



DR. REDDY'S

Dr. Reddy's Laboratories Ltd.

8-2-337, Road No. : 3, Banjara Hills,
Hyderabad - 500 034, Telangana,
India.

CINEJ 85195TG1984PLC004507

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www.drreddys.com

May 12, 2015

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 – Audited Financial Results for the quarter and year ended March 31, 2015

Further to our letter dated April 6, 2015, we would like to inform you that the Board of Directors of the Company at their meeting held on May 12, 2015, have approved the Audited Financial Results of the Company for the quarter and year ended March 31, 2015.

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

1. Audited Standalone Financial Results of the Company for the quarter and year ended March 31, 2015 as per Indian GAAP.
2. Audited Consolidated Financial Results of the Company for the quarter and year ended March 31, 2015 prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).
3. Press Release on Financial Results of the Company for the above period.

Pursuant to the Clause 41 of the Listing Agreement, as amended, the Audit Report of the Statutory Auditors on the financial results as mentioned at serial Nos.1 & 2 is also enclosed.

We would also like to inform you that the Board of Directors of the Company have recommended a final dividend of Rs.20/- (400%) per equity share of Rs.5/- face value, for the financial year 2014-15. The dividend on equity shares, if declared by the shareholders at the ensuing Annual General Meeting, will be credited / despatched on or after August 7, 2015.

Please take the above information on record.

With regards,


Sandeep Poddar
Company Secretary

Encl : as above

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DR. REDDY'S LABORATORIES LIMITED

PART I : STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2015

All amounts in Indian Rupees lakhs, except share data

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from operations					
	a) Net sales / income from operations (Net of excise duty)	266,120	212,136	253,227	988,739	949,572
	b) License fees and service income	1,008	660	6,297	4,006	15,112
	c) Other operating income	1,744	2,294	1,988	8,349	8,121
	Total income from operations (net)	268,872	215,090	261,512	1,001,094	972,805
2	Expenses					
	a) Cost of materials consumed	47,201	63,527	62,839	232,263	224,802
	b) Purchase of traded goods	13,121	15,149	13,323	52,606	46,904
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	13,007	(7,049)	(6,856)	(2,896)	(17,048)
	d) Employee benefits expense	38,433	36,909	35,300	149,086	141,991
	e) Selling expenses	22,338	26,109	27,760	106,350	89,898
	f) Depreciation and amortisation	13,677	12,739	9,895	49,023	38,050
	g) Provision for decline in the value of long-term investments	-	-	-	-	2,449
	h) Other expenditure	59,162	65,079	66,024	224,585	207,635
	Total expenses	206,939	212,463	208,285	811,017	734,681
3	Profit from ordinary activities before other income, finance costs and exceptional items (1 - 2)	61,933	2,627	53,227	190,077	238,124
4	Other income	8,726	6,274	8,385	22,285	15,146
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	70,659	8,901	61,612	212,362	253,270
6	Finance costs	1,877	1,391	1,898	6,380	7,831
7	Profit from ordinary activities before exceptional items (5 - 6)	68,782	7,510	59,714	205,982	245,439
8	Exceptional items	-	-	-	-	-
9	Profit from ordinary activities before tax (7 + 8)	68,782	7,510	59,714	205,982	245,439
10	Tax expense	11,640	351	12,571	38,047	52,155
11	Net Profit from ordinary activities after tax (9 - 10)	57,142	7,159	47,143	167,935	193,284
12	Extra-ordinary items (net of tax)	-	-	-	-	-
13	Net profit for the period / year (11 - 12)	57,142	7,159	47,143	167,935	193,284
14	Paid-up equity share capital (face value Rs. 5/- each)	8,519	8,518	8,505	8,519	8,505
15	Reserves (excluding revaluation reserve)				1,054,853	924,377
16	Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share					
	- Basic	33.54	4.20	27.71	98.60	113.67
	- Diluted	33.40	4.18	27.59	98.18	113.13
		(Not annualised)	(Not annualised)	(Not annualised)		

See accompanying notes to the financial results



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DR. REDDY'S LABORATORIES LIMITED
PART II : SELECTED INFORMATION FOR THE QUARTER AND YEAR ENDED 31 MARCH 2015

A PARTICULARS OF SHAREHOLDING

Sl No.	Particulars	Quarter ended			Year ended	
		31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
1	Public shareholding*					
	- Number of shares (face value Rs.5/- each)	98,189,505	97,291,936	96,048,821	98,189,505	96,048,821
	- Percentage of shareholding	57.63	57.11	56.47	57.63	56.47
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	43,417,812	43,417,812	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	100.00
	- Percentage of shares (as a % of the total share capital of the company)	25.48	25.49	25.52	25.48	25.52

*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	5
Disposed off during the quarter	5
Remaining unresolved at the end of the quarter	Nil

Segment Information

All amounts in Indian Rupees lakhs

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Segment wise revenue, results and capital employed:					
	Segment revenue :					
	a) Pharmaceutical Services and Active Ingredients	68,155	64,468	68,761	273,033	248,914
	b) Global Generics	213,484	168,773	209,517	796,154	776,769
	c) Proprietary Products	-	-	-	-	3,131
	Total	281,639	233,241	278,278	1,069,187	1,028,814
	Less: Inter segment revenue	12,767	18,151	16,766	68,093	56,011
	Add : Other unallocable income	-	-	-	-	2
	Total income from operations	268,872	215,090	261,512	1,001,094	972,805
2	Segment results :					
	Profit / (loss) before tax and interest from each segment					
	a) Pharmaceutical Services and Active Ingredients	1,676	(3,922)	549	4,512	6,258
	b) Global Generics	71,882	6,123	45,442	221,809	291,062
	c) Proprietary Products	(9,710)	(6,739)	(6,935)	(31,035)	(19,909)
	Total	63,848	(4,538)	39,056	195,286	277,411
	Less: (i) Interest	1,877	1,391	1,898	6,380	7,831
	(ii) Other un-allocable expenditure / (income), net	(6,811)	(13,439)	(22,556)	(17,076)	24,141
	Total profit before tax	68,782	7,510	59,714	205,982	245,439
3	Capital Employed :					
	a) Pharmaceutical Services and Active Ingredients	311,881	292,880	273,267	311,881	273,267
	b) Global Generics	599,189	601,000	566,508	599,189	566,508
	c) Proprietary Products	(11,131)	(8,885)	590	(11,131)	590
	d) Unallocated	163,433	165,183	92,517	163,433	92,517
	Total	1,063,372	1,050,178	932,882	1,063,372	932,882

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.



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DR. REDDY'S LABORATORIES LIMITED
Notes:
1 Statement of assets and liabilities

All amounts in Indian Rupees lakhs

Sl. No.	PARTICULARS	As at	As at
		31.03.2015	31.03.2014
		(Audited)	(Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders funds		
	a) Share capital	8,519	8,505
	b) Reserves and surplus	1,054,853	924,377
	Sub-total - Shareholders' funds	1,063,372	932,882
2	Non-current liabilities		
	a) Long term borrowings	93,913	90,155
	b) Deferred tax liabilities, net	12,899	12,519
	c) Other long term liabilities	2,552	476
	d) Long-term provisions	4,979	3,348
	Sub-total - Non current liabilities	114,343	106,498
3	Current liabilities		
	a) Short-term borrowings	218,571	176,298
	b) Trade payables	71,596	84,227
	c) Other current liabilities	123,770	102,937
	d) Short-term provisions	53,944	47,950
	Sub-total - Current liabilities	467,881	411,412
	TOTAL - EQUITY AND LIABILITIES	1,645,596	1,450,792
B	ASSETS		
1	Non-current assets		
	a) Fixed assets	373,770	332,436
	b) Non-current investments	176,007	174,005
	c) Long-term loans and advances	55,386	53,581
	d) Other non-current assets	111	-
	Sub-total - Non-current assets	605,274	560,022
2	Current assets		
	a) Current investments	210,218	106,643
	b) Inventories	172,332	159,213
	c) Trade receivables	471,169	456,148
	d) Cash and bank balances	90,143	66,507
	e) Short-term loans and advances	86,567	82,857
	f) Other current assets	9,893	19,402
	Sub-total - Current assets	1,040,322	890,770
	TOTAL - ASSETS	1,645,596	1,450,792

- 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 mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act 2013; guidelines issued by Securities and Exchange Board of India; and other accounting principles generally accepted in India.
- On 1 April 2015, the Company entered into a definitive agreement to acquire a select portfolio of the established products business of UCB in the territories of India, Nepal, Sri Lanka and Maldives for a total consideration of Rs 80,000 lakhs. The business is being acquired on a slump sale basis. The acquisition is expected to be closed in the first quarter of the financial year 2015-16.
- Schedule II to the Companies Act, 2013 ("Schedule") prescribes the useful lives for various classes of tangible assets. For certain class of assets, based on its technical evaluation and assessment, the Company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule.
- Other expenditure for the quarter ended 31 December 2014 includes impairment loss of Rs. 2,009 lakhs relating to some of the product related intangibles forming part of Company's Global Generics segment.
- The audited results have been reviewed by the Audit Committee of the Board on 11 May 2015 and approved by the Board of Directors of the Company at their meeting held on 12 May 2015.
- The Board of Directors, at their meeting held on 12 May 2015, have recommended a final dividend of Rs. 20 per share subject to the approval of shareholders.
- The figures for the previous periods have been re-grouped/ re-classified, wherever necessary, to conform to the current period classification.
- The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial year. Also the figures upto the end of third quarter were only reviewed and not subject to audit.

DR. REDDY'S LABORATORIES LIMITED

10 Research and development expenditure included in Employee benefits expense and Other expenditure is as under:

All amounts in Indian Rupees lakhs

Particulars	Quarter ended			Year ended	
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
Employee benefits expense	6,219	6,180	5,869	24,215	23,497
Other expenditure	25,267	21,454	33,227	88,088	76,320
Total	31,486	27,634	39,096	112,303	99,817

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



G V Prasad

Co-Chairman & Chief Executive Officer

Place: Hyderabad
Date: 12 May 2015

12/5/15



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Audited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and year ended 31 March 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

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Net Income from Sales and Services	387,044	384,310	348,090	1,481,889	1,321,703
2	Cost of Sales and Services					
	a) (Increase) / decrease in stock-in-trade and work-in-progress	26,446	(12,698)	(7,779)	(5,564)	(33,094)
	b) Consumption of raw materials	57,830	80,638	74,606	280,969	273,402
	c) Purchase of traded goods	24,680	28,226	16,390	92,652	76,797
	d) Other expenditure	65,880	64,622	65,650	259,803	246,583
3	Gross Profit (1 - 2)	212,208	223,522	199,223	854,029	758,015
4	Selling, General and Administrative expenses	100,822	111,504	103,073	425,848	387,830
5	Research and Development expenses	51,443	43,161	39,848	174,488	124,023
6	Other (income) / expense, net	(1,253)	(3,410)	(2,263)	(9,167)	(14,159)
7	Operating profit (3) - (4 + 5 + 6)	61,196	72,267	58,565	262,860	260,321
8	Finance (expense) / income, net	(2,331)	10,129	1,634	16,818	3,995
9	Share of profit of equity accounted affiliate, net of income taxes	437	466	484	1,948	1,741
10	Profit before tax (7+8+9)	59,302	82,862	60,683	281,626	266,057
11	Tax expense	7,418	25,409	12,523	59,840	50,937
12	Net Profit after tax (10-11)	51,884	57,453	48,160	221,786	215,120
13	Extra-ordinary items (net of tax expense)	-	-	-	-	-
14	Net Profit for the period / year (12 - 13)	51,884	57,453	48,160	221,786	215,120
15	Net profit attributable to:					
	- Equity holders of the Company	51,884	57,453	48,160	221,786	215,145
	- Non-controlling interest	-	-	-	-	(25)
16	Paid-up equity share capital (Face value of Rs. 5/- each)	8,519	8,518	8,505	8,519	8,505
17	Securities premium, retained earnings, share based payment reserve and other components of equity				1,104,499	899,541
18	Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share					
	- Basic	30.45	33.72	28.31	130.22	126.52
	- Diluted	30.35	33.61	28.22	129.75	126.04
		(Not annualised)	(Not annualised)	(Not annualised)		
19	Public shareholding *					
	- Number of shares	98,189,505	97,291,936	96,048,821	98,189,505	96,048,821
	- Percentage of shareholding	57.63	57.11	56.47	57.63	56.47
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	43,417,812	43,417,812	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	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	25.48	25.49	25.52	25.48	25.52
21	Details of items exceeding 10% of total expenditure					
	- Employee cost	72,935	71,977	68,152	289,668	249,364

*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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Segment reporting (Consolidated)

All amounts in Indian Rupees lakhs

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Segment wise revenue and results:					
	Segment revenue :					
	a) Pharmaceutical Services and Active Ingredients	87,190	79,946	83,175	323,607	295,750
	b) Global Generics	309,934	316,922	273,175	1,205,562	1,051,636
	c) Proprietary Products	230	3,862	5,561	10,129	17,783
	d) Others	2,735	2,402	2,945	11,634	12,545
	Total	400,089	403,132	364,856	1,550,932	1,377,714
	Less: Inter-segment revenue	13,045	18,822	16,766	69,043	56,011
	Net Revenue from operations	387,044	384,310	348,090	1,481,889	1,321,703
2	Segment results :					
	Gross Profit from each segment					
	a) Pharmaceutical Services and Active Ingredients	17,123	10,503	13,616	57,087	48,476
	b) Global Generics	194,630	208,814	180,552	785,526	691,490
	c) Proprietary Products	(193)	3,220	4,875	8,123	16,062
	d) Others	648	985	180	3,293	1,987
	Total	212,208	223,522	199,223	854,029	758,015
	Less: Other un-allocable expenditure, net of other income	152,906	140,660	138,540	572,403	491,958
	Total profit before tax	59,302	82,862	60,683	281,626	266,057

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:
1 Investor Complaints

Pending at the beginning of the quarter	NIL
Received during the quarter	5
Disposed off during the quarter	5
Remaining unresolved at the end of the quarter	NIL

- On 1 April 2015, the Company entered into a definitive agreement to acquire a select portfolio of the established products business of UCB in the territories of India, Nepal, Sri Lanka and Maldives for a total consideration of Rs. 80,000 lakhs. The acquired business is being sold on a slump sale basis. The acquisition is expected to be closed in the first quarter of the financial year 2015-16.
- In February 2015, the government of Venezuela introduced a new Marginal Currency System (SIMADI). Following the guidance available in IAS 21, the Company, has determined that it is appropriate to use the SIMADI rate (VEF 193 per USD) to translate monetary assets and liabilities, other than those which qualify for the CENCOEX rate of VEF 6.3 per USD. Accordingly, foreign exchange loss on translation of such net monetary assets of VEB 88 million, as on 31 March 2015, amounting to Rs. 8,433 lakhs is recorded in the financial statements.
- On 18 January 2015, Aurigene Discovery Technologies Limited ("Aurigene"), a wholly owned subsidiary of the Company, entered into a Collaboration, License and Option Agreement with Curis, Inc. ("Curis") to discover, develop and commercialize small molecule antagonists for immuno-oncology and precision oncology targets. As a partial consideration for the collaboration, Curis issued approximately 17.1 million shares of its common stock to Aurigene. The fair value of these equity shares on the date of agreement was Rs. 14,517 lakhs (USD 23.5 Million). The upfront consideration received in the form of equity shares is recognized as revenue over the period in which Aurigene has continuing performance obligations.
- Selling, General and Administrative expenses include impairment of certain product related and customer related intangibles amounting to Rs. 2,598 lakhs and Rs. 2,492 lakhs recorded during the quarter ended 31 December 2014 in the Company's Global Generics and Pharmaceutical Services and Active Ingredients segments, respectively. During the year ended 31 March 2014, the Company recorded reversal of impairment of certain product related intangibles amounting to Rs. 4,974 lakhs in the Company's Global Generics Segment.
- On 17 December 2014, the Company completed the acquisition of Habitrol® franchise (an over-the-counter nicotine replacement therapy transdermal patch) from Novartis Consumer Health Inc. and began marketing the product in the U.S. market. The total consideration paid was Rs. 50,968 lakhs (USD 80 million).
- The audited results have been reviewed by the Audit Committee of the Board on 11 May 2015 and approved by the Board of Directors of the Company at their meeting held on 12 May 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).
- 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 audited Consolidated Financial Statements as per IFRS.
- The Board of Directors, at their meeting held on 12 May 2015, have recommended a final dividend of Rs. 20 per share subject to approval of shareholders.
- The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial year. The figures up to the end of third quarter were only reviewed and not subject to audit.



DR. REDDY'S

11 Statement of Assets and Liabilities (Consolidated)

All amounts in Indian Rupees lakhs

Particulars	As at	As at
	31.03.2015	31.03.2014
	(Audited)	(Audited)
ASSETS		
Current assets		
Cash and cash equivalents	53,943	84,510
Other investments	342,592	250,828
Trade and other receivables	407,547	330,365
Inventories	255,290	239,923
Derivative financial instruments	8,004	5,535
Current tax assets	18,188	12,978
Other current assets	112,813	113,330
Total current assets	1,198,377	1,037,469
Non-current assets		
Property, plant and equipment	480,901	444,235
Goodwill	33,801	34,284
Other intangible assets	130,498	112,687
Investment in equity accounted investees	10,333	8,062
Other investments – non-current	28,173	1
Deferred tax assets	57,919	60,536
Other non-current assets	7,618	4,954
Total non-current assets	749,243	664,759
Total assets	1,947,620	1,702,228
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	106,601	105,028
Derivative financial instruments	4,622	3,055
Current tax liabilities	25,064	11,925
Short-term borrowings	218,571	206,065
Long-term borrowings, current portion	69,615	33,954
Provisions	42,310	28,192
Other current liabilities	173,168	152,412
Total current liabilities	639,951	540,631
Non-current liabilities		
Long-term loans and borrowings, excluding current portion	143,069	207,396
Provisions - non-current	534	921
Deferred tax liabilities	17,790	27,437
Other non-current liabilities	33,258	17,842
Total non-current liabilities	194,651	253,596
Total liabilities	834,602	794,227
Equity		
Share capital	8,519	8,505
Equity shares held by controlled trust	-	(49)
Share premium	221,782	215,523
Share based payment reserve	10,803	10,075
Retained earnings	836,415	650,500
Other components of equity	35,499	23,447
Total equity	1,113,018	908,001
Total liabilities and equity	1,947,620	1,702,228

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

All amounts in Indian Rupees lakhs

Particulars	Quarter ended			Year ended	
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Total income from operations	268,872	215,090	261,512	1,001,094	972,805
Profit from ordinary activities before tax	68,782	7,510	59,714	205,982	245,439
Profit from ordinary activities after tax	57,142	7,159	47,143	167,935	193,284

Note:

The audited standalone financial results for the quarter and year ended 31 March 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: 12 May 2015

B S R & 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

Independent Auditor's Report on the financial results of Dr. Reddy's Laboratories Limited Pursuant to the Clause 41 of the Listing Agreement

To

The Board of Directors of Dr. Reddy's Laboratories Limited

We have audited the accompanying annual financial results of Dr. Reddy's Laboratories Limited ("the Company") for the year ended 31 March 2015, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement except for the disclosures regarding the "Public Shareholding" and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. Attention is drawn to the fact that the figures for the quarter ended 31 March 2015 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the end of the third year of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter. Management is responsible for the preparation of these financial results that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down 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 in compliance with Clause 41 of the Listing Agreement.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report on the financial results of Dr. Reddy's Laboratories Limited Pursuant to the Clause 41 of the Listing Agreement (continued)

Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, these financial results:

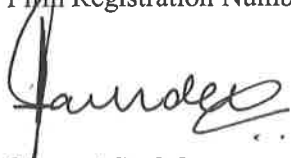
- (i) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the year ended 31 March 2015.

Further, we also report that we have, on the basis of the books of accounts and other records and information and explanation given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number : 101248W/W-100022



Supreet Sachdev

Partner

Membership No: 205385

Place: Hyderabad

Date: 12 May 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

Independent Auditor's Report on Consolidated Financial Results of Dr. Reddy's Laboratories Limited Pursuant to the Clause 41 of the Listing Agreement

To

The Board of Directors of Dr. Reddy's Laboratories Limited

We have audited the annual Consolidated Financial Results of Dr. Reddy's Laboratories Limited ("the Company"), its subsidiaries and joint ventures (collectively referred to as the "Group") for the year ended 31 March 2015, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement 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 audited by us. Attention is drawn to the fact that the figures for the quarter ended 31 March 2015 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter of the respective financial year had only been reviewed and not subjected to audit.

These consolidated financial results have been prepared on the basis of the annual consolidated financial statements and reviewed quarterly financial results upto the end of the third quarter, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of the annual consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board (IFRS) and in compliance with Clause 41 of the Listing Agreement.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of a subsidiary included in the consolidated financial results, whose financial results reflect total assets of INR 62,006 lakhs as at 31 March 2015 as well as total revenue of INR 21,397 lakhs and INR 141,204 lakhs for the quarter and year ended 31 March 2015 respectively. The financial statements of subsidiary have been audited by another auditor whose report has been furnished to us, and our opinion on the consolidated financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditor.

Independent Auditor's Report on Consolidated Financial Results of Dr. Reddy's Laboratories Limited Pursuant to the Clause 41 of the Listing Agreement (continued)

In our opinion and to the best of our information and according to the explanations given to us these consolidated financial results:

i. include the financial results for the year ended 31 March 2015 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.
25. DRL Impex Limited
26. Eurobridge Consulting BV
27. Industrias Quimicas Falcon de Mexico, S.A. de CV
28. Idea2Enterprises (India) Pvt. Limited
29. I-Ven Pharma Capital Limited (till 20 November 2014)
30. Lacock Holdings Limited
31. OOO Dr. Reddy's Laboratories Limited
32. OOO DRS LLC
33. Promius Pharma LLC
34. Reddy Antilles N.V
35. Reddy Cheminor S.A.
36. Reddy Holding GmbH
37. Reddy Netherlands B.V.
38. Reddy Pharma Iberia SA
39. Reddy Pharma Italia S.p.A
40. Dr. Reddy's Laboratories New York, Inc.
41. Limited Liability Company Dr. Reddy's Laboratories, Ukraine
42. DRANU LLC

Independent Auditor's Report on Consolidated Financial Results of Dr. Reddy's Laboratories Limited Pursuant to the Clause 41 of the Listing Agreement (continued)

43. OctoPlus B.V.
44. OctoPlus Development B.V.
45. OctoPlus Technologies B.V.
46. OctoShare B.V.
47. OctoPlus Sciences B.V.
48. OctoPlus PolyActive Sciences B.V.
49. Chienna BV
50. Dr. Reddy's Laboratories Canada Inc.
51. Dr. Reddy's Singapore PTE. LTD
52. Dr. Reddy's Laboratories SAS (incorporated on 4 November 2014)
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')

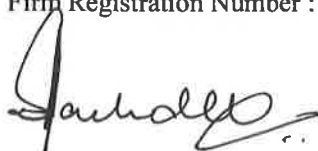
- ii. have been presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
- iii. give a true and fair view of the net profit and other financial information of the Company for the financial year ended 31 March 2015.

Further, we also report that we have, on the basis of the books of accounts and other records and information and explanation given to us by the Management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

for B S R & Co. LLP

Chartered Accountants

Firm Registration Number : 101248W/W-100022



Supreet Sachdev

Partner

Membership No: 205385

Place: Hyderabad

Date: 12 May 2015

Dr. Reddy's Q4 & FY15 Financial Results**Q4 FY15 Revenues at ₹38.7 billion***(YoY growth of 11%)***Q4 FY15 EBITDA at ₹8.1 billion***(21% of revenues)***FY15 Revenues at ₹148.2 billion***(YoY growth of 12%)***FY15 EBITDA at ₹36.2 billion***(24% of revenues)*

Hyderabad, India, May 12, 2015: Dr. Reddy's Laboratories Ltd. (NYSE: RDY | BSE: 500124 | NSE:DRREDDY) today announced its consolidated financial results for the fourth quarter and full year ended March 31, 2015 under International Financial Reporting Standards (IFRS).

FY15: Key Highlights

- Three NDAs filed in our Proprietary Products business.
- Consolidated revenues for FY 15 at ₹148.2 billion, year-on-year growth of 12%.
- Gross Profit Margin for FY 15 at 57.8% versus 57.4% as in FY 14.
- Research & Development (R&D) expenses for FY 15 at ₹17.4 billion, year-on-year increase of 41%.
- Selling, general & administrative (SG&A) expenses for FY 15 at ₹42.6 billion, year-on-year increase of 10%.
- EBITDA for FY 15 at ₹36.2 billion, 24% of revenues; year-on-year growth of 9%.
- Profit after tax for FY15 at ₹22.2 billion, 15% of revenues; year-on-year growth of 3%

Q4 FY15: Key Highlights

- Consolidated revenues for Q4 FY15 at ₹38.7 billion, year-on-year growth of 11%.
- EBITDA for Q4 FY15 at ₹8.1 billion, 21% of revenues. During Q4 FY15 we have recorded a foreign exchange translation loss of Rs. 843 million on certain net monetary assets in Venezuela.
- Profit after tax for Q4 FY15 at ₹5.2 billion, 13% of revenues.

Dr. Reddy's Co-chairman and CEO, GV Prasad, commented, "We are pleased with the progress on our financial and non-financial parameters, which we delivered despite currency volatility in some of our Emerging Market geographies. Our commitment to R&D continues to show results, with the filings of NDAs in our Proprietary Products business during the quarter and continued filings of complex generics assets. Overall, our results demonstrate our commitment to execute on our strategy, across businesses, as we constantly strengthen our focus on patients and providing them access to affordable medicines."



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

Particulars	FY15			FY14			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Revenues	2,378	148,189	100	2,121	132,170	100	12
Cost of revenues	1,008	62,786	42.4	905	56,369	42.6	11
Gross profit	1,371	85,403	57.6	1,217	75,801	57.4	13
Operating Expenses							
Selling, general & administrative expenses	683	42,585	28.7	622	38,783	29.3	10
Research and development expenses	280	17,449	11.8	199	12,402	9.4	41
Other operating expense / (income)	(15)	(917)	(0.6)	(23)	(1,416)	(1)	(35)
Results from operating activities	422	26,286	17.7	418	26,032	19.7	1
Finance (expense)/income, net	27	1,682	1.1	6	400	0.3	321
Share of profit of equity accounted investees, net of income tax	3	195	0.1	3	174	0.1	12
Profit before income tax	452	28,163	19.0	427	26,606	20.1	6
Income tax expense	96	5,984	4.0	82	5,094	3.9	17
Profit for the year	356	22,179	15.0	345	21,512	16.3	3
Diluted EPS	2.08	129.8		2.02	126.0		3

EBITDA Computation

Particulars	FY15		FY14	
	(\$)	(Rs.)	(\$)	(Rs.)
Profit before tax	452	28,163	427	26,606
Interest (income) / expense net	(12)	(725)	(0)	(24)
Depreciation	92	5,722	77	4,804
Amortization	38	2,381	37	2,292
Impairment / (reversal of impairment) adjustment	10	629	(8)	(497)
EBITDA	580	36,170	532	33,180
EBITDA (% to sales)		24.4		25.1

Note:

Selling, general & administrative expenses, as above, includes an impairment charge ₹510 million [in FY 15] and impairment reversal of ₹497 million [in FY 14]

Research & Development expenses, as above, includes an impairment charge of ₹119 million in [FY 15]



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Appendix 1: Key Balance Sheet Items

Particulars	As on 31st March 15		As on 31st Mar 14	
	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents and Other Investments	636	39,654	538	33,534
Trade receivables	654	40,755	530	33,037
Inventories	410	25,529	385	23,992
Property, plant and equipment	772	48,090	713	44,424
Goodwill and Other Intangible assets	264	16,430	236	14,697
Loans and borrowings (current & non-current)	692	43,125	718	44,741
Trade payables	171	10,660	169	10,503
Equity	1,786	111,302	1,457	90,801

Appendix 2: Revenue Mix by Segment

Particulars	FY15			FY14			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Global Generics	1,935	120,556	81	1,688	105,164	80	15
North America		64,723	54		55,302	53	17
Europe		7,193	6		6,970	7	3
India		17,870	15		15,713	15	14
Russia & Other CIS		17,713	15		19,819	19	(11)
Rest of World		13,057	11		7,359	7	77
PSAI	409	25,456	17	385	23,974	18	6
North America		4,605	18		4,354	18	6
Europe		10,507	41		8,770	37	20
India		3,288	13		3,787	16	(13)
Rest of World		7,056	28		7,063	29	(0)
Proprietary Products & Others	35	2,177	1	49	3,033	2	(28)
Total	2,378	148,189	100	2,121	132,170	100	12



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Segmental Analysis

Global Generics

Revenues from Global Generics segment for FY15 are at ₹120.6 billion, year-on-year growth of 15%, primarily driven by North America, Venezuela and India.

- o Revenues from **North America** for FY15 at ₹64.7 billion, year-on-year growth of 17%.
 - Current year growth is shaped by scale-up of the injectable franchise and market share gains in select molecules
 - 12 new products were launched during the financial year
 - Current year includes three months revenues from Habitrol®
 - 13 new product filings in the US during the year. Cumulatively, 68 ANDAs are pending for approval with the USFDA of which 43 are Para IVs out of which we believe 13 to have 'First To File' status.
- o Revenues from **Emerging Markets** for FY15 at ₹30.8 billion, year-on-year growth of 13%.
 - Revenues from Russia at ₹14.9 billion, year-on-year growth of 13% in local currency terms despite macro-economic uncertainty. After considering the impact of currency depreciation the rupee revenues declined by 9%.
 - Revenues from **CIS** markets at ₹2.8 billion, year-on-year decline of 20% primarily on account of currency depreciation.
 - Revenues from **Rest of World (RoW)** territories at ₹13.1 billion recorded year-on-year growth of 77%. Of this Venezuela delivered strong growth on the back of continuing volume uptake.
- o Revenues from **India** for FY15 at ₹17.9 billion, year-on-year growth of 14%.
 - Growth is driven by continued focus on new product launches and prescription growth.
- o Revenues from Europe for FY15 at ₹7.2 billion, year-on-year of 10% in local currency terms.
- o As per IMS Mar'15, Dr Reddy's MQT Gr% at 21.4% versus market MQT Gr% of 15.4%.

Pharmaceutical Services and Active Ingredients (PSAI)

- o Revenues from PSAI for FY15 at ₹25.5 billion, year-on-year growth of 6%.
- o During the year, 77 DMFs were filed globally, including 12 in the US and 16 in Europe. The cumulative number of DMF filings as of March 31, 2015 is 735.



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Income Statement Highlights:

- o Gross profit margin in FY15 stood at 57.6% and registered marginal improvement over previous year. Gross profit margin for Global Generics (GG) and PSAI business segments for FY15 are at 65.2% and 22.4% respectively.
- o Selling, General and Administration (SG&A) expenses at ₹42.6 billion, year-on-year increase of 10%. The increase is primarily on account of annual increments, additional manpower deployment in select areas, sales & marketing spend for events specific to the year, marginally offset by currency devaluation in EM markets.
- o Research & development expenses at ₹17.4 billion, year-on-year growth of 41%. 11.8% of revenues in FY15 as compared to 9.4% of revenues in FY14. The increase is in line with our planned scale-up in development activities.
- o Net Finance income at ₹1,682 million compared to ₹400 million in FY15. The increase is on account of :
 - Incremental forex benefit of ₹1,430 million
 - During Q4 FY15, pursuant to the modification of the currency exchange systems by the government of Venezuela in February 2015, the Company re-evaluated its economic position and determined that it is appropriate to use the SIMADI rate (which is bolivars 193 per USD) to translate the surplus monetary assets and liabilities, other than those which qualify for the CENCOEX rate of 6.3 bolivars per USD. Accordingly, during the quarter ended 31 March 2015, an amount of ₹843 million was recorded as foreign exchange loss.
 - Incremental profit on sales of investments of ₹539 million
 - Net increase in interest income of ₹158 million primarily due to reduction in Interest expense by ₹182 million offset set by decline in interest income by ₹24 million.
- o EBITDA for FY15 at ₹36.2 billion, year-on-year growth of 9%; 24% of revenues.
- o Profit after Tax in FY15 at ₹22.2 billion, year-on-year growth of 3%; 15% of revenues.
- o Diluted earnings per share in FY 15 at ₹130
- o Capital expenditure for FY15 is ₹9.3 billion.

The Board has recommended payment of a dividend of Rs 20 per equity share of face value Rs 5/- each (400% of face value) for the year ended March 31, 2015, subject to approval of members.



Appendix 3: Q4 FY15 Consolidated Income Statement

Particulars	Q4 FY15			Q4 FY14			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Revenues	621	38,704	100.0	559	34,809	100.0	11
Cost of revenues	281	17,483	45.2	239	14,887	42.8	17
Gross profit	341	21,221	54.8	320	19,922	57.2	7
Operating Expenses							
Selling, general & administrative expenses	162	10,082	26.0	165	10,307	29.6	(2)
Research and development expenses	83	5,144	13.3	64	3,985	11.4	29
Other operating expense / (income)	(2)	(125)	(0.3)	(4)	(226)	(0.7)	(45)
Results from operating activities	98	6,120	15.8	94	5,857	16.8	4
Finance (expense)/income, net	(4)	(233)	(0.6)	3	163	0.5	(243)
Share of profit of equity accounted investees	1	44	0.1	1	48	0.1	10
Profit before income tax	95	5,931	15.3	97	6,068	17.4	(2)
Income tax expense	12	742	1.9	20	1,252	3.6	(41)
Profit for the period	83	5,189	13.4	77	4,816	13.8	8
Diluted EPS	0.49	30.35		0.45	28.22		8

Appendix 4: EBITDA Computation

Particulars	Q4 FY15		Q4 FY14	
	(\$)	(Rs.)	(\$)	(Rs.)
Profit before income tax	95	5,931	97	6,068
Interest income	(3)	(194)	(1)	(82)
Depreciation	25	1,533	21	1,308
Amortization	11	699	10	648
Impairment	2	95	-	-
EBITDA	129	8,064	127	7,942

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Appendix 5: Revenue Mix by Segment

	Q4 FY15			Q4 FY14			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Global Generics	497	30,993	80	438	27,318	78	13
North America		17,154	55		14,964	55	15
Europe		2,341	8		1,774	6	32
India		4,744	15		4,101	15	16
Russia & Other CIS		3,289	11		4,519	17	(27)
Rest of World		3,465	11		1,960	7	77
PSAI	119	7,415	19	107	6,641	19	12
North America		1,400	19		1,538	23	(9)
Europe		3,223	43		2,370	36	36
India		668	9		979	15	(32)
Rest of World		2,124	29		1,754	26	21
Proprietary Products & Others	5	296	1	14	851	2	(65)
Total	621	38,704	100	559	34,809	100	11




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

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.