

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of the members of Dr. Reddy's Laboratories Limited (CIN: L85195TG1984PLC004507) will be held on Thursday, 31 July 2014 at 9.30 AM at the Grand Ball Room, Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad 500 034, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31 March 2014 and the Statement of Profit and Loss of the Company for the year ended on that date along with the Reports of the Directors' and Auditors' thereon.
2. To declare dividend on the equity shares for the financial year 2013-14.
3. To appoint a director in place of Mr. Anupam Puri (DIN: 00209113), who retires by rotation, and being eligible, seeks re-appointment as non-retiring Independent Director for a period of 4 (four) years.
4. To appoint a director in place of Dr. Bruce L A Carter (DIN: 02331774), who retires by rotation, and being eligible, seeks re-appointment as non-retiring Independent Director for a period of 5 (five) years.
5. To appoint a director in place of Mr. Sridar Iyengar (DIN: 00278512), who retires by rotation, and being eligible, seeks re-appointment as non-retiring Independent Director for a period of 5 (five) years.
6. To appoint the Statutory Auditors and fix their remuneration. The retiring Auditors M/s. B S R & Co. LLP, Chartered Accountants are eligible for re-appointment.

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding rules and based on the recommendations of the Audit Committee, M/s. B S R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W), who have offered themselves for re-appointment and have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of the 30th Annual General Meeting up to the conclusion of the 32nd consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM) at a remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS:

7. TO APPOINT DR. ASHOK S GANGULY AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Ashok S Ganguly (DIN: 00010812) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, 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 3 (three) consecutive years up to the conclusion of the 33rd AGM of the Company."

8. TO APPOINT DR. J P MOREAU AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. J P Moreau (DIN:01519325) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, 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 1 (one) year up to the conclusion of the 31st AGM of the Company."

9. TO APPOINT MS. KALPANA MORPARIA AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Kalpana Morparia (DIN: 00046081) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of Director, 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 5 (five) years up to the conclusion of the 35th AGM of the Company."

10. TO APPOINT DR. OMKAR GOSWAMI AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Omkar Goswami (DIN: 00004258) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, 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 5 (five) consecutive years up to the conclusion of the 35th AGM of the Company."

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11. TO APPOINT MR. RAVI BHOOHALINGAM AS AN INDEPENDENT DIRECTOR IN TERMS OF SECTION 149 OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ravi Bhoothalingam (DIN: 00194530) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, 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 2 (two) consecutive years up to the conclusion of the 32nd AGM of the Company."

12. VARIATION IN THE TERMS OF APPOINTMENT OF MR. G V PRASAD, CO-CHAIRMAN, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to vary the terms of appointment of Mr. G V Prasad (DIN: 00057433) Co-Chairman, Managing Director and Chief Executive Officer, by making his office liable to retire by rotation."

13. VARIATION IN THE TERMS OF APPOINTMENT OF MR. SATISH REDDY, CHAIRMAN

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to vary the terms of appointment of Mr. Satish Reddy (DIN: 00129701), Chairman, by making his office liable to retire by rotation."

14. TO APPROVE THE REMUNERATION PAYABLE TO COST AUDITORS, M/S. SAGAR & ASSOCIATES FOR THE FINANCIAL YEAR 2014-15

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors, M/s. Sagar & Associates, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31 March 2015, be paid a remuneration of ₹6.00 lakhs (Rupees Six Lakhs) per annum plus out of pocket expenses, at actuals.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

15. TO APPROVE THE MATERIAL RELATED PARTY CONTRACTS/ ARRANGEMENTS/TRANSACTIONS WITH DR. REDDY'S LABORATORIES INC., USA, A WHOLLY-OWNED SUBSIDIARY

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of revised Clause 49-VII of the Listing Agreement (effective from 1 October 2014), the approval of the Company be and is hereby accorded to the Board of Directors, to enter into contracts/arrangements/transactions with Dr. Reddy's Laboratories Inc., USA (DRL Inc.), wholly-owned subsidiary of the Company and a 'related party' as defined under Section 2(76) of the Companies Act, 2013 and Clause 49-VII(B)(2) of the Listing Agreement relating to transfer or receipt of products, goods, materials or services, for an estimated amount of up to US\$ 1,100 million every financial year on such terms and conditions as may be mutually agreed upon between the Company and DRL Inc.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to decide upon the nature and value of the products, goods, materials or services to be transacted with DRL Inc. within the aforesaid limits.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby also authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

NOTES:

1. The statement pursuant to Schedule IV and Section 102(1) of the Companies Act, 2013 in respect of the ordinary business and special business respectively, set out in the Notice is annexed hereto.
2. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument of proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

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5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 15 July 2014 to Friday, 18 July 2014 (both days inclusive).
8. The Board of Directors of the Company at their Meeting held on 13 May 2014 has recommended a dividend of ₹18.00 per share on equity share of ₹5/- each as final dividend for the financial year 2013-14. Dividend, if declared, at the Annual General Meeting, will be paid on or after 7 August 2014.
9. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, additional information including brief profile of each of the Independent Directors has been given in the section on Corporate Governance.
10. The annual report for the financial year 2013-14 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on our website, i.e. www.drreddys.com. The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2013-14, free of cost, upon sending a request to the Company Secretary at 8-2-337, Road No. 3, Banjara Hills, Hyderabad 500 034.
11. In case any member is desirous to receive communication from the Company in electronic form, they may register their email address on <http://www.drreddys.com/investors/shareholder-information.html> or with their depository participant or send their consent at shares@drreddys.com along with their folio no. and valid email address for registration.
12. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in this Notice. The detailed instructions for e-voting are given as a separate attachment to this notice.
13. Members, desiring any information relating to the accounts, are requested to write to the Company at an early date so as to enable the management to keep the information ready.
14. Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting. Members/proxies should also bring the attached Attendance Slip, duly filled and hand it over at the entrance to the venue.
15. The certificate from the Auditors of the Company certifying that the Company's Dr. Reddy's Employees Stock Option Scheme, 2002 and Dr. Reddy's Employees ADR Stock Option Scheme, 2007 are being implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999 and the resolution of the members passed at the general meeting, will be available for inspection by the members at the AGM.
16. Members are requested to intimate immediately, any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts or to the Company's Registrar & Share Transfer Agent, M/s. Bigshare Services Private Limited, if the shares are held by them in certificate form.
17. In terms of the Circular No. CIR/MRD/DP/10/2013 dated 21 March 2013 issued by the Securities and Exchange Board of India, 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), NEFT, etc. for making cash 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 may send a request updating their bank details, to the Company Secretary at 8-2-337, Road No. 3, Banjara Hills, Hyderabad 500 034.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar & Share Transfer Agent, M/s. Bigshare Services Private Limited.
19. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their requests in Form No. SH.13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 (which will be made available on request) to the Registrar and Share Transfer Agent of the Company.

By Order of the Board

Place Hyderabad
Date 21 June 2014

Sandeep Poddar
Company Secretary

ANNEXURE TO NOTICE OF AGM

Statement pursuant to Schedule IV of the Companies Act, 2013

ITEM NOS. 3, 4 & 5

Mr. Anupam Puri, Dr. Bruce L A Carter and Mr. Sridar Iyengar, Independent Directors are retiring by rotation at the ensuing AGM under the provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Anupam Puri, Dr. Bruce L A Carter and Mr. Sridar Iyengar being eligible, offer themselves for re-appointment.

Section 149 of the Companies Act, 2013 *inter alia* stipulates the criteria of independence, should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term of up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors considered for retirement by rotation. Hence, it is proposed that Mr. Anupam Puri be appointed for a term of 4 (four) years, not liable to retire by rotation and Dr. Bruce L A Carter and Mr. Sridar Iyengar be appointed for a term of 5 (five) years respectively, not liable to retire by rotation.

The Company has received from each of Mr. Anupam Puri, Dr. Bruce L A Carter and Mr. Sridar Iyengar (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Anupam Puri, Dr. Bruce L A Carter and Mr. Sridar Iyengar fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement. Mr. Anupam Puri, Dr. Bruce L A Carter and Mr. Sridar Iyengar are independent of the management.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of Mr. Anupam Puri, Dr. Bruce L A Carter and Mr. Sridar Iyengar is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of AGM.

Mr. Anupam Puri, Dr. Bruce L A Carter and Mr. Sridar Iyengar are interested in the resolutions set out respectively at Item Nos. 3, 4 & 5 of the Notice with regard to their respective appointments.

The relatives of Mr. Anupam Puri, Dr. Bruce L A Carter and Mr. Sridar Iyengar may be deemed to be interested in the resolutions set out respectively at Item Nos. 3, 4 & 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item Nos. 3, 4 & 5 of the Notice for approval of the members.

Statement pursuant to Section 102(1) of the Companies Act, 2013

ITEM NOS. 7, 8, 9, 10 & 11

The Company had appointed each of Dr. Ashok S Ganguly, Dr. J P Moreau, Ms. Kalpana Morparia, Dr. Omkar Goswami and Mr. Ravi Bhoothalingam as Independent Directors of the Company pursuant to Clause 49 of the Listing Agreement.

In accordance with Section 149 and 152 read with Schedule IV of the Companies Act, 2013 that have come into effect from 1 April 2014 and subsequent notification by the Ministry of Corporate Affairs vide its General circular no.14/2014 dated 9 June 2014, the Company is required to appoint its Independent Directors, including its existing Independent Directors in accordance with the provisions of the Companies Act, 2013 before 31 March 2015. Further, pursuant to the above provisions, the term of such Independent Directors is not liable to determination by rotation.

Accordingly, it is proposed to appoint Dr. Ashok S Ganguly, Dr. J P Moreau, Ms. Kalpana Morparia, Dr. Omkar Goswami and Mr. Ravi Bhoothalingam as Independent Directors of the Company in accordance with Section 149 of the Companies Act, 2013, not liable to retire by rotation and to hold office as under:

NAME	NO. OF YEARS	TERM
Dr. Ashok S Ganguly	3	Up to the conclusion of 33 rd AGM
Dr. J P Moreau	1	Up to the conclusion of 31 st AGM
Ms. Kalpana Morparia	5	Up to the conclusion of 35 th AGM
Dr. Omkar Goswami	5	Up to the conclusion of 35 th AGM
Mr. Ravi Bhoothalingam	2	Up to the conclusion of 32 nd AGM

The Company has received from each of Dr. Ashok S Ganguly, Dr. J P Moreau, Ms. Kalpana Morparia, Dr. Omkar Goswami and Mr. Ravi Bhoothalingam (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

The Company has also received notices from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of the above Directors for the office of Directors of the Company.

In the opinion of the Board, Dr. Ashok S Ganguly, Dr. J P Moreau, Ms. Kalpana Morparia, Dr. Omkar Goswami and Mr. Ravi Bhoothalingam fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement and are independent of the management.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of Dr. Ashok S Ganguly, Dr. J P Moreau, Ms. Kalpana Morparia, Dr. Omkar Goswami and Mr. Ravi Bhoothalingam is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM.

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Dr. Ashok S Ganguly, Dr. J P Moreau, Ms. Kalpana Morparia, Dr. Omkar Goswami and Mr. Ravi Bhoothalingam are interested in the resolutions set out respectively at Item Nos. 7, 8, 9, 10 & 11 of the Notice with regard to their respective appointments.

The relatives of Dr. Ashok S Ganguly, Dr. J P Moreau, Ms. Kalpana Morparia, Dr. Omkar Goswami and Mr. Ravi Bhoothalingam may be deemed to be interested in the resolutions set out respectively at Item Nos. 7, 8, 9, 10 & 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item Nos. 7, 8, 9, 10 & 11 of the Notice for approval of the members.

ITEM NOS. 12 & 13

Mr. G V Prasad, was, by way of a resolution passed at the Annual General Meeting of the Company held on July 21, 2011, re-appointed as Whole-time Director of the Company (designated as Vice-Chairman and Chief Executive Officer (CEO)) with effect from 30 January 2011 for a period of 5 (five) years ending on 29 January 2016 and as per the terms of such appointment, was not liable to retire by rotation. He was re-designated as Chairman and CEO by way of a resolution passed at the Annual General Meeting of the Company held on 31 July 2013 and further re-designated as Co-Chairman, Managing Director and CEO of the Company with effect from 13 May 2014.

Mr. Satish Reddy, was, by way of a resolution passed at the Annual General Meeting of the Company held on 20 July 2012, re-appointed as Whole-time Director of the Company (designated as Managing Director and Chief Operating Officer (COO)) with effect from 1 October 2012 for a period of 5 (five) years ending on 30 September 2017 and as per the terms of such appointment, was not liable to retire by rotation. He was re-designated as Vice-Chairman and Managing Director by way of a resolution passed at the Annual General Meeting of the Company held on 31 July 2013 and further re-designated as Chairman with effect from 13 May 2014.

The provisions of the Companies Act, 2013 including provisions in relation to appointment of directors have been notified with effect from 1 April 2014. In accordance with Section 152(6) of the Companies Act, 2013, the period of office of at least two-third Directors of the Company shall liable to determination by retirement by rotation. Since the provisions of Section 152(6) are not applicable to Independent Directors, to ensure compliance with the provisions of Section 152(6), it is proposed that the terms of appointment of Mr. G V Prasad and Mr. Satish Reddy be amended to provide that they shall be liable to retire by rotation at the Annual General Meeting of the Company as per the provisions of Section 152(6) of the Companies Act, 2013. The other terms and conditions of their appointment including remuneration approved at the general meeting held on 21 July 2011 and 20 July 2012 shall remain unchanged.

Mr. G V Prasad and Mr. Satish Reddy are interested in the resolutions set out respectively at Item Nos. 12 & 13 of the Notice with regard to their respective appointments.

The relatives of Mr. G V Prasad and Mr. Satish Reddy may be deemed to be interested in the resolutions set out respectively at Item Nos. 12 & 13 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item Nos. 12 & 13 of the Notice for approval of the members.

ITEM NO. 14

The Board, on the recommendations of the Audit Committee, has approved the re-appointment of the Cost Auditors, M/s. Sagar & Associates at a remuneration of ₹6.00 lakhs (Rupees Six Lakhs) per annum plus out of pocket expenses, at actuals, to conduct the audit of the cost records of the Company for the financial year ending 31 March 2015.

In accordance with the provisions of the Section 148 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 14 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2015.

None of the Directors/Key Managerial Personnel/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set forth in the Item No. 14 of the Notice for approval of the members.

ITEM NO. 15

Dr. Reddy's Laboratories Inc., USA (DRL Inc.) is a wholly-owned subsidiary of the Company and a 'Related Party' within the meaning of Section 2(76) of the Companies Act, 2013 and Clause 49-VII(B)(2) of the Listing Agreement (effective October 1, 2014).

In terms of proviso to Clause 49-VII(C) of the Listing Agreement, the contracts/arrangements/transactions relating to transfer or receipt of products, goods, materials or services with DRL Inc. are material in nature as these transactions are likely to exceed 20% of the net worth of the Company as per the last audited financial statements of the Company. Therefore, in terms of Clause 49-VII(E), the contracts/arrangements/transactions with DRL Inc. requires the approval of unrelated shareholders of the Company by a special resolution.

The particulars of the contracts/arrangements/transactions are as under:

1. Name of related party: Dr. Reddy's Laboratories Inc., USA (DRL Inc.)
2. Name of director or key managerial personnel who is related: Mr. Satish Reddy & Mr. G V Prasad, Whole-time Directors and Mr. Anupam Puri, Independent Director of the Company are common Board members.

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3. Nature of relationship: DRL Inc. is a wholly owned subsidiary of Dr. Reddy's Laboratories Limited.
4. Material terms of the contracts/arrangements/transactions: Transfer or receipt of products, goods, materials or services on arm's length basis.
5. Monetary value: Estimated amount of up to US\$ 1,100 million every financial year.
6. Any other information relevant or important for the members to make a decision on the proposed transaction: None

The contracts/arrangements/transactions with DRL Inc. have been approved by the Audit Committee at its meeting held on 12 May 2014 and considered by the Board of Directors at their meeting held on 13 May 2014 for recommending the same to the unrelated shareholders of the Company for their approval.

Mr. G V Prasad, Mr. Satish Reddy and Mr. Anupam Puri are interested in the resolution set forth in Item No. 15 of the Notice.

The relatives of Mr. G V Prasad, Mr. Satish Reddy and Mr. Anupam Puri may be deemed to be interested in the resolution set forth in Item No. 15 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set forth in Item No. 15 of the Notice for approval of the unrelated shareholders of the Company.

By Order of the Board

Place Hyderabad
Date 21 June 2014

Sandeep Poddar
Company Secretary

INSTRUCTIONS FOR E-VOTING

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 30th Annual General Meeting to be held on Thursday, 31 July 2014, at 9.30 AM IST. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the E-Voting facility.

The E-Voting facility is available at the link <https://www.evoting.nsdl.com>

The E-voting Event Number and period of E-voting are set out below:

EVEN (E-VOTING EVENT NUMBER)	COMMENCEMENT OF E-VOTING	END OF E-VOTING
100386	25 July 2014 at 9.00 AM IST	27 July 2014 at 6.00 PM IST

Please read the instructions printed below before exercising your vote.

These details and instructions form an integral part of the notice for the Annual General meeting to be held on 31 July 2014.

STEPS FOR E-VOTING:

1. Open the internet browser and type the following URL:
<https://www.evoting.nsdl.com>
 2. Click on Shareholder-Login.
 3. If you are already registered with NSDL for E-voting, then you can use your existing User ID and Password for Login.
 4. If you are logging in for the first time, please enter the User ID and Password. The same shall be sent to you separately.
 5. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of the two. Please take utmost care to keep your password confidential.
 6. Once the E-Voting home page opens, click on E- Voting>Active Voting Cycles.
 7. Select the EVEN (E-Voting Event Number) of Dr. Reddy's Laboratories Limited (the number is provided in this document). Once you enter the number, the Cast Vote page will open. Now you are ready for e-voting.
 8. Cast your vote by selecting your favored option and click Submit. Also click Confirm when prompted. Please note that once your vote is cast on the selected resolution, it cannot be modified.
 9. Institutional shareholders (i.e members other than individuals, HUF, NRIs etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant board resolution/authority letter, etc together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to **drlscrutinizer@gmail.com**, with a copy marked to **evoting@nsdl.co.in**
- b. Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20 June 2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
 - c. Mr. G Raghu Babu, Partner of M/s. R & A Associates, practicing Company Secretary, Hyderabad (Membership No. F4448), has been appointed as the Scrutinizer to scrutinize the E-Voting process in a fair and transparent manner.
 - d. The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the E-Voting period, unlock the votes in the presence of at least two witnesses, not in employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.
 - e. The voting rights of the shareholders 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 of 20 June 2014.
 - f. The results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.drreddys.com** and on the website of NSDL within two days of passing of the resolutions at the 30th Annual General Meeting of the Company on 31 July 2014 and shall be communicated to BSE Ltd., National Stock Exchange of India Ltd. and the New York Stock Exchange, Inc. All documents referred to in the accompanying Notice and Statement pursuant to Schedule IV and Section 102(1) of the Companies Act 2013 will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the results of the 30th Annual General Meeting of the Company.

GENERAL INSTRUCTIONS

- a. The e-voting period commences on 25 July 2014 (9.00 A.M. IST) and ends on 27 July 2014 (6.00 P.M. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 20 June 2014, may cast their votes electronically. The E-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

By Order of the Board

Place Hyderabad
Date 21 June 2014

Sandeep Poddar
Company Secretary