Dr. Reddy's Laboratories Ltd.
8-2-337, Road No. 3, Banjara Hills,
Hyderabad - 500 034, Telangana,
India.
CIN : L85195TG1984PLC004507

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February 9, 2016

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 and nine months ended December 31, 2015

Further to our letter dated January 12, 2016, we would like to inform you that the Board of Directors of the Company at their meeting held on February 9, 2016, have approved the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2015.

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

1. Unaudited Standalone Financial Results of the Company for the quarter and nine months ended December 31, 2015 as per Indian GAAP.

2. Unaudited Consolidated Financial Results of the Company 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 Regulation 33 of the Listing Regulations, we are enclosing the above along with the Limited Review Reports of the Statutory Auditors on the unaudited standalone and consolidated financial results of the Company for the quarter and nine months ended December 31, 2015.

Please take the above information on record.

With regards,

Sandeep Poddar
Company Secretary

Encl : as above

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 nine months ended 31 December 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 09 February 2016. 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 the Accounting standards 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 Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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: 09 February 2016

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DR. REDDY'S LABORATORIES LIMITED

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2015

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

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2015 (Unaudited)	30.09.2015 (Unaudited)	31.12.2014 (Unaudited)	31.12.2015 (Unaudited)	31.12.2014 (Unaudited)	31.03.2015 (Audited)
1	**Income from operations**						
	a) Net sales / income from operations (Net of excise duty)	24,079	28,615	21,214	77,777	72,262	98,874
	b) License fees and service income	102	120	66	267	300	401
	c) Other operating income	105	229	229	465	660	835
	Total income from operations (net)	**24,286**	**28,964**	**21,509**	**78,509**	**73,222**	**100,110**
2	**Expenses**						
	a) Cost of materials consumed	4,887	5,084	6,352	14,983	18,506	23,227
	b) Purchase of traded goods	1,814	1,480	1,515	4,837	3,949	5,261
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(183)	(186)	(705)	(749)	(1,590)	(289)
	d) Employee benefits expense	4,287	4,228	3,691	12,602	11,065	14,909
	e) Selling expenses	2,575	2,519	2,611	7,717	8,401	10,634
	f) Depreciation and amortisation	1,672	1,594	1,274	4,680	3,535	4,902
	g) Other expenditure	6,641	6,722	6,508	18,786	16,657	22,457
	Total expenses	**21,693**	**21,441**	**21,246**	**62,856**	**60,523**	**81,101**
3	**Profit from ordinary activities before other income, finance costs and exceptional items (1 - 2)**	**2,593**	**7,523**	**263**	**15,653**	**12,699**	**19,009**
4	Other income	348	594	627	1,515	1,471	2,228
5	**Profit from ordinary activities before finance costs and exceptional items (3 + 4)**	**2,941**	**8,117**	**890**	**17,168**	**14,170**	**21,237**
6	Finance costs	135	144	139	492	450	638
7	**Profit from ordinary activities before exceptional items (5 - 6)**	**2,806**	**7,973**	**751**	**16,676**	**13,720**	**20,599**
8	Exceptional items	-	-	-	-	-	-
9	**Profit from ordinary activities before tax (7 + 8)**	**2,806**	**7,973**	**751**	**16,676**	**13,720**	**20,599**
10	Tax expense	438	1,498	35	3,074	2,641	3,805
11	**Net Profit from ordinary activities after tax (9 - 10)**	**2,368**	**6,475**	**716**	**13,602**	**11,079**	**16,794**
12	Extra-ordinary items (net of tax)	-	-	-	-	-	-
13	**Net profit for the period / year (11 - 12)**	**2,368**	**6,475**	**716**	**13,602**	**11,079**	**16,794**
14	Paid-up equity share capital (face value Rs. 5/- each)	853	853	852	853	852	852
15	Reserves (excluding revaluation reserve)						105,488
16	**Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share**						
	- Basic	13.89	37.96	4.20	79.77	65.06	98.60
	- Diluted	13.84	37.83	4.18	79.47	64.77	98.18
		(Not annualised)	*(Not annualised)*	*(Not annualised)*	*(Not annualised)*	*(Not annualised)*	

See accompanying notes to the financial results

(MSK)

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

Dr.Reddy's

DR. REDDY'S LABORATORIES LIMITED

Segment Information

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

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Segment wise revenue and results:						
1	**Segment revenue:**						
	a) Pharmaceutical Services and Active Ingredients	4,826	6,110	6,447	16,714	20,488	27,303
	b) Global Generics	20,642	24,308	16,877	65,618	58,267	79,616
	c) Proprietary Products	-	1	-	1	-	-
	Total	**25,468**	**30,419**	**23,324**	**82,333**	**78,755**	**106,919**
	Less: Inter segment revenue	1,182	1,455	1,815	3,824	5,533	6,809
	Add: Other unallocable income	-	-	-	-	-	-
	Total income from operations	**24,286**	**28,964**	**21,509**	**78,509**	**73,222**	**100,110**
2	**Segment results:**						
	Profit / (loss) before tax and interest from each segment						
	a) Pharmaceutical Services and Active Ingredients	(710)	151	(392)	(282)	284	451
	b) Global Generics	4,375	9,460	612	21,404	14,993	22,181
	c) Proprietary Products	(615)	(715)	(674)	(2,049)	(2,133)	(3,103)
	Total	**3,050**	**8,896**	**(454)**	**19,073**	**13,144**	**19,529**
	Less: (i) Interest	135	144	139	492	450	638
	(ii) Other un-allocable expenditure / (income), net	109	779	(1,344)	1,905	(1,026)	(1,708)
	Total profit before tax	**2,806**	**7,973**	**751**	**16,676**	**13,720**	**20,599**

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 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. The Company submitted its response to the warning letter on 7 December 2015.
The Company believes that it can resolve the issues raised by the U.S. FDA satisfactorily in a timely manner. The Company takes the matters identified by U.S. FDA in the warning letter seriously and will continue to work diligently to address the observations identified in the warning letter and is concurrently continuing to develop and implement its corrective action plans relating to the warning letter. Further, the Company has provided an update to the U.S. FDA on the progress of remediation in January 2016.

2 The economic conditions in Venezuela continue to deteriorate, further increasing the risk of currency devaluation. As at 31 December 2015, the Company has an inter-company receivable of Rs. 3,576 million (USD 54 million) from its Venezuelan subsidiary and is being currently translated at the CENCOEX preferential rate of 6.3 VEF per USD. The Company is evaluating its current arrangements with the Government of Venezuela to facilitate the payments related to importation of pharmaceutical products at the CENCOEX preferential rate. The Company will fully consider all the developments, facts and circumstances during the three months ending 31 March 2016 in evaluating the appropriate translation rate to be applied. If the facts and circumstances support a conclusion that the CENCOEX rate is no longer appropriate, it could have a significant impact on the financial statements of the Company.

3 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.

4 The unaudited results have been reviewed by the Audit Committee of the Board on 8 February 2016 and approved by the Board of Directors of the Company at their meeting held on 9 February 2016.

5 The results for the quarter and nine months ended 31 December 2015 have been subjected to a "Limited review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

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: 9 February 2016

(MSK)

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 consolidated unaudited 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 nine months ended 31 December 2015, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 9 February 2016. 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 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. beta Institut gemeinnützige GmbH
5. betapharm Arzneimittel GmbH
6. Cheminor Investments Limited
7. Chirotech Technology Limited
8. Dr. Reddy's Farmaceutica Do Brasil Ltda.
9. Dr. Reddy's Laboratories (Proprietary) Limited
10. Dr. Reddy's Laboratories Inc.
11. Dr. Reddy's SRL
12. Dr. Reddy's Bio-Sciences Limited
13. Dr. Reddy's New Zealand Ltd.
14. Dr. Reddy's Laboratories (Australia) Pty. Limited
15. Dr. Reddy's Laboratories (EU) Limited
16. Dr. Reddy's Laboratories (UK) Limited
17. Dr. Reddy's Laboratories Louisiana LLC

Review report on unaudited consolidated financial results (continued)

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

Review report on unaudited consolidated financial results (continued)

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of consolidated unaudited financial results for the quarter and nine months ended 31 December 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 Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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: 9 February 2016

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Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and nine months ended 31 December 2015 prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

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

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Net Income from Sales and Services**	**39,679**	**39,889**	**38,431**	**117,146**	**109,485**	**148,189**
2	**Cost of Sales and Services**						
	a) (Increase) / decrease in stock-in-trade and work-in-progress	98	(947)	(1,270)	(1,900)	(3,201)	(556)
	b) Consumption of raw materials	5,644	6,188	8,064	17,589	22,314	28,097
	c) Purchase of traded goods	3,071	2,887	2,823	9,158	6,797	9,265
	d) Other expenditure	7,276	7,293	6,462	21,294	19,393	25,980
3	**Gross Profit (1 - 2)**	**23,590**	**24,468**	**22,352**	**71,005**	**64,182**	**85,403**
4	Selling, General and Administrative expenses	12,039	11,058	11,151	34,070	32,503	42,585
5	Research and Development expenses	4,095	4,473	4,316	12,955	12,304	17,449
6	Other (income) / expense, net	(122)	(320)	(341)	(567)	(791)	(917)
7	**Operating profit (3) - (4 + 5 + 6)**	**7,578**	**9,257**	**7,226**	**24,547**	**20,166**	**26,286**
8	Finance (expense) / income, net	(62)	(216)	1,013	(62)	1,915	1,682
9	Share of profit of equity accounted affiliate, net of income taxes	64	57	47	170	151	195
10	**Profit before tax (7 + 8 + 9)**	**7,580**	**9,098**	**8,286**	**24,655**	**22,232**	**28,163**
11	Tax expense	1,788	1,880	2,541	5,388	5,242	5,984
12	**Net Profit after tax (10 - 11)**	**5,792**	**7,218**	**5,745**	**19,267**	**16,990**	**22,179**
13	Extra-ordinary items (net of tax expense)	-	-	-	-	-	-
14	**Net Profit for the period / year (12 - 13)**	**5,792**	**7,218**	**5,745**	**19,267**	**16,990**	**22,179**
15	**Net Profit attributable to:**						
	- Equity holders of the Company	5,792	7,218	5,745	19,267	16,990	22,179
	- Non-controlling interest	-	-	-	-	-	-
16	Paid-up equity share capital (Face value of Rs. 5/- each)	853	853	852	853	852	852
17	Securities premium, retained earnings, share based payment reserve and other components of equity						110,450
18	**Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share**						
	- Basic	33.95	42.32	33.72	112.99	99.77	130.22
	- Diluted	33.86	42.20	33.61	112.63	99.42	129.75
		(Not annualised)	*(Not annualised)*	*(Not annualised)*	*(Not annualised)*	*(Not annualised)*	
19	Details of items exceeding 10% of total expenditure						
	- Employee cost	7,893	7,870	7,197	23,265	21,673	28,967

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

(MSK)

Dr.Reddy's

Segment reporting (Consolidated)

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

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2015 (Unaudited)	30.09.2015 (Unaudited)	31.12.2014 (Unaudited)	31.12.2015 (Unaudited)	31.12.2014 (Unaudited)	31.03.2015 (Audited)
	Segment wise revenue and results:						
1	**Segment revenue:**						
	a) Pharmaceutical Services and Active Ingredients	6,334	7,416	7,994	20,568	23,642	32,360
	b) Global Generics	33,558	32,768	31,335	97,287	88,681	119,397
	c) Proprietary Products	654	663	743	2,014	1,872	2,172
	d) Others	385	540	241	1,231	890	1,164
	Total	**40,931**	**41,387**	**40,313**	**121,100**	**115,085**	**155,093**
	Less: Inter-segment revenue	1,252	1,498	1,882	3,954	5,600	6,904
	Net Revenue from operations	**39,679**	**39,889**	**38,431**	**117,146**	**109,485**	**148,189**
2	**Segment results:**						
	Gross Profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	886	1,526	1,050	3,744	3,996	5,709
	b) Global Generics	22,017	22,058	20,572	64,992	58,333	77,569
	c) Proprietary Products	546	561	631	1,684	1,588	1,796
	d) Others	141	323	99	585	265	329
	Total	**23,590**	**24,468**	**22,352**	**71,005**	**64,182**	**85,403**
	Less: Other un-allocable expenditure, net of other income	16,010	15,370	14,066	46,350	41,950	57,240
	Total profit before tax	**7,580**	**9,098**	**8,286**	**24,655**	**22,232**	**28,163**

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 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. The Company submitted its response to the warning letter on 7 December 2015.
The Company believes that it can resolve the issues raised by the U.S. FDA satisfactorily in a timely manner. The Company takes the matters identified by U.S. FDA in the warning letter seriously and will continue to work diligently to address the observations identified in the warning letter and is concurrently continuing to develop and implement its corrective action plans relating to the warning letter. Further, the Company has provided an update to the U.S. FDA on the progress of remediation in January 2016.

2 The economic conditions in Venezuela continue to deteriorate, further increasing the risk of currency devaluation. The Company is evaluating its current arrangements with the Government of Venezuela to facilitate the payments related to importation of pharmaceutical products at the CENCOEX preferential rate of 6.3 VEF per USD. The Company continues to translate certain monetary assets and liabilities of its Venezuelan subsidiary at preferential rate of 6.3 VEF per USD. Balance monetary assets and liabilities that may not qualify for such preferential rate were translated by the Company using SIMADI rate (VEF 198.5 per USD as of 31 December 2015). Consequently, foreign exchange loss of Rs. 637 millions and Rs. 776 millions were recorded under finance expenses for the quarter and nine months ended 31 December 2015, respectively. The Company will fully consider all the developments, facts and circumstances during the three months ending 31 March 2016 in evaluating the appropriate translation rate to be applied. If the facts and circumstances support a conclusion that the CENCOEX rate is no longer appropriate, it could have a significant impact on the consolidated financial statements of the Company.

3 The unaudited results have been reviewed by the Audit Committee of the Board on 8 February 2016 and approved by the Board of Directors of the Company at their meeting held on 9 February 2016. 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).

4 On 6 November 2015, the Securities and Exchange Board of India (SEBI) relaxed the requirement of Regulations 33(1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ending 31 December 2015 and quarter and financial year ending 31 March 2016 for all such listed entities which had exercised the option of preparing conslidated financial statements under IFRS for the earlier quarters of FY 2015-16. The Company had earlier availed the option of publishing consolidated financial results under IFRS as per the circular dated 5 April 2010 and continues to do so for the quarter ending 31 December 2015 pursuant to the relaxation provided by the aforesaid 6 November 2015 circular.

5 The results for the quarter and nine months ended 31 December 2015 have been subjected to a "Limited Review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

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

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

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2015 (Unaudited)	30.09.2015 (Unaudited)	31.12.2014 (Unaudited)	31.12.2015 (Unaudited)	31.12.2014 (Unaudited)	31.03.2015 (Audited)
Total income from operations	24,286	28,964	21,509	78,509	73,222	100,110
Profit from ordinary activities before tax	2,806	7,973	751	16,676	13,720	20,599
Profit from ordinary activities after tax	2,368	6,475	716	13,602	11,079	16,794

Note:

The unaudited standalone financial results for the quarter and nine months ended 31 December 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
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Press Release

Dr.Reddy's

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Dr. Reddy's Q3 and 9M FY16 Financial Results

Q3 Revenues at ₹39.7 billion *(YoY growth of 3%)*	**9M Revenues at ₹117.1 billion** *(YoY growth of 7%)*
Q3 EBITDA at ₹10.1 billion *(25.5% of the revenues)*	**9M EBITDA at ₹31.4 billion** *(26.8% of the revenues)*

Hyderabad, India, February 9, 2016: Dr. Reddy's Laboratories Ltd. (NYSE: RDY | BSE: 500124 | NSE: DRREDDY) today announced its consolidated financial results for the quarter ended December 31, 2015 under International Financial Reporting Standards (IFRS).

Q3 FY16: Key Highlights

- Consolidated revenues at ₹39.7 billion, year-on-year growth of 3%. Growth is driven by healthy performance in NAG, Europe and India; partially offset by Emerging markets, which were impacted by unfavorable macro-economic conditions.
- Gross Profit Margin at 59.5%, improved by ~130 bps over last year
- Research & Development (R&D) spend at ₹4.1 billion. Continued focus on building complex generics and differentiated products pipeline.
- Selling, general & administrative (SG&A) expenses at ₹12.0 billion
- EBITDA at ₹10.1 billion, 25.5% of revenues.
- Profit after tax at ₹5.8 billion. Diluted EPS at ₹33.9

9M FY16: Key Highlights

- Consolidated revenues at ₹117.1 billion, year-on-year growth of 7%
- Gross Profit Margin at 60.6%, improved by ~200 bps over last year
- Research & Development (R&D) spend at ₹13.0 billion. Continued focus on building complex generics and differentiated products pipeline.
- Selling, general & administrative (SG&A) expenses at ₹34.1 billion
- EBITDA at ₹31.4 billion, 26.8% of revenues
- Profit after tax at ₹19.3 billion. Diluted EPS at ₹112.6

Commenting on the company's third quarter results, Co-chairman and CEO, G V Prasad said "Despite multiple challenges we have had a satisfactory quarter in terms of our financial performance. All of our key markets continue to perform well and show healthy growth. However, our performance has been impacted due to adverse macro-economic conditions across key emerging market territories. The two approvals and one tentative approval of our NDAs in the very first review cycle has been a positive development and lays the foundation for building a strong and sustainable proprietary products business. Enhancing our quality management practices and meeting the US FDA expectations continues to be our highest priority."

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All amounts in millions, except EPS *All US dollar amounts based on convenience translation rate of 1 USD = ₹66.19*

Dr. Reddy's Laboratories Limited and Subsidiaries

Consolidated Income Statement

Particulars	Q3 FY 16			Q3 FY 15			Growth %
	($)	(Rs.)	%	($)	(Rs.)	%	
Revenues	**599**	**39,679**	**100.0**	**581**	**38,431**	**100.0**	**3**
Cost of revenues	243	16,089	40.5	243	16,079	41.8	0
Gross profit	**356**	**23,590**	**59.5**	**338**	**22,352**	**58.2**	**6**
Operating Expenses							
Selling, general & administrative expenses	182	12,039	30.3	168	11,151	29.0	8
Research and development expenses	62	4,095	10.3	65	4,316	11.2	(5)
Other operating expense / (income)	(2)	(122)	(0.3)	(5)	(341)	(0.9)	(64)
Results from operating activities	**114**	**7,578**	**19.1**	**109**	**7,226**	**18.8**	**5**
Finance expense / (income), net	1	62	0.2	(15)	(1,013)	(2.6)	NA
Share of profit of equity accounted investees, net of income tax	(1)	(64)	(0.2)	(1)	(47)	(0.1)	38
Profit before income tax	**115**	**7,580**	**19.1**	**125**	**8,286**	**21.6**	**(9)**
Income tax expense	27	1,788	4.5	38	2,541	6.6	(30)
Profit for the period	**88**	**5,792**	**14.6**	**87**	**5,745**	**15.0**	**1**
Diluted EPS	0.51	33.86		0.51	33.61		1

EBITDA Computation

Particulars	Q3 FY 16		Q3 FY 15	
	($)	(Rs.)	($)	(Rs.)
Profit before tax	115	7,580	125	8,286
Interest (income) / expense net*	(4)	(236)	(5)	(347)
Depreciation	25	1,685	22	1,462
Amortization	13	892	9	579
Impairment	3	194	8	534
EBITDA	153	10,115	159	10,515
EBITDA (% to sales)		25.5		27.4

* Includes income from investments

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All amounts in millions, except EPS *All US dollar amounts based on convenience translation rate of 1 USD = ₹66.19*

Key Balance Sheet Items

Particulars	As on 31st Dec 15		As on 30th Sep 15	
	($)	(Rs.)	($)	(Rs.)
Cash and cash equivalents and Other current investments	575	38,028	514	34,050
Trade receivables	633	41,904	647	42,840
Inventories	403	26,689	410	27,147
Property, plant and equipment	797	52,736	771	51,055
Goodwill and Other Intangible assets	374	24,739	365	24,155
Loans and borrowings (current & non-current)	511	33,801	560	37,072
Trade payables	179	11,833	193	12,766
Equity	1,944	128,681	1,836	121,499

Revenue Mix by Segment

Particulars	Q3 FY 16			Q3 FY 15			Growth %
	($)	(Rs.)	%	($)	(Rs.)	%	
Global Generics	**507**	**33,558**	**84**	**473**	**31,335**	**81**	**7**
North America		19,417			16,462		18
Europe*		1,937			1,702		14
India		5,805			4,328		34
Emerging Markets#		6,399			8,843		(28)
PSAI	**77**	**5,082**	**13**	**92**	**6,112**	**16**	**(17)**
North America		1,037			894		16
Europe		1,951			2,639		(26)
India		622			948		(34)
Rest of World		1,472			1,631		(10)
Proprietary Products & Others	**16**	**1,039**	**3**	**15**	**984**	**3**	**6**
Total	599	39,679	100	581	38,431	100	3

* Europe 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 was 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 Q3 FY16 are at ₹33.6 billion, year-on-year growth of 7%, primarily driven by North America, Europe and India.

- Revenues from **North America** for Q3 FY16 at ₹19.4 billion, year-on-year growth of 18%. Growth primarily on account of sustained performance of the injectable franchise and market share gains in key molecules

  Four new generics filings in the US during the quarter (3 ANDAs and 1 NDA). Cumulatively, 82 generic filings are pending for approval with the USFDA (79 ANDAs and 3 NDAs under 505(b)(2) route). Of these 79 ANDAs, 52 are Para IVs out of which we believe 18 have 'First to File' status.

- Revenues from **Emerging Markets** for Q3 FY16 at ₹6.4 billion, year-on-year decline of 28%.
  - Revenues from **Russia** at ₹3.1 billion, year-on-year decline of 21% primarily on account of depreciation of rouble. In constant currency revenues grew by 5% year-on-year over a high base in previous year
  - Revenues from **other CIS countries and Romania** market at ₹0.9 billion, year-on-year decline of 17%.
  - Revenues from **Rest of World (RoW)** territories at ₹2.4 billion, year-on-year decline of 38% primarily on account of calibrated sales in Venezuela.

- Revenues from **India** for Q3 FY16 at ₹5.8 billion, year-on-year growth of 34%.
  - Continued momentum of mega brands.
  - Portfolio acquired from UCB well-integrated into our supply chain

  Normalizing for contribution from the UCB portfolio, growth of the base business during the quarter is healthy and in line with expectations

- Revenues from **Europe** for Q3 FY16 at ₹1.9 billion, year-on-year growth of 14%. Growth was primarily driven by aripiprazole and pregabalin.

Pharmaceutical Services and Active Ingredients (PSAI)

- Revenues from **PSAI** at ₹5.1 billion, and declined by 17% year-on-year.
- During the quarter, 21 DMFs were filed globally and 3 in the US. The cumulative number of DMF filings as of December 31, 2015 was 774.





Income Statement Highlights:

- Gross profit margin at 59.5% and improved by ~130 bps over that of previous year. Gross profit margin for Global Generics (GG) and PSAI business segments are at 65.6% and 17.4% respectively.
- SG&A expenses at ₹12.0 billion, year-on-year growth of 8%. This increase is largely due to the ongoing remediation activities related to the USFDA's observations and Warning Letter, settlement of ongoing patent litigation with Novartis on zoledronic acid and certain routine items related to manpower and other spends.
- Research & development expenses at ₹4.1 billion, year-on-year decline of 5%. As a % to sales R&D expenses stood at 10.3% in Q3 FY16 as compared to 11.2% in Q3 FY15. The decline is largely due to the receipt of our share of development costs and other contractual amounts from Merck Serono for biosimilars development program.
- Net Finance expense at ₹62 million compared to the net finance income of ₹1,013 million in Q3 FY15. The incremental charge of ₹1,075 million is on account of:
  - Net foreign exchange gain of ₹339 million in the current quarter vs net foreign exchange gain of ₹666 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 ₹637 million has been recorded as foreign exchange loss.
  - Decline in profit on sales of investments by ₹139 million.
  - Net increase in interest income of ₹29 million.
- Profit after Tax at ₹5.8 billion, 14.6% of revenues, year-on-year growth of 1%.
- Diluted earnings per share is at ₹33.9
- Capital expenditure is at ₹3.1 billion.

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Earnings Call Details (06.30 pm IST, February 9, 2016)

The Company will host an earnings call at 06.30 pm IST on February 9, 2016, 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.

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.

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