

BSR & Co. LLP

Chartered Accountants

8-2-618/2, Reliance Humsafar,
4th Floor, Road, No. 11,
Banjara Hills
Hyderabad - 500 034. India.

Telephone +91 40 3046 5000
Fax +91 40 3046 5299

Review report

To the Board of **Directors** of **Dr. Reddy's Laboratories Limited**

We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Dr. Reddy's Laboratories Limited ('the Company') for the quarter ended 30 June 2015, except for the disclosures regarding 'Public shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been reviewed by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 30 July 2015. Our responsibility is to issue a report on the statement based on our review.

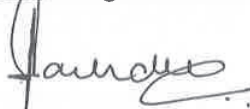
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of the Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with Accounting standards 25, Interim Financial Reporting ("AS 25"), notified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Supreet Sachdev

Partner

Membership Number: 205385

Place: Hyderabad

Date: 30 July 2015

DR. REDDY'S LABORATORIES LIMITED
PART I : STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2015

All amounts in Indian Rupees lakhs, except share data and where otherwise stated

Sl. No.	Particulars	Quarter ended		Year ended	
		30.06.2015	31.03.2015	30.06.2014	31.03.2015
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income from operations				
	a) Net sales / income from operations (Net of excise duty)	250,833	266,120	265,284	988,739
	b) License fees and service income	456	1,008	1,556	4,006
	c) Other operating income	1,304	1,744	2,208	8,349
	Total income from operations (net)	252,593	268,872	269,048	1,001,094
2	Expenses				
	a) Cost of materials consumed	50,119	47,201	58,425	232,263
	b) Purchase of traded goods	15,430	13,121	10,269	52,606
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,807)	13,007	866	(2,896)
	d) Employee benefits expense	40,877	38,433	36,417	149,086
	e) Selling expenses	26,229	22,338	30,328	106,350
	f) Depreciation and amortisation	14,139	13,677	10,548	49,023
	g) Other expenditure	57,603	59,162	51,705	224,585
	Total expenses	200,590	206,939	198,558	811,017
3	Profit from ordinary activities before other income, finance costs and exceptional items (1 - 2)	52,003	61,933	70,490	190,077
4	Other income	9,097	8,726	9,188	22,285
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	61,100	70,659	79,678	212,362
6	Finance costs	2,132	1,877	1,510	6,380
7	Profit from ordinary activities before exceptional items (5 - 6)	58,968	68,782	78,168	205,982
8	Exceptional items	-	-	-	-
9	Profit from ordinary activities before tax (7 + 8)	58,968	68,782	78,168	205,982
10	Tax expense	11,383	11,640	17,893	38,047
11	Net Profit from ordinary activities after tax (9 - 10)	47,585	57,142	60,275	167,935
12	Extra-ordinary items (net of tax)	-	-	-	-
13	Net profit for the period / year (11 - 12)	47,585	57,142	60,275	167,935
14	Paid-up equity share capital (face value Rs. 5/- each)	8,528	8,519	8,517	8,519
15	Reserves (excluding revaluation reserve)				1,054,853
16	Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share				
	- Basic	27.92	33.54	35.42	98.60
	- Diluted	27.81	33.40	35.26	98.18
		(Not annualised)	(Not annualised)	(Not annualised)	

See accompanying notes to the financial results



16/17

PART II : SELECTED INFORMATION FOR THE QUARTER ENDED 30 JUNE 2015

A PARTICULARS OF SHAREHOLDING

SI No.	Particulars	Quarter ended			Year ended
		30.06.2015	31.03.2015	30.06.2014	31.03.2015
1	Public shareholding*				
	- Number of shares (face value Rs.5/- each)	98,036,645	98,189,505	95,472,936	98,189,505
	- Percentage of shareholding	57.48	57.63	56.05	57.63
2	Promoters and promoter group shareholding				
	a) Pledged / Encumbered				
	- Number of shares	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
	b) Non-encumbered				
	- Number of shares	43,451,462	43,417,812	43,417,812	43,417,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	25.48	25.48	25.49	25.48

*Public shareholding as defined under Clause 40A of Listing Agreement (excludes shares held by Promoters, Promoter Group and American Depository Receipt Holders)

B INVESTOR COMPLAINTS

Pending at the beginning of the quarter	Nil
Received during the quarter	8
Disposed of during the quarter	8
Remaining unresolved at the end of the quarter	Nil

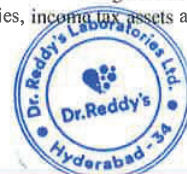
Segment Information

All amounts in Indian Rupees lakhs, except share data and where otherwise stated

SI. No.	Particulars	Quarter ended			Year ended
		30.06.2015	31.03.2015	30.06.2014	31.03.2015
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Segment wise revenue, results and capital employed:				
	Segment revenue:				
	a) Pharmaceutical Services and Active Ingredients	57,779	68,155	70,511	273,033
	b) Global Generics	206,678	213,484	216,615	796,154
	c) Proprietary Products	-	-	-	-
	Total	264,457	281,639	287,126	1,069,187
	Less: Inter segment revenue	11,864	12,767	18,078	68,093
	Add: Other unallocable income	-	-	-	-
	Total income from operations	252,593	268,872	269,048	1,001,094
2	Segment results:				
	Profit / (loss) before tax and interest from each segment				
	a) Pharmaceutical Services and Active Ingredients	2,764	1,676	2,242	4,512
	b) Global Generics	75,694	71,882	88,773	221,809
	c) Proprietary Products	(7,188)	(9,710)	(7,567)	(31,035)
	Total	71,270	63,848	83,448	195,286
	Less: (i) Interest	2,132	1,877	1,510	6,380
	(ii) Other un-allocable expenditure / (income), net	10,170	(6,811)	3,770	(17,076)
	Total profit before tax	58,968	68,782	78,168	205,982
3	Capital Employed:				
	a) Pharmaceutical Services and Active Ingredients	300,696	311,881	271,806	311,881
	b) Global Generics	710,364	599,189	615,069	599,189
	c) Proprietary Products	(8,376)	(11,131)	(4,083)	(11,131)
	d) Unallocated	109,362	163,433	111,044	163,433
	Total	1,112,046	1,063,372	993,836	1,063,372

Global Generics includes operations of Biologics business. Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics at cost. Centrally managed assets and liabilities such as Cash and bank balances, loans and advances to subsidiaries, income tax assets and liabilities, investments and borrowings are included in unallocated capital employed.

K
VF



DR. REDDY'S LABORATORIES LIMITED

Notes:

- 1 The above financial results are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value. GAAP comprises Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, guidelines issued by Securities and Exchange Board of India and other accounting principles generally accepted in India.
- 2 On 1 April 2015, the Company entered into a definitive agreement to acquire a select portfolio of established products' business of UCB in the territories of India, Nepal, Sri Lanka and Maldives for a total consideration of Rs.800 crores. On 16 June 2015, the company completed the acquisition and recorded Rs.20 crores, Rs.748 crores and Rs.32 crores towards various current and fixed assets, intangible assets, and goodwill, respectively. The acquisition pertains to Company's Global Generics segment.
- 3 The unaudited results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meeting held on 30 July 2015.
- 4 The results for the quarter ended 30 June 2015 have been subjected to a "Limited review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.
- 5 The figures for the previous periods have been re-grouped/ re-classified, wherever necessary, to conform to the current period's classification.

By order of the Board
For Dr. Reddy's Laboratories Limited



G V Prasad
Co-Chairman & Chief Executive Officer

Place: Hyderabad
Date: 30 July 2015



BSR & Co. LLP

Chartered Accountants

8-2-618/2, Reliance Humsafar,
4th Floor, Road, No. 11,
Banjara Hills
Hyderabad - 500 034. India.

Telephone +91 40 3046 5000
Fax +91 40 3046 5299

Review report

To the Board of Directors of Dr. Reddy's Laboratories Limited

We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Dr. Reddy's Laboratories Limited ("the Company"), its subsidiaries and joint ventures (collectively referred to as the "Group") for the quarter ended 30 June 2015, except for the disclosures regarding 'Public shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 30 July 2015. Our responsibility is to issue a report on the Statement based on our review, which have been prepared in accordance with the recognition and measurement principles laid down in International Accounting Standard (IAS) 34, Interim Financial Reporting, as issued by the International Accounting Standard Board ('IAS 34').

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of the Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

The Statement includes the results of the following entities:

1. Aurigene Discovery Technologies (Malaysia) SDN BHD
2. Aurigene Discovery Technologies Inc.
3. Aurigene Discovery Technologies Limited
4. Reddy Specialities GmbH
5. beta Institut gemeinnützige GmbH
6. betapharm Arzneimittel GmbH
7. Cheminor Investments Limited
8. Chirotech Technology Limited
9. Dr. Reddy's Farmaceutica Do Brasil Ltda.
10. Dr. Reddy's Laboratories (Proprietary) Limited
11. Dr. Reddy's Laboratories Inc.
12. Dr. Reddy's SRL
13. Dr. Reddy's Bio-Sciences Limited
14. Dr. Reddy's New Zealand Ltd.
15. Dr. Reddy's Laboratories (Australia) Pty. Limited
16. Dr. Reddy's Laboratories (EU) Limited
17. Dr. Reddy's Laboratories (UK) Limited
18. Dr. Reddy's Laboratories Louisiana LLC
19. Dr. Reddy's Laboratories SA
20. Dr. Reddy's Laboratories International SA
21. Dr. Reddy's Laboratories Tennessee, LLC
22. Dr. Reddy's Laboratories Romania SRL

Review report on unaudited consolidated financial results (continued)

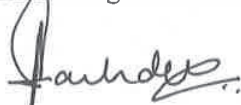
23. Dr. Reddy's Pharma SEZ Limited
24. Dr. Reddy's Venezuela, C.A.
25. DRL Impex Limited
26. Eurobridge Consulting B.V.
27. Industrias Quimicas Falcon de Mexico, S.A. de C.V.
28. Idea2Enterprises (India) Pvt. Limited
29. Lacock Holdings Limited
30. OOO Dr. Reddy's Laboratories Limited
31. OOO DRS LLC
32. Promius Pharma LLC
33. Reddy Antilles N.V
34. Reddy Cheminor S.A.
35. Reddy Holding GmbH
36. Reddy Netherlands B.V.
37. Reddy Pharma Iberia SA
38. Reddy Pharma Italia S.p.A
39. Dr. Reddy's Laboratories New York, Inc.
40. Dr. Reddy's Laboratories LLC, Ukraine
41. DRANU LLC
42. OctoPlus B.V.
43. OctoPlus Development B.V.
44. OctoPlus Technologies B.V.
45. OctoShare B.V.
46. OctoPlus Sciences B.V.
47. OctoPlus PolyActive Sciences B.V.
48. Chienna B.V.
49. Dr. Reddy's Laboratories Canada Inc.
50. Dr. Reddy's Singapore PTE. LTD
51. Dr. Reddy's Laboratories SAS
52. Kunshan Rotam Reddy Pharmaceutical Co. Limited (accounted in accordance with IFRS 11 'Joint Arrangements')
53. DRSS Solar Power Private Limited (accounted in accordance with IFRS 11 'Joint Arrangements')

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable International Financial Reporting Standards as issued by International Accounting Standards Board (IFRS), has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

for BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Supreet Sachdev

Partner

Membership Number: 205385

Place: Hyderabad

Date: 30 July 2015

Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter ended 30 June 2015 prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

All amounts in Indian Rupees lakhs, except share data and where otherwise stated

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2015	31.03.2015	30.06.2014	31.03.2015
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Net Income from Sales and Services	375,776	387,044	351,754	1,481,889
2	Cost of Sales and Services				
	a) (Increase) / decrease in stock-in-trade and work-in-progress	(10,502)	26,446	(6,930)	(5,564)
	b) Consumption of raw materials	57,562	57,830	66,875	280,969
	c) Purchase of traded goods	31,989	24,680	18,488	92,652
	d) Other expenditure	67,262	65,880	64,882	259,803
3	Gross Profit (1 - 2)	229,465	212,208	208,439	854,029
4	Selling, General and Administrative expenses	109,728	100,822	106,789	425,848
5	Research and Development expenses	43,869	51,443	38,753	174,488
6	Other (income) / expense, net	(1,249)	(1,253)	(1,848)	(9,167)
7	Operating profit (3) - (4 + 5 + 6)	77,117	61,196	64,745	262,860
8	Finance (expense) / income, net	2,163	(2,331)	4,809	16,818
9	Share of profit of equity accounted affiliate, net of income taxes	492	437	534	1,948
10	Profit before tax (7+8+9)	79,772	59,302	70,088	281,626
11	Tax expense	17,207	7,418	15,049	59,840
12	Net Profit after tax (10-11)	62,565	51,884	55,039	221,786
13	Extra-ordinary items (net of tax expense)	-	-	-	-
14	Net Profit for the period / year (12 - 13)	62,565	51,884	55,039	221,786
15	Net Profit attributable to:				
	- Equity holders of the Company	62,565	51,884	55,039	221,786
	- Non-controlling interest	-	-	-	-
16	Paid-up equity share capital (Face value of Rs. 5/- each)	8,528	8,519	8,517	8,519
17	Securities premium, retained earnings, share based payment reserve and other components of equity				1,104,499
18	Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share				
	- Basic	36.71	30.45	32.34	130.22
	- Diluted	36.58	30.35	32.24	129.75
		(Not annualised)	(Not annualised)	(Not annualised)	
19	Public shareholding *				
	- Number of shares	98,036,645	98,189,505	95,472,936	98,189,505
	- Percentage of shareholding	57.48	57.63	56.05	57.63
20	Promoters and promoter group shareholding				
	a) Pledged / Encumbered				
	- Number of shares	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-
	b) Non-encumbered				
	- Number of shares	43,451,462	43,417,812	43,417,812	43,417,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	25.48	25.48	25.49	25.48
21	Details of items exceeding 10% of total expenditure				
	- Employee cost	75,017	72,935	71,643	289,668

*Public Shareholding as defined under Clause 40A of the Listing Agreement (excludes shares held by Promoters, Promoter Group and American Depository Receipt holders)



12/11

Segment reporting (Consolidated)

All amounts in Indian Rupees lakhs, except share data and where otherwise stated

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2015	31.03.2015	30.06.2014	31.03.2015
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Segment wise revenue and results:				
1	Segment revenue:				
	a) Pharmaceutical Services and Active Ingredients	68,173	87,190	73,454	323,607
	b) Global Generics	309,611	307,168	287,392	1,193,972
	c) Proprietary Products	6,968	2,996	5,693	21,719
	d) Others	3,062	2,735	3,293	11,634
	Total	387,814	400,089	369,832	1,550,932
	Less: Inter-segment revenue	12,038	13,045	18,078	69,043
	Net Revenue from operations	375,776	387,044	351,754	1,481,889
2	Segment results:				
	Gross Profit from each segment				
	a) Pharmaceutical Services and Active Ingredients	13,320	17,123	12,334	57,087
	b) Global Generics	209,165	192,360	190,542	775,691
	c) Proprietary Products	5,774	2,077	4,710	17,958
	d) Others	1,206	648	853	3,293
	Total	229,465	212,208	208,439	854,029
	Less: Other un-allocable expenditure, net of other income	149,693	152,906	138,351	572,403
	Total profit before tax	79,772	59,302	70,088	281,626

Global Generics includes operations of Biologics business. Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics at Cost. During the quarter ended 30 June 2015, there has been a change in the monitoring of performance of one product from Global Generics to Proprietary Products. Consequently, revenues and gross profit from such product for the previous periods have been reclassified to conform to such change.

Segmental Capital employed

As certain assets of the Company including manufacturing facilities, development facilities and treasury assets and liabilities are often deployed interchangeably across segments, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for capital employed have not been disclosed in the above table.

Notes:
1 Investor Complaints

Pending at the beginning of the quarter	Nil
Received during the quarter	8
Disposed of during the quarter	8
Remaining unresolved at the end of the quarter	Nil

2 On 1 April 2015, the Company entered into a definitive agreement to acquire a select portfolio of established products' business of UCB in the territories of India, Nepal, Sri Lanka and Maldives for a total consideration of Rs.800 crores. On 16 June 2015, the company completed the acquisition and recorded Rs.20 crores, Rs.748 crores and Rs.32 crores towards various current and fixed assets, intangible assets, and goodwill, respectively. The acquisition pertains to Company's Global Generics segment.

3 The Company continues to use SIMADI rate (VEF 197 per USD as of 30 June 2015) to translate certain monetary assets and liabilities of its Venezuelan subsidiary that may not qualify for CENCOEX rate of VEF 6.3 per USD. Consequently, foreign exchange loss of Rs.10 crores was recorded under finance expenses for the quarter ended 30 June 2015.

4 The unaudited results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meeting held on 30 July 2015. The above financial results have been prepared from the consolidated financial statements, which are prepared in accordance with International Financial Reporting Standards and its interpretations (IFRS), as issued by the International Accounting Standards Board (IASB).

5 The Securities and Exchange Board of India (SEBI) issued a circular dated 5 April 2010 permitting listed entities having subsidiaries to voluntarily submit the Consolidated Financial Statements as per IFRS. Consequent to this, the Company has voluntarily prepared and published unaudited Consolidated Financial Statements as per IFRS.

6 The results for the quarter ended 30 June 2015 have been subject to a "Limited review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

7 Unaudited financial results of Dr. Reddy's Laboratories Limited (Standalone Information) prepared as per IGAAP

All amounts in Indian Rupees lakhs, except share data and where otherwise stated

Particulars	Quarter ended			Year ended
	30.06.2015	31.03.2015	30.06.2014	31.03.2015
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Total income from operations	252,593	268,872	269,048	1,001,094
Profit from ordinary activities before tax	58,968	68,782	78,168	205,982
Profit from ordinary activities after tax	47,585	57,142	60,275	167,935

Note:

The unaudited standalone financial results for the quarter ended 30 June 2015 are available on the Stock Exchange's website: www.bseindia.com and www.nseindia.com and also on the Company's website: www.drreddys.com.

 By order of the Board
 For Dr. Reddy's Laboratories Limited



Co-Chairman & Chief Executive Officer

DR. REDDY'S LABORATORIES LTD.
8-2-337, Road No. 3, Banjara Hills,
Hyderabad - 500034. Telangana, India.

CONTACT	
INVESTOR RELATIONS	MEDIA RELATIONS
KEDAR UPADHYE kedaru@drreddys.com (Ph: +91-40-66834297)	CALVIN PRINTER calvinprinter@drreddys.com (Ph: +91-40- 49002121)

Dr. Reddy's Q1 FY16 Financial Results

Revenues at ₹37.6 billion, YoY growth of 7%

EBITDA at ₹9.9 billion, 26% of revenues, YOY growth of 12%

PAT at ₹6.3 billion, 17% of revenues, YoY growth of 14%

Hyderabad, India, July 30, 2015: Dr. Reddy's Laboratories Ltd. (NYSE: RDY | BSE: 500124 | NSE: DRREDDY) today announced its consolidated financial results for the quarter ended June 30, 2015 under International Financial Reporting Standards (IFRS).

Q1 FY16: Key Highlights

- Consolidated revenues at ₹37.6 billion, year-on-year growth of 7%
- Gross Profit Margin at 61.1%, improved by 180 bps over last year
- Research & Development (R&D) spend at ₹4.4 billion. Continued focus on building complex and differentiated pipeline.
- Selling, general & administrative (SG&A) expenses at ₹11.0 billion. Marginal year-on-year increase.
- EBITDA for Q1 FY 16 at ₹9.9 billion, 26% of revenues, year-on-year growth of 12%.
- Profit after tax for Q1 FY 16 at ₹6.3 billion, 17% of revenues, year-on-year growth of 14%

Commenting on the results, Dr. Reddy's co-chairman and CEO, GV Prasad said, "Our first quarter results, with YoY growth of 7% in topline and 14% in bottom line, reflects healthy performance. We were able to achieve these results despite limited new launches and headwinds in the form of currency devaluation in key emerging markets. As we continue to further strengthen our product portfolio and drive new launches, we are well positioned for the next phase of our growth."

Handwritten signature



Dr. Reddy's Laboratories Limited and Subsidiaries
Consolidated Income Statement

Particulars	Q1 FY 16			Q1 FY 15			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Revenues	591	37,578	100.0	553	35,175	100.0	7
Cost of revenues	230	14,631	38.9	225	14,331	40.7	2
Gross profit	361	22,947	61.1	328	20,844	59.3	10
Operating Expenses							
Selling, general & administrative expenses	173	10,973	29.2	168	10,679	30.4	3
Research and development expenses	69	4,387	11.7	61	3,875	11.0	13
Other operating expense / (income)	(2)	(125)	(0.3)	(3)	(185)	(0.5)	(32)
Results from operating activities	121	7,712	20.5	163	6,475	18.4	19
Finance (expense) / income, net	3	216	0.6	8	481	1.4	(55)
Share of profit of equity accounted investees, net of income tax	1	49	0.1	1	53	0.2	(8)
Profit before income tax	125	7,977	21.2	171	7,009	19.9	14
Income tax expense	27	1,720	4.6	24	1,505	4.3	14
Profit for the year	98	6,257	16.6	147	5,504	15.6	14
Diluted EPS	0.58	36.6		0.51	32.2		13

EBITDA Computation

Particulars	Q1 FY 16		Q1 FY 15	
	(\$)	(Rs.)	(\$)	(Rs.)
Profit before tax	125	7,977	110	7,009
Interest (income) / expense net*	(5)	(304)	(0)	(5)
Depreciation	24	1,547	21	1,317
Amortization	11	721	9	555
EBITDA	156	9,941	140	8,876
EBITDA (% to sales)		26.5		25.2



* Includes dividend and profit on sale of investments

Handwritten signature/initials

Key Balance Sheet Items

Particulars	As on 30 th Jun 15		As on 31 st Mar 15	
	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents and Other current Investments	552	35,117	624	39,654
Trade receivables	661	42,030	641	40,755
Inventories	411	26,149	401	25,529
Property, plant and equipment	777	49,386	756	48,090
Goodwill and Other Intangible assets	379	24,106	258	16,430
Loans and borrowings (current & non-current)	651	41,400	678	43,125
Trade payables	180	11,448	168	10,660
Equity	1,870	118,885	1,750	111,302

Revenue Mix by Segment

Particulars	Q1 FY 16			Q1 FY 15			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Global Generics	487	30,961	82	452	28,739	82	8
North America		18,515	60		16,205	56	14
Europe*		1,912	6		1,334	5	43
India		4,756	15		3,999	14	19
Emerging Markets [#]		5,776	19		7,201	25	(20)
PSAI	88	5,614	15	87	5,538	15	1
North America		664	12		547	10	21
Europe		2,352	42		2,681	48	(12)
India		587	10		775	14	(24)
Rest of World		2,011	36		1,534	28	31
Proprietary Products & Others	16	1,003	3	14	899	3	12
Total	591	37,578	100	553	35,175	100	7



* Europe referred above primarily includes Germany, UK and out licensing sales business

[#] Emerging Markets refers to Russia, other CIS countries, Romania and Rest of the World markets including Venezuela

Note: During the quarter ended 30 June 2015, there has been a change in the monitoring of performance of one product from Global Generics to Proprietary Products. Consequently, revenues and related costs of this product for the previous periods have been reclassified to conform to such change.

Handwritten signature

Segmental Analysis

Global Generics

Revenues from Global Generics segment for Q1 FY16 are at ₹31.0 billion, year-on-year growth of 8%, primarily driven by North America, Europe, Venezuela and India.

- Revenues from **North America** for Q1 FY16 at ₹18.5 billion, year-on-year growth of 14%. Primarily on account of:
 - Sustained performance of the injectable franchise and market share gains in key molecules
 - Contribution from products launched subsequent to quarter ended June 30, 2014 majorly being valganciclovir, sirolimus, Habitrol® etc.
 - 6 new product filings in the US during the quarter. Cumulatively, 73 ANDAs are pending for approval with the USFDA of which 47 are Para IVs out of which we believe 16 to have 'First to File' status.
- Revenues from **Emerging Markets** for Q1 FY16 at ₹5.8 billion, year-on-year decline of 20%.
 - Revenues from Russia at ₹2.3 billion, year-on-year decline of 45% primarily on account of the ongoing macro-economic uncertainties and the consequent depreciation of rouble. In constant currency revenues declined by 22%.
 - Revenues from **CISR** markets at ₹0.8 billion, and remained flat on a year-on-year basis. Growth was affected primarily on account of currency depreciation.
 - Revenues from **Rest of World (RoW)** territories at ₹2.7 billion recorded year-on-year growth of 21%. Of this Venezuela delivered strong growth of 42% on the back of continuing volumes uptake.
- Revenues from **India** for Q1 FY16 at ₹4.8 billion, year-on-year growth of 19%.
 - Growth is driven by continued focus on new product launches and prescription growth.
 - As per IMS Jun'15, Dr Reddy's MAT Gr% at 16.8% versus market Gr% of 13.9%.
Integration of the UCB products portfolio completed during the quarter
- Revenues from **Europe** for Q1 FY16 at ₹1.9 billion, year-on-year growth of 43%. Growth was primarily driven by new products (aripiprazole and pregabalin) launched during the fourth quarter of fiscal 2015.

Pharmaceutical Services and Active Ingredients (PSAI)

- Revenues from **PSAI** for FY15 at ₹5.6 billion, and remained flat on a year-on-year basis.
- During the quarter, 9 DMFs were filed globally. The cumulative number of DMF filings as of June 30, 2015 is 747.



Handwritten signature

Income Statement Highlights:

- Gross profit margin at 61.1% and registered an improvement of ~180 bps over that of previous year. Gross profit margin for Global Generics (GG) and PSAI business segments are at 67.6% and 23.7% respectively.
- Selling, General and Administration (SG&A) expenses at ₹11.0 billion, year-on-year increase of 3%. SG&A as % to sales improved by ~120 bps over previous year.
- Research & development expenses at ₹4.4 billion, year-on-year increase of 13%. 11.7% of revenues in Q1 FY16 as compared to 11.0% of revenues in Q1 FY15. The increase is in line with our planned scale-up in development activities.
- Net Finance income at ₹216 million compared to ₹481 million in Q1 FY15. The net decrease in Finance income is on account of:
 - Net forex gain of ₹12 million in the current quarter vs ₹476 million in the previous year
 - Certain monetary assets and liabilities of the Venezuelan subsidiary that may not qualify for translation at the CENCOEX rate of VEF 6.3 per USD, have been translated at the SIMADI rate of VEF 197 per USD and the resultant charge of ₹100 million has been recorded as foreign exchange loss.
 - Incremental profit on sales of investments of ₹179 million.
 - Net increase in interest income of ₹120 million.
- Profit after Tax at ₹6.3 billion, 17% of revenues, year-on-year growth of 14%.
- Diluted earnings per share is at ₹36.6
- Capital expenditure is at ₹2.6 billion.



Handwritten signature

Earnings Call Details (06.30 pm IST, July 30, 2015)

The Company will host an earnings call at 06.30 pm IST on July 30, 2015, to discuss the performance and answer any questions from participants. This call will be accessible through an audio dial-in and a web-cast.

Audio conference Participants can dial-in on the numbers below

Primary number: **91 22 3960 0616**
Secondary number: **91 22 6746 5826**
Playback of call: **91 22 3065 2322, 91 22 6181 3322** Conference ID: **375#**
Web-cast: More details will be provided through our website,
www.drreddys.com

Transcript of the event will be available at www.drreddys.com. Playback will be available for a few days.



About Dr. Reddy's: Dr. Reddy's Laboratories Ltd. (NYSE: RDY) is an integrated pharmaceutical company, committed to providing affordable and innovative medicines for healthier lives. Through its three businesses - Pharmaceutical Services & Active Ingredients, Global Generics and Proprietary Products – Dr. Reddy's offers a portfolio of products and services including APIs, custom pharmaceutical services, generics, biosimilars and differentiated formulations. Our major therapeutic areas of focus are gastro-intestinal, cardiovascular, diabetology, oncology, pain management and anti-infectives. Dr. Reddy's operates in markets across the globe. Our major markets include – USA, Russia & CIS, Venezuela and India. For more information, log on to: www.drreddys.com

Disclaimer: This press release may include statements of future expectations and other forward-looking statements that are based on the management's current views and assumptions and involve known or unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to without limitation, (i) general economic conditions such as performance of financial markets, credit defaults, currency exchange rates, interest rates, persistency levels and frequency / severity of insured loss events (ii) mortality and morbidity levels and trends, (iii) changing levels of competition and general competitive factors, (iv) changes in laws and regulations and in the policies of central banks and/or governments, (v) the impact of acquisitions or reorganisation, including related integration issues.

The company assumes no obligation to update any information contained herein.

Handwritten signature