

July 29, 2019

The Secretary / Executive Director
BSE Limited
National Stock Exchange of India Ltd.
New York Stock Exchange, Inc.

Dear Sir/Madam,

Sub: Outcome of Board Meeting – Unaudited Financial Results for the quarter ended June 30, 2019.

Further to our letter dated June 26, 2019, we would like to inform you that the Board of Directors of the Company at their meeting held on July 29, 2019 have *inter alia* approved the Unaudited Financial Results of the Company for the quarter ended June 30, 2019.

In terms of the above, we are enclosing herewith the following:

1. Unaudited Consolidated Financial Results of the Company for the quarter ended June 30, 2019 prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).
2. Press Release on Financial Results of the Company for the above period.
3. Unaudited Consolidated Financial Results of the Company and its subsidiaries for the quarter ended June 30, 2019 as per Indian Accounting Standards.
4. Unaudited Standalone Financial Results of the Company for the quarter ended June 30, 2019 as per Indian Accounting Standards.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Limited Review Reports of the Statutory Auditors on the Unaudited Standalone and Consolidated Financial Results at point nos. 3 and 4 are also enclosed.

The Board Meeting commenced at 1.45 PM and concluded at 3.30 PM.

This is for your information and records.

With regards,


Sandeep Poddar
Company Secretary

Encl.: as above

Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter ended 30 June 2019 prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Year ended	
		30.06.2019	31.03.2019	30.06.2018	31.03.2019	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	
1	Revenues	38,435	40,166	37,207	153,851	
2	Cost of revenues	18,576	19,113	16,479	70,421	
3	Gross profit (1 - 2)	19,859	21,053	20,728	83,430	
4	Selling, general and administrative expenses	12,065	12,376	12,106	48,890	
5	Research and development expenses	3,609	3,662	4,157	15,607	
6	Other income, net	(3,759)	(330)	(303)	(1,955)	
	Total operating expenses	11,915	15,708	15,960	62,542	
7	Results from operating activities [(3) - (4 + 5 + 6)]	7,944	5,345	4,768	20,888	
	Finance income	690	594	351	2,280	
	Finance expense	(297)	(245)	(195)	(1,163)	
8	Finance (expense)/income, net	393	349	156	1,117	
9	Share of profit of equity accounted investees, net of tax	163	157	83	438	
10	Profit before tax (7 + 8 + 9)	8,500	5,851	5,007	22,443	
11	Tax expense	1,872	1,507	446	3,648	
12	Profit for the period / year	6,628	4,344	4,561	18,795	
13	Earnings per share:					
	Basic earnings per share of Rs.5/- each	39.98	26.20	27.48	113.28	
	Diluted earnings per share of Rs.5/- each	39.91	26.16	27.45	113.09	
		(Not annualised)	(Not annualised)	(Not annualised)		

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Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Segment wise revenue and results:				
	Segment revenue:				
	a) Pharmaceutical Services and Active Ingredients	5,933	8,141	6,895	29,925
	b) Global Generics	32,982	30,384	30,636	122,903
	c) Proprietary Products	281	2,513	726	4,750
	d) Others	633	504	436	2,058
	Total	39,829	41,542	38,693	159,636
Less: Inter-segment revenues	1,394	1,376	1,486	5,785	
	Net revenue from operations	38,435	40,166	37,207	153,851
2	Segment results:				
	Gross profit from each segment				
	a) Pharmaceutical Services and Active Ingredients	325	1,420	1,185	6,128
	b) Global Generics	19,007	17,008	18,756	71,924
	c) Proprietary Products	207	2,307	594	4,182
	d) Others	320	318	193	1,196
	Total	19,859	21,053	20,728	83,430
Less: Selling and other un-allocable expenditure, net of other income	11,359	15,202	15,721	60,987	
	Total profit before tax	8,500	5,851	5,007	22,443

Global Generics segment includes operations of Biologics business. Inter-segment revenues represent sale from Pharmaceutical Services and Active Ingredients to Global Generics at cost.

Notes:

- 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 29 July 2019. The above financial results have been prepared in accordance with International Financial Reporting Standards and its interpretations (IFRS), as issued by the International Accounting Standards Board (IASB).
- Effective 1 April 2019, the Company adopted IFRS 16, *Leases*, using the modified retrospective approach. IFRS 16 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Upon implementation of IFRS 16, majority of leases for which the company is the lessee became on-balance sheet liabilities with corresponding right-of-use assets also recognised on the balance sheet. Accordingly, on 1 April 2019, the Company recognised lease liabilities of Rs. 1,335 million and right-of-use assets of Rs. 1,153 million (after adjustments of Rs. 182 million towards lease incentives and other items related to the lease agreement as at 31 March 2019).
- The Company received a warning letter, dated 5 November 2015 from the U.S. FDA, regarding deviations with current Good Manufacturing Practices at its API manufacturing facilities in Srikakulam, Andhra Pradesh and Miryalaguda, Telangana, as well as regarding violations at its oncology formulation manufacturing facility at Duvvada, Visakhapatnam, Andhra Pradesh. Of these three manufacturing facilities, two facilities (API manufacturing facility at Miryalaguda and Oncology manufacturing facility at Duvvada) received Establishment Inspection Reports from U.S. FDA in the months of June 2017 and February 2019, respectively which indicate that the audit is closed. With respect to API manufacturing facility at Srikakulam, in October 2018, the Company was asked to carry out certain detailed investigations and analysis. As part of the review of the response by the U.S. FDA, certain additional follow-on queries were received by the Company. The Company responded to all queries in January 2019 to the U.S. FDA. In February 2019, the Company received certain follow on questions from the U.S. FDA and the Company responded to these questions in March 2019. Based on the subsequent discussion with U.S. FDA, a re-inspection would be conducted for the site.
- "Other income, net" includes an amount of Rs. 3,457 million received from Celgene pursuant to a settlement agreement entered in April 2019. The agreement effectively settles any claim the Company or its affiliates may have had for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of REVLIMID brand capsules, (Lenalidomide) pending before Health Canada.
- During the quarter ended 30 June 2019, the Company recognised an amount of Rs. 392 million, representing its share of dividend declared by the equity accounted investee, Kunshan Rotam Reddy Pharmaceutical Company Limited. The amount of dividend is adjusted against the carrying amount of investment in the consolidated balance sheet.
- During the quarter ended 31 March 2019, the Company entered into agreement with Encore Dermatology, Inc. ("Encore") for sale and assignment of U.S. rights relating to three of its dermatology brands. As all the performance obligations are satisfied by 31 March 2019, the Company recognised Rs. 1,807 million as revenue and Rs. 159 million representing the profit on sale of intangible assets after adjusting the associated costs.



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7 The Board of Directors, at its meeting held on 29 July 2019, has approved the amalgamation (the 'Scheme') of Dr. Reddy's Holdings Limited (DRHL), an entity held by the Promoter Group, which holds 24.88% of Dr. Reddy's Laboratories Limited (the 'Company') into the Company. This is subject to the approval of shareholders, stock exchanges, the National Company Law Tribunal and other relevant regulators.

The Scheme will lead to simplification of the shareholding structure and reduction of shareholding tiers.

The Promoter Group cumulatively would 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 will be borne out of the surplus assets of DRHL. Further, any expense, if exceeding the surplus assets of DRHL, will be borne directly by the Promoters.

The 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 authorised by the Company (excluding the Promoters) for any liability, claim, or demand, which may devolve upon the Company on account of this amalgamation.

8 The results for the quarter ended 30 June 2019 were subjected to a "Limited Review". An unqualified report was issued thereon.

Place: Hyderabad
Date: 29 July 2019



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



G V Prasad
Co-Chairman, Managing Director & CEO



DR. REDDY'S LABORATORIES LTD.

8-2-337, Road No. 3, Banjara Hills,
Hyderabad - 500034. Telangana, India.

CONTACT

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Dr. Reddy's Q1 FY20 Financial Results

Hyderabad, India, July 29, 2019: Dr. Reddy's Laboratories Ltd. (BSE: 500124 | NSE: DRREDDY | NYSE: RDY) today announced its consolidated financial results for the quarter ended June 30, 2019 under International Financial Reporting Standards (IFRS).

Revenues

₹3,844 Cr

[YoY: 3% Up, QoQ: 4% Dc]

Gross Margin

51.7%

[Q1 FY19: 55.7%; Q4 FY19: 52.4%]

SG&A expenses

₹1,207 Cr

[YoY: Flat; QoQ: 3% Dc]

R&D expenses

₹361 Cr

[9.4% of Revenues]

Profit before Tax

₹850 Cr

[22.1% of Revenues]

Profit after Tax

₹663 Cr

[17.2% of Revenues]

Commenting on the results, CEO and Co-chairman, GV Prasad said "This quarter, we grew in most of our key markets and hope to continue this momentum with a sharper focus on performance. We will continue our journey of operational excellence, cost leadership and innovation across our businesses".



Dr. Reddy's Laboratories Limited and Subsidiaries

Consolidated Income Statement

Particulars	Q1 FY20		Q1 FY19		YoY Gr %	Q4 FY19		QoQ Gr%
	(\$)	(Rs.)	(\$)	(Rs.)		(\$)	(Rs.)	
Revenues	558	38,435	540	37,207	3	583	40,166	(4)
Cost of Revenues	270	18,576	239	16,479	13	277	19,113	(3)
Gross Profit	288	19,859	301	20,728	(4)	305	21,053	(6)
Operating Expenses								
Selling, General & Administrative expenses	175	12,065	176	12,106	(0)	180	12,376	(3)
Research and Development expenses	52	3,609	60	4,157	(13)	53	3,662	(1)
Other operating (income)	(55)	(3,759)	(4)	(303)	1141	(5)	(330)	1038
Results from operating activities	115	7,944	69	4,768	67	78	5,345	49
Net finance (income)	(6)	(393)	(2)	(156)	152	(5)	(349)	13
Share of (profit) / loss of equity accounted investees	(2)	(163)	(1)	(83)	96	(2)	(157)	4
Profit before income tax	123	8,500	73	5,007	70	85	5,851	45
Income tax expense	27	1,872	6	446	320	22	1,507	24
Profit for the period	96	6,628	66	4,561	45	63	4,344	53
Diluted Earnings Per Share (EPS)	0.58	39.91	0.40	27.45	45	0.38	26.16	53

As % to Revenues	Q1 FY20	Q1 FY19	Q4 FY19
Gross Profit	51.7	55.7	52.4
SG&A	31.4	32.5	30.8
R&D	9.4	11.2	9.1
EBITDA	29.5	21.7	22.0
PBT	22.1	13.5	14.6
PAT	17.2	12.3	10.8

EBITDA Computation

Particulars	Q1 FY20		Q1 FY19		Q4 FY19	
	(\$)	(Rs.)	(\$)	(Rs.)	(\$)	(Rs.)
Profit before Income Tax	123	8,500	73	5,007	85	5,851
Interest (income) net*	(3)	(239)	(1)	(46)	(3)	(215)
Depreciation#	31	2,124	32	2,214	31	2,136
Amortization#	14	958	13	896	15	1,047
EBITDA	165	11,343	117	8,071	128	8,819

* Includes income from Investments # includes impairment charge

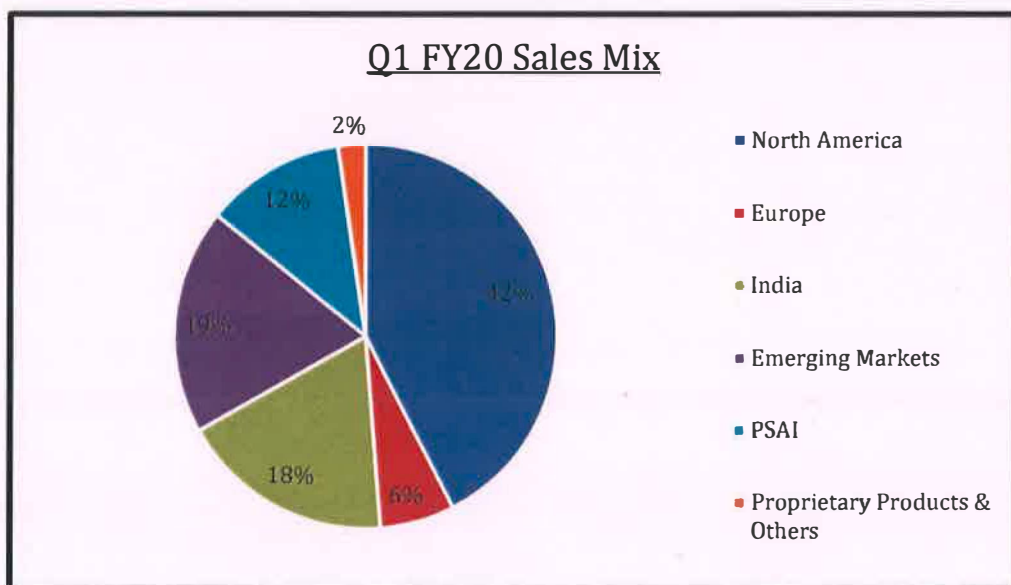


Key Balance Sheet Items

Particulars	As on 30 th June, 2019		As on 31st March, 2019		As on 30 th June, 2018	
	(\$)	(Rs.)	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents and other investments	413	28,439	371	25,570	247	17,047
Trade receivables (current & non-current)	551	37,961	580	39,982	698	48,095
Inventories	510	35,137	487	33,579	457	31,498
Property, plant and equipment	785	54,083	785	54,088	827	57,020
Goodwill and Other Intangible assets	694	47,821	700	48,269	715	49,289
Loans and borrowings (current & non-current)	499	34,387	557	38,381	787	54,273
Trade payables	215	14,842	211	14,553	215	14,816
Equity	2,121	1,46,208	2,034	1,40,197	1,892	1,30,430

Revenue Mix by Segment

Particulars	Q1 FY20	Q1 FY19	YoY Growth %	Q4 FY19	QoQ Growth %
	(Rs.)	(Rs.)		(Rs.)	
Global Generics	32,982	30,636	8	30,384	9
North America	16,322	15,903	3	14,957	9
Europe	2,404	2,016	19	1,912	26
India	6,960	6,074	15	6,505	7
Emerging Markets	7,296	6,643	10	7,010	4
Pharmaceutical Services and Active Ingredients (PSAI)	4,539	5,409	(16)	6,765	(33)
Proprietary Products & Others	914	1,162	(21)	3,017	(70)
Total	38,435	37,207	3	40,166	(4)



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Segmental Analysis

Global Generics (GG)

Revenues from **GG** segment at ₹33.0 billion. Year-on-year growth of 8%, primarily driven by Emerging Markets, India and Europe. Sequential growth is 9%.

- Revenues from **North America** at ₹16.3 billion. Year-on-year growth is 3%. Sequential growth of 9%, is driven by contribution from new products and increase in volumes, partly offset by price erosion coupled with adverse foreign exchange movement. We launched five new products (Daptomycin, Testosterone gel, Tobramycin, Vitamin K & OTC calcium carbonate) and re-launched Isotretinoin during the quarter.

As of 30th June 2019, cumulatively 107 generic filings are pending for approval with the USFDA (104 ANDAs and 3 NDAs under 505(b)(2) route). Of these 104 ANDAs, 58 are Para IVs out of which we believe 34 have 'First to File' status.

- Revenues from **Emerging Markets** at ₹7.3 billion. Year-on-year growth is 10%. Sequential growth is 4%.
 - Revenues from **Russia** at ₹4.0 billion. Year-on-year growth of 5%. Growth primarily driven by new launches and better realizations in some of the key molecules.
 - Revenues from other **CIS countries and Romania** market at ₹1.2 billion. Year-on-year growth of 2%.
 - Revenues from **Rest of World (RoW)** territories at ₹2.1 billion. Year-on-year growth of 27%, primarily driven by new products, traction in new markets and volume traction in base business.
- Revenues from **India** at ₹7.0 billion. Year-on-year growth of 15%, driven by volume traction and improved realizations in base business and new product launches. Sequential growth is 7%.
- Revenues from **Europe** at ₹2.4 billion. Year-on-year growth of 19%, primarily on account of new products and volume traction on account of improvement in supplies. Sequential growth is 26%.

Pharmaceutical Services and Active Ingredients (PSAI)

- Revenues from **PSAI** at ₹4.5 billion. Year-on-year decline of 16% and sequential decline is 33% due to decline in the sales volume of certain products.

Proprietary Products (PP)

- Revenues from **PP** at ₹281 million. Year-on-year decline of 61% due to absence of the derma products sales (which were divested in the previous year).



Income Statement Highlights:

- Gross profit margin at 51.7%.
 - declined by ~70 bps sequentially and ~400 bps over that of previous year
 - sequentially – excluding the impact of one-time out licensing income of ₹1.8 billion realized from the sale of derma brands, the gross margins have witnessed improvement of 150 bps on a sequential basis
 - YoY impacted by price erosion due to increased competitive intensity in some of our key molecules in the US and Europe, and lower sales from PSAI business
 - Gross profit margin for GG and PSAI business segments are at 57.6% and 7.2% respectively.
- SG&A expenses at ₹12.1 billion, remained flat on a year-on-year basis and declined by 3% sequentially.
- R&D expenses at ₹3.6 billion. As % to Revenues- Q1 FY20: 9.4% | Q4 FY 19: 9.1% | Q1 FY19: 11.2%. Focus continues on building complex generics, bio-similars and differentiated products pipeline.
- Other operating income at ₹3.8 billion; includes ₹3.5 billion received from Celgene pursuant to an agreement entered towards settlement of any claim the Company or its affiliates may have had for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of REVLIMID brand capsules, (Lenalidomide) pending before Health Canada.
- Net Finance income at ₹393 million compared to ₹156 million in Q1 FY19. The increase is primarily on account of higher profit on sales of investments by ₹202 million during the quarter.
- Profit after Tax at ₹6.6 billion. The effective tax rate is around 22% for the quarter.
- Diluted earnings per share is at ₹39.91
- Capital expenditure is at ₹1.1 billion.

Organizational Update:

With effect from August 1, 2019, Erez Israeli will be elevated as Chief Executive Officer (CEO) of Dr. Reddy's Laboratories Limited. GV Prasad will continue as the Co-Chairman and Managing Director and Erez Israeli will continue to report to him.

Since joining Dr. Reddy's as Chief Operating Officer (COO) in April 2018, Erez has spear-headed the transformation agenda of the organization by ensuring clear focus and strategy, setting foundations for a sustainable financial growth and leading business delivery. His appointment will help to propel the organization's growth agenda forward.



Earnings Call Details (06:30 pm IST, 09:00 am EDT, July 29, 2019)

The Company will host an earnings call to discuss the performance and answer any questions from participants.

Audio conference Participants can dial-in on the numbers below:

Universal Access Number: **+91 22 6280 1219**
Secondary number: **+91 22 7115 8120**

Local Access number: **+91 70456 71221**
(Available all over India)

International Toll Free Number	USA	1 866 746 2133
	UK	0 808 101 1573
	Singapore	800 101 2045
	Hong Kong	800 964 448

Playback of call: **+91 22 7194 5757, +91 22 6663 5757**
Conference ID: **20718**

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 (BSE: 500124, NSE: DRREDDY, 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 gastrointestinal, cardiovascular, diabetology, oncology, pain management and dermatology. Dr. Reddy's operates in markets across the globe. Our major markets include - USA, India, Russia & CIS countries, and Europe. 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.



Independent Auditor's Review Report on the Quarterly Unaudited Consolidated and Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Dr. Reddy's Laboratories Limited**

1. We have reviewed the accompanying Statement of unaudited Consolidated Financial Results of **Dr. Reddy's Laboratories Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group'), and its share of the net profit after tax and total comprehensive income of joint ventures for the quarter ended 30th June 2019 and year to date from April 1, 2019 to June 30, 2019 (the "Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'), read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.
5. The Statement includes the results of the following entities:

SL. NO.	NAME OF THE COMPANY
Subsidiaries	
1	Dr. Reddy's New Zealand Limited
2	Dr. Reddy's Laboratories (Australia) Pty. Limited
3	Dr. Reddy's Laboratories (Proprietary) Limited
4	Dr. Reddy's Venezuela, C.A.
5	Dr. Reddy's Laboratories, Inc.
6	Promius Pharma, LLC
7	Dr. Reddy's Laboratories Louisiana, LLC
8	Reddy Pharma Italia S.R.L.
9	Dr. Reddy's S.R.L.
10	Reddy Pharma Iberia S.A.U.
11	Dr. Reddy's Farmaceutica Do Brasil Ltda.
12	Dr. Reddy's Laboratories (UK) Limited



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

SL. NO.	NAME OF THE COMPANY
13	Dr. Reddy's Laboratories (EU) Limited
14	Chirotech Technology Limited
15	OOO Dr. Reddy's Laboratories Limited
16	Dr. Reddy's Laboratories Romania S.R.L.
17	Reddy Holding GmbH
18	beta Institut gemeinnützige GmbH
19	betapharm Arzneimittel GmbH
20	Lacock Holdings Limited
21	Reddy Netherlands B.V.
22	Reddy Antilles N.V.
23	Dr. Reddy's Laboratories SA
24	Dr. Reddy's Laboratories International SA (Merged with DRL SA w.e.f. June 28, 2019)
25	Industrias Quimicas Falcon de Mexico, S.A.
26	Aurigene Discovery Technologies (Malaysia) Sdn. Bhd.
27	Dr. Reddy's Laboratories New York, Inc.
28	Dr. Reddy's Laboratories LLC
29	Dr. Reddy's Research and Development B.V.
30	Dr. Reddy's Laboratories Canada Inc.
31	Dr. Reddy's Singapore Pte. Limited (striked off w.e.f. June 4, 2019)
32	Dr. Reddy's Laboratories S.A.S.
33	Aurigene Discovery Technologies, Inc.
34	Dr. Reddy's Laboratories B.V. (Formerly known as Eurobridge Consulting B.V.)
35	OOO DRS LLC
36	Dr. Reddy's Laboratories Japan KK
37	Reddy Pharma SAS
38	Dr Reddy's Laboratories Kazakhstan LLP
39	Dr. Reddy's (WUXI) Pharmaceutical Co. Limited
40	Dr. Reddy's Laboratories Chile SPA
41	Dr. Reddy's Laboratories Malaysia Sdn.Bhd.
42	Dr. Reddy's Laboratories Taiwan Limited
43	Dr. Reddy's Laboratories Philippines Inc.
44	Dr. Reddy's Laboratories (Thailand) Limited
45	Aurigene Discovery Technologies Limited
46	DRL Impex Limited
47	Dr. Reddy's Bio-Sciences Limited
48	Idea2Enterprises (India) Private Limited
49	Cheminor Investments Limited
50	Regkinetics Services Limited (Formerly known as Dr. Reddy's Pharma SEZ Limited)
51	Imperial Credit Private Limited
Joint ventures	
1	Kunshan Rotam Reddy Pharmaceutical Co. Limited
2	DRANU LLC
3	DRES Energy Private Limited
Other Consolidating entities	
1	Cheminor Employees Welfare Trust
2	Dr. Reddy's Research Foundation



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004


per S Balasubrahmanyam

Partner

Membership No.: 053315

UDIN: 19053315AAAAAT7241



Hyderabad

Date: July 29, 2019

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2019

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended		Year ended	
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Revenue from operations				
	a) Net sales / income from operations	37,624	37,472	36,507	148,706
	b) License fees and service income	812	2,694	700	5,145
	c) Other operating income	146	130	158	631
	Total revenue from operations	38,582	40,296	37,365	154,482
2	Other income	4,301	833	504	3,375
3	Total income (1 + 2)	42,883	41,129	37,869	157,857
4	Expenses				
	a) Cost of materials consumed	7,364	7,360	7,394	28,894
	b) Purchase of stock-in-trade	5,216	4,393	4,430	18,808
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(511)	871	(1,775)	(2,754)
	d) Employee benefits expense	8,615	8,415	8,371	33,562
	e) Depreciation and amortisation expense	2,890	2,872	2,787	11,348
	f) Finance costs	298	245	195	889
	g) Selling and other expenses	10,481	11,068	11,257	44,190
	Total expenses	34,353	35,224	32,659	134,937
5	Profit before tax and before share of equity accounted investees(3 - 4)	8,530	5,905	5,210	22,920
6	Share of profit of equity accounted investees, net of tax	163	157	83	438
7	Profit before tax (5+6)	8,693	6,062	5,293	23,358
8	Tax expense:				
	a) Current tax	2,355	1,413	1,396	4,707
	b) Deferred tax	(427)	95	(864)	(849)
9	Net profit after taxes and share of profit of associates (7 + 8)	6,765	4,554	4,761	19,500
10	Other comprehensive income				
	a) (i) Items that will not be reclassified subsequently to profit or loss	(47)	507	(515)	(379)
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	-	(900)	140	(673)
	b) (i) Items that will be reclassified subsequently to profit or loss	(269)	226	(346)	19
	(ii) Income tax relating to items that will be reclassified subsequently to profit or loss	23	(55)	118	(54)
	Total other comprehensive income	(293)	(222)	(603)	(1,087)
11	Total comprehensive income (9 + 10)	6,472	4,332	4,158	18,413
12	Paid-up equity share capital (face value Rs. 5/- each)	831	830	830	830
13	Other equity				139,406
14	Earnings per equity share (face value Rs. 5/- each)				
	Basic	40.81	27.45	28.69	117.53
	Diluted	40.74	27.41	28.66	117.33
		(Not annualised)	(Not annualised)	(Not annualised)	

See accompanying notes to the financial results



(M. S. K.)

Segment Information

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended		Year ended	
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Segment wise revenue and results:				
1	Segment revenue :				
	a) Pharmaceutical Services and Active Ingredients	6,052	8,241	7,020	30,403
	b) Global Generics	33,010	30,415	30,663	123,056
	c) Proprietary Products	281	2,513	730	4,750
	d) Others	633	503	438	2,058
	Total	39,976	41,672	38,851	160,267
	Less: Inter-segment revenue	1,394	1,376	1,486	5,785
	Total revenue from operations	38,582	40,296	37,365	154,482
2	Segment results:				
	Gross profit from each segment				
	a) Pharmaceutical Services and Active Ingredients	332	1,428	1,192	6,158
	b) Global Generics	19,007	17,008	18,756	71,924
	c) Proprietary Products	207	2,307	594	4,182
	d) Others	320	318	193	1,196
	Total	19,866	21,061	20,735	83,460
	Less: Selling and other un-allocable expenditure / (income), net	11,173	14,999	15,442	60,102
	Total profit before tax	8,693	6,062	5,293	23,358

Global Generics includes operations of Biologics business. Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics at cost.

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:

- These results have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 as amended.
- Effective 1 April 2019, the Company adopted Ind AS 116, *Leases*, using the modified retrospective approach. Ind AS 116 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Upon implementation of Ind AS 116, majority of leases for which the company is the lessee became on-balance sheet liabilities with corresponding right-of-use assets also recognised on the balance sheet. Accordingly, on 1 April 2019, the Company recognised lease liabilities of Rs. 1,335 million and right-of-use assets of Rs. 1,153 million (after adjustments of Rs. 182 million towards lease incentives and other items related to the lease agreement as at 31 March 2019).
- The Company received a warning letter, dated 5 November 2015 from the U.S. FDA, regarding deviations with current Good Manufacturing Practices at its API manufacturing facilities in Srikakulam, Andhra Pradesh and Miryalaguda, Telangana, as well as regarding violations at its oncology formulation manufacturing facility at Duvvada, Visakhapatnam, Andhra Pradesh. Of these three manufacturing facilities, two facilities (API manufacturing facility at Miryalaguda and Oncology manufacturing facility at Duvvada) received Establishment Inspection Reports from U.S. FDA in the months of June 2017 and February 2019, respectively which indicate that the audit is closed. With respect to API manufacturing facility at Srikakulam, in October 2018, the Company was asked to carry out certain detailed investigations and analysis. As part of the review of the response by the U.S. FDA, certain additional follow-up queries were received by the Company. The Company responded to all queries in January 2019 to the U.S. FDA. In February 2019, the Company received certain follow up questions from the U.S. FDA and the Company responded to these questions in March 2019. Based on the subsequent discussion with U.S. FDA, a re-inspection would be conducted for the site.
- "Other income" includes an amount of Rs. 3,457 million received from Celgene pursuant to a settlement agreement entered in April 2019. The agreement effectively settles any claim the Company or its affiliates may have had for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of REVLMID brand capsules, (Lenalidomide) pending before Health Canada.
- During the quarter ended 30 June 2019, the Company recognised an amount of Rs. 392 million, representing its share of dividend declared by the equity accounted investee, Kunshan Rotam Reddy Pharmaceutical Company Limited. The amount of dividend is adjusted against the carrying amount of investment in the consolidated balance sheet.
- During the quarter ended 31 March 2019, the Company entered into agreement with Encore Dermatology, Inc. ("Encore") for sale and assignment of U.S. rights relating to three of its dermatology brands. As all the performance obligations are satisfied by 31 March 2019, the Company recognised Rs. 1,807 million as revenue and Rs. 159 million representing the profit on sale of intangible assets after adjusting the associated costs.
- The Board of Directors, at its meeting held on 29 July 2019, has approved the amalgamation (the 'Scheme') of Dr. Reddy's Holdings Limited (DRHL), an entity held by the Promoter Group, which holds 24.88% of Dr. Reddy's Laboratories Limited (the 'Company') into the Company. This is subject to the approval of shareholders, stock exchanges, the National Company Law Tribunal and other relevant regulators.
The Scheme will lead to simplification of the shareholding structure and reduction of shareholding tiers.
The Promoter Group cumulatively would 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 will be borne out of the surplus assets of DRHL. Further, any expense, if exceeding the surplus assets of DRHL, will be borne directly by the Promoters.
The 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 authorised by the Company (excluding the Promoters) for any liability, claim, or demand, which may devolve upon the Company on account of this amalgamation.



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DR. REDDY'S LABORATORIES LIMITED

- 8 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 29 July 2019.
- 9 The results for the quarter ended 30 June 2019 were subject to a "Limited Review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

Place: Hyderabad
Date: 29 July 2019



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

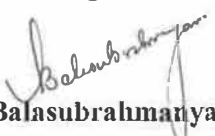
G V Prasad
Co-Chairman, Managing Director & CEO

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Dr. Reddy's Laboratories Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Dr. Reddy's Laboratories Limited (the 'Company') for the quarter ended June 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004
per **S Balasubrahmanyam**

Partner

Membership No.: 053315

UDIN: 19053315AAAAAS9392



Place: Hyderabad

Date: July 29, 2019

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2019

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Revenue from operations				
	a) Net sales / income from operations	24,827	26,084	25,821	104,667
	b) License fees and service income	149	263	218	1,062
	c) Other operating income	111	105	137	526
	Total revenue from operations	25,087	26,452	26,176	106,255
2	Other income	4,714	727	349	2,384
	Total income (1 + 2)	29,801	27,179	26,525	108,639
3	Expenses				
	a) Cost of materials consumed	5,839	5,233	5,539	21,032
	b) Purchase of stock-in-trade	2,479	2,365	1,811	8,686
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(675)	1,063	(479)	660
	d) Employee benefits expense	4,996	4,900	4,670	19,319
	e) Depreciation and amortisation expense	1,970	2,042	1,921	7,806
	f) Finance costs	121	87	165	568
	g) Selling and other expenses	8,141	8,525	8,887	33,561
	Total expenses	22,871	24,215	22,514	91,632
4	Profit before tax (1 + 2 - 3)	6,930	2,964	4,011	17,007
5	Tax expense				
	a) Current tax	1,528	657	785	2,818
	b) Deferred tax	(79)	279	(63)	1,416
6	Net profit for the period / year (4 - 5)	5,481	2,028	3,289	12,773
7	Other comprehensive income				
	a) (i) Items that will not be reclassified to profit or loss	4	(14)	1	(1)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	6	-	3
	b) (i) Items that will be reclassified to profit or loss	(64)	168	(302)	209
	(ii) Income tax relating to items that will be reclassified to profit or loss	20	(59)	106	(73)
	Total other comprehensive income	(40)	101	(195)	138
8	Total comprehensive income (6 + 7)	5,441	2,129	3,094	12,911
9	Paid-up equity share capital (face value Rs. 5/- each)	831	830	830	830
10	Other equity				126,011
11	Earnings per equity share (face value Rs. 5/- each)				
	Basic	33.06	12.22	19.82	76.98
	Diluted	33.01	12.21	19.80	76.85
		(Not annualised)	(Not annualised)	(Not annualised)	

See accompanying notes to the financial results.



(MSK)

Segment information		All amounts in Indian Rupees millions			
Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2019 (Unaudited)	31.03.2019 (Audited)	30.06.2018 (Unaudited)	31.03.2019 (Audited)
	Segment wise revenue and results				
1	Segment revenue				
	a) Pharmaceutical Services and Active Ingredients	5,617	6,941	5,652	25,802
	b) Global Generics	20,828	20,739	21,979	85,936
	c) Proprietary Products	36	149	31	303
	Total	26,481	27,829	27,662	112,041
	Less: Inter-segment revenue	1,394	1,377	1,486	5,786
	Total revenue from operations	25,087	26,452	26,176	106,255
2	Segment results				
	Profit / (loss) before tax and interest from each segment				
	a) Pharmaceutical Services and Active Ingredients	(424)	32	(74)	2,156
	b) Global Generics	7,810	4,022	6,683	20,852
	c) Proprietary Products	(277)	(619)	(629)	(2,252)
	Total	7,109	3,435	5,980	20,756
	Less: (i) Finance costs	121	87	165	568
	(ii) Other un-allocable expenditure / (income), net	58	384	1,804	3,181
	Total profit before tax	6,930	2,964	4,011	17,007

Global Generics includes operations of Biologics business. Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics at cost.

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:

- These results have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 as amended.
- Effective 1 April 2019, the Company adopted Ind AS 116, *Leases*, using the modified retrospective approach. Ind AS 116 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Upon implementation of Ind AS 116, majority of leases for which the company is the lessee became on-balance sheet liabilities with corresponding right-of-use assets also recognised on the balance sheet. Accordingly, on 1 April 2019, the Company recognised lease liabilities of Rs. 332 million and right-of-use assets of Rs. 332 million.
- The Company received a warning letter, dated 5 November 2015 from the U.S. FDA, regarding deviations with current Good Manufacturing Practices at its API manufacturing facilities in Srikakulam, Andhra Pradesh and Miryalaguda, Telangana, as well as regarding violations at its oncology formulation manufacturing facility at Duvvada, Visakhapatnam, Andhra Pradesh. Of these three manufacturing facilities, two facilities (API manufacturing facility at Miryalaguda and Oncology manufacturing facility at Duvvada) received Establishment Inspection Reports from U.S. FDA in the months of June 2017 and February 2019, respectively which indicate that the audit is closed. With respect to API manufacturing facility at Srikakulam, in October 2018, the Company was asked to carry out certain detailed investigations and analysis. As part of the review of the response by the U.S. FDA, certain additional follow-on queries were received by the Company. The Company responded to all queries in January 2019 to the U.S. FDA. In February 2019, the Company received certain follow on questions from the U.S. FDA and the Company responded to these questions in March 2019. Based on the subsequent discussion with U.S. FDA, a re-inspection would be conducted for the site.
- "Other income" includes an amount of Rs. 3,457 million received from Celgene pursuant to a settlement agreement entered in April 2019. The agreement effectively settles any claim the Company or its affiliates may have had for damages under section 8 of the Canadian Patented Medicines (Notice of Compliance) Regulations in regard to the Company's ANDS for a generic version of REVLIMID brand capsules, (Lenalidomide) pending before Health Canada.
- "Other income" includes dividend income of Rs. 392 million declared by Kunshan Rotam Reddy Pharmaceutical Company Limited during the three months ended 30 June 2019.
- The Board of Directors, at its meeting held on 29 July 2019, has approved the amalgamation (the 'Scheme') of Dr. Reddy's Holdings Limited (DRHL), an entity held by the Promoter Group, which holds 24.88% of Dr. Reddy's Laboratories Limited (the 'Company') into the Company. This is subject to the approval of shareholders, stock exchanges, the National Company Law Tribunal and other relevant regulators.
The Scheme will lead to simplification of the shareholding structure and reduction of shareholding tiers.
The Promoter Group cumulatively would 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 will be borne out of the surplus assets of DRHL. Further, any expense, if exceeding the surplus assets of DRHL, will be borne directly by the Promoters.
The 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 authorised by the Company (excluding the Promoters) for any liability, claim, or demand, which may devolve upon the Company on account of this amalgamation.



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- 7 The unaudited results were reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meeting held on 29 July 2019.
- 8 The results for the quarter ended 30 June 2019 presented were subjected to a "Limited review" by the Statutory Auditors of the Company. An unqualified report was issued by them thereon.

Place: Hyderabad
Date: 29 July 2019



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

G V Prasad
Co-Chairman, Managing Director & CEO

(msk)