower than the carrying amount. The subsidiary had been fully impaired during the previous year ended March 31, 2022.

During the year ended March 31, 2025, the Company divested its membership interest in this subsidiary and accordingly derecognized property, plant, and equipment that were fully depreciated and impaired. As a result, an amount of ₹6,038 was reduced from both the gross carrying amount and accumulated depreciation.

Refer to Note 2.16 of these consolidated financial statements for further details on the divestment of Dr.Reddy's Laboratories Louisiana, LLC.

Right-of-use assets

The Company has lease contracts for various items of plant and equipment, vehicles and other equipment used in its operations. Below are the carrying amounts of right-of-use assets recognised and the movements during the year included in the above property, plant and equipment:

Particulars	Leasehold Land	Buildings	Plant and Equipment	Furniture, fixtures and office equipment	Vehicles	Total
Gross carrying value						
Balance as at April 01, 2025	82	5,042	17	79	1,170	6,390
Additions	-	2,353	-	-	614	2,967
Disposals	-	(1,215)	(16)	(82)	(443)	(1,756)
Effect of changes in foreign exchange rates	5	137	(1)	3	2	146
Balance as at March 31, 2025	87	6,317	-	-	1,343	7,747
Balance as at April 01, 2025	87	6,317	-	-	1,343	7,747
Additions ⁽¹⁾	-	9,382	-	-	998	10,380
Disposals	-	(2,941)	-	-	(468)	(3,409)
Effect of changes in foreign exchange rates	16	330	-	-	61	407
Balance as at March 31, 2026	103	13,088	-	-	1,934	15,125
Accumulated Depreciation						
Balance as at April 01, 2024	-	2,730	16	37	602	3,385
Depreciation for the year	-	944	-	-	305	1,249
Disposals	-	(1,061)	(16)	(38)	(251)	(1,366)
Effect of changes in foreign exchange rates	-	54	-	1	(2)	53
Balance as at March 31, 2025	-	2,667	-	-	654	3,321

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.1 Property, plant and equipment (continued)

Particulars	Leasehold Land	Buildings	Plant and Equipment	Furniture, fixtures and office equipment	Vehicles	Total
Balance as at April 01, 2025	-	2,667	-	-	654	3,321
Depreciation for the year	-	1,278	-	-	424	1,702
Impairment for the year ⁽²⁾	-	95	-	-	-	95
Disposals	-	(2,445)	-	-	(406)	(2,851)
Effect of changes in foreign exchange rates	-	80	-	-	36	116
Balance as at March 31, 2026	-	1,675	-	-	708	2,383
Net carrying value						
As at March 31, 2025	87	3,650	-	-	689	4,426
As at March 31, 2026	103	11,413	-	-	1,226	12,742

The following are the amounts recognised in consolidated statement of profit and loss:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation expense of right-of-use assets	1,702	1,249
Interest expense on lease liabilities	802	391
	2,504	1,640

⁽¹⁾ Additions to right-of-use assets for buildings during the year ended March 31, 2026 primarily consist of:

- the lease of an additional facility in India, amounting to ₹ 1,825, with a lease term of 10 years, and
- the modification of an existing lease arrangement for a warehouse in the United States, which extended the lease term by an additional 10 years. The lease modification resulted in a re-measurement of the lease liability with a corresponding adjustment to right-of-use assets of ₹ 5,436

⁽²⁾ Refer note 2.1 Property, plant and equipment for further details of impairment.

The Company had total cash outflows for leases of ₹ 2,065 and ₹ 2,186 during the year ended March 31, 2026 and March 31, 2025, respectively. The maturity analysis of lease liabilities is disclosed in note 2.11 C of these consolidated financial statements.

Capital commitments

As of March 31, 2026 and March 31, 2025, the Company was committed to spend ₹9,716 and ₹ 14,567, respectively, under agreements to purchase property, plant and equipment. This amount is net of capital advances paid in respect of such purchase commitments.

Interest capitalisation

During the years ended March 31, 2026 and March 31, 2025, the Company capitalised interest cost of ₹983 and ₹ 729, respectively, with respect to qualifying assets. The rate for capitalisation of interest cost for the years ended March 31, 2026 and March 31, 2025 was 6.48% and 7.01%, respectively.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.2 Capital work-in-progress

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	23,994	13,510
Additions	22,859	32,966
Capitalised	(32,323)	(22,109)
Provision for idle assets	(2)	(341)
Impairment (Refer note 2.1)	(144)	(1)
Effect of changes in foreign exchange rates	218	(31)
Balance at end of the year	14,602	23,994

Capital work-in-progress (CWIP) Ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	11,853	1,990	380	43	14,266
Projects temporarily suspended	99	237	-	-	336
Balance as at March 31, 2026	11,952	2,227	380	43	14,602

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	21,639	2,076	157	57	23,929
Projects temporarily suspended	52	9	3	1	65
Balance as at March 31, 2025	21,691	2,085	160	58	23,994

Project execution plans and budgets are assessed on an annual basis and all the projects are executed as per rolling annual plan.

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Biologics - Infrastructure	479	-	-	-	479
Cosmeceutical Topical & Dental Infra	157	-	-	-	157
Balance as at March 31, 2026	636	-	-	-	636

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.2 Capital work-in-progress (continued)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
FTO-11 Onco facility	822	-	-	-	822
Biologics - Infrastructure	453	-	-	-	453
Balance as at March 31, 2025	1,275	-	-	-	1,275

2.3 Goodwill

Goodwill arising upon business combinations is not amortised but tested for impairment at least annually or more frequently if there is any indication that the cash generating unit to which goodwill is allocated is impaired. Gross carrying value and accumulated amortisation with respect to goodwill also represent Indian GAAP balances, that have been carried forward as such, relating to business combination entered before the transition date i.e., April 01, 2015.

Particulars	As at March 31, 2026	As at March 31, 2025
Gross carrying value		
Opening balance	49,278	40,849
Goodwill arising on business combinations ⁽¹⁾	-	7,377
Disposals	-	-
Effect of changes in foreign exchange rates	7,566	1,052
Closing balance	56,844	49,278
Accumulated amortisation		
Opening balance	36,139	35,348
Impairment loss	-	-
Effect of changes in foreign exchange rates	5,908	791
Closing balance	42,047	36,139
Net carrying value	14,797	13,139

For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level within the Company at which goodwill is monitored for internal management purposes and which is not higher than the Company's operating segment.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.3 Goodwill (continued)

The carrying amount of goodwill (other than those arising upon investment in a joint venture) was allocated to the cash generating units as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Global Generics-Germany Operations	2,907	2,456
Global Generics-Complex Injectables	2,451	2,071
Global Generics-Branded Formulations ⁽¹⁾	1,112	1,112
PSAI-Active Pharmaceutical Operations	213	186
Global Generics-Consumer Healthcare Business ⁽¹⁾	8,113	7,313
Global Generics-North America Operations	1	1
	14,797	13,139

⁽¹⁾ Refer to Note 2.39 of these consolidated financial statements for details regarding goodwill arising on business combinations.

The recoverable amounts of the above cash generating units have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. Key assumptions upon which the Company has based its determinations of value-in-use include:

- a) Estimated cash flows for five years, based on management's projections.
- b) The post-tax discount rates used are based on the Company's weighted average cost of capital.
- c) Terminal value is arrived at by extrapolating the last forecasted year cash flows to perpetuity, using constant long-term growth rate of 1.50% for Consumer Healthcare Business CGU and 0% for other CGU's. This long-term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
- d) The post-tax discount rates and pre-tax discount rates used for Active Pharmaceutical Operations CGU and Branded Formulations CGU are 10.51% and 14.05% respectively.
- e) The post-tax discount rates and pre-tax discount rates used for Complex Injectables CGU and North America Operations CGU are 8.12% and 9.34% respectively.
- f) The post-tax discount rates and pre-tax discount rates used for Consumer Healthcare Business CGU is 10.59% and 12.53% respectively.

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.4 Other intangible assets

Particulars	Product related intangibles	Customer related intangibles	Others ⁽⁴⁾	Total
Gross carrying value				
Balance as at April 01, 2024	79,444	106	5,149	84,699
Additions ⁽¹⁾	9,067	-	908	9,975
Assets acquired through business combinations ⁽²⁾	56,955	-	-	56,955
Disposals/ De- recognitions	(380)	-	(7)	(387)
Effect of changes in foreign exchange rates	2,059	3	1	2,063
Balance as at March 31, 2025	147,145	109	6,051	153,305
Balance as at April 01, 2025	147,145	109	6,051	153,305
Additions ⁽¹⁾	11,563	-	829	12,392
Disposals/ De- recognitions	(1,325)	-	(179)	(1,504)
Effect of changes in foreign exchange rates	13,714	20	30	13,764
Balance as at March 31, 2026	171,097	129	6,731	177,957
Amortisation/impairment loss				
Balance as at April 01, 2024	45,607	106	2,718	48,431
Amortisation for the year	6,146	-	407	6,553
Impairment loss ⁽³⁾	1,646	-	-	1,646
Disposals/ De- recognitions	(75)	-	(1)	(76)
Effect of changes in foreign exchange rates	606	3	1	610
Balance as at March 31, 2025	53,930	109	3,125	57,164
Balance as at April 01, 2025	53,930	109	3,125	57,164
Amortisation for the year	7,448	-	538	7,986
Impairment loss ⁽³⁾	1,758	-	-	1,758
Disposals/ De- recognitions	(284)	-	(22)	(306)
Effect of changes in foreign exchange rates	6,264	20	13	6,297
Balance as at March 31, 2026	69,116	129	3,654	72,899
Net carrying value				
As at March 31, 2025	93,215	-	2,926	96,141
As at March 31, 2026	101,981	-	3,077	105,058

⁽¹⁾ Additions during the year ended March 31, 2026, primarily consists of:

- (a) ₹4,464 (U.S.\$50.50) paid as consideration for the acquisition of STUGERON® and its locally recognized brands covering 18 markets in the Asia-Pacific and Europe, Middle East, and Africa regions, with India and Vietnam as the key markets.
- (b) ₹3,014 (U.S.\$ 32.15) paid as consideration to acquire the trademarks and related assets for Progynova® and Cyclo- Progynova® in India.
- (c) ₹1,781 (U.S.\$20) pertaining to the upfront consideration pursuant to the acquisition of exclusive commercialization rights to eftilagimod alfa from Immutep Limited ("Immutep") in all the territories outside North America, Europe, Japan and Greater China. Of this amount, U.S.\$10 was refundable if the futility analysis performed by Immutep provides an unsatisfactory outcome.

(Refer to Impairment recorded during the year ended March 31, 2026 for further details).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.4 Other intangible assets (continued)

Additions during the year ended March 31, 2025, primarily consists of:

- (a)

₹5,025 (U.S.\$58) pertaining to the upfront consideration and other additional milestone consideration paid pursuant to the acquisition of exclusive rights to commercialize daratumumab biosimilar HLX 15 in the United States and Europe from Shanghai Henlius Biotech, Inc. ("Henlius"). Under the terms of the agreement, Henlius is responsible for development, manufacturing and commercial supply, and is eligible to receive consideration upon achievement of commercial milestones, bringing the total potential consideration (including upfront consideration and milestone payments) of up to ₹11,243 (U.S.\$131.6). In addition, Henlius is eligible to receive royalties on annual net sales of the product upon commercialization.
- (b)

₹1,764 (U.S.\$ 20.70) paid as upfront consideration and additional milestone consideration for the acquisition of exclusive rights in the United States, and semi-exclusive rights in Europe and the United Kingdom, to commercialize AVT03 (denosumab), a biosimilar candidate to Prolia® and Xgeva®.
- (c)

The acquisition of the rights to commercialize Helinorm, a food supplement product, in Russia and other countries, for a consideration of ₹820 (RUB 970).
- (2)

Refer to Note 2.39 of these consolidated financial statements for details regarding assets acquired through business combinations during the year ended March 31, 2025.
- (3)

Impairment losses recorded for the year ended March 31, 2026

(a)

In March 2026, Immutep announced the discontinuation of the Phase III study in first line non-small cell lung cancer following the results of the futility analysis. As a result, the Company recorded an impairment loss of ₹914 (U.S.\$10) in the consolidated profit and loss account.

(b)

Consequent to adverse market conditions affecting certain product related intangible assets acquired from Mayne Pharma Group Limited ("Mayne"), the Company recognized an impairment loss of ₹702 within its Global Generics segment.
- (3)

Impairment losses recorded for the year ended March 31, 2025

Impairment of intangibles pertaining to the acquisition from Mayne consists of:

(a)

an amount of ₹907 towards Haloette® (a generic equivalent to Nuvaring®), a product related intangible, due to constraints on procurement of the underlying product from its contract manufacturer, resulting in a lower recoverable value compared to the carrying value; and

(b)

an amount of ₹270 pertaining to impairment of certain product related intangibles, due to adverse market conditions resulting in lower recoverable value compared to the carrying value.

Other impairments:

During the year ended March 31, 2025, consequent to adverse market conditions with respect to certain product related intangibles, the company assessed the recoverable value of certain products and recognized impairment loss of ₹512 primarily pertaining to business in India and Europe.

The above impairment charge pertains to the Company's Global Generics segment.

The Company used the discounted cash flow approach to calculate the value-in-use which considered assumptions such as revenue projections, rate of generic penetration, estimated price erosion, and the useful life of the asset. The net cash flows have been discounted based on a post-tax discount rate.

- (4)

Others primarily includes Marketing rights, Softwares and licences.

Details of significant acquired intangible assets as at March 31, 2026:

Particulars	Acquired from	Carrying net book value
Consumer Healthcare Portfolio of Nicotine Replacement Therapy	Haleon UK Enterprises Limited	58,245
Select portfolio of branded generics business	Wockhardt Limited	10,022
Daratamumab biosimilar HLX 15	Shanghai Henlius Biotechz,Inc	5,500
Antivertigo Brand Stugeron® in India	Janssen Pharmaceutica NV	4,350
Cardiovascular brand Cidmus® in India	Novartis AG	4,005
Progynova® and Cyclo-Progynova® in India	Mercury Pharma Group Limited	3,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.4 Other intangible assets (continued)

Details of significant acquired intangible assets as at March 31, 2025:

Particulars	Acquired from	Carrying net book value
Consumer Healthcare Portfolio of Nicotine Replacement Therapy	Haleon UK Enterprises Limited	54,881
Select portfolio of branded generics business	Wockhardt Limited	10,945
Daratamumab biosimilar HLX 15	Shanghai Henlius Biotechz,Inc	4,958
Cardiovascular brand Cidmus® in India	Novartis AG	4,195
Portfolio of generic prescription products	Mayne Pharma Group Limited	3,527
Select Anti-Allergy brands	UCB India Private Limited and affiliates	2,556

2.5 Intangible assets under development

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	662	683
Add: Additions during the year	-	85
Add: Capitalisations during the year	(267)	(71)
Less: Impairment during the year ⁽¹⁾	(406)	(42)
Effect of changes in exchange rates	11	7
Balance at end of the year	-	662

Intangible assets under development (IAUD) Ageing schedule

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2026	-	-	-	-	-

Particulars	Amount for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	84	206	298	74	662
Projects temporarily suspended	-	-	-	-	-
Balance as at March 31, 2025	84	206	298	74	662

- (1)

Consequent to a decision to discontinue the research and development programs relating to its CAR-T program, the Company recorded impairment loss of ₹ 406 pertaining to product related intangibles associated with CAR-T program. (Refer to Note 2.1 of these consolidated financial statements for further details).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.6 Investment in equity accounted investees

Particulars	As at March 31, 2026	As at March 31, 2025
Investment in unquoted equity shares		
Equity shares held in Kunshan Rotam Reddy Pharmaceutical Company Limited, China ⁽¹⁾	5,263	4,428
8,580,000 (March 31, 2025: 8,580,000) equity shares of ₹ 10/- each of DRES Energy Private Limited, India	57	58
13,649,600 (March 31, 2025: 13,649,600) equity shares of ₹10/- each of O2 Renewable Energy IX Private Limited, India	116	136
20,25,299 (March 31, 2025: 20,25,299) equity shares of ₹ 10/- each of Clean Renewable Energy KK 2A Private Limited,India	14	17
	5,450	4,639
Investment in compulsory convertible debentures		
222,704 (March 31, 2025: 171,504) compulsory convertible debentures of ₹ 1000/- each of O2 Renewable Energy IX Private Limited, India	223	172
Total Investment in equity accounted investees	5,673	4,811

⁽¹⁾ Shares held in Kunshan Rotam Reddy Pharmaceutical Company Limited, China are not denominated in number of shares as per the laws of the country.

Details of the Company's investment in Kunshan Rotam Reddy Pharmaceuticals Company Limited :

Kunshan Rotam Reddy Pharmaceuticals Company Limited ("Reddy Kunshan") is engaged in manufacturing and marketing of finished dosages in China. The Company's interest in Reddy Kunshan was 51.33% as of March 31, 2026 and March 31, 2025. Four directors of the Company are on the board of Reddy Kunshan, which consists of ten directors. Under the terms of the joint venture agreement, all major decisions with respect to operating activities, significant financing and other activities are taken by the approval of at least seven of the ten directors of Reddy Kunshan's board. As the Company does not control Reddy Kunshan's board and the other partners have significant participation rights, the Company's interest in Reddy Kunshan has been accounted for under the equity method of accounting.

Summary financial information of Reddy Kunshan, as translated into the reporting currency of the Company and not adjusted for the percentage ownership held by the Company, is as follows:

Particulars	As at For the year ended March 31, 2026	As at For the year ended March 31, 2025
Ownership	51.33%	51.33%
Current assets	7,794	6,551
Non-current assets	5,448	4,514
Total assets	13,242	11,065
Equity	9,942	8,273
Liabilities	3,300	2,792
Total equity and liabilities	13,242	11,065
Revenues	8,339	9,317
Expenses	8,031	8,893

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.6 Investment in equity accounted investees (Continued)

Particulars	As at For the year ended March 31, 2026	As at For the year ended March 31, 2025
Profit for the year	308	425
Company's share of profits for the year	158	218
Carrying value of the Company's investment ⁽¹⁾	5,263	4,428
Translation adjustment arising out of translation of foreign currency balances	1,229	552

⁽¹⁾ Includes ₹181 representing the goodwill on acquisition of investment.

The Company recognized an amount of ₹ Nil and ₹ Nil as of March 31, 2026 and 2025, respectively, representing its share of dividend declared by the equity accounted investee, Reddy Kunshan. The amount of dividend is adjusted against the carrying amount of investment in the consolidated financial statements.

Details of the Company's investment in DRES Energy Private Limited :

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying value of the Company's investment	57	58
Company's share of Profit/(loss) for the year	(1)	3

Details of the Company's investment in Clean Renewable Energy KK2A Private Limited:

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying value of the Company's investment	14	17
Company's share of loss for the year	(3)	(4)

Details of the Company's investment in O2 Renewable Energy IX Private Limited :

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying value of the Company's investment	339	308
Company's share of loss for the year	(20)	-*



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.7 Financial assets

2.7 A. Investments

Investments consist of investments in units of mutual funds, market linked debentures, equity securities, bonds, commercial paper, limited liability partnership firm

Particulars	As at March 31, 2026	As at March 31, 2025
Investments at FVTOCI		
Quoted equity shares (fully paid up)		
273,285 (March 31, 2025: 273,285) equity shares of US\$ 0.01 each of Curis, Inc.	14	49
Total investments at FVTOCI (A)	14	49
Investments at FVTPL		
I. Investment in unquoted equity shares		
8,859 (March 31, 2025: 8,859) equity shares of ₹ 100/- each of Jeedimetla Effluent Treatment Limited, India	1	1
	1	1
II. Investment in unquoted mutual funds	35,912	33,186
III. Investment in partnership firms		
ABCD Technologies LLP	456	397
New Rhein Healthcare LLP	993	726
IV. Investment in quoted equity shares		
Nil (March 31, 2025: 174,142) equity shares of Journey Medical Corporation	-	87
2,272,727 (March 31, 2025: Nil) equity shares of COYA Therapeutics	816	-
V. Others		
2,338,615 (March 31, 2025: 1,210,986) preference shares of 0.01 NIS ⁽¹⁾ each of Edity Therapeutics Limited	472	219
Total investments at FVTPL (I+II+III+IV+V) (B)	38,650	34,616
Investments carried at amortised cost		
I. Investment in bonds	8,511	1,001
II. Others	-	33
Total investments carried at amortised cost (C)	8,511	1,034
Total investments (A+B+C)	47,175	35,700
Current	38,233	33,307
Non-current	8,942	2,393
	47,175	35,700
Aggregate carrying value of quoted investments	830	136
Aggregate market value of quoted investments	830	136
Aggregate carrying value of unquoted investments	46,345	35,564
Aggregate amount of impairment in value of investment in unquoted equity shares	-	-

⁽¹⁾ NIS - New Israeli shekel

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.7 Financial assets (Continued)

2.7 B. Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables	101,127	90,378
Receivables from related parties (Refer note 2.25)	107	42
	101,234	90,420
Details of security		
Considered good, Unsecured	101,549	90,547
Credit impaired	1,533	1,351
	103,082	91,898
Less: Allowance for credit losses	(1,848)	(1,478)
	101,234	90,420
Current	101,234	90,420
Non-current	-	-
Total carried at amortised cost	101,234	90,420

Pursuant to certain arrangement with a bank, the Company sold to the bank certain of its trade receivables forming part of its Global Generics segment, on a non-recourse basis. The receivables sold were mutually agreed upon with the respective bank after considering the creditworthiness and contractual terms with the customer. The Company has transferred substantially all the risks and rewards of ownership of such receivables sold to the respective bank, and accordingly, the same were derecognised in the Consolidated Balance Sheet. As of March 31, 2026 and 2025, the amount of trade receivables de-recognized pursuant to the aforesaid arrangement was ₹2,626 and ₹4,092, respectively.

In accordance with Ind AS 109, the Company uses the expected credit loss ("ECL") model for measurement and recognition of impairment loss on its trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. The provision matrix takes into account external and internal credit risk factors and historical data of credit losses from various customers. The details of changes in allowance for credit losses during the year ended March 31, 2026 and March 31, 2025 are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	1,478	1,451
Provision made during the year, net of reversals	346	159
Trade receivables written off during the year and effect of changes in the foreign exchange rates	24	(132)
Balance at the end of the year	1,848	1,478



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.7 Financial assets (Continued)

Trade Receivables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	86,003	13,893	747	374	-	-	101,018
(ii) Undisputed Trade Receivables - credit impaired	-	35	55	615	253	378	1,336
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	532	532
(iv) Disputed Trade Receivables - credit impaired	-	47	3	-	-	147	197
							103,082
Less: Allowance for credit losses							(1,848)
Balance As at March 31, 2026							101,234

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	81,010	8,121	949	-	-	-	90,080
(ii) Undisputed Trade Receivables - credit impaired	-	-	0	538	241	177	956
(iii) Disputed Trade Receivables - considered good	-	-	-	-	467	-	467
(iv) Disputed Trade Receivables - credit impaired	-	-	-	18	42	335	395
							91,898
Less: Allowance for credit losses							(1,478)
Balance As at March 31, 2025							90,420

2.7 C. Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
I. Non-current assets		
Considered good, Unsecured		
Term deposits with banks (remaining maturity more than 12 months)	2,013	4,000
Term deposits with financial institutions (remaining maturity more than 12 months)	-	4,000
Security deposits	904	750
Other assets	-	125
Total	2,917	8,875
II. Current assets		
Considered good, Unsecured		
Term deposits with banks (remaining maturity less than 12 months)	17,530	-
Claims receivable	728	257
Other receivables (refer note 2.7 B)	198	646
Other assets ⁽¹⁾	3,799	2,239

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.7 Financial assets (Continued)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered doubtful		
Claims receivable	134	134
	22,389	3,276
Less: Allowance for doubtful advances	(134)	(134)
Total	22,255	3,142

⁽¹⁾ Others primarily includes other advances and tender rebate receivable.

2.7 D. Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
In current accounts ⁽¹⁾	12,855	11,996
In EEFC accounts	1,321	66
In term deposits with banks (original maturities less than 3 months)	1,028	2,441
Cash on hand	1	1
Others		
In unclaimed dividend accounts	73	80
LC and Bank guarantee margin money	90	70
Cash and cash equivalents in the consolidated balance sheet	15,368	14,654
Less: Bank overdraft used for cash management purposes	-	61
Cash and cash equivalents in the consolidated statement of cash flow (including restricted cash)	15,368	14,593
⁽¹⁾ includes restricted bank balance of ₹ 35 (March 31, 2025 : ₹ 361)		
Restricted cash balances included above		
Balance in unclaimed dividend and debenture interest account	73	80
Other restricted cash balances	296	464

2.7 E. Other bank balances

Particulars	As at March 31, 2026	As at March 31, 2025
Term deposits with banks (original maturities more than 3 months but less than 12 months)	18,119	9,948
	18,119	9,948



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.8 Other assets

Particulars	As at March 31, 2026	As at March 31, 2025
A. Non-current assets		
Considered good, unsecured		
Capital advances	659	843
Others	322	97
	981	940
B. Current assets		
Unsecured, considered good		
Balances and receivables from statutory authorities ⁽¹⁾	19,434	16,405
Government incentives receivable ⁽²⁾	2,537	2,967
Prepaid expenses	2,075	1,883
Dues from other related parties (Refer note 2.25)	8	8
Advances to material suppliers	3,309	2,992
Others ⁽³⁾	2,532	2,813
Unsecured, considered doubtful		
Other advances	151	156
	30,046	27,224
Less: Allowance for doubtful advances	(151)	(156)
	29,895	27,068

⁽¹⁾ Balances and receivables from statutory authorities primarily consist of amounts recoverable towards the goods and service tax ("GST"), excise duty, and value added tax and from customs authorities of India.

⁽²⁾ Primarily consist of amounts receivable from various government authorities of India towards benefits on export sales made by the Company and other incentives.

⁽³⁾ Others primarily includes advances given to vendors, employees

2.9 Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials (includes in transit March 31, 2026: ₹ 339; March 31, 2025: ₹ 286)	19,337	20,165
Work-in-progress	16,054	16,525
Finished goods	23,436	21,462
Stock-in-trade	9,666	6,933
Packing material, stores and spares	8,041	6,000
	76,534	71,085

During the year ended March 31, 2026, the Company recorded inventory write-down of ₹7,517 (March 31, 2025 : ₹ 5,220) in the consolidated statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.10 Share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised share capital **		
1,450,000,000 equity shares of ₹ 1/- each (March 31, 2025: 1,450,000,000 equity shares of ₹ 1/- each)	1,450	1,450
Issued equity capital **		
834,657,970 equity shares of ₹ 1/- each fully paid-up (March 31, 2025: 834,456,365 equity shares of ₹ 1/- each)	835	834
Subscribed and fully paid-up **		
834,656,970 equity shares of ₹ 1/- each fully paid-up (March 31, 2025: 834,455,365 equity shares of ₹ 1/ each)	835	834
Add: Forfeited share capital ^(e)	-	-
	835	834

a) Reconciliation of the equity shares outstanding is set out below:

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	No. of shares ** (of ₹ 1/- each)	Amount	No. of shares ** (of ₹ 1/- each)	Amount
Opening number of equity shares/share capital (face value of ₹ 5 each)	834,455,365	834	166,818,266	834
Add: Equity shares issued pursuant to employee stock option plan ⁽¹⁾	-	-	58,680	-*
Add: Increase in outstanding shares on account of stock split**	-	-	667,507,784	-
Add: Equity shares issued pursuant to employee stock option plan ⁽¹⁾ after stock split	201,605	1	70,635	-*
Closing number of equity shares/share capital **	834,656,970	835	834,455,365	834
Treasury shares ⁽²⁾	1,965,575	1,815	2,452,260	2,264

* Rounded to the nearest million

** The Board of Directors of the Company at their meeting held on July 27, 2024 have approved the sub-division/ stock split of each equity share having a face value of ₹ 5/- each, fully paid-up, into five equity shares having a face value of ₹ 1/- each, fully paid-up (the "stock split"), by alteration of the capital clause of the Memorandum of Association of the Company. Further, each American Depositary Share ("ADS") of the Company will continue to represent one underlying equity share and, therefore, the number of ADSs held by an American Depositary Receipt ("ADR") holder would consequently increase in proportion to the increase in number of equity shares. On 12 September 2024 the approval of the shareholders of the Company was obtained through a postal ballot process with a requisite majority. Consequently, the authorized share capital, the outstanding shares and Treasury shares were sub-divided into equity shares having a face value of ₹ 1/- each with effective from record date of October 28, 2024.

⁽¹⁾ During the years ended March 31, 2026 and March 31, 2025, equity shares were issued as a result of the exercise of vested options granted to employees pursuant to the Dr. Reddy's Employees Stock Option Scheme, 2002 and the Dr. Reddy's Employees Stock Option Scheme, 2007. The options exercised had an exercise price of ₹ 1, ₹ 521, ₹ 563, ₹ 736, ₹ 781, ₹ 1060, (after stock split) per share. Upon the exercise of such options, the amount of compensation cost (computed using the grant date fair value) previously recognised in the "share-based payment reserve" was transferred to "securities premium" in the Statement of Changes in Equity.

⁽²⁾ Pursuant to the special resolution approved by the shareholders in the Annual General Meeting held on July 27, 2018, the Dr. Reddy's Employees ESOS Trust (the "ESOS Trust") was formed to support the Dr. Reddy's Employees Stock Option Scheme, 2018 by acquiring, from the Company or through secondary market acquisitions, equity shares which are used for issuance to eligible employees (as defined therein) upon exercise of stock options thereunder. During the year ended March 31, 2025, 1,168,490 shares were acquired from the



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.10 Share capital (Continued)

open market. The total amount paid to acquire the shares was ₹ 1,389. During the years ended March 31, 2026 and March 31, 2025, an aggregate of 486,685 (after stock split) and 22,077 (prior to stock split) and 54,800 (after stock split) equity shares, respectively were issued as a result of the exercise of vested options granted to employees pursuant to the Dr. Reddy's Employees Stock Option Scheme, 2018. The options exercised had an exercise price of ₹ 2,607, ₹ 2,814, ₹ 3,679, ₹ 3,906 ₹ 4,212, ₹ 4,338, ₹ 4,663 or ₹ 5,301 (prior to stock split) and ₹ 521, ₹ 563, ₹ 736, ₹ 781, ₹ 842, ₹ 889, ₹ 933, ₹ 981 and ₹ 1,060 (after stock split) per share. Upon the exercise of such options, the amount of compensation cost (computed using the grant date fair value) previously recognised in the "share based payment reserve" was transferred to "securities premium" in the statement of changes in equity. In addition, any difference between the carrying amount of treasury shares and the consideration received was recognised in the "securities premium".

As of March 31, 2026 and March 31, 2025, the ESOS Trust had outstanding 1,965,575 and 2,452,260 shares, respectively, which it purchased from the secondary market for an aggregate consideration of ₹ 1,815 and ₹ 2,264, respectively. Refer note 2.29 of these financial statements for further details on the Dr. Reddy's Employees Stock Option Scheme, 2018.

(b) Terms / rights attached to the equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. For all matters submitted to vote in a shareholders meeting of the Company, every holder of an equity share, as reflected in the records of the Company as on the record date set for the shareholders meeting, shall have one vote in respect of each share held.

Should the Company declare and pay any dividends, such dividends will be paid in Indian rupees to each holder of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date. Indian law on foreign exchange governs the remittance of dividends outside India.

In the event of liquidation of the Company, all preferential amounts, if any, shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

Final dividends on equity shares are recorded as a liability on the date of their approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Director. The details of dividends paid by the Company are as follows:

Particulars	During the year ended March 31, 2026	During the year ended March 31, 2025
Dividend per share (in absolute ₹)*	8	8
Dividend paid during the year (net of treasury shares)	6,659	6,662
Towards the fiscal year	2025	2024

*Dividend per share is computed after giving effect to 1:5 forward stock split effective October 28, 2024.

At the Company's Board of Directors' meeting held on May 12, 2026, the Board proposed a dividend of ₹ 8 per share (face value of ₹ 1 per share) and aggregating to ₹ 6,677, which is subject to the approval of the Company's shareholders.

c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares at the end of the year (of ₹ 1/- each)	% holding	No. of shares at the end of the year (of ₹ 5/- each)	% holding
Life Insurance Corporation of India and their associates	101,502,343	12.16	60,015,393	7.19
GVP Family Trust	96,095,920	11.51	-	-
VSD Family Trust	75,630,620	9.06	-	-
Satish Reddy Kallam	10,107,505	1.21	85,738,125	10.27
G V Prasad	-	-	96,095,920	11.52

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.10 Share capital (Continued)

(d) 180,985 (March 31, 2025: 313,790) stock options are outstanding and are to be issued by the Company upon exercise of the same in accordance with the terms of exercise under the "Dr. Reddy's Employees Stock Option Plan, 2002", 1,403,802 (March 31, 2025: 1,140,235) stock options are outstanding and are to be issued by the Company upon exercise of the same in accordance with the terms of exercise under the "Dr. Reddy's Employees ADR Stock Option Plan, 2007" and 2,456,473 (March 31, 2025: 2,399,070) stock options are outstanding and are to be issued by the Company upon exercise of the same in accordance with the terms of exercise under the "Dr. Reddy's Employees Stock Option Scheme, 2018 ". (Refer note 2.29)

(e) Represents 1,000 equity shares (after effect of stock split) of ₹ 1/- each, amount paid-up ₹ 500/- (rounded off to millions in the note above) forfeited due to non-payment of allotment money.

(f) Details of shares held by promoters

Promoter Name	As at March 31, 2026		As at March 31, 2025		% change during the year*
	No. of shares at the end of the year (of ₹ 1/- each)	% of Total Shares	No. of shares at the end of the year (of ₹ 1/- each)	% of Total Shares	
GVP Family Trust	96,095,920	11.51%	-	0.00%	100.00%
VSD Family Trust	75,630,620	9.06%	-	0.00%	100.00%
Satish Reddy Kallam (HUF)	27,618,385	3.31%	27,618,385	3.31%	0.00%
Gunupati Venkateswara Prasad (HUF)	12,717,090	1.52%	12,717,090	1.52%	0.00%
Satish Reddy Kallam ⁽²⁾	10,107,505	1.21%	85,738,125	10.27%	-88.21%
Anuradha Gunupati	46,025	0.01%	46,025	0.01%	0.00%
Deepti Reddy Kallam	25,700	0.00%	25,700	0.00%	0.00%
G.V. Sanjana Reddy	25,700	0.00%	25,700	0.00%	0.00%
G. Mallika Reddy	25,695	0.00%	25,695	0.00%	0.00%
Sharathchandra Reddy Gunupati	13,000	0.00%	13,000	0.00%	0.00%
G V Prasad ⁽²⁾	-	0.00%	96,095,920	11.52%	-100.00%

Promoter Name	As at March 31, 2025		As at March 31, 2024		% change during the year*
	No. of shares at the end of the year (of ₹ 5/- each)	% of Total Shares	No. of shares at the end of the year (of ₹ 5/- each)	% of Total Shares	
G V Prasad	96,095,920	11.52%	-	0.00%	100.00%
Satish Reddy Kallam	85,738,125	10.27%	901,002	0.54%	1803.17%
Satish Reddy Kallam (HUF)	27,618,385	3.31%	5,523,677	3.31%	0.00%
Gunupati Venkateswara Prasad (HUF)	12,717,090	1.52%	2,543,418	1.52%	0.00%
Anuradha Gunupati	46,025	0.01%	9,205	0.01%	0.00%
Deepti Reddy Kallam	25,700	0.00%	5,140	0.00%	0.00%
G.V. Sanjana Reddy	25,700	0.00%	5,140	0.00%	0.00%
G. Mallika Reddy	25,695	0.00%	5,139	0.00%	0.00%
Sharathchandra Reddy Gunupati	13,000	0.00%	2,600	0.00%	0.00%
APS Trust ⁽¹⁾	-	0.00%	34,345,308	20.59%	-100.00%
Samrajyam Reddy Kallam	-	0.00%	1,120,499	0.67%	-100.00%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.10 Share capital (Continued)

The percentage shareholding above has been computed considering the outstanding number of shares 834,656,970 and 834,455,365 as at March 31, 2026 and March 31, 2025, respectively.

* The outstanding number of shares as at March 31, 2024 and shares held during the year by respective promoters have been adjusted to give the the effect of stock split i.e., 1:5 for the computation of % change during the year ended March 31, 2025.

- ⁽¹⁾ On May 22, 2024, the APS Trust transferred 15,126,124 (prior to stock split) equity shares, representing 9.07% of outstanding equity shares, to Satish Reddy Kallam and 19,219,184 (prior to stock split) equity shares, representing 11.52% of outstanding equity shares, to G V Prasad. This change has not resulted in any change in the total promoter shareholding of the company. Further, there are no shares held by APS.

⁽²⁾ Mr. K. Satish Reddy transferred 75,630,620 equity shares to the VSD Family Trust on September 17, 2025, and Mr. G.V. Prasad transferred 96,095,920 equity shares to the GVP Family Trust on September 17, 2025. This change has not resulted in any change in the total promoter shareholding of the company.

2.11 Financial Liabilities

2.11 A. Non-current borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured		
Rupee term loan from bank (a and b) ⁽¹⁾	-	3,800
	-	3,800

2.11 B. Current borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
From Banks		
Unsecured		
Pre-shipment credit (c and d)	19,600	32,855
Working capital borrowings (c and d)	39,535	5,129
Bank overdraft	-	61
Current maturities of Long term borrowings		
Unsecured		
Rupee term loan from bank (a and b) ⁽¹⁾	3,799	-
	62,935	38,045

- ⁽¹⁾ The Rupee term loan obtained from a bank by the Company's subsidiary, Aurigene Pharmaceutical Services Limited is subject to certain covenants that are required to be maintained on a consolidated basis during the period of the loan. The covenant is to be tested on an annual basis at the end of each financial year. As at March 31, 2026 and March 31, 2025, the Company is in compliance with the covenants and has no indication that it will have difficulty in complying with the same. The loan is due for repayment in June 2026 hence the same has been reclassified to current borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.11 Financial Liabilities (Continued)

- a) The interest rate profiles of long-term borrowings as at March 31, 2026 and March 31, 2025 were as follows:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Currency	Interest Rate	Currency	Interest Rate
Long-term loans from banks	INR	3 months T-bill + 84 bps	INR	3 months T-bill + 84 bps

- b) The aggregate maturities of long-term loans and borrowings, based on contractual maturities:

Particulars	As at March 31, 2026	As at March 31, 2025
Maturing in		
Less than 1 year	3,799	-
1-2 years	-	3,800
2-3 years	-	-
3-4 years	-	-
4-5 years	-	-
Thereafter	-	-
	3,799	3,800

- c) Short-term borrowings primarily consist of “pre-shipment credit” drawn by the parent company and other unsecured loans drawn by the parent company and certain of its subsidiaries in Russia, Brazil and Mexico which are repayable within 12 months from the date of drawdown.

- d) The interest rate profile of short-term borrowings from banks is given below:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Currency ⁽¹⁾	Interest rate ⁽²⁾	Currency ⁽¹⁾	Interest rate ⁽²⁾
Other working capital borrowings/ Pre-shipment credit	USD	-	-	6 Month SOFR + 10 bps to 65 bps
	MXN	TIIE + 1.35%	MXN	TIIE + 1.35%
	RUB	Key rate + 348 bps to 398 bps	RUB	Key rate + 470 bps to 590 bps
	BRL	CDI + 1.55%	BRL	CDI + 1.55%
	INR	T-bill + 35 bps to 55 bps Repo + 75 bps	INR	7.50% T-bill + 35 bps to 70 bps

- ⁽¹⁾ “BRL” means Brazilian reals, “EUR” means Euro, “INR” means Indian rupees, “MXN” means Mexican pesos, “RUB” means Russian rubles and “U.S.\$” means U.S. dollars.

⁽²⁾ “CDI” means Brazilian interbank deposit rate (Certificado de Depósito Interbancário), “Key rate” means the key interest rate published by the Central Bank of Russia, “REPO” means the “Repurchasing option” rate published by the Reserve Bank of India, “SOFR” means Secured Overnight Financing Rate, “T-bill” means India Treasury bill interest rate and “TIIE” means the Equilibrium Inter-banking Interest Rate (Tasa de Interés Interbancaria de Equilibrio).

- e) The Company had uncommitted lines of credit of ₹ 49,109 and ₹ 50,904 as of March 31, 2026 and March 31, 2025, respectively, from its banks for working capital requirements. The Company draw upon these lines of credit based on its working capital requirements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.11 Financial Liabilities (Continued)

f) Reconciliation of liabilities arising from financing activities

During the year ended March 31, 2026

Particulars	Non-current borrowings	Current borrowings	Total
Opening balance	3,800	37,984	41,784
Borrowings made during the year	-	119,829	119,829
Borrowings repaid during the year	(1)	(99,572)	(99,573)
Current maturities of long term borrowings	(3,799)	3,799	-
Effect of changes in foreign exchange rates	-	895	895
Closing balance	-	62,935	62,935

During the year ended March 31, 2025

Particulars	Non-current borrowings	Current borrowings	Total
Opening balance	3,800	12,723	16,523
Borrowings made during the year ⁽¹⁾	-	80,646	80,646
Borrowings repaid during the year	-	(56,156)	(56,156)
Effect of changes in foreign exchange rates	-	771	771
Closing balance	3,800	37,984	41,784

⁽¹⁾ Adjusted for Bank-overdraft of ₹ 61.

2.11 C. Lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current Lease liabilities		
Long-term maturities of lease obligation	12,203	4,064
	12,203	4,064
Current Lease liabilities		
Current maturities of lease obligation	2,203	857
	2,203	857

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.11 Financial Liabilities (Continued)

a) The aggregate maturities of long-term leases, based on contractual maturities

Particulars	As at March 31, 2026	As at March 31, 2025
Maturing in		
Less than 1 year	2,582	1,104
1-2 years	2,272	911
2-3 years	2,131	840
3-4 years	1,977	594
4-5 years	1,861	539
Thereafter	8,214	2,736
Total	19,037	6,724
Less : Finance component	(4,631)	(1,803)
	14,406	4,921

b) Reconciliation of lease liabilities arising from financing activities

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	4,921	3,497
Recognition of right-of-use liability during the year	9,709	2,576
Payment of principal portion of lease liabilities	(1,263)	(1,294)
Effect of changes in foreign exchange rates	1,039	142
Closing balance	14,406	4,921

2.11 D. Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current financial liabilities		
Capital creditors	432	198
	432	198
Current financial liabilities		
Accrued expenses	28,004	25,201
Capital creditors	3,026	9,039
DRHL Merger Payable a/c ⁽¹⁾	130	203
Trade and security deposits received	59	156
Unclaimed dividends ⁽²⁾	73	80
Others ⁽³⁾	8,793	5,019
	40,085	39,698

⁽¹⁾ Represents balance portion of costs, charges and expenses relating to merger scheme to borne out of the surplus assets of DRHL including ₹59 tax refund received during the year ended March 31, 2025 for AY 21-22.

⁽²⁾ Unclaimed amounts are transferred to Investor Protection and Education Fund after seven years from the due date.

⁽³⁾ Others include tender rebates payable, book overdraft, liability towards Shelf stock adjustment (Refer to Note 2.14) and other liabilities linked to volume based arrangements. As of March 31, 2025, Others includes earn-out consideration payable to Haleon UK Enterprises Limited. Refer to Note 2.39.B of these consolidated financial statements for further details.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.11 Financial Liabilities (Continued)

2.11 E. Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Due to micro, small and medium enterprises (MSME) ⁽¹⁾	334	210
Other than micro, small and medium enterprises (Others)	30,045	26,268
	30,379	26,478

For details regarding the Company’s exposure to currency and liquidity risks, "refer “Liquidity risk” under note 2.32 of these consolidated financial statements.

Trade payables and other financial liabilities includes amount due to related party ₹ 47 and ₹ 62 as on March 31, 2026 and March 31, 2025, refer note 2.25 of these consolidated financial statements.

- ⁽¹⁾ (a) The principal amount remaining unpaid as at March 31, 2026 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) is ₹ 334 (March 31, 2025: ₹ 210). The interest amount computed based on the provisions under Section 16 of the MSMED is ₹ 0.18 (March 31, 2025: ₹ 0.00) is remaining unpaid as of March 31, 2026.
- (b) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act is ₹ Nil (March 31, 2025: ₹ Nil).
- (c) Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed dues - MSME	334	-	-	-	334
(ii) Undisputed dues - others	28,500	786	11	154	29,451
(ii) Disputed dues - Others	-	-	-	594	594
Balance As at March 31, 2026	28,834	786	11	748	30,379

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed dues - MSME	210	-	-	-	210
(ii) Undisputed dues - others	25,296	244	55	161	25,756
(ii) Disputed dues - Others	-	-	512	-	512
Balance As at March 31, 2025	25,506	244	567	161	26,478

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.12 Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
A. Non-current provisions		
Provision for employee benefits		
Long service award benefit plan	95	32
Pension, seniority and severance indemnity plans	58	46
Compensated absences	76	64
Environmental liability ^{(a)(b)}	-	64
Legal and others	109	92
	338	298
B. Current provisions		
Provision for employee benefits		
Gratuity	153	603
Long service award benefit plan	31	95
Pension, seniority and severance indemnity plans	23	15
Compensated absences	942	875
Other provisions ^{(a)(b)}		
Refund liability	6,614	5,297
Legal and others	937	871
	8,700	7,756

a) Details of changes in other provisions during the year ended March 31, 2026 are as follows:

Particulars	Refund liability ⁽¹⁾	Environmental liability ⁽²⁾	Legal and others ⁽³⁾	Total
Balance at the beginning of the year	5,297	64	963	6,324
Provision made during the year, net of reversals	5,666	(64)	65	5,667
Provision used during the year	(4,816)	-	-	(4,816)
Effect of changes in foreign exchange rates	467	-	18	485
Balance at end of the year	6,614	-	1,046	7,660
Current	6,614	-	937	7,551
Non- current	-	-	109	109
	6,614	-	1,046	7,660

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.12 Provisions (Continued)

b) Details of changes in other provisions during the year ended March 31, 2025 are as follows:

Particulars	Refund liability ⁽¹⁾	Environmental liability ⁽²⁾	Legal and others ⁽³⁾	Total
Balance at the beginning of the year	4,579	61	804	5,444
Provision made during the year, net of reversals	4,784	-	159	4,943
Provision used during the year	(4,129)	-	-	(4,129)
Effect of changes in foreign exchange rates	63	3	-	66
Balance at end of the year	5,297	64	963	6,324
Current	5,297	-	871	6,168
Non- current	-	64	92	156
	5,297	64	963	6,324

- ⁽¹⁾ Refund liability is accounted for by recording a provision based on the Company's estimate of expected sales returns. Refer note 1.3 (n) of these consolidated financial statements for the Company's accounting policy on refund liability.
- ⁽²⁾ As a result of the acquisition of a unit of The Dow Chemical Company in April 2008, the Company assumed a liability for contamination of the Mirfield site acquired of ₹39 (carrying value ₹64). The seller is required to indemnify the Company for this liability. Accordingly, a corresponding asset has also been recorded in the consolidated statements of financial position. During the year ended March 31, 2026, the Company was released from this obligation, resulting in the reversal of the environmental liability with a corresponding adjustment to the related indemnification asset.
- ⁽³⁾ Primarily consists of provision recorded towards the potential liability arising out of a litigation relating to cardiovascular and anti-diabetic formulations. Refer to Note 2.33 ("Contingencies") of these consolidated financial statements under "Product and patent related matters - Matters relating to National Pharmaceutical Pricing Authority and Litigation relating to Cardiovascular and Anti-diabetic formulations" for further details.

2.13 Other liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
A. Non-current liabilities		
Deferred revenue ⁽¹⁾	2,436	1,162
Cash settled ESOP Liability (Refer note 2.29)	349	202
Other non-current liabilities	226	892
	3,011	2,256
B. Current liabilities		
Salary and bonus payable	4,533	5,209
Cash settled ESOP Liability (Refer note 2.29)	198	420
Statutory dues payable	5,418	4,947
Deferred revenue ⁽¹⁾	260	421
Advance from customers	1,321	1,562
Others	191	631
	11,921	13,190

⁽¹⁾ Refer note 2.14 for details of deferred revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.14 Revenue from contracts with customers and trade receivables

Revenue from contracts with customers:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sales ⁽¹⁾	326,213	316,320
Service income	5,217	5,426
License fees ⁽²⁾	4,503	3,789
	335,933	325,535

- ⁽¹⁾ During the three months ended March 31, 2026, the Company has recorded an amount of ₹ 4,530 million (USD 50 million) towards Shelf Stock Adjustment claim following reduction in the price of its generic product Lenalidomide in the United States. This amount is recorded as a reduction of "Revenue from sale of goods" in the Company's Global Generics Segment
- ⁽²⁾ During the year ended March 31, 2025, the license fees includes an amount of ₹1,266 (U.S.\$15) as a milestone payment received upon U.S. FDA approval of DFD 29, in accordance with the license and collaboration agreement dated June 29, 2021 with Journey Medical Corporation. This transaction pertains to the Company's Others segment;

Analysis of revenues by segments:

The following table shows the analysis of revenues (excluding other operating income) by segments:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Global Generics	299,033	289,552
PSAI	34,773	33,846
Others	2,127	2,137
	335,933	325,535

Refer to Note 2.26 ("Segment reporting") for details on revenues by therapeutic area, and revenues by geography.

Details of significant gross to net adjustments relating to Company's North America Generics business (amounts in US\$ millions)

A roll-forward for each major accrual for the Company's North America Generics business for the financial years ended March 31, 2026 and March 31, 2025 is as follows:

All values in US\$ millions				
Particulars	Chargebacks	Rebates	Medicaid	Refund Liability ⁽²⁾
Balance as at April 01, 2024	288	102	19	35
Current provisions relating to sales during the year	2,720	253	23	34
Provisions and adjustments relating to sales in prior years	-*	-	-	-
Credits and payments**	(2,665)	(252)	(29)	(27)
Balance as at March 31, 2025	343	103	13	42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.14 Revenue from contracts with customers and trade receivables (Continued)

All values in US\$ millions				
Particulars	Chargebacks	Rebates	Medicaid	Refund Liability ⁽²⁾
Balance as at April 01, 2025	343	103	13	42
Current provisions relating to sales during the year ⁽¹⁾	2,439	226	24	38
Provisions and adjustments relating to sales in prior years [#]	-	-	-	-
Credits and payments**	(2,506)	(237)	(27)	(33)
Balance as at March 31, 2026	276	92	10	47

* Rounded off to millions

Currently, the Company does not separately track provisions and adjustments, in each case to the extent relating to prior years for chargebacks. However, the adjustments are expected to be non-material. The volumes used to calculate the closing balance of chargebacks represent approximately 1.0 to 1.4 months equivalent of sales, which corresponds to the pending chargeback claims yet to be processed.

** Currently, the Company does not separately track the credits and payments, in each case to the extent relating to prior years for chargebacks, rebates, Medicaid payments or refund liability.

⁽¹⁾ Chargebacks provisions and payments for the year ended March 31, 2026 were each lower as compared to the year ended March 31, 2025 primarily as a result of reduction in the invoice price to wholesalers for few of the Company's major products. This was offset to some extent due to higher pricing rates on account of reductions in the contract prices through which the product is resold in the retail part of the supply chain for certain of the Company's products.

⁽²⁾ The Company's overall provision for refund liability as of March 31, 2026 relating to the Company's North America Generics business was U.S.\$ 7, compared to a liability of U.S.\$42 as of March 31, 2025. The refund liability created for new product launches and volume growth, were off-set by the reductions in the contract prices and by product mix changes

The estimates of “gross-to-net” adjustments for the Company’s operations in India and other countries outside of the United States relate mainly to refund liability in all such operations, and certain rebates to healthcare insurance providers are specific to the Company's German operations. The pattern of such refund liability is generally consistent with the Company's gross sales. In Germany, the rebates to healthcare insurance providers mentioned above are contractually fixed in nature and do not involve significant estimations by the Company.

Details of refund liabilities:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	5,297	4,579
Provision made during the year, net of reversals	5,666	4,784
Provision used during the year	(4,816)	(4,129)
Effect of changes in foreign exchange rates	467	63
Balance at end of the year	6,614	5,297
Current	6,614	5,297
Non-current	-	-
	6,614	5,297

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.14 Revenue from contracts with customers and trade receivables (Continued)

Details of contract asset:

As mentioned in the accounting policies for refund liability set forth in note 1.3 (n) of these consolidated financial statements, the Company recognises an asset, (i.e., the right to the returned goods), which is included in inventories for the products expected to be returned. The Company initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with re-measuring the refund liability at the end of each reporting period, the Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

As on March 31, 2026 and March 31, 2025, the Company had ₹ 64 and ₹ 51, respectively, as contract assets representing the right to returned goods.

Details of contract liabilities:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Advance from customers	1,321	1,562
	1,321	1,562

Details of deferred revenue:

Tabulated below is the reconciliation of deferred revenue for the years ended March 31, 2026 and March 31, 2025:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	1,583	1,567
Revenue recognised during the year	(653)	(1,799)
Milestone received during the year	1,766	1,815
Balance at end of the year	2,696	1,583
Current	260	421
Non-current	2,436	1,162
	2,696	1,583

2.15 Other operating income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of spent chemicals	385	437
Scrap sales	362	323
Miscellaneous income, net	322	144
	1,069	904



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.16 Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income		
On fixed deposits	2,273	2,142
Others	1,453	535
Fair value gain on financial instruments measured at fair value through profit or loss ⁽¹⁾	2,359	3,554
Foreign exchange gain, net	1,765	1,322
Profit on disposal of property, plant and equipment and other intangible assets, net ⁽²⁾	2,547	1,512
Miscellaneous income, net ⁽³⁾	3,187	1,908
	13,584	10,973

- ⁽¹⁾ Total Net gains on fair value changes includes net realised gain on sale of investments of ₹ 718 (31 March 2025: ₹ 3,203)
- ⁽²⁾ a. In the year ended 31 March 2026, profit on disposal of property, plant and equipment and other intangible assets, net includes ₹ 1,890 million towards divestment of certain product related intangibles i.e., trademarks and marketing rights
- b. In the year ended 31 March 2025, profit on disposal of property, plant and equipment and other intangible assets, net includes cumulative amount of foreign exchange gain of ₹ 1,493, reclassified from the foreign currency translation reserve, and a loss of ₹ 52 due to turnaround fees paid upon divestment of the membership interest in the subsidiary “Dr. Reddy’s Laboratories Louisiana LLC”. In addition to the above, in connection with this divestment the Company also has recognized an amount of ₹ 293, primarily comprising severance payments to employees in the consolidated profit or loss account. This transaction pertains to the Company’s Global Generics Segment.
- ⁽³⁾ Miscellaneous income for the year ended March 31, 2026 includes ₹ 1,400 recognized pursuant to settlement of product related litigations representing payment for avoided litigation costs by the Company and its affiliates in the United States and the United Kingdom

2.17 Changes in inventories of finished goods, work-in-progress and stock-in-trade :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening		
Work-in-progress	16,525	14,222
Finished goods	21,462	19,869
Stock-in-trade	6,933 44,920	5,382 39,473
Closing		
Work-in-progress	16,054	16,525
Finished goods	23,436	21,462
Stock-in-trade	9,666 49,156	6,933 44,920
(Increase)/Decrease in inventory	(4,236)	(5,447)

During the year ended March 31, 2026 and March 31, 2025, an amount of ₹ 1,181 and ₹ 3,331 representing government grants has been accounted for as a reduction from cost of material consumed respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.18 Employee benefits expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	48,004	45,442
Contribution to provident and other funds (Refer Note 2.28)	5,942	4,507
Staff welfare expenses	5,340	5,055
Share-based payment expenses	623	796
	59,909	55,800

2.19 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment ⁽¹⁾	12,603	10,484
Amortisation of other intangible assets	7,985	6,553
	20,588	17,037

- ⁽¹⁾ During the year ended March 31, 2026, the Company capitalized depreciation cost of ₹ 150 with respect to qualifying assets under Property, plant and equipment.

2.20 Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on long-term borrowings	244	287
Interest on lease liabilities	800	391
Interest on other borrowings	2,694	2,151
	3,738	2,829

2.21 Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores, spares and other materials	10,668	12,263
Clinical trials and other research and development expenses	5,997	7,695
Advertisements	5,262	3,346
Commission on sales	416	441
Carriage outward	6,743	7,569
Communication expenses	1,970	1,566
Other selling expenses (Refer note 2.33 - Indirect taxes related matters)	23,554	17,899
Legal and professional	7,892	9,363
Power and fuel	5,565	5,625



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.21 Other expenses (Continued)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Repairs and maintenance		
Buildings	461	420
Plant and equipment	1,955	1,757
Others	3,346	3,497
Insurance	1,050	1,073
Travel and conveyance	3,393	3,323
Rent	486	543
Rates and taxes	1,543	2,051
Corporate social responsibility ⁽¹⁾	1,124	793
Donations ⁽²⁾	23	478
Allowance for credit losses, net (Refer note 2.7 B)	346	159
Allowance for doubtful advances, net	344	2
Non-Executive Directors' remuneration	160	144
Auditors' remuneration (Refer note 2.23)	44	45
Other general expenses	4,306	3,624
	86,648	83,676

⁽¹⁾ Details of corporate social responsibility expenditure in accordance with section 135 of the Companies Act, 2013:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
i) Amount required to be spent by the company during the year	1,122	793
ii) Amount approved by board	1,124	793
iii) Amount required to be set off for the financial year, if any	-	-
iv) Total CSR obligation for the financial year	1,124	793
v) Amount of expenditure incurred		
(a) Construction/acquisition of any asset	-	2
(b) On purposes other than (a) above	1,001	743
	1,001	745
vi) Shortfall at the end of the year**	123	50
vii) Total of previous years shortfall	-	-
viii) Reason for shortfall	Pertains to ongoing projects	Pertains to ongoing projects
ix) Nature of CSR activities	Environmental Sustainability, promoting education, healthcare, livelihood enhancement projects, relief and rural development projects	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.21 Other expenses (Continued)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
x) Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard ⁽¹⁾	744	626
xi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

⁽¹⁾ Refer note 2.25 for Contributions towards social development.

* Rounded off to million

** Total amount unspent for the year ended March 31, 2026 ₹ 123 has been transferred to Unspent CSR Account on April 15, 2026.

⁽²⁾ Donations include Political contributions amounting to ₹ Nil (₹ 350) made to Prudent Electoral Trust for year ended March 31, 2026 and March 31, 2025 respectively.

2.22 Research and development expenses

Details of research and development expenses (excluding depreciation and amortisation expense) incurred during the year and included under various heads of expenditures are given below:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employee benefits expense (included in note 2.18)	6,450	6,333
Other expenses (included in note 2.21)		
Materials and consumables	8,262	9,853
Clinical trials and other research and development expenses	5,997	7,695
	20,709	23,881

2.23 Auditors' remuneration

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
As Auditor:		
Audit fees	29	30
Limited review	9	8
In Other Capacity:		
Other charges - Certification fees	2	3
Reimbursement of out of pocket expenses	4	4
	44	45



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.24 Earnings per share (EPS)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Earnings		
Profit attributable to equity shareholders of the Company	41,960	56,551
Shares		
Number of equity shares at the beginning of the year (excluding treasury shares)	832,003,105	832,642,375
Effect of equity shares issued on exercise of stock options	437,482	308,301
Weighted average number of equity shares – Basic	832,440,587	832,950,406
Dilutive effect of stock options outstanding ⁽¹⁾	891,102	1,228,728
Weighted average number of equity shares – Diluted	833,331,689	834,179,134
Earnings per share of par value ₹1/- Basic (₹) ⁽²⁾	50.41	67.89
Earnings per share of par value ₹ 1/- Diluted (₹) ⁽²⁾	50.35	67.79

⁽¹⁾ As at March 31, 2026 and March 31, 2025, 1,983,310 and 941,080 options, respectively, were excluded from the diluted weighted average number of equity shares calculation because their effect would have been anti-dilutive. The average market value of the Company's shares for the purpose of calculating the dilutive effect of stock options was based on quoted market prices for the year during which the options were outstanding.

⁽²⁾ Earnings per share is computed after giving effect to 1:5 forward stock split effective October 28, 2024 for all periods presented. Refer to Note 2.10 of these consolidated financial statements for further details regarding such stock split.

2.25 Related parties

a) In accordance with the provisions of Ind AS 24, *Related Party Disclosures* and the Companies Act, 2013, Company's Directors, members of the Company's Management Council and Company Secretary are considered as Key Managerial Personnel.

List of Key Managerial Personnel of the Company is as below:

1.	K Satish Reddy	Whole-time director (Chairman)
2.	G V Prasad	Whole-time director (Co-Chairman and Managing Director)
3.	Dr. K P Krishnan	Independent director
4.	Kalpana Morparia (till July 30, 2024)	Independent director
5.	Leo Puri	Independent director
6.	Penny Wan	Independent director
7.	Shikha Sharma	Independent director
8.	Arun Madhavan Kumar	Independent director
9.	Dr. Claudio Albrecht	Independent director
10.	Dr. Alpna Hansraj Seth	Independent director
11.	Sanjiv Soshil Mehta	Independent director
12.	Archana Bhaskar (till September 30, 2025)	Management council member
13.	Jayanth Sridhar, Global Head of Biologics (till 31 January 2026)	Management council member
14.	Deepak Sapra	Management council member
15.	Erez Israeli	Chief Executive Officer and Management council member
16.	Marc Kikuchi (till May 24, 2024)	Management council member

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.25 Related parties (Continued)

17.	M V Ramana	Management council member
18.	Mannam Venkata Narasimham (w.e.f. August 01, 2024)	Chief Financial Officer and Management council member
19.	Parag Agarwal (till July 31, 2024)	Chief Financial Officer and Management council member
20.	Patrick Aghanian	Management council member
21.	Sanjay Sharma	Management council member
22.	Sushrut Kulkarni	Management council member
23.	Krishna Venkatesh	Management council member
24.	B Phanimitra	Management council member
25.	K Randhir Singh	Company secretary, Compliance officer and Head-CSR

b) List of related parties with whom transactions have taken place during the current and/or previous year:

1.	Dr. Reddy's Institute of Life Sciences	Enterprise over which whole-time directors have significant influence
2.	Stamlo Industries Limited	Enterprise controlled by whole-time directors
3.	Green Park Hotels and Resorts Limited	Enterprise controlled by relative of a whole-time director
4.	K Samrajyam*	Mother of Chairman
5.	G Anuradha	Spouse of Co-chairman
6.	K Deepti Reddy	Spouse of Chairman
7.	G Mallika Reddy	Daughter of Co-chairman
8.	G V Sanjana Reddy	Daughter of Co-chairman
9.	Akhil Ravi	Son-in-law of Co-chairman
10.	Shravya Reddy Kallam	Daughter of Chairman
11.	Dr. Reddy's Foundation	Enterprise over which whole-time directors and their relatives have significant influence
12.	Indus Projects Private Limited	Enterprise over which relatives of whole-time directors have significant influence
13.	Green Park Hospitality Services Private Limited	Enterprise controlled by relative of a whole-time director
14.	AverQ Inc (till July 30, 2024)	Enterprise over which Key Managerial Personnel have significant influence
15.	Iosynth Labs Private Limited	Enterprise over which whole-time directors have significant influence
16.	Araku Originals Private Limited	Enterprise over which whole-time directors have significant influence
17.	Zenfold Sustainable Technologies Private Limited (w.e.f July 27, 2024)	Enterprise over which relative of a whole-time directors have significant influence

*Ceases to be related party upon their demise on February 19, 2025.

Further, the Company contributes to the Dr. Reddy's Laboratories Gratuity Fund, which maintains the plan assets of the Company's Gratuity Plan for the benefit of its employees. Refer note 2.28 of these consolidated financial statements for information on transactions between the Company and the Gratuity Fund.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.24 Related parties (Continued)

c) The following is a summary of significant related party transactions:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Research and development services received		
Dr.Reddy's Institute of Life Sciences	164	277
Purchase of goods		
Zenfold Sustainable Technologies Private Limited	88	58
Purchase / (Sale) of assets		
Dr Reddy's Institute of Life Sciences	-	(1)
Contributions towards social development		
Dr.Reddy's Foundation	744	626
Catering services		
Green Park Hospitality Services Private Limited	490	481
Facility management services		
Green Park Hospitality Services Private Limited	46	46
Hotel expenses		
Green Park Hotel and Resorts Limited	56	46
Stamlo Industries Limited	5	8
Total	61	54
Civil works		
Indus Projects Private Limited	262	380
Sales of goods		
Kunshan Rotam Reddy Pharmaceuticals Company Limited	113	67
Kunshan Rotam Reddy Medicine Company Limited	77	-
Zenfold Sustainable Technologies Private Limited	8	8
Total	198	75
Lease rentals paid to		
K Satish Reddy	19	16
Relatives of Key Managerial Personnel	22	23
	41	39
Lease rentals received		
DRES Energy Private Limited	1	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.24 Related parties (Continued)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchase of Solar power		
DRES Energy Private Limited	130	138
Clean Renewable Energy KK 2A Private Limited	32	7
O2 Renewable Energy IX Private Limited	63	-
Total	225	145
Salaries to relatives of Key Managerial Personnel	28	21
Remuneration to Key Managerial Personnel		
Salaries and other benefits ⁽¹⁾	853	870
Contributions to defined contribution plans	53	37
Commission to directors	399	379
Share-based payments expense	174	179
Total	1,479	1,465
Investment made in Associate		
O2 Renewable Energy IX Private Limited	51	296
Clean Renewable Energy KK 2A Private Limited	-	21
Total	51	317

⁽¹⁾ Some of the Key Managerial Personnel of the Company are also covered under the Company's Gratuity Plan along with the other employees of the Company. Proportionate amounts of gratuity accrued under the Company's Gratuity Plan have not been separately computed or included in the above disclosure.

d) The Company has the following amounts due from/ to related parties:

Particulars	As at March 31, 2026	As at March 31, 2025
Due from related parties		
Key Managerial Personnel (towards rent deposits)	8	8
Kunshan Rotam Reddy Pharmaceuticals Company Limited	45	41
Kunshan Rotam Reddy Medicine Company Limited	62	-
DRES Energy Private Limited	-	1
Total	115	50



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.25 Related parties (Continued)

Particulars	As at March 31, 2026	As at March 31, 2025
Due to related parties		
Zenfold Sustainable Technologies Private Limited	12	22
Green Park Hospitality Services Private Limited	-*	17
Indus Projects Private Limited	19	20
DRES Energy Private Limited	16	3
Green Park Hotels and Resorts Limited	-*	-*
Stamlo Industries Limited	-*	-*
Total	47	62

* Rounded off to millions.

Terms and conditions of related parties

The related party transactions entered during the year ended March 31, 2026 and March 31, 2025 are in the ordinary course of business and on terms as applicable to third party in an arm's length transaction. Settlement of outstanding balances as at March 31, 2026 and March 31, 2025 occurs in cash.

2.26 Segment reporting

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit as the performance indicator for all of the operating segments and does not review the total assets and liabilities of an operating segment. The office of Chief Executive Officer ("CEO") is the CODM of the Company.

The Company's reportable operating segments are as follows:

- Global Generics;
- Pharmaceutical Services and Active Ingredients ("PSAI");
- Others*

Global Generics: This segment consists of the Company's business of manufacturing and marketing prescription and over-the-counter finished pharmaceutical products ready for consumption by the patient, marketed under a brand name (branded formulations) or as generic finished dosages with therapeutic equivalence to branded formulations (generics). This segment includes the operations of the Company's biologics business and the portfolio of consumer healthcare brands in the Nicotine Replacement Therapy category (the "NRT Business") that the Company recently acquired is also included in this segment.

Pharmaceutical Services and Active Ingredients: This segment primarily consists of the Company's business of manufacturing and marketing active pharmaceutical ingredients and intermediates, also known as "API", which are the principal ingredients for finished pharmaceutical products. Active pharmaceutical ingredients and intermediates become finished pharmaceutical products when the dosages are fixed in a form ready for human consumption such as a tablet, capsule or liquid using additional inactive ingredients. The Company also serves its customers with incremental value added products, including semi-finished and finished formulations, which are included in this segment. This segment also includes the Company's pharmaceutical services business, which provides contract research services and manufactures and sells active pharmaceutical ingredients in accordance with the specific customer requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.26 Segment reporting (Continued)

Others: This segment consists of the Company's other business operations, which includes the Company's wholly-owned subsidiaries, Aurigene Oncology Limited ("AOL") (formerly Aurigene Discovery Technologies Limited) and the company's Proprietary Products business. AOL is a discovery stage biotechnology company developing novel and best-in-class therapies in the fields of oncology and inflammation. AOL works with established pharmaceutical and biotechnology companies through customized models of drug-discovery collaborations. The Proprietary Products business focuses on the research and development of differentiated formulations and is expected to earn revenues arising out of monetization of such assets and subsequent royalties, if any.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Company's consolidated financial statements.

Segment information:

Reportable segments	For the year ended March 31, 2026			
	Global Generics	PSAI	Others	Total
Revenue from operations	299,460	42,672	2,140	344,272
Less: Inter-segment revenue ⁽¹⁾		(7,270)		(7,270)
Revenue from operations	299,460	35,402	2,140	337,002
Gross profit	169,696	6,002	1,582	177,280
Less: Selling and other unallocable expense/ (income), net				1,23,486
Profit before tax and before share of equity accounted investees				53,793
Add: Share of profit of equity accounted investees				134
Profit before tax				53,927
Tax expense				12,351
Profit for the year				41,576

Reportable segments	For the year ended March 31, 2025			
	Global Generics	PSAI	Others	Total
Revenue from operations	289,810	43,868	2,150	335,828
Less: Inter-segment revenue ⁽¹⁾		(9,389)	-	(9,389)
Revenue from operations	289,810	34,479	2,150	326,439
Gross profit	179,606	9,178	1,665	190,449
Less: Selling and other unallocable expense/ (income), net				113,871
Profit before tax and before share of equity accounted investees				76,578
Add: Share of profit of equity accounted investees				217
Profit before tax				76,795
Tax expense				19,543
Profit for the year				57,252

⁽¹⁾ Inter-segment revenue represents sale from PSAI to Global Generics at cost.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.26 Segment reporting (Continued)

Analysis of revenues within the Global Generics segment:

An analysis of revenues (excluding other operating income of ₹ 427 for year ended March 31, 2026 and ₹ 258 for year ended March 31, 2025 by therapeutic areas in the Company's Global Generics segment is given below:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Oncology	63,131	85,798
Nervous System	61,292	43,345
Pain Management	30,114	27,552
Gastrointestinal	27,620	25,315
Cardiovascular	21,868	17,034
Respiratory	21,204	18,551
Anti-Infective	13,196	12,774
Diabetology	12,432	7,452
Hematology	8,346	8,628
Nutraceuticals	8,132	6,427
Dermatology	8,020	9,130
Others	23,678	27,546
Total	299,033	289,552

Analysis of revenues within the PSAI segment:

An analysis of revenues (excluding other operating income of ₹ 629 for year ended March 31, 2026 and ₹ 633 for year ended March 31, 2025 by therapeutic areas in the Company's PSAI segment is given below:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cardiovascular	5,227	7,060
Oncology	5,176	3,398
Nervous System	4,087	3,722
Pain Management	3,930	3,668
Diabetology	1,808	2,039
Hematology	1,753	2,458
Anti-Infective	1,739	1,677
Gastrointestinal	919	1,220
Dermatology	561	742
Respiratory	541	667
Genitourinary	475	416
Others	8,557	6,779
Total	34,773	33,846

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.26 Segment reporting (Continued)

Analysis of revenues by geography:

The following table shows the distribution of the Company's revenues (excluding other operating income) by country, based on the location of the customers:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
United States	117,892	149,351
India	64,537	55,830
Russia	34,786	25,958
Others ⁽¹⁾	118,718	94,396
Total	335,933	325,535

⁽¹⁾ Others include Germany, the United Kingdom, Ukraine, China, Canada, Brazil and other countries across the world.

Analysis of assets by geography:

The following table shows the distribution of the Company's non-current assets (other than financial instruments and deferred tax assets) by country, based on the location of assets:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
India	140,471	121,176
Switzerland	76,868	73,535
United States	8,592	3,719
Germany	3,693	3,113
Others	15,769	12,949
Total	245,393	214,492

The following table shows the distribution of the Company's property, plant and equipment including capital work in progress and intangible assets acquired during the year (other than goodwill arising on business combination) by country, based on the location of assets:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
India	32,150	31,448
Switzerland	2,802	61,867
United States	6,695	2,118
Others	2,054	3,948
Total	43,701	99,381



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.26 Segment reporting (Continued)

Analysis of depreciation and amortization, for arriving gross profit by reportable segments:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Global Generics	4,868	4,155
PSAI	3,718	2,936
Total	8,586	7,091

Information about major customers

There are no customers which individually accounted for more than 10% of the revenues during the year ended March 31, 2026 and March 31, 2025.

2.27Description of the Group

A. Subsidiaries, step-down subsidiaries, joint ventures and other consolidating entities of the parent company are listed below:

Name of the subsidiaries/associates/joint ventures	Country of Incorporation	Percentage of Direct/ Indirect Ownership Interest
Aurigene Discovery Technologies (Malaysia) Sdn. Bhd.	Malaysia	100% ⁽¹⁾
Aurigene Oncology Limited (Formerly, Aurigene Discovery Technologies Limited)	India	100%
Aurigene Pharmaceutical Services Limited	India	100% ⁽¹⁾
beta Institut gemeinnützige GmbH	Germany	100% ⁽⁶⁾
betapharm Arzneimittel GmbH	Germany	100% ⁽⁶⁾
Cheminor Investments Limited	India	100%
Dr. Reddy's Farmaceutica Do Brasil Ltda.	Brazil	100%
Dr. Reddy's Laboratories (EU) Limited	United Kingdom	100% ⁽⁷⁾
Dr. Reddy's Laboratories (Proprietary) Limited	South Africa	100% ⁽⁷⁾
Dr. Reddy's Laboratories (UK) Limited	United Kingdom	100% ⁽³⁾
Dr. Reddy's Laboratories Canada, Inc.	Canada	100% ⁽⁷⁾
Dr. Reddy's Laboratories Chile SPA.	Chile	100% ⁽⁷⁾
Dr. Reddy's Laboratories Inc.	U.S.A.	100% ⁽⁷⁾
Dr. Reddy's Laboratories Japan KK	Japan	100% ⁽⁷⁾
Dr. Reddy's Laboratories Kazakhstan LLP	Kazakhstan	100% ⁽⁷⁾
Dr. Reddy's Laboratories Malaysia Sdn. Bhd.	Malaysia	100% ⁽⁷⁾
Dr. Reddy's Laboratories New York, LLC	U.S.A.	100% ⁽⁴⁾
Dr. Reddy's Laboratories Philippines Inc.	Philippines	100% ⁽⁷⁾
Dr. Reddy's Laboratories Romania Srl	Romania	100% ⁽⁷⁾
Dr. Reddy's Laboratories SA	Switzerland	100%
Dr. Reddy's Laboratories Taiwan Limited	Taiwan	100% ⁽⁷⁾
Dr. Reddy's Laboratories (Thailand) Limited	Thailand	100% ⁽⁷⁾
Dr. Reddy's Laboratories LLC, Ukraine	Ukraine	100% ⁽⁷⁾

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.27 Description of the Group (Continued)

Name of the subsidiaries/associates/joint ventures	Country of Incorporation	Percentage of Direct/ Indirect Ownership Interest
Dr. Reddy's New Zealand Limited.	New Zealand	100% ⁽⁷⁾
Dr. Reddy's Srl	Italy	100% ⁽⁸⁾
Dr. Reddy's Bio-Sciences Limited	India	100%
Dr. Reddy's Laboratories (Australia) Pty. Limited	Australia	100% ⁽⁷⁾
Dr. Reddy's Laboratories SAS	Colombia	100% ⁽⁷⁾
Dr. Reddy's Netherlands B.V. (formerly Dr. Reddy's Research and Development B.V.)	Netherlands	100% ⁽⁹⁾
Dr. Reddy's (Beijing) Pharmaceutical Co. Limited	China	100% ⁽⁷⁾
DRES Energy Private Limited	India	26% ⁽¹⁰⁾
DRL Impex Limited	India	100% ⁽¹¹⁾
Dr. Reddy's Formulations Limited	India	100%
Idea2Enterprises (India) Pvt. Limited	India	100%
Imperial Owners and Land Possessions Private Limited (Formerly, Imperial Credit Private Limited) (Dissolved on August 05, 2025)	India	100%
Industrias Quimicas Falcon de Mexico, S.A. de CV	Mexico	100%
Kunshan Rotam Reddy Pharmaceutical Co. Limited	China	51.33% ⁽²⁾
Lacock Holdings Limited	Cyprus	100% ⁽⁷⁾
Dr. Reddy's Laboratories LLC	Russia	100% ⁽⁷⁾⁽¹⁴⁾
Promius Pharma LLC	U.S.A.	100% ⁽⁴⁾
Reddy Holding GmbH	Germany	100% ⁽⁷⁾
Reddy Netherlands B.V.	Netherlands	100% ⁽⁷⁾
Reddy Pharma Iberia SAU	Spain	100% ⁽⁷⁾
Reddy Pharma Italia S.R.L.	Italy	100% ⁽⁵⁾
Reddy Pharma SAS	France	100% ⁽⁷⁾
Svaas Wellness Limited (Divested on April 07, 2026)	India	100%
Nimbus Health GmbH	Germany	100% ⁽⁶⁾
Dr. Reddy's Laboratories Jamaica Limited	Jamaica	100% ⁽⁷⁾
O2 Renewable Energy IX Private Limited	India	26% ⁽¹⁰⁾
Dr. Reddy's and Nestle Health Science Limited (Formerly, Dr. Reddy's Nutraceuticals Limited) (Refer note 2.39A of these consolidated financial statements for further details)	India	51%
Dr. Reddy's Employees ESOS Trust	India	Refer to below footnote ⁽¹³⁾
Cheminor Employees Welfare Trust	India	Refer to below footnote ⁽¹³⁾
Dr. Reddy's Research Foundation	India	Refer to below footnote ⁽¹³⁾
Clean Renewable Energy KK 2A Private Limited (From July 31, 2024)	India	26.99% ⁽¹⁰⁾
Northstar Switzerland SARL (From September 30, 2024)	Switzerland	100% ⁽⁷⁾
North Star OpCo Limited (From September 30, 2024)	United Kingdom	100% ⁽¹²⁾
North Star Sweden AB (From September 30, 2024)	Sweden	100% ⁽¹²⁾
Dr. Reddy's Denmark ApS (From October 04, 2024)	Denmark	100% ⁽⁷⁾

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.27 Description of the Group (Continued)

Name of the subsidiaries/associates/joint ventures	Country of Incorporation	Percentage of Direct/ Indirect Ownership Interest
Dr. Reddy's Finland Oy (From December 20, 2024)	Finland	100% ⁽⁷⁾
Kunshan Rotam Reddy Medicine Company Limited	China	51.33% ⁽²⁾⁽¹⁵⁾
Dr. Reddy's Laboratories (Vietnam) Company Limited (From May 09, 2025)	Vietnam	100% ⁽⁷⁾

- ⁽¹⁾ Indirectly owned through Aurigene Oncology Limited (Formerly, Aurigene Discovery Technologies Limited).
- ⁽²⁾ Kunshan Rotam Reddy Pharmaceutical Co. Limited and Kunshan Rotam Reddy Medicine Company Limited are subsidiaries as per Indian Companies Act, 2013, as the Company holds a 51.33% stake. However, the Company accounts for this investment by the equity method and does not consolidate it in the Company's financial statements.
- ⁽³⁾ Indirectly owned through Dr. Reddy's Laboratories (EU) Limited.
- ⁽⁴⁾ Indirectly owned through Dr. Reddy's Laboratories Inc.
- ⁽⁵⁾ Indirectly owned through Lacock Holdings Limited.
- ⁽⁶⁾ Indirectly owned through Reddy Holding GmbH.
- ⁽⁷⁾ Indirectly owned through Dr. Reddy's Laboratories SA.
- ⁽⁸⁾ Indirectly owned through Reddy Pharma Italia S.R.L.
- ⁽⁹⁾ Indirectly owned through Reddy Netherlands B.V.
- ⁽¹⁰⁾ Accounted using equity method as per IAS 28, "Investments in Associates and Joint Ventures".
- ⁽¹¹⁾ Indirectly owned through Idea2Enterprises (India) Pvt. Limited.
- ⁽¹²⁾ Indirectly owned through Northstar Switzerland SARL.
- ⁽¹³⁾ The Company does not have any equity interests in this entity but has significant influence or control over it.
- ⁽¹⁴⁾ 45.19% held directly by Dr. Reddy's Laboratories Limited.
- ⁽¹⁵⁾ Indirectly owned through Kunshan Rotam Reddy Pharmaceutical Co. Limited.

B. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements:

Sl. No.	Name of the entity	As at March 31, 2026		For the year ended March 31, 2026					
		Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in OCI		Share in total comprehensive income (TCI)	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Parent								
	Dr. Reddy's Laboratories Limited	82.04	313,656	77.44	32,197	(15.84)	(1,171)	60.36	31,026
	Subsidiaries								
	India								
1	Aurigene Oncology limited (Formerly, Aurigene Discovery Technologies Limited)	2.36	9,014	(0.56)	(233)	(0.35)	(26)	(0.53)	(259)
2	Chemisor Investments Limited	-	5	-	1	0.01	1	-	2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.27 Description of the Group (Continued)

Sl. No.	Name of the entity	As at March 31, 2026		For the year ended March 31, 2026					
		Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in OCI		Share in total comprehensive income (TCI)	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
3	Dr. Reddy's Bio-Sciences Limited	0.08	299	0.02	9	0.01	1	0.02	10
4	DRL Impex Limited	-	3	0.01	3	0.01	1	0.01	4
5	Idea2Enterprises (India) Private Limited	0.41	1,567	0.02	10	0.01	1	0.02	11
6	Imperial Owners and Land Possessions Private Limited (Formerly, Imperial Credit Private Limited)	-	-	-	-	0.01	1	-	1
7	SVAAS Wellness Limited	(0.05)	(183)	(0.06)	(25)	0.03	2	(0.05)	(23)
8	Aurigene Pharmaceutical Services Limited	1.29	4,922	3.16	1,313	(0.01)	(1)	2.68	1,312
9	Dr. Reddy's Formulations Limited	0.02	84	(0.15)	(63)	0.01	1	(0.13)	(62)
10	Dr. Reddy's and Nestle Health Science Limited (Formerly, Dr. Reddy's Nutraceuticals Limited)	1.88	7,181	(1.72)	(715)	0.07	5	(1.45)	(710)
	Foreign								
1	Aurigene Discovery Technologies (Malaysia) Sdn. Bhd.	0.02	65	-	1	-	-	-	1
2	beta Institut gemeinnützige GmbH	(0.10)	(379)	(0.63)	(261)	(0.45)	(33)	(0.60)	(294)
3	betapharm Arzneimittel GmbH	0.10	368	0.26	107	1.19	88	0.40	195
4	Dr. Reddy's (Beijing) Pharmaceutical Co. Limited	0.08	311	0.05	21	0.50	37	0.12	58
5	Dr. Reddy's Farmaceutica Do Brasil Ltda.	0.18	697	0.46	192	1.33	98	0.59	290
6	Dr. Reddy's Laboratories (Australia) Pty. Limited	0.01	31	0.09	39	(0.07)	(5)	0.07	34
7	Dr. Reddy's Laboratories Canada Inc.	0.25	961	0.31	130	1.45	107	0.48	237
8	Dr. Reddy's Laboratories Chile SPA.	-	16	(0.05)	(21)	-	-	(0.04)	(21)
9	Dr. Reddy's Laboratories (EU) Limited	0.83	3,170	(2.42)	(1,007)	6.11	452	(1.13)	(555)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.27 Description of the Group (Continued)

Sl. No.	Name of the entity	As at March 31, 2026		For the year ended March 31, 2026					
		Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in OCI		Share in total comprehensive income (TCI)	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
10	Dr. Reddy's Laboratories Inc.	7.08	27,081	12.06	5,014	0.01	1	10.24	5,015
11	Dr. Reddy's Laboratories Japan KK	0.01	39	0.01	4	0.04	3	0.01	7
12	Dr. Reddy's Laboratories Kazakhstan LLP	0.15	590	(0.16)	(66)	0.89	66	-	-
13	Dr. Reddy's Laboratories LLC, Ukraine	0.25	946	0.26	109	0.54	40	0.30	149
14	Dr. Reddy's Laboratories Malaysia Sdn. Bhd.	0.07	269	0.29	121	0.31	23	0.29	144
15	Dr. Reddy's Laboratories New York, LLC	(0.03)	(104)	(3.27)	(1,358)	(0.20)	(15)	(2.80)	(1,373)
16	Dr. Reddy's Laboratories Philippines Inc.	(0.01)	(31)	(0.08)	(32)	-	-	(0.07)	(32)
17	Dr. Reddy's Laboratories (Proprietary) Limited	0.21	800	0.13	56	1.45	107	0.33	163
18	Dr. Reddy's Laboratories Romania Srl	0.56	2,139	1.09	452	3.04	225	1.38	677
19	Dr. Reddy's Laboratories SA	24.35	93,110	4.31	1,792	(52.13)	(3,854)	(4.21)	(2,062)
20	Dr. Reddy's Laboratories SAS	0.24	903	0.45	188	1.22	90	0.57	278
21	Dr. Reddy's Laboratories Taiwan Ltd.	0.01	31	-	1	0.05	4	0.01	5
22	Dr. Reddy's Laboratories (Thailand) Limited	0.10	367	0.10	40	0.60	44	0.17	84
23	Dr. Reddy's Laboratories (UK) Limited	2.03	7,759	2.96	1,231	10.62	785	4.12	2,016
24	Dr. Reddy's Netherlands B.V. (formerly Dr. Reddy's Research and Development B.V.)	0.69	2,655	0.95	396	4.80	355	1.53	751
25	Dr. Reddy's Srl	(0.14)	(546)	0.27	111	(1.41)	(104)	0.01	7
26	Dr. Reddy's New Zealand Limited	0.03	117	0.03	13	0.15	11	0.05	24
27	Industrias Quimicas Falcon de Mexico, S.A. de CV	0.84	3,196	(0.17)	(70)	9.24	683	1.25	613
28	Lacock Holdings Limited	0.12	462	-	(2)	0.04	3	-	1
29	Dr. Reddy's Laboratories LLC	3.59	13,717	1.92	797	17.69	1,308	4.30	2,105

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.27 Description of the Group (Continued)

Sl. No.	Name of the entity	As at March 31, 2026		For the year ended March 31, 2026					
		Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in OCI		Share in total comprehensive income (TCI)	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
30	Promius Pharma LLC	-	11	0.02	7	(0.07)	(5)	-	2
31	Reddy Holding GmbH	8.66	33,122	4.93	2,051	10.74	794	5.81	2,845
32	Reddy Netherlands B.V.	(0.27)	(1,046)	(0.14)	(60)	(6.11)	(452)	(1.05)	(512)
33	Reddy Pharma Iberia SAU	0.09	345	0.11	45	0.69	51	0.20	96
34	Reddy Pharma Italia S.R.L	0.06	217	(0.01)	(3)	(0.89)	(66)	(0.14)	(69)
35	Reddy Pharma SAS	0.16	606	0.06	23	1.19	88	0.23	111
36	Nimbus Health GmbH	(0.02)	(66)	0.11	47	(0.34)	(25)	0.04	22
37	Dr. Reddy's Laboratories Jamaica Limited	0.09	345	-	1	0.38	28	0.06	29
38	Northstar Switzerland SARL	17.84	68,189	4.12	1,712	82.33	6,086	15.92	7,798
39	North Star OpCo Limited	0.17	632	0.84	348	0.91	67	0.85	415
40	North Star Sweden AB	-	8	-	1	-	-	-	1
41	Dr. Reddy's Denmark ApS	-	15	0.10	40	(0.14)	(10)	0.06	30
42	Dr. Reddy's Finland Oy	-	-	-	-	0.01	1	-	1
43	Dr. Reddy's Laboratories Vietnam	0.01	39	(0.02)	(7)	-	-	(0.01)	(7)

Sl. No.	Name of the entity	As at March 31, 2026		For the year ended March 31, 2026					
		Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in OCI		Share in total comprehensive income (TCI)	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Joint ventures								
	Foreign								
1	Kunshan Rotam Reddy Pharmaceutical Company Limited	-	-	0.37	155	1.08	80	0.48	235
2	Kunshan Rotam Reddy Medical Company Limited	-	-	-	-	-	-	-	-
	India								
1	DRES Energy Private Limited	-	-	-	(1)	-	-	-	(1)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.27 Description of the Group (Continued)

Sl. No.	Name of the entity	As at March 31, 2026		For the year ended March 31, 2026					
		Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in OCI		Share in total comprehensive income (TCI)	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Associates								
1	Clean Renewable Energy KK 2A Private Limited	-	-	(0.01)	(3)	-	-	(0.01)	(3)
2	O2 Renewable Energy IX Private Limited	-	-	(0.05)	(20)	-	-	(0.04)	(20)
	Other consolidating entities								
	India								
1	Cheminor Employees Welfare Trust	0.10	365	0.03	13	-	-	0.03	13
2	Dr. Reddy's Research Foundation	-	7	-	1	-	-	-	1
	Sub total	156.44	598,077	107.84	44,485	80.75	5,971	103.73	50,816
	Less: Effect of intercompany adjustments / elimination	(56.44)	(215,768)	(7.84)	(3,269)	19.25	1,421	(3.73)	(1,848)
	Total	100.00	382,309	100.00	41,576	100.00	7,392	100.00	48,968

Note: Net assets and share in profit or loss for the Parent Company, subsidiaries, joint ventures and other consolidating entities are as per the standalone financial statements of the respective entities.

2.28 Employee benefits

Total employee benefit expenses, including share-based payments, incurred during the years ended March 31, 2026 and March 31, 2025 amounted to ₹ 59,909 and ₹ 55,800, respectively.

Gratuity benefits provided by the parent company:

In accordance with applicable Indian laws, the parent company has a defined benefit plan which provides for gratuity payments (the “Gratuity Plan”) and covers certain categories of employees in India. The Gratuity Plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amount of the payment is based on the respective employee’s last drawn salary and the years of employment with the Company. Effective September 01, 1999, the Company established the Dr. Reddy’s Laboratories Gratuity Fund (the “Gratuity Fund”) to fund the Gratuity Plan. Liabilities in respect of the Gratuity Plan are determined by an actuarial valuation, based upon which the Company makes contributions to the Gratuity Fund. Trustees administer the contributions made to the Gratuity Fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.28 Employee benefits (Continued)

The components of gratuity cost recognised in the consolidated statement of profit and loss for the years ended March 31, 2026 and March 31, 2025 consist of the following

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	512	432
Interest on defined benefit liability	27	19
Past Service cost (refer note 2.37)	901	-
Gratuity cost recognised in consolidated statement of profit and loss	1,440	451

Details of the employee benefits obligations and plan assets are provided below:

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of funded obligations	4,965	3,863
Fair value of plan assets	(4,981)	(3,339)
Net defined benefit liability/(Asset) recognised	(16)	524

Details of changes in the present value of defined benefit obligations are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Defined benefit obligations at the beginning of the year	3,863	3,404
Current service cost	512	432
Interest on defined obligations	256	225
Past Service cost	901	-
Re-measurements due to:		
Actuarial loss/(gain) due to change in financial assumptions	(109)	102
Actuarial loss/(gain) due to demographic assumptions	92	(35)
Actuarial loss/(gain) due to experience changes	(63)	72
Benefits paid	(484)	(330)
Liabilities transferred*	(3)	(7)
Defined benefit obligations at the end of the year	4,965	3,863

* Liabilities transferred: During the year ended March 31, 2026 and March 31, 2025 amount of ₹ 3 and ₹ 7 respectively represents transfer of liabilities on account of transfer for employees between the parent company and its subsidiaries.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.28 Employee benefits (Continued)

Details of changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets at the beginning of the year	3,339	3,064
Employer contributions	1,844	362
Interest on plan assets	229	206
Re-measurements due to:		
Return on plan assets excluding interest on plan assets	54	37
Benefits paid	(484)	(330)
Assets transferred*	(1)	-
Plan assets at the end of the year	4,981	3,339

* Assets transferred: During the year ended March 31, 2026 and March 31, 2025 amount of ₹ 1 and ₹ Nil respectively represents transfer of liabilities on account of transfer for employees between the parent company and its subsidiaries.

Sensitivity Analysis:

Particulars	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation without effect of projected salary growth	3,212	2,618
Add: Effect of salary growth	1,753	1,245
Defined benefit obligation with projected salary growth	4,965	3,863
Defined benefit obligation, using discount rate minus 50 basis points	5,123	3,967
Defined benefit obligation, using discount rate plus 50 basis points	4,815	3,762
Defined benefit obligation, using salary growth rate plus 50 basis points	5,121	3,970
Defined benefit obligation, using salary growth rate minus 50 basis points	4,816	3,761

Summary of the actuarial assumptions: The actuarial assumptions used in accounting for the Gratuity plan are as follows:

The assumptions used to determine benefit obligations:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate	6.90%	6.65%
Rate of compensation increase	8.00%	8.10%

Contributions: The Company expects to contribute ₹580 to the Gratuity Plan during the year ending March 31, 2027.

Disaggregation of plan assets: The Gratuity Plan's weighted-average asset allocation as of March 31, 2026 and March 31, 2025, by asset category, was as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Funds managed by insurers	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.28 Employee benefits (Continued)

The expected future cash flows in respect of gratuity as at March 31, 2026 are as follows:

Particulars	Amount
Expected contributions	
During the year ended March 31, 2027 (estimated)	-
Expected future benefit payments	
March 31, 2028	743
March 31, 2029	709
March 31, 2030	633
March 31, 2031	570
March 31, 2032	507
Thereafter	5,175

The weighted average duration to the payment of these cash flows at the year ended March 31, 2026 is 6.19 years (March 31, 2025 : 5.40 years)

The expected future cash flows in respect of gratuity as at March 31, 2025 are as follows:

Particulars	Amount
Expected contributions	
During the year ended March 31, 2026 (estimated)	91
Expected future benefit payments	
March 31, 2027	674
March 31, 2028	586
March 31, 2029	552
March 31, 2030	521
March 31, 2031	439
Thereafter	3,148

Provident fund benefits

Certain categories of employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributed ₹ 1,594 and ₹ 1,464 to the provident fund plan during the years ended March 31, 2026 and March 31, 2025, respectively.

Superannuation benefits

Certain categories of employees of the Company participate in superannuation, a defined contribution plan administered by the Life Insurance Corporation of India. The Company makes monthly contributions based on a specified percentage of each covered employee's salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributed ₹ 142 and ₹ 151 to the superannuation plan during the years ended March 31, 2026 and March 31, 2025, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.28 Employee benefits (Continued)

Other contribution plans

In the United States, the Company sponsors a defined contribution 401(k) retirement savings plan for all eligible employees who meet minimum age and service requirements. The Company contributed ₹ 163 and ₹ 241 to the 401(k)-retirement savings plan during the years ended March 31, 2026 and March 31, 2025, respectively. The Company has no further obligations under the plan beyond its monthly matching contributions.

In the United Kingdom, certain social security benefits (such as pension, unemployment and disability) are funded by employers and employees through mandatory National Insurance contributions. The contribution amounts are determined based upon the employee's salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributed ₹ 194 and ₹ 293 to the National Insurance during the years ended March 31, 2026 and March 31, 2025, respectively.

Compensated absences

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the Company towards this obligation was ₹ 1,018 and ₹ 939 as at March 31, 2026 and March 31, 2025, respectively.

Refer note 2.37 for Impact of the New Labour Codes.

2.29 Employee stock incentive plans

Dr. Reddy's Employees Stock Option Plan, 2002 (the "DRL 2002 Plan"):

The Company instituted the DRL 2002 Plan for all eligible employees pursuant to the special resolution approved by the shareholders in the Annual General Meeting held on September 24, 2001. The DRL 2002 Plan covers all employees and directors (excluding promoter directors) of the parent company and its subsidiaries (collectively, "eligible employees"). The Nomination, Governance and Compensation Committee of the Board of the parent company (the "Committee") administers the DRL 2002 Plan and grants stock options to eligible employees. The Committee determines which eligible employees will receive options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. The options issued under the DRL 2002 Plan vest in periods ranging between one and four years and generally have a maximum contractual term of five years from the vesting date.

The DRL 2002 Plan, as amended at annual general meetings of shareholders held on July 28, 2004 and on July 27, 2005, provides for stock option grants in two categories:

Category A: 1,500,000 stock options out of the total of 11,477,390 options reserved for grant having an exercise price equal to the fair market value of the underlying equity shares on the date of grant; and

Category B: 9,977,390 stock options out of the total of 11,477,390 options reserved for grant having an exercise price equal to the par value of the underlying equity shares (i.e., ₹ 1 per option).

Under the DRL 2002 Plan, the exercise price of the fair market value options granted under Category A above is determined based on the average closing price for 30 days prior to the grant in the stock exchange where there is highest trading volume during that period. Notwithstanding the foregoing, the Committee may, after obtaining the approval of the shareholders in the annual general meeting, grant options with a per share exercise price other than fair market value and par value of the equity shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.29 Employee stock incentive plans (Continued)

After the stock split effected in the form of a stock dividend issued by the Company in August 2006 and October 2024, the DRL 2002 Plan provides for stock option grants in the above two categories as follows:

Particulars	Number of options reserved under category A	Number of options reserved under category B	Total
Options reserved under original Plan	1,500,000	9,977,390	11,477,390
Options exercised prior to stock dividend date (A)	470,305	738,965	1,209,270
Balance of shares that can be allotted on exercise of options (B)	1,029,695	9,238,425	10,268,120
Options arising from stock dividend (C)	1,029,695	9,238,425	10,268,120
Options reserved after stock dividend (A+B+C)	2,529,695	19,215,815	21,745,510

The term of the DRL 2002 plan was extended for a period of 10 years effective as of January 29, 2012 by the shareholders at the Company's Annual General Meeting held on July 20, 2012.

Stock option activity under the DRL 2002 Plan for the two categories of options during the years ended March 31, 2026 and March 31, 2025 is as follows:

Category A — Fair Market Value Options: There was no stock activity under this category during the years ended March 31, 2026 and March 31, 2025 and there were no stock options outstanding under this category as of March 31, 2026 and March 31, 2025.

Category B — Par Value Options: Stock options activity under this category during the years ended March 31, 2026 and 2025 was as set forth in the below table after giving effect of stock split in October 2024.

Particulars	For the year ended March 31, 2026			
	Shares arising out of options	Range of exercise prices (₹)	Weighted average exercise price(₹)	Weighted average remaining useful life (months)
Outstanding at the beginning of the year	313,790	1.00	1.00	44
Expired/forfeited during the year	(3,910)	1.00	1.00	
Exercised during the year	(128,895)	1.00	1.00	
Outstanding at the end of the year	180,985	1.00	1.00	32
Exercisable at the end of the year	167,660	1.00	1.00	29

Particulars	For the year ended March 31, 2025			
	Shares arising out of options	Range of exercise prices (₹)	Weighted average exercise price(₹)	Weighted average remaining useful life (months)
Outstanding at the beginning of the year	501,045	1.00	1.00	55
Expired/forfeited during the year	(21,435)	1.00	1.00	-
Exercised during the year	(165,820)	1.00	1.00	-
Outstanding at the end of the year	313,790	1.00	1.00	44
Exercisable at the end of the year	245,745	1.00	1.00	38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.29 Employee stock incentive plans (Continued)

The weighted average share price on the date of allotment of options during the years ended March 31, 2026 and 2025 was ₹ 1,283, and ₹1,242 per share, respectively.

Dr. Reddy's Employees ADR Stock Option Plan, 2007 (the “DRL 2007 Plan”)

The Company instituted the DRL 2007 Plan for all eligible employees in pursuance of the special resolution approved by the shareholders in the Annual General Meeting held on July 27, 2005. The DRL 2007 Plan became effective upon its approval by the Board of Directors on January 22, 2007. The DRL 2007 Plan covers all employees and directors (excluding promoter directors) of DRL and its subsidiaries (collectively, “eligible employees”). The Committee administers the DRL 2007 Plan and grants stock options to eligible employees. The Committee determines which eligible employees will receive the options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. The options issued under the DRL 2007 Plan vest in periods ranging between one and four years and generally have a maximum contractual term of five years from vesting date.

The DRL 2007 Plan provides for option grants in two categories:

Category A: 1,913,475 stock options out of the total of 7,653,895 stock options reserved for grant having an exercise price equal to the fair market value of the underlying equity shares on the date of grant; and

Category B: 5,740,420 stock options out of the total of 7,653,895 stock options reserved for grant having an exercise price equal to the par value of the underlying equity shares (i.e., ₹ 1 per option).

Stock options activity under the DRL 2007 Plan for the above two categories of options during the years ended March 31, 2026 and 2025 was as follows after giving effect to the stock split in October 2024:

Category A -Fair Market Value Options

Particulars	For the year ended March 31, 2026			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
Outstanding at the beginning of the year	1,015,295	521.40 to 1,270.00	971.50	70
Granted during the year	353,057	1,162.00	1,162.00	96
Expired/forfeited during the year	(7,055)	981.40 & 1,060.20	985.42	-
Exercised during the year	(46,405)	521.40 to 1,060.20	694.26	-
Outstanding at the end of the year	1,314,892	562.80 to 1,270.00	1032.36	66
Exercisable at the end of the year	388,360	562.80 to 1,171.20	789.96	48

Category A - Fair Market Value Options

Particulars	For the year ended March 31, 2025			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
Outstanding at the beginning of the year	1,080,420	521.40 to 1,171.20	845.25	72
Granted during the year	272,310	1,270.00	1,270.00	96
Expired/forfeited during the year	(232,970)	562.80 to 1,270.00	828.05	-
Exercised during the year	(104,465)	521.40 to 1,060.20	763.78	-
Outstanding at the end of the year	1,015,295	521.40 to 1,270.00	971.50	70
Exercisable at the end of the year	57,945	521.40 to 1,171.20	728.47	33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.29 Employee stock incentive plans (Continued)

The weighted average grant date fair value of options granted during the years ended March 31, 2026 and 2025 was ₹ 388 and ₹ 455 per option, respectively. The weighted average share prices on the date of allotment of options during the years ended March 31, 2026 and 2025 was ₹ 1,306 and ₹ 1,383 per share, respectively.

Category B — Par Value Options

Particulars	For the year ended March 31, 2026			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
Outstanding at the beginning of the year	124,940	1.00	1.00	43
Expired/forfeited during the year	(9,725)	1.00	1.00	-
Exercised during the year	(26,305)	1.00	1.00	-
Outstanding at the end of the year	88,910	1.00	1.00	34
Exercisable at the end of the year	88,910	1.00	1.00	34

Category B — Par Value Options

Particulars	For the year ended March 31, 2025			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
Outstanding at the beginning of the year	302,575	1.00	1.00	61
Expired/forfeited during the year	(83,885)	1.00	1.00	-
Exercised during the year	(93,750)	1.00	1.00	-
Outstanding at the end of the year	124,940	1.00	1.00	43
Exercisable at the end of the year	71,130	1.00	1.00	29

The weighted average grant date fair value of options granted during the years ended March 31, 2026 and 2025 was ₹ Nil and ₹ Nil, respectively. The weighted average share price on the date of allotment of options during the years ended March 31, 2026 and 2025 was ₹ 1,329 and ₹ 1,363 per share, respectively.

Dr. Reddy's Employees Stock Option Scheme, 2018 (the “DRL 2018 Plan”)

The Company instituted the DRL 2018 Plan for all eligible employees pursuant to the special resolution approved by the shareholders at the Annual General Meeting held on July 27, 2018. The DRL 2018 Plan covers all employees and directors (excluding independent and promoter directors) of the parent company and its subsidiaries (collectively, “eligible employees”). Upon the exercise of options granted under the DRL 2018 Plan, the applicable equity shares may be issued directly by the Company to the eligible employee or may be transferred from the Dr. Reddy's Employees ESOS Trust (the “ESOS Trust”) to the eligible employee. The ESOS Trust may acquire such equity shares through primary issuances by the Company and/or by way of secondary market acquisitions funded through loans from the Company. The Nomination, Governance and Compensation Committee of the Board of the parent company (the “Compensation Committee”) administers the DRL 2018 Plan and grants stock options to eligible employees, but may delegate functions and powers relating to the administration of the DRL 2018 Plan to the ESOS Trust. The Compensation Committee determines which eligible employees will receive the options, the number of options to be granted, the exercise price, the vesting period and the exercise period. The vesting period is determined for all options issued on the date of grant. The options issued under the DRL 2018 Plan vest in periods ranging between the end of one and five years, and generally have a maximum contractual term of five years from vesting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.29 Employee stock incentive plans (Continued)

The DRL 2018 Plan provides for option grants having an exercise price equal to the fair market value of the underlying equity shares on the date of grant are as follows after giving effect of stock split in October 2024:

Particulars	Number of securities to be acquired from secondary market	Number of securities to be issued by the Company	Total
Options reserved against equity shares	12,500,000	7,500,000	20,000,000
Options reserved against ADRs	-	5,000,000	5,000,000
Total	12,500,000	12,500,000	25,000,000

The outstanding shares purchased from secondary market as of March 31,2026 and 2025, are 1,965,575 and 2,452,260 shares for an aggregate consideration of ₹ 1,815 and ₹ 2,264, respectively.

Stock option activity under the DRL 2018 Plan during the years ended March 31, 2026 and 2025 was as follows:

Fair Market Value Options

Particulars	For the year ended March 31, 2026			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
Outstanding at the beginning of the year	2,399,070	521.40 to 1,274.00	959.34	67
Granted during the year	915,763	1,162.00	1,162.00	96
Expired/forfeited during the year	(371,675)	521.40 to 1,270.00	1,093.04	-
Exercised during the year	(486,685)	521.40 to 1,060.20	750.23	-
Outstanding at the end of the year	2,456,473	521.40 to 1,274.00	1,056.09	67
Exercisable at the end of the year	536,635	521.40 to 1,274.00	757.05	38

Fair Market Value Options

Particulars	For the year ended March 31, 2025			
	Shares arising out of options	Range of exercise prices	Weighted average exercise price	Weighted average remaining useful life (months)
Outstanding at the beginning of the year	2,087,265	521.40 to 1,102.80	832.80	70
Granted during the year	706,670	1,270.00 & 1,274.00	1,270.00	96
Expired/forfeited during the year	(229,680)	521.40 to 1,270.00	956.89	-
Exercised during the year	(165,185)	521.40 to 1,060.20	692.69	-
Outstanding at the end of the year	2,399,070	521.40 to 1,274.00	959.34	67
Exercisable at the end of the year	366,420	521.40 to 1,102.80	671.61	31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.29 Employee stock incentive plans (Continued)

The weighted average grant date fair value of options granted during the years ended March 31,2026 and 2025 was ₹ 388 and ₹454 per option, respectively. The weighted average share price on the date of allotment of options during the years ended March 31,2026 and 2025 was ₹ 1,262 and ₹1,290 per share, respectively.

Valuation of stock options:

The fair value of services received in return for stock options granted to employees is measured by reference to the fair value of stock options granted. The fair value of stock options granted under the DRL 2002 Plan, DRL 2007 Plan and the DRL 2018 Plan has been measured using the Black–Scholes-Merton model at the date of the grant.

The Black-Scholes-Merton model includes assumptions regarding dividend yields, expected volatility, expected terms and risk free interest rates. In respect of par value options granted, the expected term of an option (or “option life”) is estimated based on the vesting term and contractual term, as well as the expected exercise behavior of the employees receiving the option. In respect of fair market value options granted, the option life is estimated based on the simplified method. Expected volatility of the option is based on historical volatility, during a period equivalent to the option life, of the observed market prices of the Company’s publicly traded equity shares. Dividend yield of the options is based on recent dividend activity. Risk-free interest rates are based on the government securities yield in effect at the time of the grant. These assumptions reflect management’s best estimates, but these assumptions involve inherent market uncertainties based on market conditions generally outside of the Company’s control.

As a result, if other assumptions had been used in the current period, stock-based compensation expense could have been materially impacted. Further, if management uses different assumptions in future periods, stock based compensation expense could be materially impacted in future years.

The estimated fair value of stock options is recognized in the consolidated income statement on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in substance, multiple awards.

The weighted average inputs used in computing the fair value of options granted were as follows:

Particulars	Grants made on			
	May 09,2025	November 04, 2024	May 06, 2024	May 06, 2024
Expected volatility	24.99%	23.89%	24.65%	25.47%
Exercise price	₹ 1,162.00	₹ 1,274.00	₹ 1,270.00	₹ 1,270.00
Option life	5.5 Years	5.0 Years	4.5 Years	5.5 Years
Risk-free interest rate	6.16%	6.79%	7.18%	7.19%
Expected dividends	0.69%	0.63%	0.64%	0.64%
Grant date share price	₹ 1,155.90	₹ 1,268.30	₹ 1,258.69	₹ 1,258.69



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.29 Employee stock incentive plans (Continued)

Share-based payment expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Equity settled share-based payment expense ⁽¹⁾	326	424
Cash settled share-based payment expense ⁽²⁾	297	372
	623	796

⁽¹⁾ As of March 31, 2026 and 2025, there was ₹ 433 and ₹430, respectively, of total unrecognized compensation cost related to unvested stock options. This cost is expected to be recognized over a weighted-average period of 1.72 years and 1.68 years, respectively.

⁽²⁾ Certain of the Company's employees are eligible to receive share based payment awards that are settled in cash. These awards vest only upon satisfaction of certain service conditions which range from 1 to 4 years. A category of these awards are also linked to the overall performance of the company. These awards entitle the employees to a cash payment on the vesting date. The amount of the cash payment is determined based on the share price of the Company at the time of vesting. As of March 31, 2026, and 2025, there was ₹396 and ₹ 366, respectively, of total unrecognized compensation cost related to unvested awards. This cost is expected to be recognized over a weighted-average period of 1.87 years and 1.57 years, respectively. This scheme does not involve dealing in or subscribing to or purchasing securities of the Company, directly or indirectly.

2.30 Income taxes

a) Income tax expense/(benefit) recognised in the consolidated statement of profit and loss

Income tax expense recognised in the consolidated statement of profit and loss consists of the following:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current taxes		
Domestic	9,599	17,910
Foreign	4,346	4,671
	13,945	22,581
Deferred taxes		
Domestic	942	(1,074)
Foreign	(2,536)	(1,964)
	(1,594)	(3,038)
Total income tax expense recognised in the consolidated statement of profit and loss	12,351	19,543

b) Income tax expense/(benefit) recognised directly in Other Comprehensive income/(loss)

Income tax expense/(benefit) recognised directly in Other Comprehensive income/(loss) consist of the following:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Tax effect on effective portion of change in fair value of cash flow hedges	(392)	58
Tax effect on actuarial gains/losses on defined benefit obligations	56	(24)
Total income tax (benefit) recognised in the other Comprehensive income/(loss)	(336)	34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.30 Income taxes (Continued)

c) Reconciliation of effective tax rate

The following is a reconciliation of the Company's effective tax rates for the years ended March 31, 2026 and March 31, 2025:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before income taxes	53,927	76,795
Enacted tax rate in India	25.17%	25.17%
Computed expected tax expense	13,573	19,329
<i>Effect of:</i>		
Differences between Indian and foreign tax rates	(384)	(241)
Unrecognised deferred tax assets/(recognition of previously Unrecognised deferred tax assets), net	(267)	2
Expenses not deductible for tax purposes	921	860
Income exempt from income taxes	(199)	(483)
Foreign exchange differences	(424)	(124)
Reversal of deferred tax asset on indexation of land	-	473
Income from sale of capital assets	(53)	(242)
Others	(816)	(31)
Income tax expense	12,351	19,543
Effective tax rate	22.90%	25.45%

The Company's effective tax rate for the year ended March 31, 2026, was lower as compared to the year ended March 31, 2025. This was primarily on account of

- a) an increase in the proportion of the Company's profits coming from lower tax jurisdictions and a increase in the proportion of profits from lower tax jurisdictions for the period ended March 31, 2026, as compared to the period ended March 31, 2025.
- b) reversal of deferred tax on Indexation of land during the year ended March 31, 2025; and
- c) the recognition of a previously unrecognized deferred tax asset on operating tax losses, during the year ended March 31, 2026.

The Company's effective tax rate for the year ended March 31, 2025, was higher as compared to the year ended March 31, 2024. This increase was primarily on account of:

- a) the reversal of a previously recognized deferred tax asset on indexation of land, consequent to amendments made pursuant to the Finance Act (No.2) 2024 to the Income Tax Act, 1961 in India;
- b) the recognition of a previously unrecognized deferred tax asset on operating tax losses, primarily pertaining to Dr. Reddy's Laboratories SA, Switzerland during the year ended March 31, 2024; and
- c) an increase in the proportion of the Company's profits coming from higher tax jurisdictions and a decrease in the proportion of profits from lower tax jurisdictions for the period ended March 31, 2025, as compared to the period ended March 31, 2024.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.30 Income taxes (Continued)

d) Unrecognised deferred tax assets and liabilities

The details of unrecognized deferred tax assets and liabilities are summarized below:

Particulars	As at March 31, 2026	As at March 31, 2025
Deductible temporary differences, net	₹ 303	₹ 217
Operating tax loss carry-forward	1,457	1,587
	₹ 1,760	₹ 1,804

Deferred tax liability is not provided on undistributed earnings of ₹ 50,615 and ₹ 44,950 as of March 31, 2026 and 2025, respectively of subsidiaries and joint ventures, where it is expected that earnings of the subsidiaries will not be distributed in the foreseeable future. Generally, the Company indefinitely reinvests all of the accumulated undistributed earnings of subsidiaries, and accordingly, has not recorded any deferred taxes in relation to such undistributed earnings of its subsidiaries.

e) Deferred tax assets and liabilities

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Asset	Liability	Asset	Liability
Deferred tax assets/(liabilities):				
Inventories	6,677	(41)	4,658	(41)
Trade receivables	8,494	(285)	7,261	(258)
Right of use asset	-	(3,117)	-	(1,102)
Operating tax loss and interest loss carry-forward	3,191	-	2,844	-
Current liabilities and provisions	2,555	(90)	2,100	(34)
Property, plant and equipment	-	(14,024)	1,022	(12,980)
Lease liability	3,518	-	1,205	-
Investments	46	(889)	43	(472)
Others	709	(21)	257	(216)
Deferred tax assets/(liabilities)	25,190	(18,467)	19,390	(15,103)
Set-off of taxes	(3,000)	3,000	(1,065)	1,065
Net deferred tax assets/(liabilities)	22,190	(15,467)	18,325	(14,038)

In assessing whether the deferred tax assets will be realized, management considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of the deferred tax assets and tax loss carry-forwards is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will realize the benefits of those recognized deductible differences and tax loss carry-forwards. Recoverability of deferred tax assets is based on estimates of future taxable income. Any changes in such future taxable income would impact the recoverability of deferred tax assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.30 Income taxes (Continued)

Operating loss carry-forward consists of business losses, unabsorbed depreciation and unabsorbed interest carry-forwards. A portion of this total loss can be carried indefinitely and the remaining amounts expire at various dates ranging from 2026 through 2041.

f) Movement in deferred tax assets and liabilities during the years ended March 31, 2026 and March 31, 2025

The details of movement in deferred tax assets and liabilities are summarised below:

Particulars	As at April 01, 2025	Recognised in the consolidated statement of profit and loss /FCTR*	Recognised in Other Comprehensive income/(loss)	Recognized on business combination (Refer Note 2.39)	As at March 31, 2026
Deferred tax assets/(liabilities)					
Inventories	4,617	2,019	-	-	6,636
Trade receivables	7,003	1,206	-	-	8,209
Right of use asset	(1,102)	(2,015)	-	-	(3,117)
Operating/other tax loss carry-forward	2,844	347	-	-	3,191
Current liabilities and provisions	2,067	62	336	-	2,465
Property, plant and equipment	(11,958)	(2,066)	-	-	(14,024)
Lease liability	1,205	2,313	-	-	3,518
Investments	(429)	(414)	-	-	(843)
Others	40	648	-	-	688
Net deferred tax assets	4,287	2,100	336	-	6,723

Particulars	As at April 01, 2024	Recognised in the consolidated statement of profit and loss /FCTR*	Recognised in Other Comprehensive income/(loss)	Recognized on business combination (Refer Note 2.39)	As at March 31, 2025
Deferred tax assets/(liabilities)					
Inventories	4,364	253	-	-	4,617
Trade receivables	4,522	2,481	-	-	7,003
Right of use asset	(750)	(352)	-	-	(1,102)
Operating/other tax loss carry-forward	2,426	418	-	-	2,844
Current liabilities and provisions	2,169	(68)	(34)	-	2,067
Property, plant and equipment	(3,540)	65	-	(8,483)	(11,958)
Lease liability	854	351	-	-	1,205
Investments	(424)	(5)	-	-	(429)
Others	116	(76)	-	-	40
Net deferred tax assets	9,737	3,067	(34)	(8,483)	4,287



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.30 Income taxes (Continued)

* The amounts recognized in the consolidated statement of profit and loss/FCTR for the years ended March 31, 2026 and 2025 include ₹ 506 and ₹ 29, respectively, which represent exchange differences arising due to foreign currency translations.

g) Uncertain tax positions– Tax litigations

The Company is contesting various disallowances by the Income Tax authorities. The associated tax impact for disallowances being more likely than not to be accepted by tax authorities is ₹ 2,935 and ₹ 2,875 as of March 31, 2026 and 2025, respectively. Accordingly, no provision is made in these consolidated financial statements as of March 31, 2026.

h) Assessment of exposure to Pillar Two rules

Legislation to implement the Pillar Two model rules of the OECD has been enacted or substantively enacted in certain jurisdictions where the Company operates. The legislation is effective for the Company’s reporting year beginning April 01, 2024. The Company is within the scope of the enacted or substantively enacted legislation.

The Company’s assessment of the potential exposure to Pillar Two income taxes is based on the most recent country-by-country reporting, income tax returns and financial statements of the constituent entities within the Company.

Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Company operates are above 15%, and thus Pillar Two income taxes would not apply. However, there are a limited number of jurisdictions where the transitional safe harbour relief does not apply, and the Pillar Two effective tax rate is lower than 15%. This amendment had no material impact on these consolidated financial statements.

2.31 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments as at March 31, 2026 and March 31, 2025 were as follows:

Particulars	Category	As at March 31, 2026		As at March 31, 2025	
		Total carrying value	Total fair value/ amortised cost	Total carrying value	Total fair value/ amortised cost
Financial assets					
Cash and cash equivalents	Amortised Cost	15,368	15,368	14,654	14,654
Other bank balances	Amortised Cost	18,119	18,119	9,948	9,948
Investments ⁽¹⁾	Refer Note 2.7 A	47,175	47,175	35,700	35,700
Trade receivables	Amortised Cost	101,234	101,234	90,420	90,420
Derivative instruments	FVTPL	155	155	557	557
Other financial assets	Amortised Cost	25,172	25,172	12,017	12,017
Total		207,223	207,223	163,296	163,296
Financial liabilities					
Trade payables	Amortised Cost	30,379	30,379	26,478	26,478
Long-term borrowings	Amortised Cost	-	-	3,800	3,800
Short-term borrowings	Amortised Cost	62,935	62,935	38,045	38,045
Lease liabilities	Amortised Cost	14,406	14,406	4,921	4,921
Derivative instruments	FVTPL	6,898	6,898	1,286	1,286
Other financial liabilities	Amortised Cost	40,517	40,517	39,896	39,896
Total		155,135	155,135	114,426	114,426

⁽¹⁾ Interest accrued but not due on investments is included in other financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.31 Financial instruments (Continued)

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2026:

Particulars	Level 1	Level 2	Level 3	Total
FVTPL - Financial asset - Investments in units of mutual funds	35,912	-	-	35,912
FVTPL - Financial asset - Investment in limited liability partnership firm ⁽²⁾	-	-	1,449	1,449
FVTPL - Financial asset - Investment in equity securities	816	-	-	816
FVTPL - Financial asset - Investment in Others	-	-	472	472
FVTOCI - Financial asset - Investment in equity securities	14	-	1	15
Derivative financial instruments – net gain/(loss) on outstanding foreign exchange forward, option and swap contracts and interest rate swap contracts ⁽¹⁾	-	(6,743)	-	(6,743)
FVTPL – Financial liability – Contingent consideration	-	-	(220)	(220)

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2025:

Particulars	Level 1	Level 2	Level 3	Total
FVTPL - Financial asset - Investments in units of mutual funds	33,186	-	-	33,186
FVTPL - Financial asset - Investment in limited liability partnership firm ⁽²⁾	-	-	1,123	1,123
FVTPL - Financial asset - Investment in equity securities	87	-	1	88
FVTPL - Financial asset - Investment in Others	-	-	219	219
FVTOCI – Financial asset – Investment in market linked debentures	49	-	-	49
Derivative financial instruments – net gain/(loss) on outstanding foreign exchange forward, option and swap contracts and interest rate swap contracts ⁽¹⁾	-	(729)	-	(729)
FVTPL – Financial liability – Contingent consideration	-	-	(2,916)	(2,916)

⁽¹⁾ The Company enters into derivative financial instruments with various counterparties, principally financial institutions and banks. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward option and swap contracts. The most frequently applied valuation techniques include forward pricing, swap models and Black-Scholes-Merton models (for option valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curves and forward rate curves.

⁽²⁾ Fair value of these instruments is determined based on independent valuation report, which considers net asset value method.

As at March 31, 2026 and March 31, 2025, the changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.31 Financial instruments (Continued)

Derivative financial instruments

The Company had a derivative financial asset and derivative financial liability of ₹ 155 and ₹6,898, respectively, as at March 31, 2026 as compared to derivative financial asset and derivative financial liability of ₹ 557 and ₹ 1,286, respectively, as at March 31, 2025 towards these derivative financial instruments.

Details of gain/(loss) recognised in respect of derivative contracts

The following table presents details in respect of the gain/(loss) recognised in respect of derivative contracts to hedge highly probable forecast transactions during the applicable year ended :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net (loss) recognised as a part of consolidated statement of profit and loss in respect of foreign exchange derivative contracts and cross currency interest rate swaps contracts.	(249)	(64)
Net gain/ (loss) recognised in OCI in respect of hedges of highly probable forecast transactions.	(1,663)	2,432
Net (loss)/ gain reclassified from OCI and recognised as component of revenue occurrence of forecasted transaction	(2,973)	(759)

The net carrying amount of the Company's "hedging reserve" as a component of equity before adjusting for tax impact was a loss of ₹ 1,555 as at March 31, 2026, as compared to a gain of ₹ 143 as at March 31, 2025.

Outstanding foreign exchange derivative contracts

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contracts as at March 31, 2026:

Category	Instrument	Currency ⁽¹⁾	Cross Currency ⁽¹⁾	Amounts in millions	Buy/Sell
Hedges of recognised assets and liabilities	Forward contract	CAD	INR	CAD 11	Sell
	Forward contract	US\$	INR	US\$ 914	Sell
	Forward contract	ZAR	INR	ZAR 231	Sell
	Forward contract	GBP	INR	GBP 11	Sell
	Forward contract	AUD	INR	AUD 4	Sell
	Forward contract	EUR	INR	EUR 26	Sell
	Forward contract	US\$	MXN	US\$ 13	Sell
	Forward contract	US\$	BRL	US\$ (17)	Buy
	Forward contract	US\$	CLP	US\$ (4)	Buy
	Forward contract	US\$	COP	US\$ (3)	Buy
	Forward contract	US\$	KZT	US\$ (12)	Buy
	Forward contract	RUB	US\$	RUB 1,000	Sell
	Forward contract	AUD	GBP	AUD 8	Sell
	Forward contract	EUR	DKK	EUR 3	Sell
	Forward contract	EUR	US\$	EUR (65)	Buy
	Forward contract	US\$	DKK	US\$ (28)	Buy
	Forward contract	GBP	US\$	GBP (19)	Buy
	Forward contract	AUD	US\$	AUD 27	Sell

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.31 Financial instruments (Continued)

Category	Instrument	Currency ⁽¹⁾	Cross Currency ⁽¹⁾	Amounts in millions	Buy/Sell
Hedges of highly probable forecasted transactions	Forward contract	US\$	RON	US\$ (23)	Buy
	Forward contract	US\$	CAD	US\$ (15)	Buy
	Currency swap	US\$	INR	US\$ 100	Swap
	Forward contract	US\$	INR	US\$ 228	Sell
	Forward contract	RUB	US\$	RUB 1,610	Sell
	Forward contract	BRL	US\$	US\$ 5	Sell
	Option contract	US\$	INR	US\$ 255	Sell

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contracts as at March 31, 2025:

Category	Instrument	Currency ⁽¹⁾	Cross Currency ⁽¹⁾	Amounts in millions	Buy/Sell
Hedges of recognised assets and liabilities	Forward contract	CAD	INR	CAD 1	Sell
	Forward contract	US\$	INR	US\$ 842	Sell
	Forward contract	ZAR	INR	ZAR 216	Sell
	Forward contract	GBP	INR	GBP 10	Sell
	Forward contract	AUD	INR	AUD 8	Sell
	Forward contract	EUR	INR	EUR 12	Sell
	Forward contract	US\$	BRL	USD (10)	Buy
	Forward contract	US\$	CLP	US\$ (4)	Buy
	Forward contract	US\$	COP	US\$ (9)	Buy
	Forward contract	US\$	KZT	US\$ (8)	Buy
	Forward contract	RUB	US\$	RUB 3,700	Sell
	Forward contract	EUR	US\$	EUR (78)	Buy
	Forward contract	GBP	US\$	GBP (31)	Buy
	Forward contract	US\$	AUD	US\$ (4)	Buy
	Forward contract	US\$	RON	US\$ (15)	Buy
	Currency swap	US\$	INR	US\$ 100	Sell
	Forward contract	US\$	INR	US\$ 30	Sell
	Forward contract	RUB	US\$	RUB 2,500	Sell
	Forward contract	BRL	US\$	BRL 106	Sell
	Option contract	US\$	INR	US\$ 771	Sell

⁽¹⁾ "INR" means Indian Rupees, "US\$" means United States dollars, "CAD" means Canadian dollars, "RON" means Romanian new leus, "GBP" means U.K. pounds sterling, "AUD" means Australian dollars, "ZAR" means South African rands, "EUR" means Euros, "BRL" means Brazilian reals, "CLP" means Chilean pesos, "COP" means Colombian pesos, "KZT" means Kazakhstani tenges, and "RUB" means Russian roubles.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.31 Financial instruments (Continued)

The table below summarises the periods when the cash flows associated with highly probable forecast transactions that are classified as cash flow hedges are expected to occur:

Particulars	As at March 31, 2026	As at March 31, 2025
Cash flows in United States dollars		
Not later than one month	4,770	6,535
Later than one month and not later than three months	9,996	13,069
Later than three months and not later than six months	11,949	18,616
Later than six months and not later than one year	19,062	30,258
	45,777	68,478
Cash flows in Russian Roubles		
Not later than one month	419	716
Later than one month and not later than three months	1,455	1,841
	1,874	2,557
Cash flows in Brazilian Reals		
Not later than one month	90	264
Later than one month and not later than three months	-	532
Later than three months and not later than six months	-	789
	90	1,585

Hedges of changes in the interest rates

Consistent with its risk management policy, the Company uses interest rate swaps (including cross currency interest rate swaps) to mitigate the risk of changes in interest rates. The Company does not use them for trading or speculative purposes. The Company does not have any significant long term borrowings. Hence, the interest rate risk on borrowings is not significant.

2.32 Financial risk management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

a. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

Foreign exchange risk

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (U.K. pounds sterling, Russian roubles, Brazilian reals, Swiss francs, South African rands, Kazakhstan tenges, Romanian new leus,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.32 Financial risk management (Continued)

Austrailian dollars and Euros) and foreign currency borrowings (in United States dollars, Russian roubles, Mexican pesos, Ukrainian hryvnias and Brazilian reals). A significant portion of the Company's revenues are in these foreign currencies, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues measured in Indian rupees may decrease. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses both derivative and non-derivative financial instruments, such as foreign exchange forward contracts, option contracts, currency swap contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecast transactions and recognised assets and liabilities.

The details in respect of the outstanding foreign exchange forward and option contracts are given in note 2.31 to these consolidated financial statements.

In respect of the Company's forward and option contracts, a 10% increase/(decrease) in the respective exchange rates of each of the currencies underlying such contracts would have resulted in:

- ₹ 4,059/(3,688) increase/(decrease) in the Company's hedging reserve before tax and a ₹ 7,294/(7,192) increase/(decrease) in the Company's profit from such contracts, as at March 31, 2026;
- ₹ 6,053/(6,184) increase/(decrease) in the Company's hedging reserve before tax and a ₹ 5,927/(5,927) increase/(decrease) in the Company's profit from such contracts, as at March 31, 2025;

The following table analyses foreign currency risk from non-derivative financial instruments as at March 31, 2026:

Particulars	United States dollars	Euros	Russian roubles	Others ⁽¹⁾	Total
Assets					
Cash and cash equivalents	4,566	-	88	-	4,654
Investments	849	-	-	-	849
Trade receivables	52,042	1,174	2,680	2,176	58,072
Other financial assets	854	2	5	-	861
Total	58,311	1,176	2,773	2,176	64,436
Liabilities					
Trade payables	7,798	1,241	564	1,512	11,115
Lease liabilities	8,562	147	3	181	8,893
Other financial liabilities	11,775	322	68	635	12,800
Total	28,135	1,710	635	2,328	32,808

⁽¹⁾ Other primarily consists of Swiss francs, U.K. pounds sterling, Chinese yuans (Renminbi) and Romanian leu.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.32 Financial risk management (Continued)

The following table analyses foreign currency risk from non-derivative financial instruments as at March 31, 2025:

Particulars	United States dollars	Euros	Russian roubles	Others ⁽¹⁾	Total
Assets					
Cash and cash equivalents	4,098	390	143	272	4,903
Investments	210	104	-	-	314
Trade receivables	59,076	498	2,865	2,133	64,572
Other financial assets	797	17	3	34	851
Total	64,181	1,009	3,011	2,439	70,640
Liabilities					
Trade payables	7,425	1,324	528	122	9,399
Short-term borrowings	10,898	-	-	38	10,936
Lease liabilities	1,851	242	18	38	2,149
Other financial liabilities	5,970	485	111	624	7,191
Total	26,144	2,051	657	822	29,675

⁽¹⁾ Others primarily consists of U.K. pounds sterling, Swiss francs, Romanian new leus, Chinese Yuans (Renminbi), Canadian Dollars and Ukrainian hryvnia.

For the years ended March 31, 2026 and March 31, 2025, every 10% depreciation/appreciation in the foreign exchange rate between the Indian rupee and the respective currencies for the above-mentioned financial assets/liabilities would affect the Company's net profit by ₹ 3,163 and ₹4,097, respectively.

Interest rate risk

As at March 31, 2026, the Company had loans with floating interest rates as follows:

- ₹ 41,500 of loans carrying a floating interest rate of T-bill + 35 bps to 55 bps;
- ₹ 12,690 of loans carrying a floating interest rate of Repo rate + 75 bps;
- ₹ 3,799 of loans carrying a floating interest rate of 3 Months T-bill + 84 bps;
- ₹ 1,423 of loans carrying a floating interest rate of Key rate + 3.48% to 3.98%;
- ₹ 2,795 of loans carrying a floating interest rate of TIIE + 1.35%; and
- ₹ 727 of loans carrying a floating interest rate of CDI + 1.55%.

As at March 31, 2025, the Company had loans with floating interest rates as follows:

- ₹ 22,000 of loans carrying a floating interest rate of T-bill + 35 bps to 70 bps;
- ₹ 3,800 of loans carrying a floating interest rate of 3 Months T-bill + 84 bps;
- ₹ 10,856 of loans carrying a floating interest rate of 6 Months SOFR + 10 bps to 65 bps;
- ₹ 1,274 of loans carrying a floating interest rate of Key rate + 4.7% to 5.9%;
- ₹ 2,217 of loans carrying a floating interest rate of TIIE + 1.35%; and
- ₹ 595 of loans carrying a floating interest rate of CDI + 1.55%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.32 Financial risk management (Continued)

For details of the Company's short-term and long-term loans and borrowings, including interest rate profiles, refer to Note 2.11A and B of these consolidated financial statements.

For the years ended March 31, 2026 and March 31, 2025 every 10% increase or decrease in the floating interest rate component (i.e., CDI, and TIIE) applicable to its loans and borrowings would affect the Company's net profit by ₹ 347 and ₹ 271 respectively.

The carrying value of the Company's borrowings, interest component of which was designated in a cash flow hedge, was ₹ 0 as of March 31, 2026 and March 31, 2025.

The Company's investments in term deposits (i.e., certificates of deposit) with banks and short-term liquid mutual funds are for short durations, and therefore do not expose the Company to significant interest rates risk.

Note that "CDI" means the Interbank Certificate of Deposit (Certificado de Depósito Interbancário), "Key rate" means the key interest rate published by the Central Bank of Russia, "SOFR" means Secured Overnight Financing Rate, "T-bill" means the India Treasury bill and "TIIE" means the Equilibrium Inter-Banking Interest Rate (Tasa de Interés Interbancaria de Equilibrio).

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's active pharmaceutical ingredients business are generally more volatile. Cost of raw materials forms the largest portion of the Company's operating expenses. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As at March 31, 2026, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

b. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of expected losses in respect of trade and other receivables and investments.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Details of financial assets – not due, past due and impaired

None of the Company's cash equivalents, including term deposits (i.e., certificates of deposit) with banks, were past due or impaired as at March 31, 2026. The Company's credit period for trade receivables payable by its customers generally ranges from 20 - 180 days.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.32 Financial risk management (Continued)

The ageing of trade receivables is given below:

Particulars	As at March 31, 2026	As at March 31, 2025
Neither past due nor impaired	86,003	81,010
Past due		
Less than 365 days	14,640	9,070
More than 365 days	905	467
Past due – Impaired		
Less than 365 days	141	-
More than 365 days	1,393	1,351
	103,082	91,898
Less : Allowance for credit losses	(1,848)	(1,478)
Total	101,234	90,420

See Note 2.7 B of these consolidated financial statements for the activity in the allowance for credit losses.

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

c. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company’s reputation.

As at March 31, 2026, and March 31, 2025, the Company had uncommitted lines of credit from banks of ₹ 49,109 and ₹ 50,904 respectively.

As at March 31, 2026, the Company had working capital of ₹134,420, including cash and cash equivalents of ₹15,368, investments in term deposits with banks and bonds of ₹ 36,534 and investments in mutual funds of ₹35,912.

As at March 31, 2025, the Company had working capital of ₹ 119,842, including cash and cash equivalents of ₹ 14,654, investments in term deposits with banks and bonds of ₹ 9,948 and investments in mutual funds of ₹ 33,186.

The table below provides details regarding the contractual maturities of significant financial liabilities (other than long-term borrowings and obligations under leases, which have been disclosed in note 2.11 A to these consolidated financial statements) as at March 31, 2026:

Particulars	On demand	2027	2028	2029	2030	Thereafter	Total
Trade payables	-	30,379	-	-	-	-	30,379
Short-term borrowings	-	62,935	-	-	-	-	62,935
Derivative instruments	-	6,898	-	-	-	-	6,898
Other financial liabilities	-	40,087	357	73	-	-	40,517

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.32 Financial risk management (Continued)

The table below provides details regarding the contractual maturities of significant financial liabilities (other than long-term borrowings and obligations under finance leases, which have been disclosed in note 2.11 A to these consolidated financial statements) as at March 31, 2025:

Particulars	On demand	2026	2027	2028	2029	Thereafter	Total
Trade payables	-	26,478	-	-	-	-	26,478
Short-term borrowings	-	38,405	-	-	-	-	38,045
Derivative instruments	-	1,286	-	-	-	-	1,286
Other financial liabilities	-	38,849	97	51	50	849	39,896

2.33 Contingent liabilities and commitments

A. Contingent liabilities : The Company is involved in disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations and proceedings (collectively, “Legal Proceedings”), including patent and commercial matters that arise from time to time in the ordinary course of business. Most of the claims involve complex issues. Often, these issues are subject to uncertainties and therefore the probability of a loss, if any, being sustained and an estimate of the amount of any loss is often difficult to ascertain. Consequently, for a majority of these claims, it is not possible to make a reasonable estimate of the expected financial effect, if any, that will result from ultimate resolution of the proceedings. This is due to a number of factors, including: the stage of the proceedings (in many cases trial dates have not been set) and the overall length and extent of pre-trial discovery; the entitlement of the parties to an action to appeal a decision; clarity as to theories of liability; damages and governing law; uncertainties in timing of litigation; and the possible need for further legal proceedings to establish the appropriate amount of damages, if any. In these cases, the Company, based on internal and external legal advice, assesses the need to make a provision or discloses information with respect to the nature and facts of the case.

The Company also believes that disclosure of the amount sought by plaintiffs, if that is known, would not be meaningful with respect to those legal proceedings.

Although there can be no assurance regarding the outcome of any of the Legal Proceedings referred to in this Note, the Company does not expect them to have a materially adverse effect on its financial position, results of operations or cash flows, as it believes that the likelihood of loss in excess of amounts accrued (if any) is not probable. However, if one or more of such Legal Proceedings were to result in judgments against the Company, such judgments could be material to its results of operations or cash flows in a given period.

Product and patent related matters

Matters relating to National Pharmaceutical Pricing Authority

Norfloxacin, India litigation

The Company manufactures and distributes Norfloxacin, a formulations product, and in limited quantities, the active pharmaceutical ingredient norfloxacin. Under the Drugs (Prices Control) Order (the “DPCO”), the National Pharmaceutical Pricing Authority (the “NPPA”) established by the Government of India had the authority to designate a pharmaceutical product as a “specified product” and fix the maximum selling price for such product. In 1995, the NPPA issued a notification and designated Norfloxacin as a “specified product” and fixed the maximum selling price. In 1996, the Company filed a statutory Form III before the NPPA for the upward revision of the maximum selling price and a writ petition in the Andhra Pradesh High Court (the “High Court”) challenging the validity of the designation on the grounds that the applicable rules of the DPCO were not complied with while fixing the maximum selling price. The High Court had previously granted an interim order in favour of the Company; however, it subsequently dismissed the case in April 2004.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.33 Contingent liabilities and commitments (continued)

The Company filed a review petition in the High Court in April 2004 which was also dismissed by the High Court in October 2004. Subsequently, the Company appealed to the Supreme Court of India, New Delhi (the “Supreme Court”) by filing a Special Leave Petition.

During the year ended March 31, 2006, the Company received a notice from the NPPA demanding the recovery of the price charged by the Company for sales of Norfloxacin in excess of the maximum selling price fixed by the NPPA, which was ₹ 285 including interest.

The Company filed a writ petition in the High Court challenging this demand order. The High Court admitted the writ petition and granted an interim order, directing the Company to deposit 50% of the principal amount claimed by the NPPA, which was ₹ 77. The Company deposited this amount with the NPPA in November 2005. In February 2008, the High Court directed the Company to deposit an additional amount of ₹ 30, which was deposited by the Company in March 2008. In November 2010, the High Court allowed the Company’s application to include additional legal grounds that the Company believed strengthened its defence against the demand. For example, the Company added as grounds that trade margins should not be included in the computation of amounts overcharged, and that it was necessary for the NPPA to set the active pharmaceutical ingredient price before the process of determining the ceiling on the formulation price. In October 2013, the Company filed an additional writ petition before the Supreme Court challenging the inclusion of Norfloxacin as a “specified product” under the DPCO. In January 2015, the NPPA filed a counter affidavit stating that the inclusion of Norfloxacin was based upon the recommendation of a committee consisting of experts in the field. On July 20, 2016, the Supreme Court remanded the matters concerning the inclusion of Norfloxacin as a “specified product” under the DPCO back to the High Court for further proceedings. During the three months ended September 30, 2016, the Supreme Court dismissed the Special Leave Petition pertaining to the fixing of prices for Norfloxacin formulations.

During the three months ended December 31, 2016, a writ petition pertaining to Norfloxacin was filed by the Company with the Delhi High Court. In addition, the Company has filed writ petitions challenging the inclusion and designation of Theophylline/Doxofylline, Cloxacillin and Ciprofloxacin as “specified products” under the DPCO and the related demand notices issued thereunder. These matters were consolidated with the Norfloxacin matter and have been adjourned to October 28, 2026 for hearing.

Based on its best estimate, the Company has recorded a provision for potential liability for sale proceeds in excess of the notified selling prices, including the interest thereon, and believes that the likelihood of any further liability that may arise on account of penalties pursuant to this litigation is not probable.

Litigation relating to Cardiovascular and Anti-diabetic formulations

In July 2014, the NPPA, pursuant to the guidelines issued in May 2014 and the powers granted by the Government of India under the Drugs (Price Control) Order, 2013, issued certain notifications regulating the prices for 108 formulations in the cardiovascular and antidiabetic therapeutic areas. The Indian Pharmaceutical Alliance (“IPA”), in which the Company is a member, filed a writ petition in the Bombay High Court challenging the notifications issued by the NPPA on the grounds that they were ultra vires, ex facie and ab initio void. The Bombay High Court issued an order to stay the writ in July 2014. On September 26, 2016, the Bombay High Court dismissed the writ petition filed by the IPA and upheld the validity of the notifications/orders passed by the NPPA in July 2014. Further, on October 25, 2016, the IPA filed a Special Leave Petition with the Supreme Court, which was dismissed by the Supreme Court.

During the three months ended December 31, 2016, the NPPA issued show-cause notices relating to allegations that the Company exceeded the notified maximum prices for 11 of its products. The Company has responded to these notices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.33 Contingent liabilities and commitments (continued)

On March 20, 2017, the IPA filed an application before the Bombay High Court for the recall of the judgment of the Bombay High Court dated September 26, 2016. This recall application filed by the IPA was dismissed by the Bombay High Court on October 04, 2017. Further, on December 13, 2017, the IPA filed a Special Leave Petition with the Supreme Court for the recall of the judgment of the Bombay High Court dated October 04, 2017, which was dismissed by Supreme Court on January 10, 2018.

During the three months ended March 31, 2017, the NPPA issued notices to the Company demanding payments relating to the foregoing products for the allegedly overcharged amounts, along with interest. On July 13, 2017, in response to a writ petition which the Company had filed, the Delhi High Court set aside all the demand notices of the NPPA and directed the NPPA to provide a personal hearing to the Company and pass a speaking order. A personal hearing in this regard was held on July 21, 2017. On July 27, 2017, the NPPA passed a speaking order along with the demand notice directing the Company to pay an amount of ₹776. On August 03, 2017, the Company filed a writ petition challenging the speaking order and the demand notice. Upon hearing the matter on August 08, 2017, the Delhi High Court stayed the operation of the demand order and directed the Company to deposit ₹100 and furnish a bank guarantee for ₹676. Pursuant to the order, the Company deposited ₹100 on September 13, 2017 and submitted a bank guarantee of ₹676 dated September 15, 2017 to the Registrar General, Delhi High Court. On November 22, 2017, the Delhi High Court directed the Union of India to file a final counter affidavit within six weeks, subsequent to which the Company could file a rejoinder. On May 10, 2018, the counter affidavit was filed by the Union of India. The Company subsequently filed a rejoinder and both were taken on record by the Delhi High Court. The Union of India filed an Affidavit on July 08, 2025, conceding the ground on 10% increase on Maximum Retail Price for every 12 months basis the Bard Judgement (Bharat Serums and Vaccines Limited vs Union of India & Ors.) of the Delhi High Court dated November 08, 2023, and shared the recomputed demand for ₹664 in place of the original demand of ₹776. The matter has been adjourned to 11 August, 2026 for hearing.

Based on its best estimate, the Company has recorded a cumulative provision of ₹ 521(₹ 479 through March 31, 2025) under “Other expenses” as a potential liability for sale proceeds in excess of the notified selling prices, including the interest thereon, and believes that the likelihood of any further liability that may arise on account of penalties pursuant to this litigation is not probable

However, if the Company is unsuccessful in such litigation, it will be required to remit the sale proceeds in excess of the notified selling prices to the Government of India with interest and could potentially include penalties, which amounts are not readily ascertainable.

Other product and patent related matters

Ranitidine recall and litigation

On October 01, 2019, the Company initiated a voluntary nationwide recall in the United States of its generic ranitidine products, at the retail level for over-the-counter products and at the consumer level for prescription products, due to the presence of N-Nitrosodimethylamine (“NDMA”) above levels established by the U.S. Food and Drug Administration (“U.S. FDA”). On April 01, 2020, the U.S. FDA requested manufacturers to withdraw all ranitidine products from the U.S. market.

Federal Multidistrict Litigation - MDL 2924

The Company and/or one or more of its affiliates were named as defendants in thousands of federal lawsuits related to ranitidine. In 2020, these lawsuits were consolidated for pre-trial purposes into In re Zantac (Ranitidine) Products Liability Litigation (MDL No. 2924) (“MDL 2924”), a multi-district litigation in the U.S. District Court for the Southern District of Florida.

On December 31, 2020, the MDL 2924 court dismissed all claims asserted against generic manufacturers based on federal preemption, with leave to amend certain causes of action. On July 08, 2021, all the amended causes of action against generic manufacturers were dismissed with prejudice. On November 07, 2022, the U.S. Court of Appeals for the 11th Circuit affirmed



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.33 Contingent liabilities and commitments (continued)

dismissal of the third-party payor claims. On December 06, 2022, May 15, 2023, and July 14, 2023, the MDL 2924 court entered Daubert and summary judgment rulings dismissing all designated and non-designated cancer personal injury claims against all defendants, including generic manufacturers, and on July 26, 2023, dismissed all economic loss class actions and granted summary judgment in medical monitoring class actions. Final judgments in favor of all defendants were entered on September 26, 2023 and November 14, 2023.

On December 26, 2023, the 11th Circuit consolidated the MDL 2924 appeals. Plaintiffs filed opening briefs on April 10, 2024, defendants filed briefs on July 25, 2024, and plaintiffs filed reply briefs on November 08, 2024. Oral argument occurred on October 10, 2025.

The Company believes that all of the aforesaid complaints and asserted claims are without merit and it denies any wrongdoing and intends to vigorously defend itself against the allegations. Any liability that may arise on account of these claims is unascertainable at this time. Accordingly, no provision was made in these consolidated financial statements.

State Court Ranitidine-related Actions

Ranitidine-related actions were also filed against the Company in various U.S. state courts. The New Mexico Attorney General filed an action asserting public nuisance and negligence claims, and the court denied the generic defendants' preemption motion to dismiss; trial was scheduled for September 15, 2025, and the parties requested a continuance. The City of Baltimore filed a similar action, which was dismissed with prejudice as to the generics. In January 2021, the Company was served in a California Proposition 65 action, and on May 07, 2021, the court dismissed the claims against generic manufacturers without leave to amend; the dismissal was affirmed on appeal, and the California Supreme Court denied review.

More than 360 private plaintiffs filed ranitidine-related actions against the Company in California, Illinois, New Jersey, New York, and Pennsylvania. The Company has been voluntarily dismissed from all cases filed in New Jersey, New York, and Pennsylvania. In Illinois, the cases were consolidated for pre-trial proceedings, and on August 17, 2023, the trial court dismissed all claims against generic manufacturers with prejudice based on federal preemption. On June 30, 2025, the Illinois First District affirmed judgment in favor of the generic manufacturers in the Valadez matter, and on September 24, 2025, the Illinois Supreme Court denied the petition for leave to appeal. In California, approximately 214 cases against the Company were coordinated in Judicial Council Coordination Proceedings in Alameda County, and on December 23, 2024, the Company entered into a confidential master settlement agreement to resolve the California cases pending against it. As of May 05, 2026, all of those cases have been dismissed pursuant to the settlement.

The Company believes that all of the aforesaid complaints and asserted claims are without merit and it denies any wrongdoing and intends to vigorously defend itself against the allegations. Any liability that may arise on account of these claims is unascertainable at this time. Accordingly, no provision was made in these consolidated financial statements.

Class Action under the Canadian Competition Act filed in Federal Court in Toronto, Canada

On June 03, 2020, a Class Action Statement of Claim was filed by an individual consumer in Federal Court in Toronto, Canada, against the Company's U.S. and Canadian subsidiaries and 52 other generic drug companies. The Statement of Claim alleges an industry-wide, overarching conspiracy to violate Sections 45 and 46 of the Canadian Competition Act by conspiring to allocate the market, fix prices, and maintain the supply of generic drugs in Canada. The action is brought on behalf of a class of all persons, from January 01, 2012 to the present, who purchased generic drugs in the private sector. The Statement of Claim states that it seeks damages against all defendants on a joint and several basis, attorney's fees and costs of investigation and prosecution. An Amended Statement of Claim was served on the Company's U.S. and Canadian subsidiaries on 15 January 2021 and added an additional 20 generic drug companies. The Amended Statement of Claim also removed the identification of defendant companies with conspiracy allegations regarding specific generic drugs and alleges a conspiracy to allocate the North America Market as to all generic drugs in Canada. A Second Fresh as Amended Statement of Claim was

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.33 Contingent liabilities and commitments (continued)

served on the Company's U.S. and Canadian subsidiaries on August 24, 2022 and adds an additional 10 drug companies. The Second Fresh as Amended Statement of Claim reinstated the identification of defendant companies with conspiracy allegations regarding specific generic drugs. On June 01, 2023, plaintiffs served and filed a Motion Record for Certification of the proposed class action. On January 15, 2024, the plaintiffs served and filed a Third Fresh as Amended Statement of Claim, clarifying the proposed class as including: consumers who purchased generic drugs at pharmacies prescription drug plan holders or sponsors including employers, businesses, governments, and individual plan holders or sponsors; private insurers and insurance companies that purchase or reimburse for generic drugs; and corporate and other entities that purchase or reimburse for generic drugs in the private sector. It also clarifies the proposed class as excluding distributors, wholesalers, and pharmacies. On June 17, 2024, the plaintiffs served and filed a Supplementary Motion Record for Certification.

The Company's and all defendants' responding evidence to the certification motion was delivered on August 02, 2024. The plaintiffs' reply evidence for the certification motion was delivered November 15, 2024. At the same time, the plaintiffs delivered a further amended claim (the Fourth Amended Statement of Claim), which advances new allegations representing a significant shift in the core conspiracy claim and theory of the case. In addition to the alleged market allocation conspiracy, the plaintiffs now allege that the defendant generic drug manufacturers also conspired with pharmacies to "fix invoice prices for generic drugs in Canada at the maximum formulary price," and that the defendants facilitated this alleged conspiracy through the use of "illegal and anticompetitive kickbacks" paid to pharmacies.

The certification motion previously set by the court for five days was rescheduled to the week of October 27, 2025. Defendants' sur-reply was filed on April 25, 2025, and the plaintiffs' sur-sur-reply evidence was filed on May 23, 2025. Cross-examinations on the affidavits, including the experts' reports, were completed in June 2025. The plaintiff's written arguments were delivered on August 01, 2025, the defendants' responding written arguments were delivered on September 12, 2025, and the plaintiff's reply written arguments were delivered on October 03, 2025. The certification motion was heard from October 27, through October 31, 2025.

On February 20, 2026 the Federal Court denied certification against the Company and all other defendants. Plaintiffs did not appeal this decision within the required timeline, and the matter is therefore effectively terminated, as it cannot proceed as a class action and the plaintiff's individual claim was found to disclose no cause of action.

United States Antitrust Multi-District Litigations

Since November 2016, the *Generic Drug Price Fixing Antitrust Multi-District Litigation*, MDL 2724 (the "MDL 2724") has been pending in the United States District Court in Philadelphia, Pennsylvania. A multi-district litigation or MDL is a U.S. legal proceeding in which all cases relating to the same subject and claims filed anywhere in the United States are sent and consolidated into one legal proceeding in a single U.S. court for purposes of all pretrial activities, such as discovery (including document production and depositions), motions and other legal proceedings. These legal proceedings are administered on a joint or consolidated basis up until trial and then, when all pretrial proceedings have been concluded, cases are sent back to the courts where they were originally filed (if not originally filed in the MDL District) for trial purposes.

All cases filed in the MDL 2724 encompass claims that certain generic drug manufacturers/sellers in the United States (and certain named individual defendants) engaged in a conspiracy, beginning approximately in the year 2009, to agree on the prices at which each generic drug would be sold, and also on the market shares and customers that each manufacturer would have for a generic drug. They include alleged violations of federal antitrust laws and of state consumer protection and antitrust laws of numerous jurisdictions, as well as claims of unjust enrichment.

As of the date of this report, there are approximately 250 plaintiffs having filed a total of 206 cases. The claims in all the cases encompass a total of 404 generic drugs sold during a period beginning approximately in the year 2009. The Company (through its U.S. subsidiary, Dr. Reddy's Laboratories, Inc.) is named specifically as a defendant with respect to 23 generic drugs that it sold during this period of time.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.33 Contingent liabilities and commitments (continued)

In addition, even though each defendant (including the Company) did not sell all the drugs encompassed by the claims, the plaintiffs assert that there was an “overarching conspiracy” among the generic manufacturers which encompassed an agreement and understanding throughout the industry that generic manufacturers would cooperate with each other on prices, customers and market shares on all generic drugs sold in the United States, and that each manufacturer would cooperate on the “fair share” conspiracy whenever it entered or sold a drug in a specific generic drug market. As a result of this alleged “overarching conspiracy” claim, the plaintiffs claim that each defendant (including the Company) is liable for not only the damages suffered with respect to the specific drugs that a defendant sold, but is also liable for all of the damages with respect to all of the drugs alleged in a case whether a manufacturer defendant sold that drug or not.

The plaintiffs seek “treble” damages (i.e., three times the actual damages sustained) of the claimed anticompetitive “overcharge” during the period 2009-2020 on the drugs at issue allegedly caused by the alleged conspiracies plus injunctive relief, and attorney’s fees and costs in the litigation. The plaintiffs also allege claims for disgorgement of alleged unjust enrichment of profits earned by each defendant, including the Company, and punitive damages as a result of the alleged violations. The plaintiffs in the cases fall into the following categories:

- The Attorneys General of 49 U.S. States, the District of Columbia and the U.S. territories of Puerto Rico, Virgin Islands and Guam, which all allege that they were injured by the price fixing, customer allocation and bid rigging conspiracy in their general economies and that there were injuries suffered by consumers in their jurisdictions, seeking the disgorgement of improper profits on the generic drugs, and damages suffered by governmental agencies (such as government hospitals, agencies and prisons) that purchased generic drugs, encompassing a total of 129 generic drugs. The Company is named as to seven drugs. In addition, each of the plaintiffs seek to enforce their own state antitrust laws, which enable them to impose fines on a defendant in addition to seeking treble damages and disgorgement of alleged unjust enrichment from each defendant;
- Class actions on behalf of all companies that directly purchased generic drugs from one or more of the defendants during a period beginning approximately in the year 2009 (the “Direct Purchaser Plaintiff” Class or “DPP” Class). This class action consists of all wholesaler/distributors, group purchasing organizations, and large pharmacies and retailers who purchased directly from one or more defendants. These claims encompass 148 drugs, of which the Company sold 11 drugs;
- Class actions on behalf of all companies that indirectly purchased generic drug and resold them during a period beginning approximately in the year 2009 (the “Indirect Reseller Plaintiff” Class or “IRP” Class). This class consists of all pharmacies and retailers that purchased generic drugs from a wholesaler/distributor and resold the drugs. These claims encompass 179 generic drugs, of which the Company sold 20 drugs;
- Class actions on behalf of all companies and consumers that were end payers for the purchase of generic drugs by consumers (the “End Payer Plaintiff Class” or “EPP” Class). This class consists of all health care plans, insurance companies and union welfare funds that paid for generic drugs purchased by their members (consumers). These claims encompass 152 generic drugs, of which the Company sold 12 drugs; and

Approximately 200 individual companies (which have opted out of the class actions), consisting of pharmacy retailers, health insurers, self-insured health plan employers, hospitals, counties and other local governmental agencies, (the “Direct Action Plaintiffs” or “DAPs”) have individually filed complaints and alleged claims. These claims encompass a total of more than 400 drugs, of which the Company sold 23 drugs.

All complaints in the MDL 2724 are being simultaneously litigated together, on a consolidated basis, for all discovery and pre-trial purposes, except the Attorneys General Cases which were remanded back to the District of Connecticut and will no longer be included in the MDL 2724 in the Eastern District of Pennsylvania. Discovery is still proceeding. The first three cases that have been designated for the first trials in the MDL 2724 (the so-called “bellwether” cases) do not involve the Company’s U.S. subsidiary as a defendant. These bellwether cases encompass claims by the DPPs and EPPs as to two specific drugs that were

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.33 Contingent liabilities and commitments (continued)

not sold by the Company’s U.S. subsidiary and claims by the Attorney Generals as to approximately 80 topical drugs and creams that were not sold by the Company’s U.S. subsidiary. The trials in these bellwether cases are anticipated to occur in 2027.

A second round of three bellwether cases have been selected which are expected to be tried in late-2026 or 2027. They include: a case encompassing a single drug that does not involve the Company’s U.S. subsidiary as a defendant; a case by the Attorney Generals encompassing 15 drugs in which the Company’s U.S. subsidiary is named as to two drugs (meprobamate and zoledronic acid); and a case brought by Humana, Inc., encompassing 15 drugs in which the Company’s U.S. subsidiary is named as to one drug (divalproex). In both of the last two cases, the plaintiffs seek joint and several liability for the claimed damages (including claimed treble damages) and state civil penalties encompassing the drugs that the Company’s U.S. subsidiary sold, plus joint and several liability for the claimed damages (including claimed treble damages) and state civil penalties suffered on all of the drugs in the cases based on the allegation of participation in an industry-wide “overarching conspiracy.”

In addition to the cases filed in the MDL 2724, approximately 150 companies (consisting primarily of health insurers, and health plans) have filed three *praecipe* of actions in the Pennsylvania Court of Common Pleas in Philadelphia, Pennsylvania, against 52 generic drug companies, including the Company’s U.S. subsidiary, giving notice of potential, unspecified antitrust claims against the named defendants. These *praecip*es of actions have been stayed pending the developments and potential completion of the cases in the MDL 2724.

The Company believes that all of the aforesaid complaints and asserted claims are without merit and it denies any wrongdoing and intends to vigorously defend itself against the allegations. Any liability that may arise on account of these claims is unascertainable at this time. Accordingly, no provision was made in these consolidated financial statements.

Civil litigation with Mezzion

On January 13, 2017, Mezzion Pharma Co. Ltd. and Mezzion International LLC (collectively, “Mezzion”) filed a complaint in the New Jersey Superior Court against the Company and its wholly owned subsidiary in the United States. The complaint pertains to the production and supply of the active pharmaceutical ingredient (“API”) for udenafil (a patented compound) and an udenafil finished dosage product during a period from calendar years 2007 to 2015. Mezzion alleges that the Company failed to comply with the U.S. FDA’s current Good Manufacturing Practices (“cGMP”) at the time of manufacture of the API and finished dosage forms of udenafil and that, as a result, in January 2016, this caused the U.S. FDA to deny Mezzion’s New Drug Application (“NDA”) for udenafil for an erectile dysfunction (“ED”) indication. The Company filed a motion to dismiss Mezzion’s complaint on the technical grounds that the Court lacks jurisdiction over the Company. In January 2018, the Court denied the Company’s motion to dismiss the complaint on the jurisdictional matter. The Company’s interlocutory appeal of said denial was also denied. The case is continuing in pretrial discovery. A trial date for the same is yet to be scheduled.

The Company denies any wrongdoing or liability in this regard, and intends to vigorously defend against the claims asserted in Mezzion’s complaint. Any liability that may arise on account of this claim is unascertainable. Accordingly, no provision was made in these consolidated financial statements.

Revlimid® Antitrust Litigation

In 2023 and 2024, three lawsuits were filed against Dr. Reddy’s Laboratories, Inc. (“DRL Inc.”) and/or Dr. Reddy’s Laboratories Ltd. (“DRL Ltd.” and together with DRL Inc., “DRL”), and three additional groups of plaintiffs sought to add DRL to their pending actions and/or through additional lawsuits, in federal court in New Jersey concerning the drug product Revlimid® and generic equivalents. Litigation has been pending in that court since at least 2019 by various plaintiffs asserting antitrust claims and similar claims against Celgene Corporation (“Celgene”) and Bristol-Myers Squibb Company (“BMS”) related to Revlimid®, *In re Revlimid & Thalomid Purchaser Antitrust Litigation*, C.A. No. 19-cv-07532 (D.N.J.) (“In re Revlimid action”). Starting in 2022, certain plaintiffs also filed lawsuits in this litigation against Teva Pharmaceuticals USA Inc. (“Teva”) and Natco Pharma Limited (“Natco”) as well. Then, in 2023, plaintiffs Mayo Clinic and LifePoint Corporate Services, General Partnership filed a complaint



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.33 Contingent liabilities and commitments (continued)

against DRL Inc. as well as defendants Celgene, BMS, Natco, and Teva (C.A. No. 23-cv-22321 (D.N.J.)). In a second lawsuit in 2023 (C.A. No. 23-cv-22117 (D.N.J.)), plaintiff Intermountain Health, Inc. filed a complaint against DRL Inc. and the same group of defendants Celgene, BMS, Natco, and Teva (Mayo Clinic, LifePoint Corporate Services, General Partnership, and Intermountain Health, Inc., together, the “Hospital Plaintiffs”). The Hospital Plaintiffs have subsequently added DRL Ltd. as a defendant to their lawsuits. In a third lawsuit, filed in 2024 (C.A. No. 24-cv-00379 (D.N.J.)), plaintiffs Walgreen Co., Kroger Specialty Pharmacy, Inc., and CVS Pharmacy Inc. (together, the “Retailer Plaintiffs”), who previously had sued Celgene, BMS, Natco, and Teva, filed an additional complaint against DRL Inc. and DRL Ltd. The Hospital Plaintiffs’ and Retailer Plaintiffs’ actions against DRL have been consolidated with the In re Revlimid action. Subsequently, through amended complaints, three additional groups of plaintiffs have sought to add DRL as a defendant in their already pending lawsuits previously consolidated into the In re Revlimid action. The first such plaintiff is United Healthcare Services, Inc. (“United”) (C.A. No. 20-cv-18531 (D.N.J.)).

The second such group of plaintiffs is composed of Cigna Corp., Humana Inc., Blue Cross Blue Shield Association, Health Care Service Corporation, Blue Cross and Blue Shield of Florida, Inc., and Molina Healthcare, Inc. (C.A. Nos. 19-cv-07532 (D.N.J.), 21-cv-11686 (D.N.J.), 21-cv-10187 (D.N.J.), 21-cv-06668 (D.N.J.), and 22-cv-04561(D.N.J.)) (together, the “Insurer Plaintiffs”). The third such group of plaintiffs is composed of Jacksonville Police Officers and Fire Fighters Health Insurance Trust, Carpenters and Joiners Welfare Fund, Teamsters Local 237 Welfare Fund and Teamsters Local 237 Retirees’ Benefit Fund, and Teamsters Western Region and New Jersey Health Care Fund, who bring their claims on behalf of a purported class of end-payors of Revlimid® and generic equivalents (C.A. No. 22-cv-06694 (D.N.J.)) (the “EPP Plaintiffs”).

The allegations brought by the Hospital Plaintiffs, the Retailer Plaintiffs, United, the Insurer Plaintiffs, and the EPP Plaintiffs (collectively, “Plaintiffs”) against DRL in these cases are similar: they allege that the patent settlement agreement among DRL, Celgene and BMS concerning Revlimid® violated federal and state antitrust laws and state consumer protection laws by improperly delaying generic entry of Revlimid® through 2022 and then limiting generic competition of Revlimid® through 2026. The Plaintiffs’ claims against DRL are also substantially similar to the claims these plaintiffs have brought against defendants Celgene, BMS, Natco, and Teva.

Each of these lawsuits naming DRL as a defendant have been consolidated with the ongoing In re Revlimid action. A trial date has not yet been scheduled. On June 06, 2024, the court issued an order on the pending motions to dismiss filed by other defendants, in which the court dismissed all claims at issue in that motion, including claims challenging the patent settlement agreements. The order allowed plaintiffs to file amended complaints. On August 05, 2024, all Plaintiffs filed amended complaints, including the amended complaints filed by United, Insurer Plaintiffs, and EPP Plaintiffs, described above, which sought to add DRL as a defendant in those actions for the first time. On October 07, 2024, DRL and all other defendants to the In re Revlimid action filed motions to dismiss each of Plaintiffs’ lawsuits in their entirety. Those motions are pending, and discovery currently is stayed.

On December 16, 2024, several of the Insurer Plaintiffs also filed substantially similar complaints to those already pending in the In re Revlimid action against DRL, Natco, Teva, and AbbVie Inc. (C.A. Nos. 24-cv-11168 (D.N.J.); 24-cv-11169 (D.N.J.); 24-cv-11176 (D.N.J.); 24-cv-1121 (D.N.J.); 24-cv-11230 (D.N.J.)) (the “Standalone Actions”). On January 13, 2025, DRL and all other defendants to the Standalone Actions filed a letter requesting the court that they be allowed to brief a motion to dismiss the Standalone Actions, including for substantially the same reasons already briefed in the motion to dismiss the claims raised in the In re Revlimid action.

On May 05, 2025, the cases were reassigned from Judge Esther Salas to Judge Michael Farbiarz, also of the District of New Jersey. A trial date has not been set.

The Company intends to vigorously defend its positions. Any liability that may arise on account of this litigation is unascertainable. Accordingly, no provision has been made in these consolidated financial statements of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.33 Contingent liabilities and commitments (continued)

Other matters

Internal Investigation

The Company received an anonymous complaint in September 2020, alleging that healthcare professionals in Ukraine and potentially in other countries were provided with improper payments by or on behalf of the Company in violation of U.S. anti-corruption laws, specifically the U.S. Foreign Corrupt Practices Act. The Company disclosed the matter to the U.S. Department of Justice (“DOJ”), Securities and Exchange Commission (“SEC”) and Securities Exchange Board of India. The Company engaged a U.S. law firm to conduct the investigation at the instruction of a committee of the Company’s Board of Directors. On July 06, 2021 the Company received a subpoena from the SEC for the production of related documents, which were provided to the SEC.

The Company engaged with the SEC and DOJ, including through submissions and presentations regarding the initial complaint and additional complaints relating to other markets, and in relation to its Global Compliance Framework, which included enhancement initiatives undertaken by the Company, and the Company complied with its listing obligations as it relates to updating the regulatory agencies. On February 23, 2026 the Company received a letter from the SEC stating that, based on the information available to it, the SEC has concluded its investigation and does not intend to recommend any enforcement action against the Company at this time. On March 05, 2026, the Company received a letter from the DOJ stating that, based on the information available to it, the DOJ has closed its inquiry.

Environmental matters

Land pollution

The Indian Council for Environmental Legal Action filed a writ in 1989 under Article 32 of the Constitution of India against Union of India and others in the Supreme court of India for safety of people living in the Patancheru and Bollaram areas of the Medak district. Such writ named the Company among the list of alleged polluting industries. In 1996, the Andhra Pradesh District Judge ordered the alleged polluting industries to compensate affected farmers at prescribed rates of ₹0.0013 per acre of dry land and ₹0.0017 per acre for wet land. Pursuant to this order, the Company paid total compensation of ₹3 to the affected farmers. The Andhra Pradesh High Court dismissed the writ petition on February 12, 2013 and transferred the case to the National Green Tribunal (the “NGT”), Chennai, India. The interim orders passed in the writ petitions will continue until the matter is decided by the NGT, and a Fact Finding Committee was constituted in October 2015 through an order by the NGT.

The NGT allowed the alleged polluting industries to nominate a representative to the Fact Finding Committee. However, the Company, along with others, challenged the Committee’s constitution and composition, and the NGT directed that the Committee not commence operations until such challenges are disposed of. The NGT, Chennai disposed of the challenge on October 24, 2017, following which the Bulk Drug Manufacturers Association of India, in which the Company is a member, filed a review petition against the judgment on various aspects.

In another case (in which the Company was not a party), the NGT, Delhi issued a judgment dated November 16, 2017 directing the continuation of the Fact Finding Committee’s moratorium imposed in the Patancheru and Bollaram areas until the Ministry of Environment, Forest and Climate Change passes an order. The Company filed an appeal challenging this judgment before the High Court of Hyderabad.

In June 2022, the Hon’ble High Court of Hyderabad disposed of the appeal, allowing the Company to seek remedies available under the NGT Act, 2010 before the Supreme Court of India.

On April 24, 2019, the Government of Telangana issued Government Order Manuscript (G.O.Ms.) No. 24, permitting the expansion of existing units in the Patancheru–Bollaram area upon payment of an amount equal to 1% of the annual turnover of the applicable unit for the fiscal year ended March 31, 2019, based on the NGT’s October 24, 2017 order. Accordingly, the



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.33 Contingent liabilities and commitments (continued)

Company accordingly made a provision of ₹29.4 for the year ended March 31, 2019 representing the estimated probable cost of its planned expansion of industrial units in the area.

Subsequently, in September 2019, the Telangana State Pollution Control Board (“TSPCB”) issued operational guidelines requiring a retrospective levy on industrial units equal to 0.5% of their annual turnover for fiscal years 2016-2017 to 2018–2019 for the purposes of restoration of such affected area. The Company has four industrial units in the area and is contesting these guidelines. The TSPCB recommended the issuance of a Consent For Operation for the change in product mix for one of the Company’s industrial units, subject to payment of an amount equal to 0.5% of the annual turnover of such unit for fiscal years 2016–2017 to 2018-2019. The Company vigorously defend itself against the operational guidelines.

In November 2019, the TSPCB issued demand notices to certain industrial units of the Company seeking a remediation fee of 0.5% of prior year turnover for fiscal years 2015–2016 to 2018–2019, based on its operational guidelines and relevant orders. On November 22, 2019, the Hon'ble High Court of Judicature at Hyderabad issued an interim order which stayed the demands on the condition that the Company deposit ₹ 60 as the remediation fee for fiscal year 2018–2019, which the Company has paid. The stay continues, and the Hon'ble High Court has since disposed of the interim order with liberty for the Company to approach the NGT, if necessary.

The Company believes that any additional liability that might arise in this regard is not probable. Accordingly, no provision relating to these claims has been made in the consolidated financial statements.

Fuel Surcharge Adjustments

The Andhra Pradesh Electricity Regulatory Commission (the “APERC”) has issued various orders approving the levy of Fuel Surcharge Adjustment (“FSA”) charges for the period from April 01, 2008 to March 31, 2013. The Company has challenged the validity of such levies through writ petitions, which are pending before the High Court of Andhra Pradesh and the Hon'ble Supreme Court of India. The total amount approved by APERC in respect of FSA charges is ₹ 482. The Company has recognised ₹ 219 as potential liability towards FSA charges after taking into account all of the available information and legal provisions.

However, the Company has paid ₹354 under protest pursuant to demands raised by power distribution companies through electricity bills. The Company remains exposed to additional liability should the APERC orders be upheld by the Courts

During the three months ended June 30, 2016, the Supreme Court of India dismissed the Special Leave Petition filed by the Company in this regard for the period from April 01, 2012 to March 31, 2013. As a result, for the quarter ended June 30, 2016, the Company recognized an expenditure of ₹55 (by de-recognizing the payments under protest) representing the FSA charges for the period from April 01, 2012 to March 31, 2013.

Indirect taxes related matters

The Company received a field tax audit report from the Federal Tax Service authority in respect of one of its foreign subsidiaries for the period from January 2020 to December 2022. The report concluded that certain services were subject to value-added tax (VAT). The Company filed objections to the findings, and a revised audit report was issued on September 15, 2025 with a reduced VAT liability. Based on its best estimate, the Company had recorded a provision of ₹ 695 in other selling expenses under “Other expenses” for the three months ended September 30, 2025.

The Company continued to defend its position and submitted further objections, asserting that the specified services should not be subject to VAT. On March 23, 2026, the Company received the final order from the Federal Tax Service authorities, pursuant to which the originally proposed VAT liability was substantially reduced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.33 Contingent liabilities and commitments (continued)

During the three months ended March 31, 2026, based on the final order, the Company has recorded an additional provision of ₹1,141 (making the cumulative provision recorded during the year ended March 31, 2026 to ₹1,836) in other selling expenses under “Other expenses” including applicable interest and penalties and covering the periods both under audit as well as subsequent period from calendar year 2023 through March 31, 2026.

The Company believes that the likelihood of any further liability that may arise on account of this field tax audit is not probable.

- a. In January 2020, the Commissioner of Goods and Services Tax, India issued notices alleging that the Company has improperly availed input tax credit of ₹ 307. The Company then received an order from the Additional Commissioner of Goods and Services Tax in favor of the Company’s right to claim such input tax credit. Subsequently the tax authorities filed an appeal against the favorable order with the Commissioner of Goods and Services Tax (Appeals). The Commissioner of Goods and Service Tax (Appeals) passed an order rejecting the Company’s right to claim such input tax credit. The Company has filed an Appeal against such order before Hon’ble High Court of Telangana.

The Company believes that it has correctly distributed and availed the input tax credit within the provisions of the applicable Act and hence no additional liability will accrue in this regard.

- b. The Company has received an order from Goods and Services Tax authorities of various states in respect of input tax credit on education cess. The Company has filed an appeal against these orders before the Hon’ble High Court of Telangana and recorded a provision of ₹31 as of March 31, 2026.

In both the above-mentioned cases, pursuant to the constitution of the Goods and Services Tax Appellate Tribunal (“GSTAT”), which is the designated appellate authority under the GST law, the Company has withdrawn the appeal pending before the Hon'ble High Court of Telangana and is in the process of filing the appeal before the GSTAT.

- c. In February 2022, the Company paid under protest an amount of ₹123 towards a GST reverse charge. In January 2025, the Additional Commissioner of GST passed an order confirming the demand as per the show-cause notice dated July 05, 2024. Aggrieved by the order, the Company filed an appeal before the first appellate authority. The appellate authority passed an order on February 27, 2026 sustaining the demand confirmed by the Additional Commissioner of GST.

The Company is in the process of filing a further appeal against the appellate order before GSTAT and believes the demand in such order is not enforceable and the likelihood of any liability is not probable.

Other indirect tax related matters

Additionally, the Company is in receipt of various demand notices from the Indian Sales and Service Tax authorities. The total disputed amount is ₹ 482. The Company has responded to such demand notices and believes that the chances of any liability arising from such notices are not probable. Accordingly, no provision is made in these consolidated financial statements as of March 31, 2026.

Tax claim for Merger of Dr. Reddy’s Holdings Limited into Dr. Reddy’s Laboratories Limited

The Company received a reassessment notice from the Income Tax Department of India for income alleged to have escaped assessment due to the merger of Dr. Reddy’s Holdings Limited into Dr. Reddy’s Laboratories Limited. For details, see Note 2.36 below.

Others

Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations and proceedings, including patent and commercial matters that arise from time to time in the ordinary course of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.33 Contingent liabilities and commitments (continued)

business. Except as discussed above, the Company does not believe that there are any such contingent liabilities that are expected to have any material adverse effect on its consolidated financial statements.

B. Commitments:

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	9,716	14,567

2.34 Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's capital management is to maximise shareholder value. The Company manages it's capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt. The capital gearing ratio as on March 31, 2026 and March 31, 2025 was 14% and 12%, respectively.

2.35 Regulatory inspection of facilities

Tabulated below are the details of the U.S. FDA inspections carried out at various facilities of the Company which were carried out or remained open during the year ended March 31, 2026:

Month and year	Unit	Details of observations
October 2023 and September 2025	Biologics, Hyderabad, India	Nine observations were noted in the U.S. FDA inspection. The Company responded to the observations. Further to this inspection, five observations were noted in the Pre-Approval Inspection ("PAI") conducted by the U.S. FDA from September 04-12, 2025, to which the Company has responded within the stipulated timelines. The Company has received a Post Application Action Letter ("PAAL") from the U.S. FDA on January 09, 2026 to which the Company has responded within the stipulated timelines and has received dates for inspection.
May 2025	API Miryalaguda (CTO Unit-V) plant, Telangana, India	Two observations were noted in the U.S. FDA inspection, conducted from May 19-24, 2025, to which the Company has responded on June 13, 2025. The Company received an Establishment Inspection Report ("EIR"), from the U.S. FDA and the facility was classified as Voluntary Action Indicated.
May 2025	API Middleburgh plant, New York, U.S.A.	Two observations were noted in the U.S. FDA inspection, conducted from May 12-16, 2025, to which the Company has responded on June 09, 2025. The Company received an EIR on July 21, 2025, from the U.S. FDA and the facility was classified as Voluntary Action Indicated.
July 2025	Formulations Srikakulam plant 11, Andhra Pradesh, India	Seven observations were noted in the U.S. FDA inspection conducted from July 10-18, 2025, to which the Company has responded on August 08, 2025. The Company received an EIR on October 20, 2025, from the U.S. FDA and the facility was classified as Voluntary Action Indicated.
September 2025	API Mirfield, Yorkshire, UK	Seven observations were noted in the U.S. FDA inspection conducted from September 1-5, 2025. The Company has responded to all related communications within the stipulated timelines.
November 2025	API Srikakulam Plant (SEZ), Andhra Pradesh, India	No observations were noted in the U.S. FDA inspection conducted from November 10-14, 2025. The Company received an EIR on March 02, 2026, from the U.S. FDA and the facility was classified as No Action Indicated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.35 Regulatory inspection of facilities (Continued)

Month and year	Unit	Details of observations
December 2025	Formulations Srikakulam plant 1 (SEZ), Andhra Pradesh, India	Five observations were noted in the U.S. FDA inspection conducted from December 04-12, 2025, to which the Company has responded within the stipulated timelines. The Company received an EIR on March 05, 2026, from the U.S. FDA and the facility was classified as Voluntary Action Indicated.

2.36 Merger of Dr. Reddy's Holdings Limited into Dr. Reddy's Laboratories Limited

The Board of Directors, at its meeting held on July 29, 2019, had approved the amalgamation of Dr. Reddy's Holdings Limited ("DRHL"), an entity held by the Promoter Group, which held 24.83% of Dr. Reddy's Laboratories Limited (the "Company"), into the Company (the "Scheme"). This Scheme was subject to the approval of shareholders, stock exchanges, the Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") and other relevant regulators as per the provisions of Section 230 to 232 and any other applicable provisions of the Companies Act, 2013.

The Scheme was intended to simplify the shareholding structure and reduction of shareholding tiers. The Promoter Group cumulatively was to continue to hold the same number of shares in the Company, pre and post the amalgamation. All costs, charges and expenses relating to the Scheme was borne out of the surplus assets of DRHL. Further, any expense, if exceeding the surplus assets of DRHL, will be borne directly by the Promoter Group.

During the fiscal year ended March 31, 2020, the Scheme was approved by the board of directors, members and unsecured creditors of the Company. The no-observation letters from the BSE Limited and National Stock Exchange of India Limited were received on the basis of no comments received from Securities and Exchange Board of India ("SEBI"). The petition for approval of the said Scheme was filed with the Hon'ble NCLT, Hyderabad Bench.

The aforementioned Scheme was approved by the Hon'ble NCLT, Hyderabad vide its Order dated April 05, 2022. Subsequently, the Company filed the NCLT order with the Ministry of Company Affairs on April 08, 2022. Pursuant to the Scheme of Amalgamation and Arrangement as approved by the NCLT, an aggregate of 41,325,300 equity shares, face value of ₹ 5 each held by DRHL in the share capital of the Company have been cancelled and an equivalent 41,325,300 number of equity shares, face value of ₹ 5 each were allotted to the shareholders of DRHL. There was no change in the total equity shareholding (Promoter/Public Shareholding) of the Company, on account of the allotment/ cancellation of equity shares pursuant to the approved Scheme.

In relation to this merger approved by the NCLT, the Company received a show cause notice from the Income Tax Department of India on April 04, 2025, under Section 148A(1) of the Income-tax Act, 1961. The notice sought an explanation as to why a reassessment notice under Section 148 should not be issued for income alleged to have escaped assessment due to the merger. Subsequent to the submission of the reply in response to the above notice, the Company received an order 148A(3) and a notice under section 148 of the Income Tax Act on May 30, 2025 from the tax authorities, proposing to assess or reassess the income for the relevant year.

The Company has filed a writ petition before the Hon'ble High Court for the State of Telangana, challenging the validity of the order passed under Section 148A(3) of the Incometax Act, 1961 and the consequent notice issued under Section 148, both dated May 30, 2025. Pending disposal of the writ petition, the Hon'ble High Court has, by way of interim relief, granted a stay on further proceedings pursuant to the order under Section 148A(3) and the notice under Section 148. The stay shall remain in force until the next date of hearing. The matter is currently posted for hearing on June 18, 2026.

The Company believes that there is no escaped tax pursuant to the said merger scheme as the amalgamation was carried out for the above stated purpose. Further, it was carried out in compliance with various applicable laws in India and after taking



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.36 Merger of Dr. Reddy's Holdings Limited into Dr. Reddy's Laboratories Limited (continued)

with applicable regulatory approvals. The Company will take suitable action to defend its position and believes that the chances of any liability arising from such orders are less than probable. Accordingly, no provision is made in the consolidated financial statements as of March 31, 2026.

Further, the said merger scheme also provides that the Promoters of the Company will jointly and severally indemnify, defend and hold harmless the Company, its directors, employees, officers, representatives, or any other person authorized by the Company (excluding the Promoters) for any liability, claim, or demand, which may devolve upon the Company on account of this amalgamation.

2.37 Impact of the New Labour Codes:

The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes as follows: Code on Wages, 2019, Code on Social Security, 2020, Industrial Relations Code, 2020 and Occupational Safety, Health and Working Conditions Code 2020 (collectively referred to as the "New Labour Codes"). The New Labour Codes are effective from November 21, 2025 and introduce changes that include, among other things, setting a uniform definition of wages. The New Labour Codes have implications on employee benefits including gratuity, leave encashment, and other related obligations.

The Company has assessed the implications of the New Labour Codes and has recognized an incremental cost of ₹ 1,170 towards employee benefits during the year ended March 31, 2026. The Company continues to monitor the developments pertaining to the implementation of the New Labour Codes, including related rules there to and the impact of these will be accounted in accordance with applicable accounting standards.

2.38 Geopolitical Conflicts

The Company considered the uncertainties relating to ongoing geopolitical instability and armed conflicts and hostilities (including in Russia, Ukraine and the Middle East) in assessing the recoverability of receivables, goodwill, intangible assets, investments and other assets. The outcome of the conflict is difficult to predict, and any of them could have an adverse impact on the macroeconomic environment. Management has considered all potential impacts of these conflicts including adherence to global sanctions and other restrictive measures against Russia and any retaliatory actions taken by Russia, as well as disruptions in global trade routes and transportation infrastructure arising from ongoing conflicts in the Middle East. For this purpose, the Company considered internal and external sources of information up to the date of approval of these consolidated financial statements (i.e May 12, 2026)

Based on its judgments, estimates and assumptions, the Company expects to fully recover the carrying amount of receivables, inventory, goodwill, intangible assets, investments and other assets. Accordingly, during the year ended March 31, 2026, the impact of such instability, conflicts and disruptions on the Company's operations and financial condition was not material. The Company will continue to closely monitor any material changes to future geopolitical and economic conditions.

2.39 Business acquisition

A. Agreement with Nestlé India Limited

On April 25, 2024, the parent company entered into a definitive agreement with Nestlé India Limited ("Nestlé India"), for manufacturing, developing, promoting, marketing, selling, distributing, and commercializing nutraceutical products and supplements in India and other geographies as may be agreed by the parties. The aforesaid business activities are carried out through Dr. Reddy's and Nestlé Health Science Limited (the "Nutraceuticals subsidiary"). This arrangement is strategically important for both companies as it allows to combine their complementary strengths and expand their reach in the nutraceutical market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.39 Business acquisition (continued)

The transaction was concluded on August 01, 2024. The parent company invested ₹ 7,344 in the Nutraceuticals subsidiary, while Nestlé India contributed ₹ 7,056, and as a result the parent company and Nestlé India hold ownership stakes of 51% and 49% respectively. Further, Nestlé India has a call option to increase their shareholding to 60% after six years from the closing date for a purchase price based on fair market value. Subsequently, the Nutraceutical subsidiary acquired Nestlé India's nutraceuticals and supplements portfolio, including product licenses, teams and employees, for ₹ 2,231. Additionally, a royalty is payable to Nestlé India at 4.5% of post-closing net sales of such portfolio.

The parent company accounted for the acquisition from Nestlé India under INDAS 103, "Business Combinations". Accordingly, the parent company allocated purchase consideration and recognized product related intangibles and other intangibles of ₹ 1,982, property, plant and equipment and current assets of ₹ 42 and Goodwill of ₹ 207, on the acquisition date (i.e., August 01, 2024).

The related acquisition costs were not material and have been charged to the consolidated income statement for the year ended March 31, 2025.

No pro-forma information is disclosed in these consolidated financial statements, as the impact of this acquisition on these consolidated financial statements is not material.

Non-Controlling interest:

Nestlé India's 49% ownership stake in the Nutraceuticals subsidiary is reported as a NCI in the consolidated financial statements.

The carrying amount of the 49% shareholding held by Nestlé India, recorded under non-controlling interest, is ₹ 3,394 and ₹ 3,778 as of March 31, 2026 and March 31, 2025, respectively, arising from the initial measurement at the Nestlé India's proportionate share of identifiable net assets as of the acquisition date and subsequently adjusted with the share of profit based on ownership percentage.

B. Business transfer agreement with Haleon:

On June 26, 2024, the Company entered into definitive agreement with Haleon UK Enterprises Limited ("Haleon") to acquire Haleon's global portfolio of consumer healthcare brands in the Nicotine Replacement Therapy category (the "NRT Business") outside of the United States of America for a total consideration of up to ₹ 56,121 (GBP 500), including an upfront cash payment of ₹ 51,407 (GBP 458) and earn-out consideration of up to ₹ 4,714 (GBP 42).

The acquisition was structured as a purchase of 100% of the shares of NorthStar Switzerland SARL, whose assets includes intellectual property, employees, agreements with commercial manufacturing organizations, marketing authorizations, and other assets related to the commercialization of brands of the NRT Business. The acquisition included all formats such as lozenge, patch, spray, and gum in all applicable global markets outside of the United States of America.

The transaction was completed on September 30, 2024. At closing, the Company paid Haleon an upfront cash consideration of ₹ 51,407 (GBP 458). The agreement also includes contingent consideration of up to ₹ 4,714 million (GBP 42 million), payable upon achieving specified sales targets in calendar years 2024 and 2025, bringing the total potential consideration to ₹ 56,121 million (GBP 500 million).

The Company accounted for the transaction under INDAS 103, "Business Combinations" using the acquisition method. The fair value of the consideration transferred was ₹ 53,660. Based on the purchase price allocation, the Company recognized product related intangible assets (brands) of ₹ 54,973, deferred tax liabilities of ₹ 8,483, and goodwill of ₹ 7,170. This acquisition pertains to the Company's Global Generics segment.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.39 Business acquisition (continued)

The fair value was estimated using the discounted cash flows technique, which considers the present value of the expected future earn-out payment discounted from their respective payment dates using a risk-adjusted discount rate. The significant unobservable inputs in the valuation is the estimated sales forecast. The Company has estimated that the prescribed sales target will be met.

The Company paid earnout consideration of ₹ 1,655 (GBP 15) and ₹ 3,389 (GBP 27) during the three months ended March 31, 2025 and March 31, 2026, respectively, upon achieving the specified NRT business sales targets for calendar years 2024 and 2025.

The Company substantially completed the integration of the acquired NRT business, with the majority of markets transitioned and local marketing authorizations transferred to the Company. For the limited markets still under transition, the Company continues to obtain distribution and related services under Transitional Distribution Services Agreement with the Haleon Group until the remaining transfers are completed.

The amount of revenue and profit before tax included in the consolidated income statements pertaining to the acquired NRT business since September 30, 2024 is ₹ 12,020 and ₹ 1,011 (after the effect of acquisition related expenses) respectively for the year ended March 31, 2025.

2.40 Other statutory information

- (i)

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Com\pany for holding any Benami property.
- (ii)

The Company does not have any transactions with struck off companies.
- (iii)

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv)

The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v)

The Company has not entered into any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vi)

The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (vii)

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (viii)

No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.
- (ix)

The Company does not have any borrowings from banks or financial institutions against security of its current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.41 Details of funds advanced or loaned or invested in intermediaries and further invested or loaned by intermediaries

For the year ended March 31, 2025

Intermediaries in which amounts were invested by the Company	Nature of transaction	Date	Amount
Dr. Reddy's Laboratories SA, Switzerland	Investment in cumulative non-convertible preference shares	September 17, 2024	51,976
Aurigene Oncology Limited, India (Formerly Aurigene Discovery Technologies Limited, India)	Investment in equity shares	May 22, 2024	6,500

Parties to which such funds are further invested by Dr. Reddy's Laboratories SA, Switzerland

Name of the party	Nature of transaction	Date	Amount
Haleon UK Enterprise Limited	Purchase of equity shares of NorthStar SARL limited towards acquisition of Nicotine replacement therapy business	September 30, 2024	51,407

Parties to which such funds are further invested by Aurigene Oncology Limited

Name of the party	Nature of transaction	Date	Amount
Aurigene Pharmaceutical Services Limited	Purchase of Capex and Working Capital Requirements	May 29, 2024	6,500

a) Complete details of intermediaries and ultimate beneficiaries

Name of the entity	Registered Address	Government Identification Number (CIN/RCCM)	Relationship with the Company
Dr. Reddy's Laboratories SA, Switzerland	Elisabethenanlage 11, CH-4051, Basel	CHE-113.571.287	Subsidiary
Aurigene Oncology Limited, India (Formerly Aurigene Discovery Technologies Limited, India)	39-40, KIADB Industrial Area, Electronic city Phase II, Bengaluru - 560100.	U24239KA2001PLC029391	Subsidiary
Haleon UK Enterprises Limited	Building 5, First Floor, The Heights, Weybridge, Surrey KT13 0NY, United Kingdom	NA	Seller
Aurigene Pharmaceutical Services Limited	39-40, KIADB Industrial Area, Electronic city Phase II, Bengaluru - 560100.	U74999KA2019PLC127964	Step-down Subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Details of funds advanced or loaned or invested in intermediaries and further invested or loaned by intermediaries (continued)

- (b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

There are no such transactions in the year ended March 31, 2026

2.42 Subsequent events

Please refer to Notes 2.10, 2.33 and 2.35 of these consolidated financial statements for the details of subsequent events relating to the proposed dividend, contingencies and regulatory inspection of facilities respectively.

- 2.43** The Holding Company and the (subsidiaries, associates and joint ventures) which are companies incorporated in India and whose financial statements have been audited under the Act, have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, the Holding Company and above referred (subsidiaries, associates and joint ventures) did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Holding Company and the above referred (subsidiaries, associates and joint ventures) as per the statutory requirements for record retention.

As per our report of even date attached for and on behalf of the Board of Directors of **Dr. Reddy's Laboratories Limited**

for **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Shankar Srinivasan**

Partner

Membership No.: 213271

K Satish Reddy

G V Prasad

Erez Israeli

M V Narasimham

K Randhir Singh

Chairman, DIN: 00129701

Co-Chairman & Managing Director, DIN: 00057433

Chief Executive Officer

Chief Financial Officer

Company Secretary

Place: Hyderabad

Date: May 12, 2026

Place: Hyderabad

Date: May 12, 2026

EXTRACT OF IFRS CONSOLIDATED FINANCIAL STATEMENTS

We have adopted IFRS as issued by International Accounting Standards Board (IASB) for preparing our financial statements for the purpose of filings with SEC. We have furnished all our interim financial reports of fiscal 2026 with SEC which were prepared under IFRS. The Annual Report in Form 20-F will also be made available at the Company's website. A hard copy of such Annual Report in Form 20-F will be made available to the shareholders, free of charge, upon request. For details visit www.drreddys.com.

The extract of the consolidated financial statements prepared under IFRS has been provided here under.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Particulars	March 31, 2026	March 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	15,368	14,654
Other investments	72,446	43,254
Trade and other receivables	101,219	90,420
Inventories	76,531	71,085
Derivative financial instruments	155	557
Other current assets	36,256	30,142
Total current assets	301,975	250,112
Non-current assets		
Property, plant and equipment	115,930	97,761
Goodwill	12,893	11,810
Other intangible assets	105,059	96,803
Investment in equity accounted investees	5,673	4,811
Other investments	10,695	10,391
Deferred tax assets	22,436	18,508
Tax assets	3,459	1,821
Other non-current assets	1,226	972
Total non-current assets	277,371	242,877
Total assets	579,346	492,989
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	33,411	35,523
Short-term borrowings	59,135	38,045
Long-term borrowings, current portion	6,003	857
Provisions	7,550	6,168
Tax liabilities	4,310	3,028
Derivative financial instruments	6,898	1,286
Other current liabilities	50,259	45,485
Total current liabilities	167,566	130,392
Non-current liabilities		
Long-term borrowings	12,203	7,864
Deferred tax liabilities	15,568	14,108
Provisions	109	156
Other non-current liabilities	3,443	3,303
Total non-current liabilities	31,323	25,431
Total liabilities	198,889	155,823



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)

Particulars	March 31, 2026	March 31, 2025
Equity		
Share capital	835	834
Treasury shares	(1,815)	(2,264)
Share premium	11,364	11,133
Share-based payment reserve	1,684	1,642
Capital redemption reserve	173	173
Retained earnings	351,984	315,793
Other reserves	3,979	3,979
Other components of equity	8,859	2,098
Equity attributable to equity holders of the parent company	377,063	333,388
Non-controlling interests	3,394	3,778
Total equity	380,457	337,166
Total liabilities and equity	579,346	492,989

CONSOLIDATED INCOME STATEMENTS

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Particulars	2026	2025	2024
Revenues	335,933	325,535	279,164
Cost of revenues	158,669	135,107	115,557
Gross profit	177,264	190,428	163,607
Selling, general and administrative expenses	106,763	93,870	77,201
Research and development expenses	24,058	27,380	22,873
Impairment of non-current assets, net	3,519	1,693	3
Other income, net	(7,627)	(4,358)	(4,199)
Total operating expenses	126,713	118,585	95,878
Results from operating activities (A)	50,551	71,843	67,729
Finance income	7,870	7,553	5,705
Finance expense	(3,738)	(2,829)	(1,711)
Finance income, net (B)	4,132	4,724	3,994
Share of profit of equity accounted investees, net of tax (C)	134	217	147
Profit before tax [(A)+(B)+(C)]	54,817	76,784	71,870
Tax expense, net	12,351	19,539	16,186
Profit for the year	42,466	57,245	55,684
Attributable to:			
Equity holders of the parent company	42,850	56,544	55,684
Non-controlling interests	(384)	701	-
Earnings per share attributable to equity holders of the parent company*			
Basic earnings per share of ₹ 1/- each	51.48	67.88	66.93
Diluted earnings per share of ₹1/- each	51.42	67.78	66.80

* Earnings per share is computed after giving effect to 1:5 forward stock split effective October 28, 2024 for all periods presented. Refer to Note 19 of these consolidated financial statements for further details regarding such stock split.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Particulars	2026	2025	2024
Profit for the year	42,466	57,245	55,684
Other comprehensive income/(loss)			
Items that will not be reclassified to the consolidated income statement:			
Changes in the fair value of financial instruments	(35)	(199)	(18)
Actuarial gains/(losses) on post-employment benefit obligations	168	(94)	(10)
Tax impact on above items	(45)	24	4
Total of items that will not be reclassified to the consolidated income statement	88	(269)	(24)
Items that will be reclassified subsequently to the consolidated income statement:			
Changes in fair value of financial instruments	-	-	6
Foreign currency translation adjustments	7,943	1,353	(318)
Foreign currency translation reserve re-classified to the income statement on divestment of foreign operation	-	(1,513)	-
Effective portion of changes in fair value of cash flow hedges	(1,699)	2,432	(470)
Tax impact on above items	428	(58)	117
Total of items that will be reclassified subsequently to the consolidated income statement	6,672	2,214	(665)
Other comprehensive income / (loss) for the year, net of tax	6,760	1,945	(689)
Total comprehensive income / (loss) for the year, net of tax	49,226	59,190	54,995
Attributable to:			
Equity holders of the parent company	49,610	58,489	54,995
Non-controlling interests	(384)	701	-



INDEPENDENT ASSURANCE STATEMENT

to the Management of Dr. Reddy's laboratories Limited

Dr. Reddy's Laboratories Limited, Corporate Identity Number L85195TG1984PLC004507, (hereafter referred to as 'Dr. Reddy's' or 'Company') has appointed DNV Business Assurance India Private Limited ('DNV', 'us' or 'we') to undertake an independent assurance in the company's Business Responsibility and Sustainability Report (hereafter referred to as 'BRSR') for the period of Financial Year (FY) 2025-26. The disclosures include BRSR Core as per Annexure 17A and the rest of the non-financial disclosures in BRSR as per Annexure 16 of SEBI's Master Circular for BRSR.



Our Conclusion:

Reasonable level of Assurance- BRSR Core

Based on our review and procedures followed, DNV is of the opinion that, in all material aspects, the BRSR Core indicators (as listed in Annexure I of this statement) for FY 2025-26 are reported in accordance with the reporting requirements outlined in Industry Standard on Reporting of BRSR Core.

Limited Level of Assurance- BRSR Report

On the basis of the assessment undertaken, nothing has come to our attention to suggest that the disclosures (as listed in Annexure I of this statement), do not properly adhere to the reporting requirements as per BRSR reporting guidelines in Annexure II of SEBI Circular.

Scope of Work and Boundary

The scope of our engagement includes independent assurance of 'BRSR Core' - Reasonable level of assurance and rest non-financial disclosures in BRSR - Limited Level of Assurance, for FY 2025-26.

Boundary for the engagement covers the performance of Dr. Reddy's operations that fall under the direct operational control of the Company's Legal structure, as mentioned by the Company in the "Reporting Boundary" section in BRSR. Based on the agreed scope with the Company, the boundary of reasonable and limited level of assurance covers the operations of Dr. Reddy's across all global locations, unless otherwise specified by the company in respective disclosures of the report and for the disclosures where the BRSR report explicitly specifies that the disclosures are applicable only to India operations.

Reporting Criteria and Standards

The disclosures have been prepared by Dr.Reddy's in reference to:

- Industry Standard on Reporting of BRSR Core Circular No.: SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated Dec 20, 2024.
- BRSR Core (Annexure 17A) and BRSR reporting guidelines (Annexure 16) as per Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026, "Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities", dated January 30, 2026.
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.
- ISO14064-1:2018: Specification with guidance at the Organisational level for quantification and reporting of greenhouse gas (GHG) emissions & removals.

Assurance Methodology/Standard and Level of Assurance

This assurance engagement has been carried out in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information. DNV's VeriSustain™ Protocol, V6.0 has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's VeriSustain™ protocol (V6.0), DNV team has also followed ISO 14064-3 - Specification with guidance for the verification and validation of greenhouse gas statements to evaluate disclosures wrt. Greenhouse gases.

Our competence, and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO/IEC 17029:2019- Conformity Assessment - General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. DNV has complied with the Code of Conduct during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements.

This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e FY 2025-26, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.



Basis of our conclusion

As part of our independent assurance engagement, we have evaluated the reported environmental, social, and governance (ESG) information against the agreed criteria. Throughout the engagement, we exercised rigorous professional judgment and maintained a high level of professional skepticism to ensure the integrity and reliability of our conclusions.

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Dr. Reddy's. We carried out the following activities:

BRSR Core Indicators - Reasonable level of Assurance	Rest non-financial disclosures in BRSR Report - Limited Level of Assurance
Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes. The Industry Standard on Reporting of BRSR Core used a basis of reasonable level of assurance.	Reviewed the disclosures under BRSR reporting guidelines. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework. The BRSR reporting format used a basis of limited level of assurance.
Evaluation of the design and implementation of key systems, processes and controls for collecting, managing and reporting the BRSR Core indicators. Assessment of operational control and reporting boundaries	Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in BRSR report. Understand and test, on a sample basis to evaluate adherence to the reporting principles.
Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with stakeholders to gather insights and corroborative evidence for each disclosed indicator.	Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders.
DNV audit team conducted on-site & remote audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the percentage contribution each site makes to the reported indicator, complexity of operations at each location (high/low/medium) and reporting system within the organization. Sites selected for audits are listed in Annexure II.	DNV audit team conducted on-site & remote audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.

In both the cases, DNV teams conducted the:

- Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain™ Protocol, V6.0 for both reasonable level and limited level of assurance for the disclosures.

Inherent Limitations

DNV's assurance engagement assume that the data and information provided by the Company to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV opinion on specific BRSR Core indicators relies on the third party audited financial reports of the Company. DNV does not take any responsibility for the financial data reported in the audited financial reports by the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.



Page 3 of 5

Responsibility of the Company

Dr. Reddy's has the sole responsibility for the preparation of the BRSR Report and is responsible for all information disclosed in the BRSR Core and BRSR Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. Dr. Reddy's is also responsible for ensuring the maintenance and integrity of its website and any referenced BRSR disclosures on their website.

DNV's Responsibility

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

Use and distribution of Assurance statement
This assurance statement, including our conclusion has been prepared solely for the exclusive use and benefit of management of the company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than company for DNV's work or this assurance statement. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period. The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the Dr. Reddy's. DNV does not accept any liability if this assurance statement is used for any purpose other than its intended use, nor does it accept liability to any third party in respect of this assurance statement.

For DNV Business Assurance India Private Limited,	
Digitally signed by Sarkar, Chandan Date: 2026.06.15 12:44:07 +05'30' Digitally signed by Sharma, Anjana Date: 2026.06.15 14:24:00 +05'30'	
Chandan Sarkar Lead Verifier	Anjana Sharma Assurance Reviewer
Assurance Team: Goutam Banik, Poornachander Maratha	

15/06/2026, Bengaluru, India



Page 4 of 5

Annexure I - BRSR Core Verified Data

Sr. No.	Attribute	Parameter	Unit of Measures	Verified Value for FY 25-26
1	Green-house gas (GHG) footprint	Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Total emissions (tCO2e)	116,841
		Total Scope 2 emissions (Break-up of the GHG (CO2e) into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) (Market Based)**	Total emissions (tCO2e)	57,977
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Market Based)	tCO2e/Total Revenue from Operations in Million INR *	0.52
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Market Based)	tCO2e / Total Revenue from Operations adjusted for PPP in USD #	10.58
		Total Scope 1 and Scope 2 emissions (MT) / Total Output of Product or Services (Market Based)	tCO2e/Total Output of Product in Ton	11.97
2	Water footprint	Total water consumption	KL	1,956,215
		Water consumption intensity	KL / Total Revenue from Operations in Million INR *	5.82
			KL / Total Revenue from Operations adjusted for PPP in USD #	118.44
			KL /Total Output of Product in Ton	133.95
3	Energy footprint	Water Discharge by destination and levels of Treatment	KL	116,983
		Total energy consumed	Giga Joules (GJ)	4,649,832
		% of energy consumed from renewable sources	In % terms	52% 69% (including IRECs)
		Energy intensity	GJ/ Total Revenue from Operations in Million INR *	13.8
			GJ/ Total Revenue from Operations adjusted for PPP in USD #	281.5
4	Embracing circularity - details related to waste management by the entity	GJ/ Total Output of Product in Ton		318.4
		Plastic waste (A)	MT	444.60
		E-waste (B)	MT	40.18
		Bio-medical waste (C)	MT	290.31
		Construction and demolition waste (D)	MT	6,728.98
		Battery waste (E)	MT	107.71
		Radioactive waste (F)	MT	0.00
		Hazardous waste (G)		48,037.97
		Total Non-Hazardous Waste (H)	MT	56,057.80
		Total (A+B + C + D + E + F + G+ H)@	MT	111,707.54
		Waste intensity per rupee of turnover from operations	Metric tonnes /Total Revenue from Operations in Million INR *	0.33
		Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	Total waste generated in MT/ Revenue from operations adjusted for PPP in USD #	6.76
		Waste intensity in terms of physical output	MT/Tonne of Product	7.60
		For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations	MT	109,133.76
			Intensity	0.98
		For each category of waste generated, total waste disposed by nature of disposal method	MT	1,955.95
			Intensity	0.02
5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers - cost incurred as a % of total revenue of the company	In % terms	1.98
		Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	Number of Permanent Disabilities	0
			Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees: 0.16 Workers: 0.08
			No. of fatalities	0
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	In % terms	25.4%
		Complaints on POSH	Total Complaints on Sexual Harassment (POSH) reported	21
			Complaints on POSH as a % of female employees / workers	0.4%
			Complaints on POSH upheld	17



Page 5 of 5

7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases –and from within India	Directly sourced from MSMEs/ small producers (In % terms – As % of total purchases by value)	5.3
			Sourced directly from within India	71.5
		Job creation in smaller towns - Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	Location	
			Rural	6.5
			Semi-urban	8.5
			Urban	8.7
			Metropolitan	76.3
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	In % terms	0
		Number of days of accounts payable	(Accounts payable *365) / Cost of goods/services procured	75
9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	Purchases from trading houses as % of total purchases	2.9
			Number of trading houses where purchases are made from	75
			Purchases from top 10 trading houses as % of total purchases from trading houses	57.8
			Sales to dealers / distributors as % of total sales	37.7
			Number of dealers / distributors to whom sales are made	6673
			Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	14.2
			Share of RPTs (as respective %age) in	
			Purchases	0.55
			Sales	0.002
			Loans & advances	nil
			Investments	nil

Notes:
* Revenue as per IFRS consolidated financials for FY25-26
** Total Scope 2 emissions (Location Based) is 315,079 tCO2e. Total Biogenic Emissions is 1,57,178 tCO2e.
PPP - IMF conversion factors for FY2026: 20.34
@ Waste generated from Offices and one new facility is excluded

- 1. BRSR Disclosures- Limited level of assurance**
- Section A: General Disclosures- 20-a, b, 21, 22, 25
 - Section C: Principle Wise Performance Disclosure
 - Principle 1: Essential Indicator 1, Leadership Indicator 1
 - Principle 2: Leadership Indicator 4, 5
 - Principle 3: Essential Indicator 1-a, b, 2, 5, 7, 8, 9, 13, 14; Leadership Indicator 3, 5
 - Principle 5: Essential Indicator 1, 2, 6, 10; Leadership Indicator 4
 - Principle 6: Essential Indicator 6, Leadership Indicator 1, 2, 7
 - Principle 8: Leadership Indicator 6
 - Principle 9: Essential Indicator 2, 3, 4

Annexure II - Sites selected for audits

S.no	Site	Location
1.	Corporate Office	Hyderabad - Head Office
2.	India Offices (onsite)	Hyderabad - APSL Hyderabad - FTO 3 Hyderabad - IPDO Hyderabad - CTO 2
3.	India Offices (remote audit)	Miryalaguda - CTO 5 Pydibheemavaram - FTO 11 Pydibheemavaram - CTO SEZ
4.	International Offices (remote audit)	Mexico - CTO



Page 1 of 5

INDEPENDENT ASSURANCE STATEMENT

to the Management of Dr. Reddy's laboratories Limited

Dr. Reddy's Laboratories Limited (Corporate Identity Number L85195TG1984PLC004507), hereafter referred to as 'Dr. Reddy's' or 'the Company') has appointed DNV Business Assurance India Private Limited ("DNV"," us" or "we") to conduct an independent assurance of non-financial Sustainability disclosures in its Integrated Report for Financial Year (FY) 2025-26 (hereafter referred as 'Report').

Scope of Work and Boundary

The agreed scope of work is a limited Level of assurance of non-financial sustainability disclosures in the Report for the reporting period 01/04/2025 to 31/03/2026. The reported topic boundaries of non-financial performance are based on the internal and external materiality assessment covering the Company's operations as brought out in the section 'Approach to Reporting' of the report.

A reasonable level of assurance was carried out for the following indicators, which were also disclosed in the company's BRSR (Annexure 1).

- GRI 302: Energy 2016 – 302-1, 302-3
- GRI 303: Water and Effluents 2018 – 303-3, 303-4, 303-5
- GRI 305: Emissions 2016 – 305-1, 305-2, 305-4
- GRI 306 Waste 2020 – 306-3; 306-4; 306-5

The reporting and assurance boundary covers the performance of Dr. Reddy's in all global operations that fall under the direct operational control of the Company's Legal structure, unless otherwise specified in 'Approach to Reporting' or respective disclosures of the report.

Reporting Criteria and Standards

The disclosures have been prepared by Dr. Reddy's:

- With reference to the requirements of Global Reporting Initiative (GRI) standards 2021
- Integrated Reporting (<IR>) framework of the International Integrated Reporting Council (IIRC)
- Business Responsibility and Sustainability Report (BRSR) as mandated by the Securities and Exchange Board of India (SEBI), India
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard

Assurance Methodology/ Standard

DNV carried out assurance engagement in accordance with DNV's VeriSustain™ protocol (V6.0), which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. DNV's VeriSustain™ Protocol (V6.0) has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's VeriSustain™ protocol (V6.0), DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements* to evaluate disclosures wrt. Greenhouse gases.

Basis of our conclusion

As part of our independent assurance engagement, we have evaluated the reported environmental, social, and governance (ESG) information against the agreed criteria. Throughout the engagement, we exercised professional judgment and maintained professional skepticism to ensure the integrity and reliability of our conclusions.

As part of the assurance process, multi-disciplinary team of assurance specialists performed assurance work for selected sites of Dr. Reddy's. We carried out the following activities:

- We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the

[DNV Headquarters, Veritasveien 1, P.O.Box 300, 1322 Høvik, Norway. Tel: +47 67 57 99 00. \[www.dnv.com\]\(#\)](#)



Page 2 of 4

- Company's business and its key stakeholders. Reviewed the disclosures in the Report. Our focus included general disclosures, GRI topic-specific disclosures, and any other key metrics as per stated reporting criteria.
- Understanding the key systems, processes, and controls for collecting, managing, and reporting the non-financial sustainability disclosures in the Report.
 - Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting requirements.
 - Collect and evaluate documentary evidence and management representations supporting adherence to the reporting requirements.
 - Interviews with the senior managers responsible for the management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility for monitoring, data collation, and reporting the selected sustainability disclosures.
 - DNV audit team conducted on-site and remote audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
 - Reviewed the process of reporting as defined in the reporting criteria and assurance methodology.
 - Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain™ Protocol V6.0, for a limited level of assurance for the disclosure.

Our Conclusion:

On the basis of the assessment undertaken and agreed scope of work, nothing has come to our attention to suggest that the disclosures (as mentioned in Annexure I of this statement) are not fairly stated and are not prepared, in all material aspects, with reference to the reporting criteria.

Principles as per DNV VeriSustain™ Protocol (V6.0):

1. Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders. The Report explains the double materiality assessment process carried out by the Company, which has considered concerns of both internal and external stakeholders, and inputs from peers and sector specific standards, as well as issues of relevance in terms of impact on Dr. Reddy's business. The list of topics has been prioritized, reviewed and validated, and the Company has indicated that there is no significant change in material topics from the previous reporting period. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

2. Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability. The Report brings out the stakeholders who have been identified as significant to Dr. Reddy's, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of each stakeholder group, which have been identified through these channels of engagement, are further brought out in the Report. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

3. Responsiveness

The extent to which an organization responds to stakeholder issues. The Report adequately brings out the Company's policies, strategies, management systems, and governance mechanisms in place to address the topics identified as material and significant concerns of key stakeholder groups. Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

4. Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported? The Report brings out the Company's performance, strategies, and approaches related to the environmental, social and governance issues identified as material for its operational control under the boundary of the Report, for the chosen reporting period, while applying and considering the requirements of the Principle of Completeness. Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

5. Accuracy

The extent to which the Report provides correct and sufficiently detailed information to allow an assessment of the organization's impacts. The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The Report presents both qualitative and quantitative information in a manner that is consistent with available evidence and other reported disclosures. It clearly distinguishes between measured and estimated data, provides adequate descriptions of measurement methodologies, and outlines assumptions and limitations where applicable. Some of the data inaccuracies identified in the Report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Accuracy.

6. Reliability

The extent to which the Report presents information that can be consistently and dependably verified and used for decision-making. The Report provides disclosures that are supported by documented evidence, validated data sources, and established internal controls. It outlines the processes used to collect, compile, and review information, ensuring that the data presented is dependable and reproducible. The inclusion of third-party assurance further enhances the reliability of the disclosures and supports informed decision-making by stakeholders. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

7. Neutrality/Balance



Page 3 of 4

The extent to which a Report provides a balanced account of an organization's performance, delivered in a neutral tone. The Report brings out the disclosures related to the Company's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

8. Sustainability Context

This addresses the requirement related to the presentation of the organization's performance in its own sustainability and general business context, i.e., a local, regional and international context.

The Report outlines how the Company monitors and evaluates its impact across local, regional, and global sustainability contexts. It reflects the Company's efforts to align its performance with broader societal needs and planetary boundaries to monitor, measure and evaluate its significant direct and indirect impacts linked to identified material topics across the Company, its significant value chain entities and key stakeholder groups.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Sustainability Context.

Responsibility of the Company

The Company has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The Company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and ensuring the quality and consistency of the information presented in the Report. Dr. Reddy's is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on its website.

DNV's Responsibility

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

Use and distribution of Assurance statement

This assurance statement, including our conclusion, has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this assurance statement. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on the Company's website for the current reporting period.

The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and Dr. Reddy's, and DNV does not accept any liability if this assurance statement is used for an alternative purpose from which it is intended, not to any third party in respect of this assurance statement.

Inherent Limitations

DNV's assurance engagement assume that the data and information provided by the Company to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV's opinion on financial disclosures relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

For DNV Business Assurance India Private Limited,		
Sarkar, Chandan	Digitally signed by Sarkar, Chandan Date: 2026.06.23 10:53:13 +05'30'	Sharma, Anjana Digitally signed by Sharma, Anjana Date: 2026.06.23 11:02:49 +05'30'
Chandan Sarkar Lead Verifier DNV Business Assurance India Private Limited, India. Assurance Team: Goutam Banik, Poornachander Maratha	Anjana Sharma Assurance Reviewer DNV Business Assurance India Private Limited, India.	

23/06/2026, Bengaluru, India.



Annexure I

GRI disclosures assured for reasonable level of assurance as a part of the BRSR Core:

- GRI 302: Energy 2016 – 302-1; 302-3
- GRI 303: Water and Effluents 2018 – 303-3; 303-4; 303-5
- GRI 305: Emissions 2016 – 305-1*; 305-2**
- GRI 306: Waste 2020 – 306-3; 306-4; 306-5

GRI Disclosures assured for limited level of assurance:

- GRI 2: General Disclosures 2021
- GRI 3: Material Topics 2021– 3-1; 3-2; 3-3
- GRI 201: Economic performance 2016 – 201-1; 201-2
- GRI 203: Indirect Economic Impacts 2016 - 203-1; 203-2
- GRI 204: Procurement Practices 2016 – 204-1
- GRI 205: Anti-corruption 2016 – 205-1; 205-2; 205-3
- GRI 206: Anti-Competitive Behavior 2016 – 206-1
- GRI 207: Tax 2019 – 207-1; 207-2; 207-3; 207-4
- GRI 301: Materials 2016-301-2; 301-3
- GRI 302: Energy 2016 – 302-2; 302-4
- GRI 303: Water and Effluents 2018 – 303-1; 303-2
- GRI 305: Emissions 2016 – 305-3***; 305-4; 305-5; 305-6; 305-7
- GRI 306: Waste 2020 – 306-1; 306-2
- GRI 308: Supplier environmental assessment 2016 – 308-1; 308-2
- GRI 401: Employment 2016 – 401-1; 401-2; 401-3
- GRI 402: Labor/Management Relations 2016 – 402-1
- GRI 403: Occupational Health and Safety 2018 – 403-1; 403-2; 403-3; 403-7; 403-9; 403-10
- GRI 404: Training and Education 2016 – 404-1; 404-2; 404-3
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1; 405-2
- GRI 406: Non-discrimination 2016 – 406-1
- GRI 407: Freedom of Association and Collective Bargaining 2016 – 407-1
- GRI 408: Child Labor 2016 – 408-1
- GRI 409: Forced or Compulsory Labor 2016 – 409-1
- GRI 410: Security Practices 2016 – 410-1
- GRI 411: Rights of Indigenous Peoples 2016 – 411-1
- GRI 413: Local Communities 2016 – 413-1; 413-2
- GRI 414: Supplier Social Assessment 2016 – 414-1, 414-2
- GRI 416: Customer Health and Safety 2016 - 416-1, 416-2
- GRI 417: Marketing and Labeling 2016 – 417-1, 417-2, 417-3
- GRI 418: Customer Privacy 2016 – 418-1

*Calculation of Direct (Scope 1) GHG emissions is based on conversion factors, emission factors considered in the IPCC sixth assessment report (AR6 WGI Report), and GHG protocol cross-sector emission factors, Department for Environment Food & Rural Affairs (DEFRA 2025).

**Indirect (Scope 2) GHG emissions for Indian operations are calculated based on the Grid Electricity Emission Factor (EF) - Central Electricity Authority, Govt. of India, CO2 baseline database for Indian Power Sector, version 21.0, December 2025. EF considered for international locations are UK - "DEFRA, 2025", for Mexico - "International Energy Agency (IEA, Pub. Sep 2025)", for USA - "Emissions & Generation Resource Integrated Database (eGRID)" – EPA 2025, and other overseas facilities –"IEA, Pub. Sep 2025".

***Calculation of Other Indirect (Scope 3) GHG emissions are based on emission factors considered in Category 1, 2, 4, 6, 9: Supply chain Greenhouse Gas Emission Factors v1.3 by NAICS-6 (North American Industry Classification System), Category 3, 5 & 7: DEFRA- Greenhouse gas reporting: conversion factors 2025, Category 5: GHG protocol, Category 7: India Specific Road Transport Emission Factors, 2015 - WRI - India GHG Program, Category 8 &13: Electricity CEA/ Our World, DEFRA 2025 Full Set V1.0, Category 10: Scope 3 Greenhouse GAS emissions calculation: Guidance for the Pharmaceutical industry by PSCL, Category12: Emissions from Waste Incineration- Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories by IPCC.

Annexure II - Sites selected for audit

S.no	Site	Location
1.	Corporate Office	Hyderabad - Head Office
2.	India Offices (onsite)	Hyderabad - APSL Hyderabad - FTO 3 Hyderabad - IPDO Hyderabad - CTO 2
3.	India Offices (remote audit)	Miryalaguda - CTO 5 Pydibheemavaram - FTO 11 Pydibheemavaram - CTO SEZ
4.	International Offices (remote audit)	Mexico - CTO

DNV Headquarters, Veritasveien 1, P.O.Box 300, 1322 Høvik, Norway. Tel: +47 67 57 99 00, www.dnv.com

DNV Business Assurance India Private Limited

Statement Number: DNV-2026-ASR-857010-1

GRI CONTENT INDEX

Statement of use is as per GRI 1

GRI STANDARD	DISCLOSURE	UN SDG	UNGC Principles	Material Issue	LOCATION	Data
GRI 2: General Disclosures 2021	2-1 Organizational details				Who We Are (Pgs 2-3)	-
	2-2 Entities included in the organization's sustainability reporting				Approach to Reporting: Scope and Coverage of Reporting (pg. 14)	-
	2-3 Reporting period, frequency and contact point				Approach to Reporting: Scope and Coverage of Reporting (Pg 14)	1st April 2025 to 31st March 2026
	2-4 Restatements of information				Approach to Reporting (Pg 14)	
	2-5 External assurance				Approach to Reporting: Assurance Methodology (pg. 14)	-
	2-6 Activities, value chain and other business relationships				Who we are (pg. 2), Management Discussion & Analysis (pg:92-119)	-
	2-7 Employees	8, 10, 12	6		Helping our people realise their full potential (pg. 42); BRSR - Section A, Principle 3, Principle 5 (pg: 160,161,198-201)	Permanent Employees: 27527 Other than Permanent Employees: 9199
	2-8 Workers who are not employees	8, 10, 12	6		Helping our people realise their full potential (pg. 42); BRSR: Principle 3, Principle 5 (pg: 188-193; 198-201)	Permanent Workers: 564 Other than Permanent Workers: 5197
	2-9 Governance structure and composition	5, 16			Leading responsibly: Governance structure (pg. 74), Corporate governance report (Pgs 215 - 250)	-
	2-10 Nomination and selection of the highest governance body	5, 16			Corporate governance report (Pgs 215 - 250)	-
	2-11 Chair of the highest governance body	16			Corporate governance report (Pgs 215 - 250)	-
	2-12 Role of the highest governance body in overseeing the management of impacts	16			Leading responsibly: Governance Struture (Pg 72); Corporate Governance Report (Pgs 215 - 250)	-
	2-13 Delegation of responsibility for managing impacts				Leading responsibly: Governance Struture (pg. 72); Corporate Governance Report (Pgs 215 - 250)	-



GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	UN SDG	UNGC Principles	Material Issue	LOCATION	Data
	2-14 Role of the highest governance body in sustainability reporting				Leading responsibly: ESG Governance Struture (pg. 72); Corporate Governance Report (Pgs 215 - 250)	-
	2-15 Conflicts of interest	16			BRSR Principle 1 (Pg 182)	-
	2-16 Communication of critical concerns				Leading responsibly: Reporting Accountability and Grievance Redressal (pg. 73)	-
	2-17 Collective knowledge of the highest governance body				Corporate governance report (Pg 216)	-
	2-18 Evaluation of the performance of the highest governance body				Corporate governance report (Pg 126)	-
	2-19 Remuneration policies				Corporate governance report (Pg 126)	-
	2-20 Process to determine remuneration				Corporate governance report (Pg 126)	-
	2-21 Annual total compensation ratio			M 17- Human capital development	Annual total compensation ratio is 292.7	-
	2-22 Statement on sustainable development strategy				Our strategy pillars (pg 16), BRSR Section B (pg: 179-181)	-
	2-23 Policy commitments	16			Leading responsibly: Our Policies (pg. 68); Board's Report (Pg 122)	-
	2-24 Embedding policy commitments				Board's Report (Pg 122)	-
	2-25 Processes to remediate negative impacts				Leading responsibly: Human rights (pg. 74), BRSR principle 5 (Pgs 199-200)	-
	2-26 Mechanisms for seeking advice and raising concerns	16	10		Leading responsibly: Reporting Accountability and Grivance Redressal (pg. 73); BRSR Section B (pg: 179-181)	-
	2-27 Compliance with laws and regulations			M4- Compliance	Leading Responsibly: Anti-trust and competition law (pg. 74); Corporate Governance Report (Pg 216), BRSR Section C, Principle 1 (Pg 183)	-

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	UN SDG	UNGC Principles	Material Issue	LOCATION	Data
	2-28 Membership associations		3		BRSR Principle 7 (Pg 209)	-
	2-29 Approach to stakeholder engagement				BRSR Principle 4; (Pg 194) Stakeholder engagement and materiality assessment (pg. 93)	-
	2-30 Collective bargaining agreements		3		Leading responsibly: Human rights (Pg 74)	-
GRI 3: Material Topics 2021	3-1 Process to determine material topics				Stakeholder engagement and materiality assessment (pg. 92); BRSR Section A (Pgs 163-178)	-
	3-2 List of material topics	3, 8, 9, 10, 13			Stakeholder engagement and materiality assessment (pg. 92); BRSR Section A (Pgs 163-178)	-
	3-3 Management of material topics				Stakeholder engagement and materiality assessment (pg. 92); BRSR Section A (Pgs 163-178)	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed				Management Discussion and Analysis (Pgs 92-121)	-
	201-2 Financial implications and other risks and opportunities due to climate change	13	7, 8, 9		Double Materiality Assessment Report: ENGAGEMENT WITH INTERNAL STAKEHOLDERS (pg. 13)	-
	201-3 Defined benefit plan obligations and other retirement plans	8			Corporate Governance Report (Pg 216-250), Notes to Financial Statements (Pgs 283)	-
	201-4 Financial assistance received from government				Not reported	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage				Not reported	
	202-2 Proportion of senior management hired from the local community				Not reported	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported				Our strategy pillars (pg.16); Management Discussion and Analysis (Pgs 92 - 121)	-

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	UN SDG	UNGC Principles	Material Issue	LOCATION	Data
	203-2 Significant indirect economic impacts	1, 3, 8			Our strategy pillars (pg.16); Empowering the communities around us (pg. 48)	-
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	8		M 15- Supplychain management	BRSR principle 8 (Pg 210)	71.5%
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	16	10	M 5- Business ethics	BRSR principle 1 (Pg 183)	
	205-2 Communication and training about anti-corruption policies and procedures	16	10	M 5- Business ethics	Leading responsibly- Our Policies (pg. 68), BRSR Principle 1 (Pg 183)	-
	205-3 Confirmed incidents of corruption and actions taken	16	10	M 5- Business ethics	BRSR principle 1 (Pg 183)	0
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	16		M 5- Business ethics	BRSR principle 1; (Pg 183) Consolidated Financial Statement Notes (Pgs 380-385)	0
GRI 207: Tax 2019	207-1 Approach to tax	1, 10, 17			Independent auditor's report (Pgs 370); Tax Transparency Report	-
	207-2 Tax governance, control, and risk management	1, 10, 17			Independent auditor's report (Pg 370); Tax Transparency Report	-
	207-3 Stakeholder engagement and management of concerns related to tax	1, 10, 17			Independent auditor's report (Pg 370); Tax Transparency Report	-
	207-4 Country-by-country reporting				Independent auditor's report (Pg 370); Tax Transparency Report	-
GRI 301: Materials 2016	301-1 Materials used by weight or volume				Not reported	
	301-2 Recycled input materials used	8, 12			BRSR, Section C, Principle 2, Leadership Indicator Question 3 (Pg 187)	-
	301-3 Reclaimed products and their packaging materials				BRSR, Section C, Principle 2, Leadership Indicator Question 5 (Pg 187)	92% of these boxes are reused at CFA or stockist level

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	UN SDG	UNGC Principles	Material Issue	LOCATION	Data
GRI 302: Energy 2016	302-1 Energy consumption within the organization	7, 8, 12, 13	7, 8, 9	M8- Energy management	BRSR, Section C, Principle 6, Essential Indicators Question 1 (Pg 202)	Total electricity consumption (A) 13,48,931
	302-2 Energy consumption outside of the organization			M8- Energy management	Not reported	
	302-3 Energy intensity	7, 8, 12, 13	8	M8- Energy management	BRSR, Section C, Principle 6, Essential Indicators Question 1 (Pg 202)	Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) Million - 13.8
	302-4 Reduction of energy consumption	7, 8, 12, 13	7, 8, 9	M8- Energy management	BRSR, Section C, Principle 6, Essential Indicators Question 1 (Pg 202)	Total electricity consumption (A) FY 2026 - 13,48,931 FY 2026: 5,91,761# ; 13,48,931@ # Includes renewable energy from PPAs, rooftop solar, IEX-GDAM, JV Solar, hydel, biomass & ISTS @ Includes renewable energy from PPAs, rooftop solar, IEX-GDAM, JV Solar, hydel, biomass, ISTS IRECs & ISTS green attributes.
	302-5 Reductions in energy requirements of products and services			M8- Energy management	Building a greener tomorrow; Pgs 56-57, Annex VI of financial disclosures	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	6, 12	7, 8	M10- Water management	Integrated Report FY 2026, Chapter: Building a Greener Tomorrow; Pg no: 61; Interactions with Water as a Shared Resource	-
	303-2 Management of water discharge-related impacts	6	7, 8, 9	M10- Water management	Integrated Report FY 2026, Chapter: Building a Greener Tomorrow; Pg no: 62; Management of Water Discharge-Related Impacts	-
	303-3 Water withdrawal	6	7, 8, 9	M10- Water management	BRSR, Section C, Principle 6, Essential Indicators Question 3 (Pg 203)	(i) Surface water 90,249 (ii) Groundwater 6,56,117 (iii) Third party water 3,20,737 (iv) Seawater / desalinated water 2,41,085 (v) Others (Municipal) 7,65,010 Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) 20,73,198
	303-4 Water discharge	6	7, 8, 9	M10- Water management	BRSR, Section C, Principle 6, Essential Indicators Question 4 (Pg 203)	Sent to third-parties With treatment: Primary treatment - 1,16,983

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	UN SDG	UNGC Principles	Material Issue	LOCATION	Data														
	303-5 Water consumption	6	7, 8, 9	M10- Water management	BRSR, Section C, Principle 6, Essential Indicators Question 3 (Pg 203)	Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) Metric tonnes of CO2 equivalent 1,16,841														
GRI 101: Biodiversity 2024	Disclosure 101-1 Policies to halt and reverse biodiversity loss 7				Integrated Report FY 2026, Biodiversity from assessment to action; Pg no: 64	-														
	Disclosure 101-2 Management of biodiversity impacts	14, 15	7		Integrated Report FY 2026, Biodiversity from assessment to action; Pg no: 64	-														
	Disclosure 101-4 Identification of biodiversity impacts	14, 15	7		Integrated Report FY 2026, Biodiversity from assessment to action; Pg no: 65															
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3, 11, 12, 13, 15	7, 8	M7- Climate change	BRSR, Section C, Principle 6, Essential Indicators Question 7 (Pg 204)	"Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) Metric tonnes of CO2 equivalent 1,16,841"														
	305-2 Energy indirect (Scope 2) GHG emissions	3, 11, 12, 13, 15	7, 8	M7- Climate change	BRSR, Section C, Principle 6, Essential Indicators Question 7 (Pg 204)	Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) Metric tonnes of CO2 equivalent 3,15,079# 57,977@ # Location Based is excluding IRECs ,ISTS & Green attributes @ Market based is including IRECs,ISTS & Green attributes														
	305-3 Other indirect (Scope 3) GHG emissions	3, 11, 12, 13, 15	7, 8	M7- Climate change	BRSR, Section C, Principle 6, Leadership Indicators Question 2 (Pg 207)	Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)														
	305-4 GHG emissions intensity	3, 11, 12, 13, 15	7, 8	M7- Climate change	BRSR, Section C, Principle 6, Essential Indicators Question 7 (Pg 204) BRSR, Section C, Principle 6, Leadership Indicators Question 2 (Pg 207)	Scope 1 and 2 - 0.52 Scope 3 - 2.3														
	305-5 Reduction of GHG emissions	3, 11, 12, 13, 15	7, 8	M7- Climate change	BRSR, Section C, Principle 6, Essential Indicators Question 8 (Pg 205) BRSR, Section C, Principle 6, Leadership Indicators Question 2 (Pg 207)	<table><tr><td></td><td>FY 2026</td><td>FY 2025</td></tr><tr><td>Scope 1</td><td>1,16,841</td><td>1,42,772</td></tr><tr><td>Scope 2</td><td>3,15,079# 57,977@</td><td>1,96,309# 94,690@</td></tr><tr><td>Scope 3</td><td>7,80,738</td><td>845,849</td></tr><tr><td colspan="3"># Location Based is excluding IRECs, ISTS & Green attributes @ Market based is including IRECs,ISTS & Green attributes</td></tr></table>		FY 2026	FY 2025	Scope 1	1,16,841	1,42,772	Scope 2	3,15,079# 57,977@	1,96,309# 94,690@	Scope 3	7,80,738	845,849	# Location Based is excluding IRECs, ISTS & Green attributes @ Market based is including IRECs,ISTS & Green attributes	
	FY 2026	FY 2025																		
Scope 1	1,16,841	1,42,772																		
Scope 2	3,15,079# 57,977@	1,96,309# 94,690@																		
Scope 3	7,80,738	845,849																		
# Location Based is excluding IRECs, ISTS & Green attributes @ Market based is including IRECs,ISTS & Green attributes																				

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	UN SDG	UNGC Principles	Material Issue	LOCATION	Data
	305-6 Emissions of ozone-depleting substances (ODS)	3, 13	7, 8	M7- Climate change	Integrated Report FY 2026, Chapter: Building a Greener Tomorrow; Pg no: 57; Air Emissions	Refrigerant fugitive emissions arise primarily from refrigerant recharging in air conditioning and refrigeration equipment, and from fire suppression systems. In FY 2026, our emissions from Ozone Depleting Substances were 1.88 tCFC11e, as compared to 1.83 tCFC11e in FY 2025 and 2.15 tCFC11e in FY 2024
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3, 11, 12, 13, 15	7, 8	M7- Climate change	BRSR, Section C, Principle 6, Leadership Indicators Question 6 (Pg 208)	NOx
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	3, 6, 11, 12	7, 8, 9	M9- Waste management	Integrated Report FY 2026, Chapter: Building a Greener Tomorrow; Pg no: 63; Waste Management	-
	306-2 Management of significant waste-related impacts	3, 6, 11, 12	7, 8, 9	M9- Waste management	Integrated Report FY 2026, Chapter: Building a Greener Tomorrow; Pg no: 63; Waste Management	-
	306-3 Waste generated	3, 6, 11, 12	7, 8, 9	M9- Waste management	BRSR, Section C, Principle 6, Essential Indicators Question 9 (Pg 209)	Plastic waste (A) 444.68 E-waste (B) 40.18 Bio-medical waste (C) 290.31 Construction and demolition waste (D) 6,728.98 Battery waste (E) 107.72 Radioactive waste (F) 0 Other Hazardous waste. 48037.97 Other Non-hazardous waste generated (Break-up by composition i.e. by materials relevant to the sector) 56057.80 Total: 1,11,707.5
	306-4 Waste diverted from disposal	3, 6, 11, 12	7, 8, 9	M9- Waste management	BRSR, Section C, Principle 6, Essential Indicators Question 9 (Pg 209)	(i) Recycled 77,116.50 (ii) Re-used 8495.22 (iii) Other recovery operations (Co-processing/Pre-processing) 23522.04 Total 1,09,133.76
	306-5 Waste directed to disposal	3, 6, 11, 12	7, 8, 9	M9- Waste management	BRSR, Section C, Principle 2, Essential Indicators Question 9 (Pg 209)	(i) Incineration 465.17 (ii) Landfilling 1490.78 (iii) Other disposal operations 0 Total 1955.95
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		8	M 15- Supplychain management	Integrated Report FY 2026, Chapter: Building a Greener Tomorrow; Pg no: 58; Engaging the Value Chain	-

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	UN SDG	UNGC Principles	Material Issue	LOCATION	Data
	308-2 Negative environmental impacts in the supply chain and actions taken			M 15- Supplychain management	Integrated Report FY 2026, Chapter: Leading Responsibly; Pg no: 79; Supply Chain Management	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5, 8, 10	6	M 17- Human capital development	Talent Attraction and Retention pg: 43, BRSR - Section A (Pg 161)	New employee hires: 5,423 Turnover- Permanent Employees: 19.7% Permanent Workers: 6.7%
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	3, 5, 8		M 17- Human capital development	BRSR principle 3 Essential Indicator 1 (Pg 188), Employee Wellbeing and Benefits pg:47	-
	401-3 Parental leave	5, 8		M 17- Human capital development	BRSR principle 3 Essential Indicator 5 (Pg 189)	Permanent Employees Return to work rate Male - 91.4% Female - 93.5% Total - 91.9% Retention rate Male - 89.9% Female - 92.8% Total - 90.5%"
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes			M 17- Human capital development	Organization provides significant operational changes to employees & other relevant stakeholders varying from weeks to month through various modes of communication.	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	3, 8		M6- Health and safety	Occupational Health and Safety pg: 39	-
	403-2 Hazard identification, risk assessment, and incident investigation			M6- Health and safety	Risk and Hazard Identification and Mitigation pg: 39	-
	403-3 Occupational health services	3, 8		M6- Health and safety	Occupational Health and Well-being pg: 40	-
	403-4 Worker participation, consultation, and communication on occupational health and safety			M6- Health and safety	Risk and Hazard Identification and Mitigation pg: 39	-

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	UN SDG	UNGC Principles	Material Issue	LOCATION	Data
	403-5 Worker training on occupational health and safety	3, 8	6	M6- Health and safety	Occupational Health and Safety pg: 39	-
	403-6 Promotion of worker health	3, 8		M6- Health and safety	Occupational Health and Well-being pg: 40	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3, 8		M6- Health and safety	Occupational Health and Safety pg: 39	-
	403-8 Workers covered by an occupational health and safety management system	3, 8		M6- Health and safety	Occupational Health and Safety pg: 39	-
	403-9 Work-related injuries	3, 8, 16		M6- Health and safety	BRSR principle 3 Essential Indicator 11 (Pg 192)	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) Employees: 0.16 Workers: 0.08 Total recordable work-related injuries Employees: 19 Workers: 14
	403-10 Work-related ill health	3, 8, 16		M6- Health and safety	BRSR principle 3 Essential Indicator 11 (Pg 192)	High consequence work-related injury or ill-health (excluding fatalities) Employees: 0 Workers: 0
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	4, 5, 8, 10		M 17- Human capital development	Learning and Development pg: 45	74.4 hours
	404-2 Programs for upgrading employee skills and transition assistance programs	8		M 17- Human capital development	Learning and Development pg: 45 Transition Assistance Programs: pg 47	-
	404-3 Percentage of employees receiving regular performance and career development reviews	5, 8, 10	6	M 17- Human capital development	Performance Management and Productivity pg: 46, BRSR Principle 3 Essential Indicator 9 (Pg 191)	Performance and career development reviews: Employees Male: 96.1 Female: 97.8 Other: 100 Total: 96.7 Workers Male: 98.9 Female: 100 Other: 0 Total: 98.9

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	UN SDG	UNGC Principles	Material Issue	LOCATION	Data
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees 405-2 Ratio of basic salary and remuneration of women to men	5, 8, 10	6	M 17- Human capital development	Gender diversity and inclusion pg: 41	21.6% 17.9% Women in workforce and in our leadership team respectively
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5, 8, 10	6	M 17- Human capital development	BRSR Principle 5 Essential Indicator 3 (Pg 199)	Gross wages paid to females as a % of total wages: 25% Sexual Harassment Filed during the year: 21 Pending resolution at the end of the year: 6 Discrimination at workplace Filed during the year: 124 Pending resolution at the end of the year: 17
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		3	M 17- Human capital development	Human Rights pg: 74-75, BRSR Principle 5 (pg: 198-201)	-
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	5, 8, 10	5	M 17- Human capital development	Human Rights pg: Pgs 74-75, BRSR Principle 5 (pg: 198-201)	-
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	5, 8	4, 5	M 17- Human capital development	BRSR Principle 5 (pg: 198-201)	-
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	16	1, 2	M 17- Human capital development	BRSR Principle 5 (pg: 198-201)	-
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples			M 17- Human capital development	There are no incidents of violating rights of indigenous people.	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs			M 17- Human capital development	Empowering the communities around us (Pg 48), Board's Report (Pg 122), BRSR Principle 8 (Pg 212)	Lives benefited: 1,119,100

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	UN SDG	UNGC Principles	Material Issue	LOCATION	Data
	413-2 Operations with significant actual and potential negative impacts on local communities			M 17- Human capital development	There are no significant negative impacts on local communities.	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	5, 8, 11, 16		M 17- Human capital development	Engaging the Value Chain pg: 58, BRSR Principle 2 (Pg 185)	
GRI 415: Public Policy 2016	415-1 Political contributions				Financial Statement Notes (Pg 283)	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories			M6- Health and safety; M1- Product quality	Integrated Report FY 2026, Chapter: Leading Responsibly; Pg no: 77-78; Pharmacovigilance	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services			M6- Health and safety; M1- Product quality	There are no incidents of non-compliance. However voluntary recalls information was reported in Ess. Indicator 4 of BRSR Principle 9 (Pg 213)	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	12		M1- Product quality	BRSR Principle 9 (Pg 213)	
	417-2 Incidents of non-compliance concerning product and service information and labeling			M1- Product quality	Product quality and Pharmacovigilance chapters in governance section (Pgs 77-78)	
	417-3 Incidents of non-compliance concerning marketing communications			M1- Product quality	Product quality and Pharmacovigilance chapters in governance section (Pgs 77-78)	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	16		M3- Cyber security	Information Security pg: 76	Information Security: Zero incidences

DISCLOSURES IN ACCORDANCE WITH ART. 964B SWISS CODE OF OBLIGATIONS

Disclosures in accordance with Art. 964B Swiss Code of Obligations	Topics covered	Section in the report	Reference page number
General information required to understand our business	Double Materiality assessment, stakeholder engagement, Policies related to material matters	Stakeholder engagement and materiality assessment, BRSR Section B	Pg: 80-85; 163-178
Risks related to non-financial matters	Risk management	Risk management, BRSR Section A	pg:86-87; 159-178
References to national, European or international regulations	Reporting standards and frameworks adopted to disclose non-financial information	Approach to reporting	pg: 14
Coverage of subsidiaries	Reporting boundary covering inclusions and exclusions	Approach to reporting	pg:14
Description of the business model	Business model	Our Value creation model, Our strategy pillars	pg: 16-23
Environmental matters	Emissions, Energy transition, Biodiversity, Water management, Waste management	Building a Greener Tomorrow, BRSR Principle 6	pg: 54-65; 202-209
Social matters	Product quality, Our strategy for wider access; Strategic collaborations; Strengthening our product pipeline; Focusing on public health; Patient assistance and support	Leading responsibly, Access, Affordability, and Innovation	pg: 66-79; 26-37
Employee-related matters	Human capital development, Diversity and inclusion	Helping our people realise their full potential	pg: 38-47
Respect for human rights	Human rights	Leading responsibly, BRSR Principle 5	pg: 74-75; 198-201
Combating corruption	Business Ethics and Regulatory Compliance	Leading responsibly	pg: 66-79
Non financial performance indicators	Key Performance indicators related to non-financial information	Key performance indicators, Our value creation model, Building the future responsibly	Pg: 8-9; 24-25

GLOSSARY

AC	Audit Committee
ADR	American Depository Receipt
AGM	Annual General Meeting
AI	Artificial Intelligence
ANDA	Abbreviated New Drug Application
API	Active Pharmaceutical Ingredient
AS	Accounting Standards
ASN	Advanced Shipment Notice
ATV/ATN	Atorvastatin calcium
AVF	Arteriovenous Fistula
ANVISA	Agência Nacional de Vigilância Sanitária (Brazilian Health regulatory agency)
ATAR	Anytime audit readiness mechanism
ATFD	Agitated Thin Film Dryer
BAC	Banking and Authorization Committee
BRSR	Business Responsibility and Sustainability Report
BSE	Bombay Stock Exchange
BN	Billion
BLA	Biologics License Application
CAGR	Compound Annual Growth Rate
CCO	Chief Compliance Officer
CDP	Carbon Disclosure Project
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHIP	Community Health Intervention Programme
CII	Confederation of Indian Industry
CIN	Corporate Identity Number
COBE	Code of Business Conduct and Ethics
COO	Chief Operating Officer
CPS	Custom Pharmaceutical Services
CPCB	Central Pollution Control Board
CRL	Complete Response Letters
CSR	Corporate Social Responsibility
CTO	Chemical Technical Operations
CUSIP	Committee on Uniform Security Identification Procedures
CDSCO	Central Drugs Standard Control Organisation
DCGI	Drug Controller General of India
DIN	Director's Identification Number
DMF	Drug Master File
DP	Depository Participant
DRF	Dr. Reddy's Foundation
DRFHE	Dr. Reddy's Foundation for Health and Education

EBITDA	Earnings Before Interest, Taxes, Depreciation And Amortization
EC	Electronically Commutated
EGM	Extraordinary General Meeting
EIR	Establishment Inspection Report
EM	Emerging Markets
EPS	Earnings Per Share
ERM	Enterprise-wide Risk Management
ESOP	Employees Stock Option Plan
EUG	Europe Generics
EVEN	Evoting Event Number
FAQ	Frequently Asked Questions
FICCI	Federation of Indian Chambers of Commerce & Industry
FO	Fuel Oil
FPL	Friction Power Loss
FTO	Formulations technical operations
FMEA	Failure Mode and Effects Analysis
GDP	Gross Domestic Product
GDR	Global Depository Receipt
GG	Global Generics
GHG	Green House Gas
GMO	Global Manufacturing Operations
GMP	Good Manufacturing Practices
GARDP	Global Antibiotic Research & Development Partnership
HR	Human Resources
HVAC	Heat, Ventilation and Air Conditioning
HOC	Heat of Compression
HPAPI	High Potency Active Pharmaceutical Ingredient
IASB	Indian Accounting Standard Board
ICAI	Institute of Chartered Accountants of India
ICC	Internal Complaints Committee
IEC	Information, Education and Communication
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards
IGAAP	Indian Generally Accepted Accounting Principles
Ind AS	Indian Accounting Standard
ISAE	International standard on Assurance engagements
INR	Indian Rupees
IOT	Internet of Things
IP	Intellectual Property
IPDO	Integrated Product Development Organisation
ICH	International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use



GLOSSARY

IR	Integrated Annual Report
ISIN	International Securities Identification Number
IST	Indian Standard Time
IT	Information Technology
JPY	Japanese Yen
JWG	Joint Working Group
KARV	Kallam Anji Reddy Vidyalaya
KAR-VJR	Kallam Anji Reddy – Vocational Junior College
KMP	Key Managerial Personnel
KPI	Key Performance Indicators
LABS	Livelihood Advancement Business School
LSSSDC	Life Sciences Sector Skill Development Council
LTIFR	Lost Time Injury Frequency Rate
M&A	Mergers and Acquisitions
MC	Management Council
MD	Managing Director
MD&A	Management Discussion & Analysis
MT	Metric Tonne
NAG	North America Generics
NCEs	New Chemical Entities
NRT	Nicotine replacement therapy
NCLT	National Company Law Tribunal
NDA	New Drug Application
NGO	Non-Governmental Organisation
NGCC	Nomination, Governance, and Compensation Committee
NLEM	National List of Essential Medicines
NPPA	National Pharmaceutical Pricing Authority
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
NSE IFSC	National Stock Exchange of India International Financial Service Centre
NYSE	New York Stock Exchange Inc.
NIST	National Institute of Standards and Technology
OP	Out Patient
OTC	Over-the-counter
OTIF	On Time In Full
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PHC	Primary Health Centres
PMI	Process Mass Intensity
PO	Purchase Order
PP	Proprietary Products

PPE	Personal Protective Equipment
PSAI	Pharmaceuticals Services and Active Ingredients
PMDA	Pharmaceuticals and Medical Devices Agency
PwD	People with Disabilities
P2P	Procure to Pay
RAT	Rapid Antigen Tests
rFC	Recombinant Factor C
RD	Regional Director
R&D	Research and Development
RDIF	Russian Direct Investment Fund
RMC	Risk Management Committee
RO	Reverse Omission
RoCE	Return on Capital Employed
RoW	Rest of World
RTA	Registrar and Transfer Agent
SCSR	Sustainability and Corporate Social Responsibility Committee
SEBI	Securities and Exchange Board of India
SEC	Securities and Exchange Commission
SASB	Sustainability Accounting Standards Board
SEZ	Special Economic Zone
SHE	Safety, Health and Environment
SG&A	Selling, General and Administrative
SIP	School Improvement Program
SMP	Senior Management Personnel
SPCB	State Pollution Control Board
SRC	Stake Holder Relationship Committee
SS	Secretarial Standards
STOC	Science, Technology and Operation Committee
SOX	Sarbanes Oxley Act, 2002
TCFD	Task Force on Climate-Related Financial Disclosures
UK	United Kingdom
US/USA	United States of America
USD/\$	United States Dollar
USFDA	United States Food and Drugs Administration
VC/ OVAM	Video Conferencing /Other Audio Visual Means
VFD	Variable Frequency Drive
ZLD	Zero Liquid Discharge
2DG	2-Deoxy-D-Glucose
MHI	My Health Index
MITRA	Making Integrated Transformation through Resourceful Agriculture

GLOSSARY

MHRA	Medicines and Healthcare products Regulatory Agency
MLP	Multi-Layered Plastic
MoU	Memorandum of Understanding
MT	Metric Ton
MTCO2e	Metric Tonnes of Carbon Dioxide Equivalent
MDS	Myelodysplastic syndrome
MW	Megawatt
MS	Mild Steel
NGO	Non-Governmental Organisation
NHLP	New Horizons Leadership Programme
NHWP	New Horizons Well-being Programme
NAM	New Approach Methodologies
NOx	Nitrogen Oxides
OTC	Over-the-counter
PET	Polyethylene Terephthalate
PPA	Power Purchase Agreements
PPP	Purchasing Power Parity
PSCI	Pharmaceutical Supply Chain Initiative
PV	Pharmacovigilance

PwD	Persons with Disabilities
QbD	Quality by Design
QMS	Quality Management System
REC	Renewable Energy Certificate
RWA	Rural Workforce Agencies
S2C	Selection-to-Commercial
SAMP	Social Accountability Management Procedure
SCOC	Supplier Code of Conduct
SMT	Self-Managed Teams
Sox	Sulfur Oxides
STEM	Science, Technology, Engineering and Mathematics
STP	Sewage Treatment Plant
TPM	Total Productive Maintenance
TPR	Transplanted Rice
UNGP	United Nations Guiding Principles
UN SDGs	United Nations Sustainable Development Goals
WASH	Water, Sanitation and Hygiene
Wits RHI	Wits Reproductive Health and HIV Institute
YLP	Young Leaders Programme



ISSB DISCLOSURES ON IFRS S1 & S2

This content index has been prepared with reference to the IFRS S1 &S2 Sustainability and climate related Disclosure Standards issued by the International Sustainability Standards Board (ISSB). It provides a mapping of the Company’s disclosures against few relevant IFRS S2 requirements and rest of S2 disclosures are reported in our ESG data book FY 26

Topic	IFRS Index	Requirements	Location in Report
Governance	IFRS S1.26, IFRS S2.26	Objective of sustainability-related, Climate – related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee sustainability-related risks and opportunities.	Leading Responsibly, ESG Governance Structure, Pg (pg: 72-73)
Governance	IFRS S1.27, IFRS S2.27	To achieve this objective, an entity shall disclose information about the governance body(s) or individual(s) responsible for oversight of sustainability-related risks and opportunities, and management’s role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related and climate related risks and opportunities.	Leading Responsibly, ESG Governance Structure, Pg (pg: 72-73)
Governance	IFRS S1.27(a)	Disclose the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities. Specifically, identify that body(s) or individual(s).	Leading Responsibly, ESG Governance Structure, Pg (pg: 72-73)
Governance	IFRS S1.27(a)(i)	Disclose how responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).	Leading Responsibly, ESG Governance Structure, Pg (pg: 72-73) SCSR committee charter (SCSR-Committee-Charter-19052022.pdf)
Governance	IFRS S1.27(a)(ii)	Disclose how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities.	Our Policies – list of Board Committee’s Charter, NGCC Policy, CSR Policy, Biodiversity Policy etc. (pg 68); Board Highlights (Pg: 143, 225,226, 233)
Governance	IFRS S1.27(a)(iii)	Disclose how and how often the body(s) or individual(s) is informed about sustainability-related risks and opportunities.	Board Composition – Pg: 143, 225,226, 233 Board Highlights – Industry Experience infographic (pg:216) SCR committee charter (SCSR-Committee-Charter-19052022.pdf)
Governance	IFRS S1.27(a)(iv)	Disclose how the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity’s strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	Leading Responsibly, ESG Governance Structure (pg 72-73)

Topic	IFRS Index	Requirements	Location in Report
Governance	IFRS S1.27(a)(v)	Disclose how the body(s) or individual(s) oversees the setting of targets related to sustainability-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.	Leading Responsibly, ESG Governance Structure, (pg: 72-73)
Governance	S1.27(a)(vi)	How body oversees the setting of targets and monitors progress, including related performance metrics in remuneration	Leading Responsibly, Key Highlights of Corporate Governance Practices (pg: 72-73)
Governance	IFRS S1.27(b), IFRS S2.27 (b)	Disclose management’s role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related and climate risks and opportunities.	Leading Responsibly, ESG Governance Structure, (pg: 72-73) Corporate Governance Report
Governance	IFRS S1.27(b)(i);	Disclose whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	Leading Responsibly, ESG Governance Structure, (pg: 72-73) SCSR committee charter
Governance	IFRS S1.27(b)(ii)	Disclose whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Leading Responsibly, Management-Level Responsibility (pg: 72-73)
Strategy	IFRS S1.28	Objective of sustainability-related financial disclosures on strategy is to enable users of general purpose financial reports to understand an entity’s strategy for managing sustainability-related risks and opportunities.	Building a Greener Tomorrow (pg: 54-65); Powering a Low-Carbon Future (p. 43); Leading Responsibly (pg: 66-79); Value Creation Model (pg: 22-23)
Strategy	IFRS S1.29	Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s prospects; the current and anticipated effects on business model and value chain; the effects on strategy and decision-making; the effects on financial position, financial performance and cash flows; and the resilience of the entity’s strategy and business model.	Building a Greener Tomorrow (pg. 54-65); Powering a Low-Carbon Future ; Leading Responsibly (pg.66-79); Value Creation Model (pg. 22-23)
Strategy	IFRS S1.29(a)	Disclose the sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s prospects.	Stakeholder Engagement and Materiality Assessment, Pg 80-85 Double Materiality assessment report (Double Materiality Assessment Report. pdf)
Strategy	IFRS S1.29(b)	Disclose the current and anticipated effects of those sustainability-related risks and opportunities on the entity’s business model and value chain.	Stakeholder Engagement and Materiality Assessment, Pg 80-85
Strategy	IFRS S1.29(c)	Disclose the effects of those sustainability-related risks and opportunities on the entity’s strategy and decision-making.	Stakeholder Engagement and Materiality Assessment, Pg 80-85
Strategy	IFRS S1.29(d)	Disclose the effects of those sustainability-related risks and opportunities on the entity’s financial position, financial performance and cash flows for the reporting period, and their anticipated effects over the short, medium and long term, taking into consideration how those risks and opportunities have been factored into financial planning.	



Topic	IFRS Index	Requirements	Location in Report
Strategy	IFRS S1.29(e)	Disclose the resilience of the entity's strategy and its business model to those sustainability-related risks.	Risk Management, Pg 86-87
Sustainability-related risks and opportunities	IFRS S1.30; IFRS S2. 30	An entity shall disclose information that enables users of general purpose financial reports to understand the sustainability-related and climate related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Stakeholder Engagement and Materiality Assessment (pg. 80-85); Building a Greener Tomorrow, Understanding Climate-Related Risk (p. 47); Risk Management (p. 86)
Sustainability-related risks and opportunities	IFRS S1.30(a)	Describe sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Stakeholder Engagement and Materiality Assessment (pg. 80-85)
Sustainability-related risks and opportunities	IFRS S1.30(b)	Specify the time horizons—short, medium or long term—over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur.	Building a Greener Tomorrow, Understanding Climate-Related Risk (pg. 56) Double materiality assessment report (Double Materiality Assessment Report. pdf)
Sustainability-related risks and opportunities	IFRS S1.30(c)	Explain how the entity defines short term, medium term and long term and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	
Sustainability-related risks and opportunities	IFRS S1.31, IFRS S2. 31	Short-, medium- and long-term time horizons can vary between entities and depend on many factors, including industry-specific characteristics, planning horizons used in the industry for strategic decision-making and capital allocation, and the time horizons over which users assess entities in that industry.	Building a Greener Tomorrow, Understanding Climate-Related Risk (pg. 56)
Business model and value chain	IFRS S1.32	An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain.	Double Materiality Assessment report (Double Materiality Assessment Report. pdf)
Business model and value chain	IFRS S1.32(a)	Disclose a description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain.	Value Creation Model (pg: 22-23); Double Materiality Assessment report (Double Materiality Assessment Report. pdf)
Business model and value chain	IFRS S1.32(b)	Disclose a description of where in the entity's business model and value chain sustainability-related risks and opportunities are concentrated, for example geographical areas, facilities and types of assets.	Building a Greener Tomorrow, Understanding Climate-Related Risk (pg. 60); Biodiversity: TNFD/LEAP Assessment (p. 64) Double Materiality Assessment report (Double Materiality Assessment Report. pdf)
Strategy and decision-making	IFRS S1.33	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on its strategy and decision-making.	Double Materiality Assessment report (Double Materiality Assessment Report. pdf)
Strategy and decision-making	IFRS S1.33(a)	Disclose how the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making.	Section A of the Business Responsibility and Sustainability Report (pg:159-178) Report of the Risk Management Committee in the Corporate Governance report (Pg: 230-231)

Topic	IFRS Index	Requirements	Location in Report
Strategy and decision-making	IFRS S1.33(b); IFRS S2.33 (b)	Disclose the progress against plans the entity has disclosed in previous reporting periods, including quantitative and qualitative information.	Building a Greener Tomorrow, Metrics and Targets table (pg. 55) Key performance indicators (p. 8,9)
Strategy and decision-making	IFRS S1.33(c)	Disclose trade-offs between sustainability-related risks and opportunities that the entity considered.	
Financial position, financial performance and cash flows	IFRS S1.34	An entity shall disclose information that enables users of general purpose financial reports to understand the effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and the anticipated effects over the short, medium and long term.	
Financial position, financial performance and cash flows	IFRS S1.34(a); IFRS S2.34(a)	Disclose the effects of sustainability-related, Climate related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects).	Building a Greener Tomorrow, Understanding Climate-Related Risk (pg. 57); Leading Responsibly, Information Security (p. 76); Key Financial Performance Indicators (p. 9)
Financial position, financial performance and cash flows	IFRS S1.34(b); IFRS S2.34(b)	Disclose the anticipated effects of sustainability-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how sustainability-related and climate related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	Building a Greener Tomorrow, Understanding Climate-Related Risk (pg. 60); Leading Responsibly, Information Security (pg. 76); Key Financial Performance Indicators (pg. 8-9)
Financial position, financial performance and cash flows	IFRS S1.35; IFRS S2.35	Specifically, an entity shall disclose quantitative and qualitative information about current and anticipated financial effects.	Building a Greener tomorrow, Understanding Climate-Related Risk (pg. 60); Leading Responsibly, Information Security (pg. 76); Key Financial Performance Indicators (pg. 8-9)
Financial position, financial performance and cash flows	IFRS S1.35(a)	Disclose how sustainability-related risks and opportunities have affected the entity's financial position, financial performance and cash flows for the reporting period.	Value creation model (pg 22-23)
Financial position, financial performance and cash flows	IFRS S1.35(b)	Disclose the sustainability-related risks and opportunities identified in paragraph 35(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Value creation model (pg 22-23)
Financial position, financial performance and cash flows	IFRS S1.35(c); IFRS S2.35(c)	Disclose how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage sustainability and climate related risks and opportunities.	Value creation model and respective sections of the report (pg: 22-23; 66-79; 54-65; 26-37)



Topic	IFRS Index	Requirements	Location in Report
Financial position, financial performance and cash flows	IFRS S1.35(c)(i)	In considering expected changes in financial position, take into account investment and disposal plans, including plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset retirements, including plans the entity is not contractually committed to.	Building a Greener tomorrow, Understanding Climate-Related Risk (pg. 60). Leading Responsibly, Information Security (pg. 76). Key Financial Performance Indicators (pg.8-9)
Financial position, financial performance and cash flows	IFRS S1.35(c)(ii)	In considering expected changes in financial position, take into account planned sources of funding to implement the entity's strategy.	Key Financial Performance Indicators (pg. 8-9)
Financial position, financial performance and cash flows	IFRS S1.35(d)	Disclose how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage sustainability-related risks and opportunities.	Key Financial Performance Indicators (pg.8-9)
Financial position, financial performance and cash flows	IFRS S1.36	In providing quantitative information, an entity may disclose a single amount or a range.	Building a greener tomorrow, Understanding Climate-Related Risk (pg. 60)
Financial position, financial performance and cash flows	IFRS S1.37	In preparing disclosures about anticipated financial effects of a sustainability related risk or opportunity, an entity shall use all reasonable and supportable information available at the reporting date without undue cost or effort and use an approach commensurate with the skills, capabilities and resources available to the entity.	Leading Responsibly, Management-Level Responsibility (pg. 72-73); Building a greener tomorrow, Understanding Climate-Related Risk (pg. 60)
Financial position, financial performance and cash flows	IFRS S1.37(a)	Use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort.	Leading Responsibly, Management-Level Responsibility (pg. 61-62)
Financial position, financial performance and cash flows	IFRS S1.37(b)	Use an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures.	Leading Responsibly, Management-Level Responsibility (pg. 72-73)
Financial position, financial performance and cash flows	IFRS S1.38	An entity need not provide quantitative information about the current or anticipated financial effects of a sustainability-related risk or opportunity if those effects are not separately identifiable or if the level of measurement uncertainty is so high that the resulting quantitative information would not be useful.	Financial materiality – Double materiality assessment (Double Materiality Assessment Report.pdf)
Financial position, financial performance and cash flows	IFRS S1.38(a)	Quantitative information need not be provided if those effects are not separately identifiable.	Financial materiality – Double materiality assessment (Double Materiality Assessment Report.pdf)

Topic	IFRS Index	Requirements	Location in Report
Financial position, financial performance and cash flows	IFRS S1.38(b)	Quantitative information need not be provided if the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful.	Financial materiality – Double materiality assessment (Double Materiality Assessment Report.pdf)
Financial position, financial performance and cash flows	IFRS S1.39	An entity need not provide quantitative information about anticipated financial effects if the entity does not have the skills, capabilities or resources to provide that quantitative information.	Not applicable
Financial position, financial performance and cash flows	IFRS S1.40	If an entity determines that it need not provide quantitative information applying paragraphs 38–39, the entity shall explain why, provide qualitative information about those financial effects, and provide quantitative information about the combined financial effects unless that combined information would not be useful.	Not applicable
Financial position, financial performance and cash flows	IFRS S1.40(a)	Explain why quantitative information has not been provided.	Quantitative information is provided in the respective sections when significant material issues are addressed
Financial position, financial performance and cash flows	IFRS S1.40(b)	Provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that sustainability-related risk or opportunity.	Financial materiality – Double materiality assessment (Double Materiality Assessment Report.pdf)
Financial position, financial performance and cash flows	IFRS S1.40(c)	Provide quantitative information about the combined financial effects of that sustainability-related risk or opportunity with other sustainability-related risks or opportunities and other factors unless the entity determines that quantitative information about the combined financial effects would not be useful.	Leading Responsibly (Pg 66), Building a greener tomorrow (Pg 54)
Resilience	IFRS S1.41	An entity shall disclose information that enables users of general purpose financial reports to understand its capacity to adjust to the uncertainties arising from sustainability-related risks. An entity shall disclose a qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon. When providing quantitative information, an entity may disclose a single amount or a range.	BRSR, Section A, Question 26 (Pg 163)
Resilience	IFRS S1.42; IFRS S2.42	Other IFRS Sustainability Disclosure Standards may specify the type of information an entity is required to disclose about its resilience to specific sustainability and climate related risks and how to prepare those disclosures, including whether a scenario analysis is required.	Building a Greener Tomorrow, Understanding Climate-Related Risk (pg. 60-61), Leading responsibly (Pg 86)



Topic	IFRS Index	Requirements	Location in Report
Risk management	IFRS S1.43	Objective of sustainability-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor sustainability-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process, and to assess the entity's overall risk profile and overall risk management process.	BRSR, Section A, Question 26 (Pg 163)
Risk management	IFRS S1.43(a)	Enable users to understand an entity's processes to identify, assess, prioritise and monitor sustainability-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.	BRSR, Section A, Question 26 (Pg 163)
Risk management	IFRS S1.43(b)	Enable users to assess the entity's overall risk profile and its overall risk management process.	Report of the Risk Management Committee in the Corporate Governance report (Pg 230-231)
Risk management	IFRS S1.44	To achieve this objective, an entity shall disclose information about processes and related policies used to identify, assess, prioritise and monitor sustainability-related risks and opportunities, and the extent to which and how those processes are integrated into the overall risk management process.	Double Materiality Assessment Report ((Double Materiality Assessment Report. pdf))
Risk management	IFRS S1.44(a)	Disclose the processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks.	Risk Management, (Pg 86)
Risk management	IFRS S1.44(a)(i)	Disclose the inputs and parameters the entity uses, for example information about data sources and the scope of operations covered in the processes.	Value creation model (Pgs 22-23), Reporting criteria (ESG Reporting Criteria 2024-25_2.pdf)
Risk management	IFRS S1.44(a)(ii)	Disclose whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks.	Building a Greener tomorrow, Understanding Climate-Related Risk (pg.60-61);
Risk management	IFRS S1.44(a)(iii)	Disclose how the entity assesses the nature, likelihood and magnitude of the effects of those risks, for example whether the entity considers qualitative factors, quantitative thresholds or other criteria.	Double Materiality Assessment Report ((Double Materiality Assessment Report. pdf))
Risk management	IFRS S1.44(a)(iv)	Disclose whether and how the entity prioritises sustainability-related risks relative to other types of risk.	Double Materiality Assessment Report ((Double Materiality Assessment Report. pdf))
Risk management	IFRS S1.44(a)(v)	Disclose how the entity monitors sustainability-related risks.	Double Materiality Assessment Report ((Double Materiality Assessment Report. pdf)); Stakeholder Engagement and Materiality Assessment (p. 80-85)
Risk management	IFRS S1.44(a)(vi)	Disclose whether and how the entity has changed the processes it uses compared with the previous reporting period.	Approach to reporting (Pg 14-15)
Risk management	IFRS S1.44(b); IFRS S2.44 (b)	Disclose the processes the entity uses to identify, assess, prioritise and monitor sustainability and climate related opportunities.	Double Materiality Assessment Report ((Double Materiality Assessment Report. pdf)); Building a Greener tomorrow, Understanding Climate-Related Risk (pg. 60-61).

Topic	IFRS Index	Requirements	Location in Report
Risk management	IFRS S1.44(c)	Disclose the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	BRSR, Section A, Question 26 (Pg 163); Double Materiality Assessment Report ((Double Materiality Assessment Report. pdf));
Metrics and targets	IFRS S1.45	Objective of sustainability-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its sustainability-related risks and opportunities, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.	Building a Greener tomorrow, Understanding Climate-Related Risk (pg. 60-61). Leading Responsibly, Information Security, Product Quality (p. 65–66).
Metrics and targets	IFRS S1.46; IFRS S2.46	An entity shall disclose, for each sustainability and climate related risk and opportunity that could reasonably be expected to affect the entity's prospects, metrics required by an applicable IFRS Sustainability Disclosure Standard and metrics the entity uses to measure and monitor the risk or opportunity and performance in relation to it.	Building a Greener tomorrow, Understanding Climate-Related Risk (p. 47). Leading Responsibly, Information Security, Product Quality (p. 76-77).
Metrics and targets	IFRS S1.46(a); IFRS S2. 46(a)	Disclose metrics required by an applicable IFRS Sustainability Disclosure Standard.	Double Materiality Assessment Report ((Double Materiality Assessment Report. pdf); Building a Greener tomorrow, Understanding Climate-Related Risk (pg. 60-61). Leading Responsibly, Information Security, Product Quality (p. 76-77).
Metrics and targets	IFRS S1.46(b); IFRS S2. 46(b)	Disclose metrics the entity uses to measure and monitor the sustainability and climate related risk or opportunity and its performance in relation to that risk or opportunity, including progress towards any targets set and any targets required by law or regulation.	Double Materiality Assessment Report ((Double Materiality Assessment Report. pdf); Building a Greener tomorrow, Understanding Climate-Related Risk (pg. 60-61). Leading Responsibly, Information Security, Product Quality (p. 76-77). Key Performance indicators- Non financial indicators (Pg 9) Value creation model Stakeholder Engagement and Materiality Assessment (p. 70–72)
Metrics and targets	IFRS S1,S2.46(b) (i)	Disclose metrics the entity uses to measure and monitor that sustainability and climate related risk or opportunity.	Double Materiality Assessment Report ((Double Materiality Assessment Report. pdf); Building a Greener tomorrow, Understanding Climate-Related Risk (p. 47). Leading Responsibly, Information Security, Product Quality (p. 65–66). Key Performance indicators- Non financial indicators Value creation model (Pgs 22-23) Stakeholder Engagement and Materiality Assessment (p. 80-85)

Topic	IFRS Index	Requirements	Location in Report
Metrics and targets	IFRS S1,S2.46(b) (ii)	Disclose metrics the entity uses to measure and monitor its performance in relation to that sustainability and climate related risk or opportunity, including progress towards any targets the entity has set and any targets it is required to meet by law or regulation.	Double Materiality Assessment Report ((Double Materiality Assessment Report. pdf); Building a Greener tomorrow, Understanding Climate-Related Risk (pg. 60-61). Leading Responsibly, Information Security, Product Quality (p. 76-77). Key Performance indicators- Non financial indicators (Pg 9) Value creation model (Pgs 22-23) Stakeholder Engagement and Materiality Assessment (p. 80-85)
Metrics and targets	IFRS S1.47	In the absence of an IFRS Sustainability Disclosure Standard that specifically applies to a sustainability-related risk or opportunity, an entity shall apply paragraphs 57–58 to identify applicable metrics.	IFRS requirements are met
Metrics and targets	IFRS S1,S2.48	Metrics disclosed shall include metrics associated with particular business models, activities or other common features that characterise participation in an industry.	Double Materiality Assessment Report ((Double Materiality Assessment Report. pdf); Building a Greener tomorrow, Understanding Climate-Related Risk (pg. 60-61). Leading Responsibly, Information Security, Product Quality (p. 76-77). Key Performance indicators- Non financial indicators (Pg 9) Value creation model (Pgs 22-23) Stakeholder Engagement and Materiality Assessment (p. 80-85)
Metrics and targets	IFRS S1.49	If an entity discloses a metric taken from a source other than IFRS Sustainability Disclosure Standards, the entity shall identify the source and the metric taken.	Not Applicable
Metrics and targets	IFRS S1.50	If a metric has been developed by an entity, the entity shall disclose information about how the metric is defined, its form, whether it is validated by a third party, and the method and inputs used to calculate it.	Not Applicable
Metrics and targets	IFRS S1.50(a)	Disclose how the metric is defined, including whether it is derived by adjusting a metric taken from a source other than IFRS Sustainability Disclosure Standards and, if so, which source and how the metric disclosed by the entity differs from the metric specified in that source.	Value creation model (Pg 22-23), Reporting criteria (ESG Reporting Criteria 2024-25_2.pdf)
Metrics and targets	IFRS S1.50(b)	Disclose whether the metric is an absolute measure, a measure expressed in relation to another metric or a qualitative measure such as a red, amber, green (RAG) status.	Not Applicable
Metrics and targets	IFRS S1.50(c)	Disclose whether the metric is validated by a third party and, if so, which party.	Approach to reporting (Pg 14), Assurance statement (Pg 498)

Topic	IFRS Index	Requirements	Location in Report
Metrics and targets	IFRS S1.50(d)	Disclose the method used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made.	Value creation model (Pg 22-23), Reporting criteria (ESG Reporting Criteria 2024-25_2.pdf)
Metrics and targets	IFRS S1.51	An entity shall disclose information about the targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation.	Building the future responsibly (pg. 24-25)
Metrics and targets	IFRS S1.51(a)	For each target, disclose the metric used to set the target and to monitor progress towards reaching the target.	Building the future responsibly (pg. 24-25), Reporting criteria (ESG Reporting Criteria 2024-25_2.pdf)
Metrics and targets	IFRS S1.51(b)	For each target, disclose the specific quantitative or qualitative target the entity has set or is required to meet.	Building the future responsibly (pg. 24-25)
Metrics and targets	IFRS S1.51(c)	For each target, disclose the period over which the target applies.	Building the future responsibly (pg. 24-25)
Metrics and targets	IFRS S1.51(d)	For each target, disclose the base period from which progress is measured.	Building the future responsibly (pg. 24-25)
Metrics and targets	IFRS S1.51(e)	For each target, disclose any milestones and interim targets.	Building the future responsibly (pg. 24-25)
Metrics and targets	IFRS S1.51(f)	For each target, disclose performance against each target and an analysis of trends or changes in the entity's performance.	Building the future responsibly (pg. 24-25)
Metrics and targets	IFRS S1.51(g)	For each target, disclose any revisions to the target and an explanation for those revisions.	Building the future responsibly (pg. 24-25)
Metrics and targets	IFRS S1.52	The definition and calculation of metrics, including metrics used to set targets and monitor progress towards reaching them, shall be consistent over time. If a metric is redefined or replaced, an entity shall apply paragraph B52.	Building the future responsibly (pg. 24-25), Reporting criteria (ESG Reporting Criteria 2024-25_2.pdf)
Metrics and targets	IFRS S1.53	An entity shall label and define metrics and targets using meaningful, clear and precise names and descriptions.	Building the future responsibly (pg. 24-25),
General requirements – Sources of guidance	IFRS S1.54	In identifying sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects, an entity shall apply IFRS Sustainability Disclosure Standards.	Building the future responsibly (pg. 24-25), Reporting criteria (ESG Reporting Criteria 2024-25_2.pdf)
General requirements – Sources of guidance	IFRS S1.55	In addition to IFRS Sustainability Disclosure Standards, an entity shall refer to and consider the applicability of the disclosure topics in the SASB Standards, and may refer to and consider the applicability of CDSB Framework Application Guidance, recent pronouncements of other standard-setting bodies, and sustainability-related risks and opportunities identified by entities operating in the same industries or geographical regions.	Not Applicable
General requirements – Sources of guidance	IFRS S1.55(a)	An entity shall refer to and consider the applicability of the disclosure topics in the SASB Standards. An entity might conclude that the disclosure topics in the SASB Standards are not applicable in the entity's circumstances.	SASB mapping is done at respective sections of the report along with GRI standards
General requirements – Sources of guidance	IFRS S1.55(b)	An entity may refer to and consider the applicability of additional sources.	Approach to reporting (Pg 14)



Topic	IFRS Index	Requirements	Location in Report
General requirements – Sources of guidance	IFRS S1.55(b)(i)	An entity may refer to and consider the applicability of the CDSB Framework Application Guidance for Water-related Disclosures and the CDSB Framework Application Guidance for Biodiversity-related Disclosures.	Approach to reporting (Pg 14)
General requirements – Sources of guidance	IFRS S1.55(b)(ii)	An entity may refer to and consider the applicability of the most recent pronouncements of other standard-setting bodies whose requirements are designed to meet the information needs of users of general purpose financial reports.	Not applicable
General requirements – Sources of guidance	IFRS S1.55(b)(iii)	An entity may refer to and consider the sustainability-related risks and opportunities identified by entities that operate in the same industry(s) or geographical region(s).	Double Materiality Assessment Report ((Double Materiality Assessment Report. pdf)
General requirements – Identifying applicable disclosure requirements	IFRS S1.56	In identifying applicable disclosure requirements about a sustainability-related risk or opportunity that could reasonably be expected to affect an entity's prospects, an entity shall apply the IFRS Sustainability Disclosure Standard that specifically applies to that sustainability-related risk or opportunity.	Stakeholder Engagement and Materiality Assessment (p. 80-85)
General requirements – Identifying applicable disclosure requirements	IFRS S1.57	In the absence of an IFRS Sustainability Disclosure Standard that specifically applies to a sustainability-related risk or opportunity, an entity shall apply judgement to identify information that is relevant to users' decision-making and faithfully represents that sustainability-related risk or opportunity.	SASB and GRI disclosures
General requirements – Identifying applicable disclosure requirements	IFRS S1.57(a)	Apply judgement to identify information that is relevant to the decision-making of users of general purpose financial reports.	Applied
General requirements – Identifying applicable disclosure requirements	IFRS S1.57(b)	Apply judgement to identify information that faithfully represents that sustainability-related risk or opportunity.	Applied
General requirements – Identifying applicable disclosure requirements	IFRS S1.58	In making the judgement described in paragraph 57, an entity shall or may refer to specified sources.	Approach to reporting
General requirements – Identifying applicable disclosure requirements	IFRS S1.58(a)	An entity shall refer to and consider the applicability of the metrics associated with the disclosure topics included in the SASB Standards. An entity might conclude that the metrics specified in the SASB Standards are not applicable in the entity's circumstances.	SASB and GRI standards

Topic	IFRS Index	Requirements	Location in Report
General requirements – Identifying applicable disclosure requirements	IFRS S1.58(b)	An entity may, to the extent that these sources do not conflict with IFRS Sustainability Disclosure Standards, refer to and consider the applicability of specified additional sources.	Approach to reporting (Pg 14)
General requirements – Identifying applicable disclosure requirements	IFRS S1.58(b)(i)	Refer to and consider the applicability of the CDSB Framework Application Guidance.	Not referred
General requirements – Identifying applicable disclosure requirements	IFRS S1.58(b)(ii)	Refer to and consider the applicability of the most recent pronouncements of other standard-setting bodies whose requirements are designed to meet the information needs of users of general purpose financial reports.	Not applicable
General requirements – Identifying applicable disclosure requirements	IFRS S1.58(b)(iii)	Refer to and consider the information, including metrics, disclosed by entities that operate in the same industry(s) or geographical region(s).	We have considered while mapping the metrices
General requirements – Identifying applicable disclosure requirements	IFRS S1.58(c)	An entity may, to the extent that these sources assist the entity in meeting the objective of the Standard and do not conflict with IFRS Sustainability Disclosure Standards, refer to and consider the applicability of the sources specified in Appendix C.	Approach to reporting (Pg 14)
General requirements – Disclosure of information about sources of guidance	IFRS S1.59	An entity shall identify the specific standards, pronouncements, industry practice and other sources of guidance applied in preparing sustainability-related financial disclosures, and the industry(s) specified in the relevant standards or other sources of guidance applied, including in identifying applicable metrics.	Approach to Reporting - Reporting standards and frameworks (Pg 15)
General requirements – Disclosure of information about sources of guidance	IFRS S1.59(a)	Identify the specific standards, pronouncements, industry practice and other sources of guidance that the entity has applied in preparing its sustainability-related financial disclosures, including, if applicable, identifying the disclosure topics in the SASB Standards.	Approach to Reporting - Reporting standards and frameworks (Pg 15)
General requirements – Disclosure of information about sources of guidance	IFRS S1.59(b)	Identify the industry(s) specified in the IFRS Sustainability Disclosure Standards, the SASB Standards or other sources of guidance relating to a particular industry(s) that the entity has applied in preparing its sustainability-related financial disclosures, including in identifying applicable metrics.	SASB and GRI standards are mapped with relevant performance indicators
General requirements – Location of disclosures	IFRS S1.60	An entity is required to provide disclosures required by IFRS Sustainability Disclosure Standards as part of its general purpose financial reports.	Approach to Reporting - Reporting standards and frameworks (Pg 15)



Topic	IFRS Index	Requirements	Location in Report
General requirements – Location of disclosures	IFRS S1.61	Subject to applicable regulation or other requirements, there are various possible locations in general purpose financial reports in which to disclose sustainability-related financial information, including management commentary or a similar report that forms part of the general purpose financial reports.	Approach to Reporting - Reporting standards and frameworks (Pg 15)
General requirements – Location of disclosures	IFRS S1.62	An entity may disclose information required by an IFRS Sustainability Disclosure Standard in the same location as information disclosed to meet other requirements, such as information required by regulators, provided the sustainability-related financial disclosures are clearly identifiable and not obscured by that additional information.	Approach to Reporting - Reporting standards and frameworks (Pg 15)
General requirements – Location of disclosures	IFRS S1.63	Information required by an IFRS Sustainability Disclosure Standard may be included by cross-reference to another report published by the entity, subject to the requirements in paragraphs B45–B47.	Approach to Reporting - Reporting standards and frameworks (Pg 15)
General requirements – Timing of reporting	IFRS S1.64	An entity shall report its sustainability-related financial disclosures at the same time as its related financial statements, and those disclosures shall cover the same reporting period as the related financial statements.	Approach to Reporting - Scope and Coverage of Reporting (Pg 14)
General requirements – Timing of reporting	IFRS S1.65	Normally, an entity prepares sustainability-related financial disclosures for a 12-month period; however, reporting for a 52-week period is not precluded.	Approach to Reporting (Pg 14-15)
General requirements – Timing of reporting	IFRS S1.66	When an entity changes the end of its reporting period and provides sustainability-related financial disclosures for a period longer or shorter than 12 months, it shall disclose the period covered, the reason for using a longer or shorter period, and the fact that the amounts disclosed are not entirely comparable.	Not Applicable
General requirements – Timing of reporting	IFRS S1.66(a)	Disclose the period covered by the sustainability-related financial disclosures.	Approach to Reporting - Scope and Coverage of Reporting (Pg 14)
General requirements – Timing of reporting	IFRS S1.66(b)	Disclose the reason for using a longer or shorter period.	Not Applicable
General requirements – Timing of reporting	IFRS S1.66(c)	Disclose the fact that the amounts disclosed in the sustainability-related financial disclosures are not entirely comparable.	Approach to Reporting (Pg 14-15)
General requirements – Timing of reporting	IFRS S1.67	If, after the end of the reporting period but before the date on which the sustainability-related financial disclosures are authorised for issue, an entity receives information about conditions that existed at the end of the reporting period, it shall update disclosures relating to those conditions in light of the new information.	Not Applicable

Topic	IFRS Index	Requirements	Location in Report
General requirements – Timing of reporting	IFRS S1.68	An entity shall disclose information about transactions, other events and conditions that occur after the end of the reporting period but before the date on which the sustainability-related financial disclosures are authorised for issue, if non-disclosure could reasonably be expected to influence decisions of primary users.	Key performance indicators- Financial indicators (Pg 8)
General requirements – Timing of reporting	IFRS S1.69	This Standard does not mandate which entities must provide interim sustainability-related financial disclosures, how frequently, or how soon after the end of an interim period. If an entity is required or elects to publish interim sustainability-related financial disclosures in accordance with IFRS Sustainability Disclosure Standards, it shall apply paragraph B48.	Not Applicable
General requirements – Comparative information	IFRS S1.70	Unless another IFRS Sustainability Disclosure Standard permits or requires otherwise, an entity shall disclose comparative information for the preceding period for all amounts disclosed in the reporting period and, if useful, also disclose comparative information for narrative and descriptive sustainability-related financial information.	Approach to Reporting - Scope and Coverage of Reporting (Pg 14-15)
General requirements – Comparative information	IFRS S1.71	Amounts reported in sustainability-related financial disclosures might relate, for example, to metrics and targets or to current and anticipated financial effects of sustainability-related risks and opportunities.	Double Materiality Assessment Report ((Double Materiality Assessment Report. pdf); Building a Greener tomorrow, Understanding Climate-Related Risk (Pg 60-61). Leading Responsibly, Information Security, Product Quality (Pg. 76-77). Key Performance indicators- Non financial indicators (Pg 9) Value creation model (Pgs 22-23) Stakeholder Engagement and Materiality Assessment (Pg 80-85)
General requirements – Statement of compliance	IFRS S1.72	An entity whose sustainability-related financial disclosures comply with all the requirements of IFRS Sustainability Disclosure Standards shall make an explicit and unreserved statement of compliance, and shall not describe disclosures as complying unless they comply with all such requirements.	Approach to reporting (Pgs 14-15)
General requirements – Statement of compliance	IFRS S1.73	The Standard relieves an entity from disclosing information otherwise required if law or regulation prohibits disclosure or if information about a sustainability-related opportunity is commercially sensitive as described in the Standard. An entity using these exemptions is not prevented from asserting compliance with IFRS Sustainability Disclosure Standards.	Approach to the reporting (Pgs 14-15)
Judgements, uncertainties and errors – Judgements	IFRS S1.74	An entity shall disclose information to enable users of general purpose financial reports to understand the judgements, apart from those involving estimations of amounts, that the entity has made in preparing its sustainability-related financial disclosures and that have the most significant effect on the information included.	Approach to Reporting - Scope and Coverage of Reporting (Pgs 14-15)



Topic	IFRS Index	Requirements	Location in Report
Judgements, uncertainties and errors – Judgements	IFRS S1.75	In preparing sustainability-related financial disclosures, an entity makes various judgements, apart from those involving estimations, that can significantly affect the information reported.	Approach to the reporting (Pgs 14-15)
Judgements, uncertainties and errors – Judgements	IFRS S1.75(a)	Judgements may include identifying sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Approach to the reporting (Pgs 14-15)
Judgements, uncertainties and errors – Judgements	IFRS S1.75(b)	Judgements may include determining which sources of guidance to apply in accordance with paragraphs 54–58.	Approach to the reporting (Pgs 14-15)
Judgements, uncertainties and errors – Judgements	IFRS S1.75(c)	Judgements may include identifying material information to include in the sustainability-related financial disclosures.	Approach to the reporting (Pgs 14-15)
Judgements, uncertainties and errors – Judgements	IFRS S1.75(d)	Judgements may include assessing whether an event or change in circumstances is significant and requires reassessment of the scope of all affected sustainability-related risks and opportunities throughout the entity's value chain.	Value creation model (Pgs 22-23), Approach to the reporting (Pgs 14-15)
Judgements, uncertainties and errors – Judgements	IFRS S1.76	Other IFRS Sustainability Disclosure Standards may require disclosure of some of the information that an entity would otherwise be required to disclose in accordance with paragraph 74.	Approach to Reporting - Reporting standards and frameworks (pg. 15)
Judgements, uncertainties and errors – Measurement uncertainty	IFRS S1.77	An entity shall disclose information to enable users of general purpose financial reports to understand the most significant uncertainties affecting the amounts reported in its sustainability-related financial disclosures.	Approach to Reporting - Reporting standards and frameworks (pg. 15)
Judgements, uncertainties and errors – Measurement uncertainty	IFRS S1, S2.78	An entity shall identify amounts subject to a high level of measurement uncertainty and disclose information about the sources of uncertainty and the assumptions, approximations and judgements made in measuring those amounts.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY’26.pdf)
Judgements, uncertainties and errors – Measurement uncertainty	IFRS S1.78(a)	Identify the amounts disclosed that are subject to a high level of measurement uncertainty.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY’26.pdf)
Judgements, uncertainties and errors – Measurement uncertainty	IFRS S1.78(b)	For each amount identified, disclose information about the sources of measurement uncertainty and the assumptions, approximations and judgements made in measuring the amount.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY’26.pdf)
Judgements, uncertainties and errors – Measurement uncertainty	IFRS S1.78(b)(i)	Disclose the sources of measurement uncertainty, for example dependence on the outcome of a future event, on a measurement technique, or on the availability and quality of data from the entity's value chain.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY’26.pdf)

Topic	IFRS Index	Requirements	Location in Report
Judgements, uncertainties and errors – Measurement uncertainty	IFRS S1.78(b)(ii)	Disclose the assumptions, approximations and judgements the entity has made in measuring the amount.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY’26.pdf)
Judgements, uncertainties and errors – Measurement uncertainty	IFRS S1.79	When amounts cannot be measured directly and can only be estimated, measurement uncertainty arises. The use of reasonable estimates is an essential part of preparing sustainability-related financial disclosures and does not undermine usefulness if estimates are accurately described and explained.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY’26.pdf)
Judgements, uncertainties and errors – Measurement uncertainty	IFRS S1.80	The requirement to disclose uncertainties affecting reported amounts relates to estimates requiring the entity's most difficult, subjective or complex judgements.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY’26.pdf)
Judgements, uncertainties and errors – Measurement uncertainty	IFRS S1.81	The type and extent of information needed to disclose vary according to the nature of the amount reported, the sources of and factors contributing to uncertainty, and other circumstances. Examples of possible disclosures are specified.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY’26.pdf)
Judgements, uncertainties and errors – Measurement uncertainty	IFRS S1.81(a)	Possible disclosure includes the nature of the assumption or other source of measurement uncertainty.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY’26.pdf)
Judgements, uncertainties and errors – Measurement uncertainty	IFRS S1.81(b)	Possible disclosure includes the sensitivity of the disclosed amount to the methods, assumptions and estimates underlying its calculation, including reasons for the sensitivity.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY’26.pdf)
Judgements, uncertainties and errors – Measurement uncertainty	IFRS S1.81(c)	Possible disclosure includes the expected resolution of an uncertainty and the range of reasonably possible outcomes for the disclosed amount.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY’26.pdf)
Judgements, uncertainties and errors – Measurement uncertainty	IFRS S1.81(d)	Possible disclosure includes an explanation of changes made to past assumptions concerning the disclosed amount, if the uncertainty remains unresolved.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY’26.pdf)
Judgements, uncertainties and errors – Measurement uncertainty	IFRS S1.82	Other IFRS Sustainability Disclosure Standards may require disclosure of some information that an entity would otherwise be required to disclose in accordance with paragraphs 77–78.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY’26.pdf)
Judgements, uncertainties and errors – Errors	IFRS S1.83	An entity shall correct material prior period errors by restating the comparative amounts for the prior period(s) disclosed unless it is impracticable to do so.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY’26.pdf)



Topic	IFRS Index	Requirements	Location in Report
Judgements, uncertainties and errors – Errors	IFRS S1.84	Prior period errors are omissions from and misstatements in sustainability-related financial disclosures for one or more prior periods arising from failure to use, or misuse of, reliable information that was available when those disclosures were authorised for issue and could reasonably be expected to have been obtained and considered in preparing them.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY'26.pdf)
Judgements, uncertainties and errors – Errors	IFRS S1.84(a)	Such reliable information was available when the sustainability-related financial disclosures for those periods were authorised for issue.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY'26.pdf)
Judgements, uncertainties and errors – Errors	IFRS S1.84(b)	Such reliable information could reasonably be expected to have been obtained and considered in the preparation of those disclosures.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY'26.pdf)
Judgements, uncertainties and errors – Errors	IFRS S1.85	Corrections of errors are distinguished from changes in estimates. Estimates are approximations that an entity might need to revise as additional information becomes known.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY'26.pdf)
Judgements, uncertainties and errors – Errors	IFRS S1.86	If an entity identifies a material error in its prior period sustainability-related financial disclosures, it shall apply paragraphs B55–B59.	Reporting criteria document ; Approach to reporting, GHG methodology (GHG_Quantification_Methodology-Scope1,2&3andUncertaintyFY'26.pdf)



NOTICE OF 42ND ANNUAL GENERAL MEETING

Regd. Office: 8-2-337, Road No.3, Banjara Hills, Hyderabad - 500 034
CIN: L85195TG1984PLC004507, **Tel:** 91 40 4900 2900, **Fax:** 91 40 4900 2999
Email: shares@drreddys.com, **Website:** www.drreddys.com

Notice is hereby given that the 42nd Annual General Meeting (“AGM”) of the members of Dr. Reddy’s Laboratories Limited (“Company”) will be held on Thursday, July 23, 2026, at 11.00 a.m. (“IST”) through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”), to transact the following businesses:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and Auditors thereon.**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended March 31, 2026 together with the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby approved and adopted.

RESOLVED FURTHER THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2026 together with the report of the Auditors thereon, as circulated to the members, be and are hereby approved and adopted.”

- To declare a final dividend of ₹ 8/- per equity share of the face value of ₹ 1/- each, for the financial year ended March 31, 2026.**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** approval be and is hereby accorded for declaration and payment of final dividend of ₹ 8 (Rupee Eight) per equity share of the face value of ₹ 1 (Rupee One) each fully paid up, of the Company, as recommended by the Board of Directors of the Company for the financial year ended March 31, 2026.”

- To re-appoint Mr. K Satish Reddy (DIN: 00129701), as a Director, who retires by rotation and being eligible, has offered himself for re-appointment.**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the applicable provision(s) of the applicable law(s) (including any amendments thereto or re-enactment thereof for the time being in force), in accordance with the Articles of Association of the Company and upon recommendation of the Nomination, Governance and Compensation Committee and the Board of Directors, Mr. K Satish Reddy (DIN: 00129701), Director, who retires by rotation and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

- To appoint M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants as Statutory Auditors for a period of five consecutive years and fix their remuneration.**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and based on the recommendations of the Audit Committee and the Board of Directors, M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm Registration No.117366W/W-100018), be and is hereby appointed as statutory auditors of the Company, in place of retiring auditors M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), to hold office for the period of five consecutive years commencing from the conclusion of this 42nd Annual General Meeting until



the conclusion of the 47th Annual General Meeting, at such remuneration and reimbursement of out of pocket expenses based on the recommendation of the Audit Committee, as may be determined by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company or any duly constituted Committee of the Board, be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution.”

SPECIAL BUSINESS

5. To re-appoint Dr. K P Krishnan (DIN: 01099097), as an Independent Director for a second term of five consecutive years.

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, (“Act”) read with Schedule IV of the Act and the Rules made thereunder, the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in accordance with the Articles of Association of the Company, and based on the recommendation of the Nomination, Governance and Compensation Committee and the Board of Directors, Dr. Kodumudi Pranatharthiharan Krishnan (DIN: 01099097), who holds office as an Independent Director up to January 6, 2027 and who has submitted a declaration confirming that he meets the criteria of independence as prescribed under the Act and the SEBI Listing Regulations, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) consecutive years effective from January 7, 2027 till January 6, 2032, on such remuneration as may be recommended by the Board of Directors of the Company from time to time, which shall be within the maximum limits as approved by the members of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. To appoint Mr. Srikanth Velamakanni (DIN: 01722758) as an independent director of the Company.

To consider, and if thought fit, to pass, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 161, and other applicable provisions of the Companies Act, 2013 (“the Act”), read with Schedule IV of the Act and the rules made thereunder, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in accordance with the Articles of Association of the Company, and based on the recommendation of the Nomination, Governance and Compensation Committee and the Board of Directors, Mr. Srikanth Velamakanni, (DIN: 01722758), who was appointed as an Additional Director in the category of an Independent Director with effect from July 1, 2026, who meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years effective from July 1, 2026 till June 30, 2031, on such remuneration as may be recommended by the Board of Directors of the Company from time to time, which shall be within the maximum limits as approved by the members of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. To ratify the remuneration payable to cost auditors, M/s. Sagar & Associates, Cost Accountants, for the Financial Year ending March 31, 2027.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications and re-enactment thereof, for the time being in force), based on the recommendations of the Audit Committee and Board of Directors, the

remuneration payable to M/s. Sagar & Associates, Cost Accountants (Firm Registration No. 000118) to conduct audit of cost records of the Company, for the financial year ending March 31, 2027, amounting to ₹ 9,00,000/- (Rupees Nine lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, in connection with the aforesaid audit, be and is hereby ratified;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution.”

By order of the Board of Directors
For Dr. Reddy's Laboratories Limited

Sd/-

K Randhir Singh
Company Secretary, Compliance Officer and Head-CSR
(Membership No. F6621)

Date: May 12, 2026
Place: Hyderabad

Registered Office
8-2-337, Road No. 3, Banjara Hills,
Hyderabad, Telangana- 500034, India
CIN: L85195TG1984PLC004507
Tel-91-40-49002900, Fax-91-40-49002999
Email: shares@drreddys.com
Website: www.drreddys.com



NOTES:

- 1) The explanatory statement pursuant to Section 102 of the Companies Act, 2013 ("Act") and the Rules made thereunder, Secretarial Standard on General Meetings ("SS-2") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") wherever applicable, in respect of the special business set out in the Notice, is annexed hereto. The Board of Directors of the Company at their meeting held on May 12, 2026, has considered and recommended to include item nos. 5,6 and 7 of the special business in the Notice for seeking approval of the members at the 42nd Annual General Meeting ("AGM") of the Company.
- 2) The Ministry of Corporate Affairs ("MCA") has, vide its Circular nos. 20/2020, 14/2020, 17/2020, 02/2021, 02/2022, 10/2022, 09/2023, 09/2024, the latest being 03/2025 dated September 22, 2025 and the Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 and other applicable circulars issued in this regard, (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. In compliance with the provisions of the Act, the SEBI Listing Regulations and the Circulars, the 42nd AGM of the Company is being held through VC/OAVM. The deemed venue for the 42nd AGM shall be at the Registered Office of the Company, i.e. 8-2-337, Road No. 3, Banjara Hills, Hyderabad – 500034, Telangana, India.
- 3) Pursuant to Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and the aforesaid Circulars, the Company is pleased to offer voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this Notice. The detailed instructions for e-voting and attending the 42nd AGM through VC/ OAVM are given to this Notice.
- 4) In line with the Circulars, the Company is providing VC/ OAVM facility to its members to attend the 42nd AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL), as the authorized agency for facilitating voting through electronic means. The facility of casting votes by a Member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.

- Further, only registered Members of the Company may attend and vote at the AGM through VC/OAVM facility. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote at the AGM.
- 5) The facility for attending the AGM virtually will be made available for 1,000 members on first come first served basis. This will not include large members (i.e. members with 2% or more shareholding), Promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination, Governance and Compensation Committee and Stakeholders' Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 6) The VC/ OAVM facility for members to join the meeting, shall be kept open 30 minutes before the start of the 42nd AGM and will be closed on expiry of 30 minutes after closure of the 42nd AGM. Members can attend the 42nd AGM through VC/ OAVM by following the instructions mentioned in this Notice.
- 7) Corporate members who intend to appoint authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing such representative to attend the 42nd AGM through VC/ OAVM, and cast their votes through e-voting. Such documents shall be sent to the Scrutinizer by e-mail at info@mehta-mehta.com, with a copy marked to evoting@nsdl.co.in.
- 8) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ authorization letter, etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail at info@mehta-mehta.com, with a copy marked to evoting@nsdl.co.in.
- 9) Members attending the 42nd AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 10) The statutory registers including the Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested, maintained under the Act and the Certificate from the Secretarial Auditors of the Company certifying that the ESOP Schemes of the

- Company are being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available for inspection by the members during the 42nd AGM. All documents referred to in the Notice and Explanatory Statement will be available for inspection in electronic mode from the date of circulation of this Notice up to the date of the 42nd AGM i.e. July 23, 2026. Members seeking to inspect the register are requested to mail to the Company at agm2026@drreddys.com.
- 11) In accordance with the aforesaid Circulars, the Notice of the 42nd AGM along with the Integrated Annual Report for the financial year ended March 31, 2026, has been sent through electronic mode only to the members who have registered their e-mail addresses with the Company/ Depository Participants/ Company's Registrar and Transfer Agent ("RTA"). The Notice of 42nd AGM and Integrated Annual Report are also available on the Company's website at www.drreddys.com, on the website of the Stock Exchanges, i.e. BSE Limited ("BSE") at www.bseindia.com and National Stock Exchange of India Limited ("NSE") at www.nseindia.com and on the website of National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com. Physical copy of the Notice of the 42nd AGM and the Integrated Annual Report for the year ended March 31, 2026, has not been sent to the members.
- 12) In accordance with the Circulars, members who have not registered their e-mail address may register their e-mail address on <https://www.drreddys.com/investor#investor-services#shareholder-information> or with their Depository Participant or send their request at shares@drreddys.com along with their Folio No./ DP ID and Client ID and valid e-mail address for registration.
- 13) Members are requested to intimate immediately, any change in their address to their Depository Participants with whom they maintain their demat accounts. If the shares are held in physical form, change in address has to be intimated to the Company's Registrar and Transfer Agent, Bigshare Services Private Limited, 306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Rajbhavan Road, Hyderabad 500 082, Telangana, India Tel: +91-40-2337 4967, Fax: +91-40-2337 0295, e-mail ID: bsshyd@bigshareonline.com.
- 14) The Board of Directors of the Company at their meeting held on May 12, 2026, has recommended a dividend of ₹ 8/- per equity share of face value of ₹1/- each as final dividend for the financial year ended March 31, 2026. The dividend, if declared, at the 42nd AGM, will be paid

on or before July 30, 2026, subject to deduction of tax at source, to those members whose names appear on the Register of Members of the Company as of end of the day on July 10, 2026.

- 15) In terms of Schedule I of the SEBI Listing Regulations, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as electronic clearance service (ECS), LECS (Local ECS)/ RECS (Regional ECS)/ NECS (National ECS), direct credit, real time gross settlement, national electronic fund transfer (NEFT), etc. for making payments like dividend etc. to the members.

Accordingly, members holding securities in demat mode are requested to update their bank details with their Depository Participants. Members holding securities in physical form shall send a request updating their bank details, to the Company's RTA.

The Company shall credit the dividend only through electronic mode and not dispatch the dividend warrants to those members who have not registered their bank mandate with the Company.

- 16) Pursuant to implementation of the Income Tax Act, 2025 ('the IT Act') as amended by the Finance Act, 2020 effective from April 1, 2026, dividend income will be taxable in the hands of the shareholders and the Company is required to deduct tax at source (TDS) at the time of making the payment of dividend to shareholders at the prescribed rates:

For Resident shareholders: tax shall be deducted at source under section 393(1) [Table: S.No.7] read with section 393(4) [Table Sr. no. 10] of the IT Act, as follows:

Valid PAN of shareholder available with the Company	10%
Shareholders without PAN/ invalid/inoperative PAN with the Company	20% as per the provisions of the section 397(2)(b)(i) of the IT Act

However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received by them during the Tax year 2026-27 does not exceed ₹ 10,000/- and also in cases where resident individual shareholder provides valid Form 121, benefit may be extended subject to conditions specified in the IT Act.

Shareholders may also submit any other document as prescribed under the IT Act to claim a lower/ nil



withholding tax. PAN is mandatory for shareholders providing valid Form 121 or any other documents as mentioned above. The formats of Form 121 and Annexures as prescribed below are available on the website of the Company <https://www.drreddys.com/investor#investor-services#investor-handbook> and also available on website of our RTA, Bigshare Services Private Limited at <https://www.bigshareonline.com/>

For Resident Mutual funds and Insurance Company shareholders: In order to provide exemption from TDS on the dividend payable to a Mutual Fund specified Schedule VII (Table: Sl. No. 20 or 21) to section 11 of the IT Act or an Insurance Company as specified under Section 393(4) [Table: S.No.10] of the IT Act, shareholders should submit the document as follows along with exemption notification, if any, as per the relevant provisions of the IT Act:

- a) declaration by shareholder qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938 – Annexure I;
- b) declaration by Mutual Fund shareholder eligible for exemption under Schedule VII (Table: Sl. No. 20 or 21) to section 11 of the IT Act - Annexure II; and
- c) declaration by Category I/II Alternate Investment Fund (AIF) registered with SEBI - Annexure III.

Declaration for exemption under Circular 18/2017 of the Income-tax Act, 1961: In case of any shareholder whose income is subject to lower rate of TDS, or is exempt under the IT Act, such shareholder is requested to submit the following documents, if eligible as per the relevant provisions of the Act, duly signed by the authorized signatory:

- a) lower withholding tax certificate for the Tax Year 2026-27, if any obtained from the Income Tax authorities; and
- b) in case the shareholder has obtained tax exemption status under any provisions of the IT Act, the documentary evidence along with declaration for the same - Annexure IV.

For Non-Resident shareholders: taxes are required to be withheld in accordance with the provisions of Section 393(2) [Table Sl. No 17] read with section 207(1) [Table Sl. No. 1] and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as

notified by the Government of India on the amount of dividend payable. However, as per Section 159 of the IT Act, non-resident shareholders may have an option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if such provisions are more beneficial to them. In order to avail the benefits of DTAA, the non-resident shareholders will have to provide the following:

1. Self-attested Tax Residency Certificate (TRC) for the Tax Year 2026-27, obtained from the tax authorities of the country of which the shareholder is a resident.
2. Self-attested copy of PAN allotted by the Indian Income Tax authorities. In case of non-availability of PAN, information under Sub-rule 2 of Rule 217 of the Income Tax Rules, 2026 to be submitted - Annexure V
3. Form 41 in electronic format as required under section 159(1) and 159(2) of the IT Act by filling electronically on the income tax portal with their login credentials at portal.incometax.gov.in.
4. Self-declaration from non-resident shareholder addressed specifically to the Company - Annexure VI, primarily covering the following:
 - a. Non-resident is and will continue to remain a tax resident of the country of residence during the Tax Year 2026-27;
 - b. Non-resident is eligible to claim the benefit of respective tax treaty;
 - c. Non-resident has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - d. Non-resident receiving the dividend income is the beneficial owner of such income;
 - e. Dividend income is not attributable/effectively connected to any permanent establishment (PE) or fixed base in India;
 - f. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate; and
 - g. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other

evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore DTAA.

- 5. Any other documents as prescribed under the IT Act for lower withholding tax if applicable, duly attested by the shareholder.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholder.

Declaration by shareholders under Rule 203 of the Income Tax Rules, 2026: In order to enable the Company to provide credit of tax deducted at source to beneficial shareholders in whose hands dividend paid by the Company is assessable, shareholders are requested to provide declaration in format as prescribed under Rule 203 of the Income Tax Rules, 2026 - Annexure VII.

Section 397(2) of the IT Act

Rate of TDS at the rate of 10 percent under section 393(1) [Table: S.No.7] read with section 393(4) [Table Sr. no. 10] of the IT Act which is subject to provisions of section 397(2) of the IT Act which introduces special provisions for TDS where PAN provided by deductee is Invalid. Invalid PAN also includes cases where PAN and Aadhar are not linked.

As provided in section 397(2)(b)(i) of the IT Act, tax is required to be deducted at higher of following rates in case of payments to specified person:

- at twice the rate specified in the relevant provisions of the IT Act; or
- at twice the rate or rates in force; or
- at the rate of 20%.

Accordingly, provisions of section 397(2) will be applicable in cases where PAN of the shareholder is Invalid and/or PAN and Aadhar not linked. Therefore, as per the section 262 of the IT Act, individual shareholders are requested to link their Aadhaar number with PAN to avoid deduction of tax at higher rates.

For all shareholders: Shareholders are requested to update tax residential status, permanent account number (PAN), registered email address, mobile numbers and other details with their depository participants,

in case the shares are held in dematerialized form. Shareholder holding shares in physical mode, are requested to furnish details to the Company's Registrar and Share Transfer Agent (RTA).

The aforementioned documents (duly completed and signed) are required to be submitted to the Company's RTA at DRLtaxexemption@bigshareonline.com, alternatively shareholder can submit these documents through iConnect on homepage of our RTA website at <https://www.bigshareonline.com/>.

In order to enable the Company to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the IT Act, you are requested to provide the above-mentioned details and documents as applicable to you. Incomplete and/or unsigned forms and declarations will not be considered by the Company. All communications/ queries in this respect should be addressed to our RTA, Bigshare Services Private Limited at DRLtaxexemption@bigshareonline.com.

“The Resident Non-Individual Members such as Insurance companies, Mutual Funds, Alternative Investment Fund (AIF) and other domestic financial institutions established in India and Non Resident Non-Individual Members such as Foreign Portfolio Investors may submit the relevant forms, declarations and documents through their respective custodians who are registered with NSDL for tax services, on or before the aforesaid timelines.”

All the documents submitted by the shareholders will be verified by the Company and the Company will consider the same while deducting the appropriate taxes if they are in accordance with the provisions of the Act.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents, option is available to the shareholder to file the return of income as per the IT Act, and claim an appropriate refund, if eligible.

Shareholders are further requested to complete necessary formalities to link their bank accounts to their demat accounts to enable the Company to make timely credit of dividend in respective bank account. The Company will arrange to e-mail a soft copy of TDS certificate at the shareholders registered e-mail ID in due course, post payment of the said final dividend/



furnishing of TDS returns for the second quarter of Tax Year 2026-27, with the authorities.

Disclaimer: Above communication on TDS only sets out the provisions of law in a summarized manner and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult their own tax advisors for the tax provisions applicable to their particular circumstances.

- 17) Members are requested to contact Company's RTA, Bigshare Services Private Limited for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are given in the Additional Shareholders Information section of the Integrated Annual Report and are also available on the website of the Company at <https://www.drreddys.com/investor#shares#details-of-shares>.
- 18) In terms of requirements of Section 124(6) of the Act read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares, in respect of which the dividend remains unpaid or unclaimed for a period of seven consecutive years or more, to the IEPF Account established by the Central Government. The details of the unpaid/ unclaimed dividend amounts lying with the Company as on March 31, 2026 are available on the website of the Company at <https://www.drreddys.com/investor#shares#details-of-shares> and on the website of MCA/ IEPF. Member(s) whose dividends/ shares are transferred to the IEPF can claim the same from the IEPF Authority by following the refund procedure as detailed on the IEPF website.
- 19) Effective April 1, 2024, SEBI has mandated that the shareholders, who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], shall be eligible to get dividend only in electronic mode. Accordingly, payment of dividend, subject to approval of the members at the AGM, shall be paid to physical holders only after the above details are updated in their folios. Shareholders are requested to complete their KYC by writing to the Company's RTA at bsshyd@bigshareonline.com. The forms for updating the same are available at <https://www.drreddys.com/investor#investor-services#investor-handbook>.

- 20) The members holding shares in physical mode may submit their nomination by submitting SH-13 which can be downloaded from the Company's website at <https://www.drreddys.com/investor#investor-services#investor-handbook>. Members holding shares in demat mode may contact their respective DPs to update the nomination.
- 21) Pursuant to SEBI Circular No. HO/38/13/11(2) 026-MIRSDPOD/I/3750/2026 dated January 30, 2026, all shareholders are hereby informed that a Special Window is being opened for a period of one year, from February 05, 2026 to February 04, 2027 to facilitate re-lodgement of transfer requests of physical shares. Shareholders are encouraged to use the opportunity.
- 22) Regulation 40 of the SEBI Listing Regulations, as amended, mandates that transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Further, transmission and transposition of securities of held in physical form shall be effected only in dematerialized form. SEBI has mandated that listed companies, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, transmission, transposition, etc. In view of the above, as also to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to demat mode.
- 23) The Members are hereby informed that for addressing the unresolved disputes pertaining to or emanating from investor services between listed Company / RTAs offering services on behalf of the listed Company and its shareholders, the SEBI introduced Standard Operating Procedure to be followed under the Stock Exchange arbitration process. The mechanism can be initiated only post exhausting all actions for resolution of complaints including those received through the SCORES Portal.

SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/ OIAE_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the

RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>.

- 24) The Company is provide the facility of live webcast of proceedings of 42nd AGM, the same is available at the Company's website and members who are entitled to participate in the 42nd AGM can view the live proceedings of 42nd AGM by logging on the NSDL e-voting system at www.evoting.nsdl.com using their secure login credentials. Members are encouraged to use this facility of the live webcast. The webcast facility will be available from 10.30 a.m. (IST) onwards (30 minutes before the start of the 42nd AGM) on July 23, 2026.

- 25) Pursuant to the provisions of the act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. since this AGM is being held pursuant to the MCA circulars through VC or OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars and the SEBI circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.

By order of the Board of Directors
For Dr. Reddy's Laboratories Limited

Date: May 12, 2026
Place: Hyderabad

Registered Office
8-2-337, Road No. 3, Banjara Hills,
Hyderabad, Telangana- 500034, India
CIN: L85195TG1984PLC004507
Tel-91-40-49002900, Fax-91-40-49002999
Email: shares@drreddys.com
Website: www.drreddys.com

Sd/-
K Randhir Singh
Company Secretary, Compliance Officer and Head-CSR
(Membership No. F6621)



EXPLANATORY STATEMENT TO THE NOTICE OF 42ND AGM

Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) read with the rules made thereunder, as applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and the Secretarial Standards on General Meetings (“SS-2”)

ITEM NO. 3

As per the Section 152 of the Act, at least two-thirds of the total number of directors (excluding independent directors), are liable to retire by rotation, out of which one-third of the total number of such directors shall retire at every AGM.

In compliance with this requirement, Mr. K Satish Reddy, Director of the Company is liable to retirement by rotation at this 42nd AGM, and being eligible, has offered himself for re-appointment.

Mr. K Satish Reddy is the Chairman of our company. He joined the Company in 1993 and since then has held positions of increasing responsibility. He led the organization’s transition from a uni-focused manufacturer of APIs (active pharmaceutical ingredients) to a company that moved up the value-chain with a diverse product portfolio of Finished Dosage Formulations. He oversaw the expansion and establishment of a strong footprint for finished dosage products in Russia, China and other emerging markets.

In 1997, Mr. K Satish Reddy was appointed as Managing Director. He was re-appointed as Managing Director and Chief Operating Officer for a period of five years effective from October 1, 2012. After the demise of the Company’s founder, Dr. K Anji Reddy, he was re-designated as Vice-Chairman and Managing Director with effect from March 30, 2013, and subsequently re-designated as the Chairman of the Company with effect from May 13, 2014. He was further re-appointed as a Whole-time Director, designated as Chairman, for a period of five years, effective from October 1, 2017. The members of the Company at the 38th AGM held on July 29, 2022, has re-appointed Mr. K Satish Reddy as Whole-time Director, designated as Chairman, for a period of five years effective from October 1, 2022 to September 30, 2027, liable to retire by rotation.

As an active member of major industry associations and governmental panels, he plays a key role in shaping policies concerning the pharmaceutical sector that include India’s patent law, drug pricing and important amendments to the Drugs & Cosmetics Act. He is the Member of the CII Governing Council and a Member of the IGBA CEO Advisory Committee. He also plays a key role in shaping Skill Development in India. He is the governing board member of the Young India Skill University and previously, he was the Chairman of the Life Sciences Skill Development Council under The National Skill Development Corporation

(NSDC), an organization, working in partnership with various stakeholder groups, to serve and address the skill shortfalls in the Life Sciences Sector across India. He has also led various National Committees on the India G20 Presidency for 2023. He was the President of the Indian Pharmaceutical Alliance, a premier industry association of leading research based Indian companies from 2013-15 & 2019-21. He was the Chairman of the Board of Governors of NIPER Hyderabad. He was a member of the Drugs Technical Advisory Board of India, the Chairman of the Andhra Pradesh Chapter of the Confederation of Indian Industries (CII) and head of its National Committee on Pharmaceuticals. In May 2015, the Ministry of Labour and Employment, Government of India, nominated him as Chairman of the Board of Governors of the National Safety Council.

Keeping true to the legacy of the founder of our company, Dr. Anji Reddy, he drives our Corporate Social Responsibility initiatives. The Dr. Reddy’s Foundation, of which he is the Chairman, works to help the less privileged create sustainable livelihoods through appropriate vocational education. He is a Trustee of the Naandi Foundation, which works in the areas of child rights and education, safe drinking water, agriculture export marketing support and other empowerment initiatives that India needs. He is also one of the Directors of Dr. Reddy’s Institute of Life Sciences, the not for-profit institute engaged in pioneering and innovative research in unifying areas of chemistry, biology and chemical biology.

Mr. K Satish Reddy was identified as a “Young Global Leader for 2007” by the World Economic Forum, and was presented with the “IBLA - India Corporate Citizen of the Year” award by CNBC in 2005 for his contributions to Corporate Social Responsibility.

Mr. K Satish Reddy holds a degree in Chemical Engineering from Osmania University, India, and an M.S. in Medicinal Chemistry from Purdue University, USA, where he received the 2009 Distinguished Alumnus Award from the School of Pharmacy and Pharmaceutical Sciences.

He has been rated highly in the annual performance evaluation carried out by an independent external agency, Egon Zehnder, a leadership advisory firm on Board matters which inter alia included the various parameters including leadership, knowledge and competency, availability and attendance at the meetings, contribution, and strategic guidance in business growth and governance. The evaluation

outcome was placed before the Nomination, Governance and Compensation Committee (“NGCC”) and the Board. The Board has discussed the same and expressed profound sense of satisfaction over the evaluation outcome, and while recommending Mr. K Satish Reddy’s re-appointment for approval of the shareholders, appreciated the contribution made by him over the years for the growth and development of the Company.

The Company has received consent from Mr. K Satish Reddy for his re-appointment and all the required disclosures including declaration in Form DIR-8 that he is not disqualified pursuant to Section 164 of the Act and that he is not debarred or restrained from acting as a director by any SEBI order or by any other such authority.

Other details of Mr. K Satish Reddy pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard - 2 are given in **Annexure-A**, annexed herewith.

Except Mr. K Satish Reddy, Chairman, and his relatives, none of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 3 of the Notice of the 42nd AGM.

Further, as part of good Corporate Governance standards, Company wishes to clarify that Mr. G V Prasad, Co-Chairman and Managing Director, who is brother-in-law of Mr. K Satish Reddy, might be consider interested in the resolution as set out at item no. 3 of the Notice of the 42nd AGM, though Mr. Prasad is not ‘relative’ of Mr. K Satish Reddy, in terms of the Companies Act, 2013.

The Board recommends the Ordinary Resolution set forth in item no. 3 of the notice for approval of the members.

Item No. 4

The Members of the Company at the 32nd Annual General Meeting (“AGM”) of the Company held on July 27, 2016, has approved the appointment of M/s. S.R. Batliboi & Associates LLP, chartered accountants (firm Registration no. 101049W/E300004), as the statutory auditors of the company to hold office for a term of five consecutive years till the conclusion of 37th AGM and were re-appointed for second term of five consecutive years till the conclusion of 42nd AGM. Consequently, M/s. S.R. Batliboi & Associates LLP is going to complete their tenure of two terms of five consecutive years, and hence is not eligible for re-appointment.

As per the applicable statutory provisions, the Company is required to appoint another firm of Chartered Accountants as the new Statutory Auditors, in place of retiring auditors.

The new auditors is required to be appointed for a period of five consecutive years.

The Management, under the supervision of the Audit Committee initiated the process for selection of new statutory auditor. After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., and based on recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on May 12, 2026, approved and recommended to the Members of the Company, appointment of M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm Registration No.117366W/W-100018), as Statutory auditors of the Company, in place of the retiring auditors, for a term of 5 consecutive years from the conclusion of the 42nd AGM till the conclusion of 47th AGM. It is proposed to pay audit fee of ₹ 8,86,00,000/- (Rupees Eight Crore and Eighty-six lakhs Only) plus applicable taxes and reimbursement of out-of-pocket expenses, for the financial year ending March 31, 2027. The overall fee proposed to be paid for statutory audit services is commensurate to the scope of the audit to be carried out by the Statutory Auditors. The remuneration for the remaining period of the term shall be fixed by the Board of Directors, based on the fee of the Audit Committee in consultation with the Statutory Auditors.

The Company may, from time to time, obtain certifications and other permissible non-audit services from M/s. Deloitte Haskins & Sells, LLP, in accordance with the provisions of Section 144 of the Act, and subject to the prior approval of the Audit Committee. The remuneration for such certifications and permissible non-audit services shall be determined and paid on mutually agreed terms.

There is no material change in the fee proposed to be paid to M/s. Deloitte Haskins & Sells, LLP, for the statutory audit to be conducted for the financial year ending March 31, 2027 vis-à-vis the fee paid to M/s. S.R. Batliboi & Associates LLP, the retiring Statutory Auditors, for the statutory audit conducted for the financial year ended March 31, 2026.

Deloitte has (i) consented to accept the appointment upon approval; (ii) confirmed that they satisfy the criteria of independence provided under the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and Rules framed thereunder; and (iii) provided confirmation that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid certificate issued by the ‘Peer Review Board of ICAI’.



Brief Profile

Deloitte Haskins & Sells, Mumbai was constituted in 1997 and has been converted to a Limited Liability Partnership (LLP), with the name Deloitte Haskins & Sells LLP (“Deloitte” or “Firm”), w.e.f. November 20, 2013. Deloitte is registered with the Institute of Chartered Accountants of India (Registration No. 117366W/W-100018) and is a part of Deloitte Haskins & Sells & Affiliates being the Network of Firms registered with the ICAI. The registered office of the Firm is One International Center, Tower 3, 31st Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013, Maharashtra, India.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out in item no. 4 of the Notice of the 42nd AGM.

The Board recommends the Ordinary Resolution, as set out at Item No. 4 of this notice, for approval of the members.

Item No. 5

Dr. K P Krishnan (DIN: 01099097) was appointed as an Independent Director of the Company for a period of five years with effect from January 7, 2022, to January 6, 2027, by the members via postal ballot dated March 27, 2022. As per section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and shall be eligible for re-appointment, for another term of up to five years, on passing of a special resolution by the members of the Company. Therefore Dr. Krishnan is eligible for re-appointment for a second term of 5 years, starting from January 7, 2027 to January 6, 2032.

Following the performance evaluation of Dr. Krishnan, for the financial year ended March 31, 2026, which was carried out by an independent external agency, Egon Zehnder, a leadership advisory firm on Board matters, Dr. Krishnan was rated highly as an Independent Director of the Company on the various evaluation parameters carried out by the said agency. The key skills and contributions of Dr. Krishnan includes framing of pubic policy, governance, regulatory affairs, economics and strategic oversight, which complements the skill matrix approved by the Board. The evaluation outcome was placed before the Nomination, Governance and Compensation Committee (“NGCC”) and the Board has discussed the same and expressed satisfaction over the evaluation outcome. Consequently, the Board based on the outcome of his performance evaluation and recommendation of the NGCC, is of the opinion that Dr. Krishnan fulfils the conditions for his re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations. The NGCC and the Board are of the view that the continued association of Dr. Krishnan and his

rich experience and vast knowledge that he brings would be beneficial to the Company. The Board also believes that he possesses appropriate skills, expertise and competencies in the context of the Company’s businesses, particularly in the areas of Strategy, Management & Governance, Finance, Human Resources, Sustainability and ESG.

Considering the above, the NGCC and the Board have recommended re-appointment Dr. Krishnan as an Independent Director of the Company, for the second term of five (5) consecutive years from January 07, 2027 to January 06, 2032, not liable to retire by rotation, by passing the special resolution as set out in the Notice of the 42nd AGM.

The Company has received from Dr. Krishnan, inter alia, (i) Consent to act as a Director of the Company in Form DIR-2 pursuant to Section 152 of the Act read with the Appointment of Directors Rules; (ii) declaration in form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 of the Act; (iii) declaration that he meets the criteria of independence as provided in the Act and the SEBI Listing Regulations; (iv) declaration that he is not debarred or restrained from acting as a director by any SEBI order or by any other such authority. The Company has also received a notice in writing from a member under Section 160 of the Act proposing the candidature of Dr. Krishnan as an Independent Director of the Company.

Brief Profile

Dr. K P Krishnan served in the Indian Administrative Service (IAS) for nearly 37 years. He superannuated from the IAS on December 31, 2019. In his IAS career he has served in various field and secretariat positions in India in the Government of India, Government of Karnataka and at the World Bank. Besides field positions like District Collector Mangalore, in the Government of Karnataka he served in the departments dealing with agriculture, co-operatives and marketing, urban development and infrastructure, commercial taxes and finance. His key roles in the Government of India include:

- a. Secretary, Ministry of Skill Development and Entrepreneurship (since February 1, 2017 till retirement on December 31, 2019);
- b. Special/Additional Secretary, Department of Land Resources, Ministry of Rural Development (2014-2017);
- c. Additional Secretary, Department of Economic Affairs, Ministry of Finance (2013- 2014);
- d. Secretary, Prime Minister’s Economic Advisory Council (2010- 2012); and

- e. Joint Secretary, Department of Economic Affairs, Ministry of Finance (2005-2010).

In these positions he served on the boards of corporations as well as boards of statutory regulatory authorities.

In parallel with his government career, Dr. Krishnan has been a strong researcher/academic. Besides being visiting faculty at IIM Bangalore, ISB and Ashoka University, he held the prestigious Bok Visiting Professor of Regulation at the University of Pennsylvania Law School in 2012-13. From 07/08/2020 till 31/12/2021, he served as the IEPF Chair Professor of Economics at the National Council of Applied Economic Research (NAER) New Delhi. From Feb, 2022 to Feb., 2024, he also served as Honorary Research Professor at the Centre for Policy Research (CPR) New Delhi and at present he is Distinguished Fellow at the Isaac Centre for Public Policy, Ashoka University.

Other details of Dr. Krishnan pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard - 2 are given in **Annexure-A**, annexed herewith.

Except Dr. Krishnan and his relatives, none of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out in item no. 5 of the Notice of the 42nd AGM.

The Board recommends the Special Resolution, as set out at Item No. 5 of this notice, for approval of the members.

Item No. 6

The Nomination, Governance and Compensation Committee (“NGCC”) periodically discusses the succession of Independent Directors coming up for re-appointment or approaching end of their term. It also assesses the balance of skills, knowledge and experience available with the Board as a whole, in order to maintain orderly succession of the Board. The NGCC had earlier identified the desired attributes for the selection of the Independent Director(s). Basis those attributes, the NGCC has recommended the candidature of Mr. Srikanth Velamakanni DIN: (01722758), as an Independent Director of the Company.

Pursuant to Section 161 of the Act and based on the recommendation of NGCC, the Board at its meeting held on May 12, 2026, appointed Mr. Srikanth Velamakanni, DIN: (01722758) as an Additional Director in the category of Independent Director of the Company, for a term of five consecutive years effective from July 1, 2026 till June 30, 2031, not liable to retire by rotation, subject to approval of the members of the Company at the ensuing 42nd AGM through special resolution.

The Company has received, inter alia, (i) requisite consent from Mr. Srikanth Velamakanni in Form DIR-2 pursuant to Section 152 of the Act read with the Appointment of Directors Rules to act as an Independent Director, (ii) declaration in form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 of the Act (iii) declaration that he meets the criteria of independence as provided in Section 149 of the Act and in the SEBI Listing Regulations (iv) confirmation that he is registered with the Independent Director’s databank for lifetime in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014; and (v) a declaration that he is not debarred or restrained from acting as a Director by any SEBI order or any other such authority. The Company has also received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Srikanth Velamakanni, as a Director of the Company.

In the opinion of the Board of Directors, Mr. Srikanth fulfills the conditions specified for independence under the Act, the Rules made thereunder, SEBI Listing Regulations and other applicable laws/regulations, to the extent applicable to the Company. Mr. Srikanth possesses the requisite skills, experience, expertise, and integrity for his appointment as an Independent Director of the Company. His extensive experience in technology, digital transformation, entrepreneurship, and strategic leadership would provide valuable insights and guidance to the Board. The Board also believes that he possesses appropriate skills, expertise and competencies in the context of the Company’s businesses, particularly in the areas of Strategy, Management & Governance, Finance, Human Resource, Science, Technology and Operations, Sustainability and ESG, Industry experience and Digital expertise. The Board also noted that his skills, background and experience are aligned with the identified competencies and capabilities required for the role, and that he is eligible for appointment as an Independent Director.

The Board is of the view that the appointment of Mr. Srikanth is justified, considering his distinguished global career with the leading organizations in the field of artificial intelligence and digital transformation. Mr. Srikanth also brings extensive experience in technology, ESG, and corporate governance.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 25 of the SEBI Listing Regulations, approval of the Members is being sought for the appointment of Mr. Srikanth as an Independent Director of the Company, for a term of five consecutive years effective from July 1, 2026 till June 30, 2031, not liable to retire by rotation by way of a Special Resolution.



Copy of the draft letter of appointment, setting out the terms and conditions of appointment of Independent Directors and all other documents referred to in the accompanying Notice and this Statement are available for inspection by the members, at the Company's registered office during business hours on all working days upto the date of 42nd AGM.

Brief profile:

Mr. Srikanth Velamakanni is one of India's most influential technology leaders and a global champion of artificial intelligence. He is the Co-Founder and Group Chief Executive of Fractal, India's first publicly listed pure-play AI company. He also serves as the Chairperson of Nasscom and as a Founder-Trustee of Plaksha University. Srikanth's work is guided by a long-term commitment to building technology that expands human potential.

Other details of Mr. Srikanth Velamakanni, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard - 2 are given in **Annexure-A**, annexed herewith.

Except Mr. Srikanth Velamakanni, and his relatives, none of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out in item no. 6 of the Notice of the 42nd AGM.

The Board recommends the Special Resolution set forth in item no. 6 of the Notice for approval of the members.

Item No. 7

The Board of Directors, on the recommendation of the Audit Committee, has approved the re-appointment of M/s. Sagar & Associates, Cost Accountants (Firm Registration No. 000118), as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the

financial year ending March 31, 2027, at a remuneration of ₹ 9,00,000/- (Rupees Nine Lakhs only) plus applicable taxes and out of pocket expenses, at actuals in connection with the aforesaid audit.

The Board approved the proposed remuneration of the Cost Auditors after considering the scope of the audit involved and cost audit teams requiring fewer members due to the advancement in technology/ software, auditing systems and other automation tools. Therefore, the remuneration of the Cost Auditors being proposed for approval of the members are commensurate with the scope of work involved and above stated reasons in the present business environment. The proposed remuneration is in line with the prevailing industry standards and the fees paid for similar services by companies of comparable size and operations and is therefore considered fair and appropriate.

In terms with the provisions of Section 148(3) of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, members of the Company are required to ratify the remuneration proposed to be paid to the Cost Auditors.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at item no. 7 of the Notice of the 42nd AGM for ratification of the remuneration payable to the Cost Auditors, for the financial year ending March 31, 2027.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. The Board, as recommended by the Audit Committee, recommends the resolution set forth in item no. 7 of the Notice of 42nd AGM for approval of the members.

The Board recommends the Ordinary Resolution set forth in item no. 7 of the Notice for approval of the members.

By order of the Board of Directors
For Dr. Reddy's Laboratories Limited

Sd/-

K Randhir Singh

Company Secretary, Compliance Officer and Head-CSR
(Membership No. F6621)

Date: May 12, 2026
Place: Hyderabad

Registered Office

8-2-337, Road No. 3, Banjara Hills,
Hyderabad, Telangana- 500034, India
CIN: L85195TG1984PLC004507
Tel-91-40-49002900, Fax-91-40-49002999
Email: shares@drreddys.com
Website: www.drreddys.com

Annexure A

Name of Director	Mr. K Satish Reddy	Dr. K P Krishnan	Mr. Srikanth Velamakanni
Photograph			
DIN	00129701	01099097	01722758
Age (Years)	58	66	52
Nationality	Indian	Indian	Indian
Qualification	Mr. K Satish has graduated in Chemical Engineering from Osmania University, India and M.S. in Medical Chemistry from Purdue University, USA.	Dr. Krishnan educated in Economics from St. Stephens College and Law at the Campus Law Centre University of Delhi. He joined the IAS in August 1983 and belongs to the Karnataka cadre. He joined IIM Bangalore in 1999 and was awarded FPM (Ph.D) in Economics in the 2003 graduation ceremony.	Mr. Srikanth has completed his B.Tech in Electrical Engineering from the Indian Institute of Technology, Delhi, and holds an MBA in Management, Finance and Marketing degree from the Indian Institute of Management, Ahmedabad.
Nature of expertise in specific functional areas	Mr. K Satish Reddy has rich and wide experience in strategy, management, governance, finance, human resources, science, technology and operations. He is focused on translating the Company's strategy into action to drive its growth and performance globally.	Dr. Krishnan has rich experience/ expertise in Strategy, Management and Governance, Finance and Sustainability& ESG.	Mr. Srikanth has rich experience in Strategy, Management & Governance, Finance, Human Resource, Science, Technology and Operations, Sustainability and ESG, Industry experience and Digital expertise.
Date of first appointment	January 18, 1993	January 07, 2022	July 1, 2026
Shareholding in the Company	Mr. K Satish Reddy holds 1,01,07,505 equity shares of the Company. K Satish Reddy HUF holds 2,76,18,385 equity shares of the Company. VSD Family Trust holds 7,56,30,620 equity shares of the Company, in which Mr. K Satish Reddy has position of a Trustee.	NIL	NIL

Name of Director	Mr. K Satish Reddy	Dr. K P Krishnan	Mr. Srikanth Velamakanni
Directorship held in other Companies	Company's subsidiaries including step-down subsidiaries: Indian subsidiaries: - Aurigene Oncology Limited, - Dr. Reddy's Bio-Sciences Limited. Foreign subsidiaries: - Dr. Reddy's New Zealand Limited in New Zealand; - Dr. Reddy's Laboratories (UK) Limited in UK. Other Companies: - Dr. Reddy's Institute of Life Sciences, - Greenpark Hotels and Resorts Limited, - Stamlo Industries Limited, - Dr. Reddy's Trust Services Private Limited, - Araku Originals Private Limited, - Cipro Estates Private Limited, - KAR Therapeutics & Estates Private Limited, - Quin Estates Private Limited, - Satish Reddy Estates Private Limited, - Nayanta Education Foundation, - Telangana Life Sciences Foundation, - Shravya Publications Private Limited, - Guanine Real Estates Private Limited, - Adenine Real Estates Private Limited and - Kallam Anji Reddy Foundation.	Public Companies: - ASREC (India) Limited - Tata Consumer Products Limited Private Companies: - Helios Trustee Private Limited - Shriram Capital Private Limited - Indian Institute For Human Settlements - CEPT Urban Planning and Design Foundation	Public Companies - Fractal Analytics Limited - NIIT Limited - IdeaForge Technology Limited Foreign Companies - Fractal Analytics Inc. (USA) - Fractal Analytics Sweden AB
Listed entities from which person has resigned in the past three years	NIL	NIL	Mr. Srikanth Velamakanni has resigned from the Directorship in Metro Brands Limited during past 3 years.

Name of Director	Mr. K Satish Reddy	Dr. K P Krishnan	Mr. Srikanth Velamakanni
Chairman/ Membership of the Committee(s) of the Board	Dr Reddy's Laboratories Limited - Member of the Sustainability and CSR Committee, - Member of Stakeholders' Relationship Committee and - Chairman of Banking, Authorizations and Allotment Committee.	Dr Reddy's Laboratories Limited - Member of Audit Committee - Member of Nomination, Governance & Compensation Committee. - Chairman of Sustainability and Corporate Social Responsibilities Committee Tata Consumer Products Limited - Chairman of Audit Committee - Member of CSR & Sustainability Committee - Chairman of Stakeholders Relationship Committee ASREC (India) Limited - Chairman Corporate Social Responsibility Committee - Member Nomination & Remuneration Committee - Chairman Valuation Committee Helios Trustee Private Limited - Member of Audit Committee - Member of Risk Management Committee Shriram Capital Private Limited - Chairman of Nomination & Remuneration Committee - Member of Audit Committee Indian Institute for Human Settlement - Member of Audit Committee - Member of Executive Committee	Dr Reddy's Laboratories Limited - Member of Risk Management Committee* - Member of Stakeholder Relationship Committee* <i>*with effect from July 1, 2026</i> NIIT Limited - Member of Nomination and Remuneration Committee. IdeaForge Technology Limited - Member of Nomination and Remuneration Committee. Fractal Analytics Limited - Member of Risk Management Committee - Member of Stakeholder Relationship Committee - Chairman of Option Allotment Committee
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. G V Prasad, Co-Chairman and Managing Director, is brother-in-law of Mr. K Satish Reddy, and is not 'relative' as defined under the Companies Act, 2013. He is not related to any other Director or Key Managerial Personnel of the Company.	Dr. Krishnan is not related to any Director or Key Managerial Personnel of the Company.	Mr. Srikanth is not related to any Director or Key Managerial Personnel of the Company.
Number of Board meetings attended during FY25-26	Mr. K Satish Reddy attended all six (6) Board meetings held during the financial year ended March 31, 2026	Dr. Krishnan attended all six (6) Board meetings conducted during financial year ended March 31, 2026.	Not Applicable



Name of Director	Mr. K Satish Reddy	Dr. K P Krishnan	Mr. Srikanth Velamakanni
Terms of appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable.	Term: Executive Director, liable to retire by rotation.	Terms: Independent Director, not liable to retire by rotation.	Terms: Independent Director, not liable to retire by rotation.
	Remuneration for the financial year ended March 31, 2026: Salary- ₹ 22.02 million; Perquisites- ₹ 4.84 million; Commission - ₹ 73.8 million.	Remuneration for the financial year ended March 31, 2026: Commission- ₹ 17.40 Million.	Remuneration for the financial year ended March 31, 2026: Not applicable
	Mr. K Satish Reddy was entitled to receive commission upto ₹ 291.91 million, i.e. @0.75 of the profit calculated under Section 198 of the Act, as approved by the members of the Company at their AGM held on July 29, 2022. In line with the approval given by the members of the Company, the NGCC and the Board has approved commission of ₹ 73.8 Million to Mr. K Satish Reddy for the financial year ended March 31, 2026.		
	Remuneration sought to be paid: Mr. K Satish Reddy will be entitled for remuneration for his terms of office in terms of approval given by the members at their AGM held on July 29, 2022, and as approved by the NGCC and the Board of the Company. He is not entitled for any stock option pursuant to Employees Stock Option Schemes of the Company.	Remuneration sought to be paid: Dr. Krishnan will be entitled for remuneration by way of commission, as payable to other Independent Directors of the Company, as may be decided by the Board of Directors of the Company. He will not be entitled for any stock option pursuant to Employees Stock Option Schemes of the Company. The Members of the Company had earlier approved for payment of remuneration by way of commission to its Directors (whether existing or future) other than the Managing/ Whole-time Directors, collectively up to 1% of the net profits of the Company every year, computed in the manner referred to in Section 198 of the Act, in such proportion/ manner as may be determined by the Board of Directors of the Company, in addition to the payment of sitting fees and reimbursement of expenses, if any, to the Directors for attending the meetings of the Board of Directors or Committees thereof.	Remuneration sought to be paid: Mr. Srikanth Velamakanni will be entitled for remuneration by way of commission, as payable to other Independent Directors of the Company, as may be decided by the Board of Directors of the Company. He will not be entitled for any stock option pursuant to Employees Stock Option Schemes of the Company. The Members of the Company had earlier approved for payment of remuneration by way of commission to its Directors (whether existing or future) other than the Managing/ Whole-time Directors, collectively up to 1% of the net profits of the Company every year, computed in the manner referred to in Section 198 of the Act, in such proportion/ manner as may be determined by the Board of Directors of the Company, in addition to the payment of sitting fees and reimbursement of expenses, if any, to the Directors for attending the meetings of the Board of Directors or Committees thereof.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Sunday, July 19, 2026 at 9.00 a.m. (IST) and ends on Wednesday, July 22, 2026 at 5.00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, July 16, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, July 16, 2026.

The remote e-voting facility is available at the link, www.evoting.nsdl.com. The e-voting event number (EVEN) and period of remote e-voting are set out below:

Date of 42 nd AGM	EVEN	Commencement of remote E-Voting	End of remote E-Voting
Thursday July 23, 2026	139781	Sunday July 19, 2026 at 9.00 a.m. (IST)	Wednesday July 22, 2026 at 5.00 p.m. (IST)

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp . You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “ Beneficial Owner ” icon under “ Login ” which is available under ‘ IDeAS ’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “ Access to e-Voting ” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com . Select “ Register Online for IDeAS Portal ” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp



Type of shareholders	Login Method
	4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1.

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2.

Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3.

A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4.

Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical			Your User ID is:
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID	For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID	For example if your Beneficiary ID is 12***** then your user ID is 12*****.

- Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

c)

For Members holding shares in Physical Form.

EVEN Number followed by Folio Number registered with the Company

For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
5.

Password details for shareholders other than Individual shareholders are given below:

a)

If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b)

If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

c)

How to retrieve your ‘initial password’?

(i)

If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.



- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of the 42nd AGM and holds shares as on the cut-off date i.e., July 16, 2026, may obtain user ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for casting your vote.
2. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
3. The facility for voting through electronic voting system shall be made available during the AGM and only those members, who will be present in the AGM through VC/ OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
4. The voting rights of members shall be in proportion to the shares held by them, of the paid-up equity share capital of the Company as on the cut-off date.
5. Mr. Atul Mehta (Membership No. F5782 and COP No. 2486), Partner, failing him, Mr. Teja Bathineedi (Membership No. 68920 and COP No. 26831), Partner, M/s Mehta & Mehta, Company Secretaries, has been appointed by the Board as the scrutinizer to scrutinize the voting through electronic means during the 42nd AGM and remote e-voting process in a fair and transparent manner.
6. Immediately after the conclusion of voting at the 42nd AGM, the scrutinizer shall first count the votes cast at

the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The scrutinizer shall prepare a Consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, not later than forty-eight hours after the conclusion of the 42nd AGM. This report shall be made to the Chairman or any other person authorized by the Chairman, who shall declare the result of the voting forthwith.

7. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to info@mehta-mehta.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
8. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
9. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to (Name of NSDL Official) at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company at shares@drreddys.com or to the RTA at bsshyd@bigshareonline.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to the Company at shares@drreddys.com or to the RTA at bsshyd@bigshareonline.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE 42ND AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the EGM/ AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.



INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1.

Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/ OAVM” placed under “Join meeting” menu against Company name. You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2.

Members are encouraged to join the Meeting through Laptops for better experience.
3.

Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4.

Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5.

Members who would like to express their views/ have questions with regard to the financial statements or any other matter to be placed at the 42nd AGM may send their questions in advance mentioning their name, demat account number/ Folio number, email id & mobile number at agm2026@drreddys.com on or before July 21, 2026 (6:00 p.m. IST). The same will be replied by the Company suitably.
6.

Those members who would like to participate as speaker shareholder during the AGM may send their request on or before Friday, July 3, 2026 mentioning their name demat account number/folio number, email id, mobile number to Company's email id agm2026@drreddys.com. Those Members who have registered themselves as a speaker will only be allowed to ask questions during the AGM, depending upon the availability of time. The same will be replied by the Company suitably.
7.

The Company reserves the right to limit the number of speakers depending on the availability of time at the 42nd AGM.
8.

In case any assistance is needed, members may contact:

a)

Mr. Amit Vishal, Deputy Vice President, NSDL at amitv@nsdl.co.in or at telephone number: +91-22-24994360.

b)

Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in or at telephone number: +91- 22-24994545.

c)

NSDL at evoting@nsdl.co.in or at +91-22-48867000 and +91-22-24997000.

42ND AGM INFORMATION AT A GLANCE

Time and date of 42 nd AGM	Thursday, July 23, 2026, at 11.00 a.m. (IST)
Mode	Video conference and other audio-visual means
Helpline number for VC participation	+91-22-4886 7000 and +91-22-2499 7000
Webcast and transcripts	https://drreddys.com/investor#reports-and-filing#annual-general-meeting
Cut-off date for e-voting	Thursday, July 16, 2026
E-voting start time and date	Sunday, July 19, 2026 at 9.00 a.m. (IST)
E-voting end time and date	Wednesday, July 22, 2026 at 5.00 p.m. (IST)
E-voting website of NSDL	https://www.evoting.nsdl.com/
Name, address and contact details of e-voting service provider	Contact details: National Securities Depository Limited, 4 th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013, India Contact number: +91-22-48867000 and +91-22-24997000 Contact person: Mr. Amit Vishal, Deputy Vice President amitv@nsdl.co.in ; +91-22-24994360 Ms. Pallavi Mhatre, Senior Manager pallavid@nsdl.co.in ; +91-22-24994545
Name, address and contact details of Registrar and Transfer Agent (“RTA”)	Contact details: Bigshare Services Pvt. Ltd 306, Right Wing, 3 rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Rajbhavan Road Hyderabad – 500082, India bsshyd@bigshareonline.com ; +91-40-23374967 Contact person: Mr. Prabhakar S.D, Deputy General Manager prabhakar@bigshareonline.com Mr. Amarendranath.R, Manager amarendranath.r@bigshareonline.com
Name, address and contact details of the Company	Dr. Reddy's Laboratories Limited 8-2-337, Road No. 3, Banjara Hills, Hyderabad, Telangana- 500034, India Tel-91-40-49002900, Fax-91-40-49002999 Email: shares@drreddys.com ; Website: www.drreddys.com
Final dividend record date	Friday, July 10, 2026
Dividend payment date	On or before Thursday, July 30, 2026
Information of tax on final dividend for the financial year ended March 31, 2026	https://www.drreddys.com/investor#investor-services#investor-handbook



Dr. Reddy's Laboratories Limited
CIN: L85195TG1984PLC004507
8-2 337, Road No.3, Banjara Hills,
Hyderabad 500 034, India

www.drreddys.com