B S R & Co. LLP
Chartered Accountants

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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 and six months ended 30 September 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 29 October 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 **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Hyderabad
Date: 29 October 2015

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DR. REDDY'S LABORATORIES LIMITED

PART I : STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2015

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

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income from operations**						
	a) Net sales / income from operations (Net of excise duty)	286,147	250,833	245,199	536,980	510,483	988,739
	b) License fees and service income	1,200	456	782	1,656	2,338	4,006
	c) Other operating income	2,294	1,304	2,103	3,598	4,311	8,349
	Total income from operations (net)	**289,641**	**252,593**	**248,084**	**542,234**	**517,132**	**1,001,094**
2	**Expenses**						
	a) Cost of materials consumed	50,843	50,119	63,110	100,962	121,535	232,263
	b) Purchase of traded goods	14,803	15,430	14,067	30,233	24,336	52,606
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,855)	(3,807)	(9,720)	(5,662)	(8,854)	(2,896)
	d) Employee benefits expense	42,276	40,877	37,327	83,153	73,744	149,086
	e) Selling expenses	25,188	26,229	27,575	51,417	57,903	106,350
	f) Depreciation and amortisation	15,943	14,139	12,059	30,082	22,607	49,023
	g) Other expenditure	67,216	57,603	56,020	121,818	107,030	224,585
	Total expenses	**214,414**	**200,590**	**200,438**	**412,003**	**398,301**	**811,017**
3	**Profit from ordinary activities before other income, finance costs and exceptional items (1 - 2)**	**75,227**	**52,003**	**47,646**	**130,231**	**118,831**	**190,077**
4	Other income	5,942	9,097	5,478	12,038	13,971	22,285
5	**Profit from ordinary activities before finance costs and exceptional items (3 + 4)**	**81,169**	**61,100**	**53,124**	**142,269**	**132,802**	**212,362**
6	Finance costs	1,435	2,132	1,602	3,567	3,112	6,380
7	**Profit from ordinary activities before exceptional items (5 - 6)**	**79,734**	**58,968**	**51,522**	**138,702**	**129,690**	**205,982**
8	Exceptional items	-	-	-	-	-	-
9	**Profit from ordinary activities before tax (7 + 8)**	**79,734**	**58,968**	**51,522**	**138,702**	**129,690**	**205,982**
10	Tax expense	14,982	11,383	8,163	26,365	26,056	38,047
11	**Net Profit from ordinary activities after tax (9 - 10)**	**64,752**	**47,585**	**43,359**	**112,337**	**103,634**	**167,935**
12	Extra-ordinary items (net of tax)	-	-	-	-	-	-
13	**Net profit for the period / year (11 - 12)**	**64,752**	**47,585**	**43,359**	**112,337**	**103,634**	**167,935**
14	Paid-up equity share capital (face value Rs. 5/- each)	8,529	8,528	8,518	8,529	8,518	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	37.96	27.92	25.45	65.89	60.87	98.60
	- Diluted	37.83	27.81	25.34	65.63	60.59	98.18
		(Not annualised)	*(Not annualised)*	*(Not annualised)*	*(Not annualised)*	*(Not annualised)*	

See accompanying notes to the financial results

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Dr.Reddy's

DR. REDDY'S LABORATORIES LIMITED

PART II : SELECTED INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2015

A PARTICULARS OF SHAREHOLDING

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
1	Public shareholding*						
	- Number of shares (face value Rs.5/- each)	95,968,471	98,036,645	97,914,376	95,968,471	97,914,376	98,189,505
	- Percentage of shareholding	56.26	57.48	57.47	56.26	57.47	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	43,517,712	43,451,462	43,417,812	43,517,712	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	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	25.51	25.48	25.49	25.51	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	3
Disposed of during the quarter	3
Remaining unresolved at the end of the quarter	Nil

Segment Information

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

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Segment wise revenue and results:						
1	**Segment revenue:**						
	a) Pharmaceutical Services and Active Ingredients	61,100	57,779	69,899	118,879	140,410	273,033
	b) Global Generics	243,079	206,678	197,282	449,757	413,897	796,154
	c) Proprietary Products	14	-	-	14	-	-
	Total	**304,193**	**264,457**	**267,181**	**568,650**	**554,307**	**1,069,187**
	Less: Inter segment revenue	14,552	11,864	19,097	26,416	37,175	68,093
	Add: Other unallocable income	-	-	-	-	-	-
	Total income from operations	**289,641**	**252,593**	**248,084**	**542,234**	**517,132**	**1,001,094**
2	**Segment results:**						
	Profit / (loss) before tax and interest from each segment						
	a) Pharmaceutical Services and Active Ingredients	1,514	2,764	4,516	4,278	6,758	4,512
	b) Global Generics	94,599	75,694	55,031	170,293	143,804	221,809
	c) Proprietary Products	(7,154)	(7,188)	(7,019)	(14,342)	(14,586)	(31,035)
	Total	**88,959**	**71,270**	**52,528**	**160,229**	**135,976**	**195,286**
	Less: (i) Interest	1,435	2,132	1,602	3,567	3,112	6,380
	(ii) Other un-allocable expenditure / (income), net	7,790	10,170	(596)	17,960	3,174	(17,076)
	Total profit before tax	**79,734**	**58,968**	**51,522**	**138,702**	**129,690**	**205,982**

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.

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Dr.Reddy's

DR. REDDY'S LABORATORIES LIMITED

Notes:

1 **Statement of assets and liabilities**

All amounts in Indian Rupees lakhs

Sl. No.	PARTICULARS	As at 30.09.2015 (Unaudited)	As at 31.03.2015 (Audited)
A	**EQUITY AND LIABILITIES**		
1	**Shareholders funds**		
	a) Share capital	8,529	8,519
	b) Reserves and surplus	1,169,921	1,054,853
	Sub-total - Shareholders' funds	**1,178,450**	**1,063,372**
2	**Non-current liabilities**		
	a) Long term borrowings	98,550	93,913
	b) Deferred tax liabilities, net	20,722	12,899
	c) Other long term liabilities	4,350	2,552
	d) Long-term provisions	5,548	4,979
	Sub-total - Non current liabilities	**129,170**	**114,343**
3	**Current liabilities**		
	a) Short-term borrowings	209,377	218,571
	b) Trade payables	86,624	71,596
	c) Other current liabilities	118,729	123,770
	d) Short-term provisions	16,039	53,944
	Sub-total - Current liabilities	**430,769**	**467,881**
	TOTAL - EQUITY AND LIABILITIES	**1,738,389**	**1,645,596**
B	**ASSETS**		
1	**Non-current assets**		
	a) Fixed assets	475,623	373,770
	b) Non-current investments	177,592	176,007
	c) Long-term loans and advances	49,762	55,386
	d) Other non-current assets	74	111
	Sub-total - Non-current assets	**703,051**	**605,274**
2	**Current assets**		
	a) Current investments	158,622	210,218
	b) Inventories	177,406	172,332
	c) Trade receivables	510,786	471,169
	d) Cash and bank balances	87,664	90,143
	e) Short-term loans and advances	90,201	86,567
	f) Other current assets	10,659	9,893
	Sub-total - Current assets	**1,035,338**	**1,040,322**
	TOTAL - ASSETS	**1,738,389**	**1,645,596**

2 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.

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 29 October 2015.

4 The results for the quarter and half year ended 30 September 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 Update on the API facilities: During October 2015, two of the Company's API customers received Abbreviated New Drug Application (ANDA) approval rescission letters from the U.S. Food and Drug Administration (USFDA). These ANDAs of customers were approved in January and February 2015, post USFDA's inspection of the Company's API facilities. Each rescission letter cites that the Company's API facility was classified as 'Potential OAI' on the date of approval.

6 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: 29 October 2015

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B S R & Co. LLP
Chartered Accountants

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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 and six months ended 30 September 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 29 October 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
23. Dr. Reddy's Pharma SEZ Limited
24. Dr. Reddy's Venezuela, C.A.

Review report on unaudited consolidated financial results (continued)

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. Dr. Reddy's Laboratories Japan K.K.
53. Kunshan Rotam Reddy Pharmaceutical Co. Limited (accounted in accordance with IFRS 11 'Joint Arrangements')
54. 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 for the quarter and six months ended 30 September 2015, 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 **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Hyderabad
Date: 29 October 2015

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Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and half year ended 30 September 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			Half Year ended		Year ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Net Income from Sales and Services**	**398,896**	**375,776**	**358,781**	**774,672**	**710,535**	**1,481,889**
2	**Cost of Sales and Services**						
	a) (Increase) / decrease in stock-in-trade and work-in-progress	(9,473)	(10,502)	(12,382)	(19,975)	(19,312)	(5,564)
	b) Consumption of raw materials	61,884	57,562	75,626	119,446	142,501	280,969
	c) Purchase of traded goods	28,874	31,989	21,258	60,863	39,746	92,652
	d) Other expenditure	72,921	67,262	64,419	140,183	129,301	259,803
3	**Gross Profit (1 - 2)**	**244,690**	**229,465**	**209,860**	**474,155**	**418,299**	**854,029**
4	Selling, General and Administrative expenses	110,578	109,728	106,733	220,306	213,522	425,848
5	Research and Development expenses	44,733	43,869	41,131	88,602	79,884	174,488
6	Other (income) / expense, net	(3,199)	(1,249)	(2,656)	(4,448)	(4,504)	(9,167)
7	**Operating profit (3) - (4 + 5 + 6)**	**92,578**	**77,117**	**64,652**	**169,695**	**129,397**	**262,860**
8	Finance (expense) / income, net	(2,164)	2,163	4,211	(1)	9,020	16,818
9	Share of profit of equity accounted affiliate, net of income taxes	563	492	511	1,055	1,045	1,948
10	**Profit before tax (7 + 8 + 9)**	**90,977**	**79,772**	**69,374**	**170,749**	**139,462**	**281,626**
11	Tax expense	18,788	17,207	11,964	35,995	27,013	59,840
12	**Net Profit after tax (10 - 11)**	**72,189**	**62,565**	**57,410**	**134,754**	**112,449**	**221,786**
13	Extra-ordinary items (net of tax expense)	-	-	-	-	-	-
14	**Net Profit for the period / year (12 - 13)**	**72,189**	**62,565**	**57,410**	**134,754**	**112,449**	**221,786**
15	**Net Profit attributable to:**						
	- Equity holders of the Company	72,189	62,565	57,410	134,754	112,449	221,786
	- Non-controlling interest	-	-	-	-	-	-
16	Paid-up equity share capital (Face value of Rs. 5/- each)	8,529	8,528	8,518	8,529	8,518	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	42.32	36.71	33.70	79.04	66.05	130.22
	- Diluted	42.20	36.58	33.60	78.78	65.82	129.75
		(Not annualised)	*(Not annualised)*	*(Not annualised)*	*(Not annualised)*	*(Not annualised)*	
19	Public shareholding *						
	- Number of shares	95,968,471	98,036,645	97,914,376	95,968,471	97,914,376	98,189,505
	- Percentage of shareholding	56.26	57.48	57.47	56.26	57.47	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	43,517,712	43,451,462	43,417,812	43,517,712	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	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	25.51	25.48	25.49	25.51	25.49	25.48
21	Details of items exceeding 10% of total expenditure						
	- Employee cost	78,702	75,017	73,113	153,719	144,756	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)

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Dr. Reddy's Laboratories Ltd. Dr.Reddy's Hyderabad - 34

Dr.Reddy's

Segment reporting (Consolidated)

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

Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Segment wise revenue and results:						
1	**Segment revenue:**						
	a) Pharmaceutical Services and Active Ingredients	74,168	68,173	83,017	142,341	156,471	323,607
	b) Global Generics	327,681	309,611	286,058	637,292	573,450	1,193,972
	c) Proprietary Products	6,633	6,968	5,600	13,601	11,293	21,719
	d) Others	5,398	3,062	3,204	8,460	6,497	11,634
	Total	**413,880**	**387,814**	**377,879**	**801,694**	**747,711**	**1,550,932**
	Less: Inter-segment revenue	14,984	12,038	19,098	27,022	37,176	69,043
	Net Revenue from operations	**398,896**	**375,776**	**358,781**	**774,672**	**710,535**	**1,481,889**
2	**Segment results:**						
	Gross Profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	15,259	13,320	17,127	28,579	29,461	57,087
	b) Global Generics	220,586	209,165	187,066	429,751	377,608	775,691
	c) Proprietary Products	5,614	5,774	4,860	11,388	9,570	17,958
	d) Others	3,231	1,206	807	4,437	1,660	3,293
	Total	**244,690**	**229,465**	**209,860**	**474,155**	**418,299**	**854,029**
	Less: Other un-allocable expenditure, net of other income	153,713	149,693	140,486	303,406	278,837	572,403
	Total profit before tax	**90,977**	**79,772**	**69,374**	**170,749**	**139,462**	**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. Commencing 1 April 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	3
Disposed of during the quarter	3
Remaining unresolved at the end of the quarter	Nil

2 The Company continues to use SIMADI rate (VEF 198.5 per USD as of 30 September 2015) to translate certain monetary assets and liabilities of its Venezuelan subsidiary that may not qualify for CENCOEX official exchange rate of VEF 6.3 per USD. Consequently, foreign exchange loss of Rs.397 lakhs and Rs.1,386 lakhs were recorded under finance expenses for the quarter and half year ended 30 September 2015, respectively.

3 Update on the API facilities: During October 2015, two of the Company's API customers received Abbreviated New Drug Application (ANDA) approval rescission letters from the U.S. Food and Drug Administration (USFDA). These ANDAs of customers were approved in January and February 2015, post USFDA's inspection of the Company's API facilities. Each rescission letter cites that the Company's API facility was classified as 'Potential OAI' on the date of approval.

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 29 October 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 and half year ended 30 September 2015 have been subjected to a "Limited Review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

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Dr.Reddy's

7 **Statement of Assets and Liabilities (Consolidated)**

All amounts in Indian Rupees lakhs

Particulars	As at 30.09.2015 (Unaudited)	As at 31.03.2015 (Audited)
ASSETS		
Current assets		
Cash and cash equivalents	66,806	53,943
Other investments	273,689	342,592
Trade and other receivables	428,401	407,547
Inventories	271,468	255,290
Derivative financial instruments	2,058	8,004
Current tax assets	2,105	18,188
Other current assets	117,742	112,813
Total current assets	**1,162,269**	**1,198,377**
Non-current assets		
Property, plant and equipment	510,547	480,901
Goodwill	38,160	33,801
Other intangible assets	203,388	130,498
Investment in equity accounted investees	11,584	10,333
Other investments – non-current	24,475	28,173
Deferred tax assets	66.072	57,919
Other non-current assets	8,378	7,618
Total non-current assets	**862,604**	**749,243**
Total assets	**2,024,873**	**1,947,620**
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	127.661	106.601
Derivative financial instruments	358	4,622
Current tax liabilities	32,349	25,064
Short-term borrowings	263,486	218,571
Long-term borrowings, current portion	922	69,615
Provisions	44,758	42,310
Other current liabilities	185,375	173,168
Total current liabilities	**654,909**	**639,951**
Non-current liabilities		
Long-term loans and borrowings, excluding current portion	106,314	143,069
Provisions - non-current	575	534
Deferred tax liabilities	18,774	17,790
Other non-current liabilities	29,308	33,258
Total non-current liabilities	**154,971**	**194,651**
Total liabilities	**809,880**	**834,602**
Equity		
Share capital	8,529	8,519
Share premium	225,648	221,782
Share based payment reserve	9,067	10,803
Retained earnings	930,109	836,415
Other components of equity	41,640	35,499
Total equity	**1,214,993**	**1,113,018**
Total liabilities and equity	**2,024,873**	**1,947,620**

8 **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			Half Year ended		Year ended
	30.09.2015 (Unaudited)	30.06.2015 (Unaudited)	30.09.2014 (Unaudited)	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	31.03.2015 (Audited)
Total income from operations	289,641	252,593	248,084	542,234	517,132	1,001,094
Profit from ordinary activities before tax	79,734	58,968	51,522	138,702	129,690	205,982
Profit from ordinary activities after tax	64,752	47,585	43,359	112,337	103,634	167,935

Note:

The unaudited standalone financial results for the quarter and half year ended 30 September 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

G V Prasad
Co-Chairman & Chief Executive Officer

Place: Hyderabad
Date: 29 October 2015

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Press Release

Dr.Reddy's

DR. REDDY'S LABORATORIES LTD.
8-2-337, Road No. 3, Banjara Hills,
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Dr. Reddy's Q2 and H1 FY16 Financial Results

Highest ever Quarterly sales and EBITDA performance

Q2 Revenues at ₹39.9 billion *(YoY growth of 11%)*	**H1 Revenues at ₹77.5 billion** *(YoY growth of 9%)*
Q2 EBITDA at ₹11.4 billion *(28.6% of the revenues)*	**H1 EBITDA at ₹21.3 billion** *(27.5% of the revenues)*

Hyderabad, India, October 29, 2015: Dr. Reddy's Laboratories Ltd. (NYSE: RDY | BSE: 500124 | NSE: DRREDDY) today announced its consolidated financial results for the quarter ended September 30, 2015 under International Financial Reporting Standards (IFRS).

Q2 FY16: Key Highlights

- **Consolidated revenues at ₹39.9 billion, year-on-year growth of 11%. In constant currency terms the revenue growth is 14%**
- **Gross Profit Margin at 61.3%, improved by 285 bps over last year**
- **Research & Development (R&D) spend at ₹4.5 billion. Continued focus on building complex generics and differentiated products pipeline**
- **Selling, general & administrative (SG&A) expenses at ₹11.1 billion. Marginal year-on-year increase. Year-on-year drop seen by ~200bps in percentage to sales**
- **EBITDA at ₹11.4 billion, 28.6% of revenues, strong year-on-year growth of 31%**
- **Profit after tax at ₹7.2 billion, strong year-on-year growth of 26%. Diluted EPS at ₹42.2**

Commenting on the results, Dr. Reddy's co-chairman and CEO, GV Prasad said, "I am pleased with our performance for this quarter. We had robust sales growth across our markets of US, India and Europe, supported by new products that were launched in the last twelve months. Our investment in R&D remains at 11%, as we continue on our strategy of building an exciting pipeline of assets across our businesses. While satisfied with our performance, we are intensely focused on enhancing our quality management system and infrastructure to meet evolving global requirements and address the pending cGMP related matters at some of our facilities."

Dr. Reddy's Laboratories Ltd. Dr.Reddy's Hyderabad

All amounts in millions, except EPS *All US dollar amounts based on convenience translation rate of I USD = ₹65.50*

Dr. Reddy's Laboratories Limited and Subsidiaries

Consolidated Income Statement

Particulars	Q2 FY 16			Q2 FY 15			Growth %
	($)	(Rs.)	%	($)	(Rs.)	%	
Revenues	**609**	**39,890**	**100.0**	**548**	**35,879**	**100.0**	**11**
Cost of revenues	235	15,421	38.7	227	14,893	41.5	4
Gross profit	**374**	**24,469**	**61.3**	**320**	**20,986**	**58.5**	**17**
Operating Expenses							
Selling, general & administrative expenses	169	11,058	27.7	163	10,673	29.7	4
Research and development expenses	68	4,473	11.2	63	4,113	11.5	9
Other operating expense / (income)	(5)	(320)	(0.8)	(4)	(265)	(0.7)	20
Results from operating activities	**141**	**9,258**	**23.2**	**99**	**6,465**	**18.0**	**43**
Finance expense / (income), net	3	216	0.5	(6)	(421)	(1.2)	
Share of profit of equity accounted investees, net of income tax	(1)	(56)	(0.1)	(1)	(51)	(0.1)	10
Profit before income tax	**139**	**9,098**	**22.8**	**106**	**6,937**	**19.3**	**31**
Income tax expense	29	1,879	4.7	18	1,196	3.3	57
Profit for the period	**110**	**7,219**	**18.1**	**88**	**5,741**	**16.0**	**26**
Diluted EPS	**0.64**	**42.20**		**0.51**	**33.60**		**26**

EBITDA Computation

Particulars	Q2 FY 16		Q2 FY 15	
	($)	(Rs.)	($)	(Rs.)
Profit before tax	139	9,098	106	6,937
Interest (income) / expense net*	(3)	(172)	(3)	(178)
Depreciation	25	1,606	22	1,409
Amortization	13	860	8	548
EBITDA	**174**	**11,392**	**133**	**8,715**
EBITDA (% to sales)		**28.6**		**24.3**

* Includes dividend and profit on sale of investments

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Key Balance Sheet Items

Particulars	As on 30th Sep 15		As on 30st Jun 15	
	($)	(Rs.)	($)	(Rs.)
Cash and cash equivalents and Other current Investments	520	34,050	536	35,117
Trade receivables	654	42,840	642	42,030
Inventories	414	27,147	399	26,149
Property, plant and equipment	779	51,055	754	49,386
Goodwill and Other Intangible assets	369	24,155	368	24,106
Loans and borrowings (current & non-current)	566	37,072	632	41,400
Trade payables	195	12,766	175	11,448
Equity	1,855	121,499	1,815	118,885

Revenue Mix by Segment

Particulars	Q2 FY 16			Q2 FY 15			Growth %
	($)	(Rs.)	%	($)	(Rs.)	%	
Global Generics	**500**	**32,768**	**82**	**437**	**28,606**	**80**	**15**
North America		18,563			14,030		32
Europe*		2,124			1,288		65
India		5,464			4,799		14
Emerging Markets#		6,617			8,489		(22)
PSAI	**90**	**5,918**	**15**	**98**	**6,392**	**18**	**(7)**
North America		692			1,298		(47)
Europe		2,426			2,548		(5)
India		724			896		(19)
Rest of World		2,076			1,650		26
Proprietary Products & Others	**18**	**1,204**	**3**	**13**	**880**	**2**	**37**
Total	**609**	**39,890**	**100**	**548**	**35,878**	**100**	**11**

* 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: Effective Q1 FY 16, 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.

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Segmental Analysis

Global Generics

Revenues from Global Generics segment for Q2 FY16 are at ₹32.8 billion, year-on-year growth of 15%, primarily driven by North America, Europe and India.

- Revenues from **North America** for Q2 FY16 at ₹18.6 billion, year-on-year growth of 32%. 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 September 30, 2014 majorly being valganciclovir, sirolimus, memantine and Habitrol®.

  Two new product filings in the US during the quarter. Cumulatively, 76 ANDAs are pending for approval with the USFDA of which 50 are Para IVs out of which we believe 18 to have 'First to File' status.

- Revenues from **Emerging Markets** for Q2 FY16 at ₹6.6 billion, year-on-year decline of 22%. Performance was flat in constant currency terms where in the growth in Russia and CISR regions was offset by decline in Venezuela.
  - Revenues from Russia at ₹2.9 billion, year-on-year decline of 29% primarily on account of depreciation of rouble. In constant currency revenues grew by 11%.
  - Revenues from **other CIS countries and Romania** market at ₹1.0 billion, and grew by 25% year-on-year.
  - Revenues from **Rest of World (RoW)** territories at ₹2.7 billion recorded year-on-year decline of 24%.
- Revenues from **India** for Q2 FY16 at ₹5.5 billion, year-on-year growth of 14%.
  - Adjusted for some of the despatches which got spilled over to October, growth for the quarter is healthy and in line with expectations
  - Select portfolio of products acquired from UCB fully integrated into our supply chain
- Revenues from **Europe** for Q2 FY16 at ₹2.1 billion, year-on-year growth of 65%. Growth was primarily driven by new products (aripiprazole and pregabalin) launched during the second half of fiscal 2015.

Pharmaceutical Services and Active Ingredients (PSAI)

- Revenues from **PSAI** at ₹5.9 billion, and declined by 7% year-on-year.
- During the quarter, 10 DMFs were filed globally and 3 in the US. The cumulative number of DMF filings as of September 30, 2015 is 755.

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Income Statement Highlights:

- Gross profit margin at 61.3% and registered an improvement of ~285 bps over that of previous year. Gross profit margin for Global Generics (GG) and PSAI business segments are at 67.3% and 25.8% respectively.
- Selling, General and Administration (SG&A) expenses at ₹11.1 billion, year-on-year increase of 4%. SG&A as % to sales improved by ~200 bps over previous year.
- Research & development expenses at ₹4.5 billion, year-on-year increase of 9%. 11.2% of revenues in Q2 FY16 as compared to 11.5% of revenues in Q2 FY15. The increase is in line with our planned scale-up in development activities.
- Net Finance expense at ₹216 million compared to income of ₹421 million in Q2 FY15. The incremental charge of ₹637 million is on account of:
  - Net forex loss of ₹349 million in the current quarter vs net foreign exchange gain of ₹243 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 198.5 per USD and the resultant charge of ₹39 million has been recorded as foreign exchange loss.
  - Decline in profit on sales of investments by ₹91 million.
  - Net increase in interest income of ₹85 million.
- Profit after Tax at ₹7.2 billion, 18% of revenues, year-on-year growth of 26%.
- Diluted earnings per share is at ₹42.2
- Capital expenditure is at ₹3.0 billion.

Update on the API facilities:

During October 2015, two of the Company's API customers received ANDA approval rescission letters from the U.S. Food and Drug Administration (USFDA). These ANDAs of customers were approved in January and February 2015, post USFDA's inspection of the Company's API facilities. Each rescission letter cites that the Company's API facility was classified as Potential 'Official Action Indicated' (OAI) on the date of approval.

Dr. Reddy's continues to cooperate with the US FDA in connection with pending Form 483 observations and awaits further advice from the Agency on this matter.

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Earnings Call Details (06.30 pm IST, October 29, 2015)

The Company will host an earnings call at 06.30 pm IST on October 29, 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**
International Toll Free Number	**USA**	**18667462133**
	UK	**08081011573**
	Singapore	**8001012045**
	Hong Kong	**800964448**

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.

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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.