

May 12, 2017

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, 2017

Further to our letter dated April 17, 2017, we would like to inform you that the Board of Directors of the Company at their meeting held on May 12, 2017, have approved the Audited Financial Results of the Company for the quarter and year ended March 31, 2017.

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

1. Audited Standalone and Consolidated Financial Statements of the Company for the quarter and year ended March 31, 2017 as per Indian Accounting Standards.
2. Audited Consolidated Financial Results of the Company for the quarter and year ended March 31, 2017 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 quarter and year ended March 31, 2017.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Reports of the Statutory Auditors on the financial results as mentioned at serial Nos.1 & 2 are also enclosed. We have also uploaded the financial results on the website of the Company, www.drreddys.com.

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 2016-17. The dividend on equity shares, if declared by the shareholders at the ensuing Annual General Meeting, will be credited / dispatched on or after August 2, 2017.

The Board Meeting commenced at 09.00 AM and concluded at 12.45 PM.

This is for your information and records.

With regards,


Sandeep Poddar
Company Secretary

Encl : as above

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**To****Board of Directors of****Dr. Reddy's Laboratories Limited,**

1. We have audited the accompanying statement of quarterly standalone financial results of Dr. Reddy's Laboratories Limited ('the Company') for the quarter ended March 31, 2017 and for the year ended March 31, 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The quarterly standalone financial results are the derived figures between the audited figures in respect of the year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The standalone financial results for the quarter ended March 31, 2017 and year ended March 31, 2017 have been prepared on the basis of the standalone financial results for the nine-month period ended December 31, 2016, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2017, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the nine-month period ended December 31, 2016 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended March 31, 2017; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. 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 results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as 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.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date results:
 - i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and
 - ii. give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2017 and for the year ended March 31, 2017.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

4. The comparative financial information of the Company for the quarter and year ended March 31, 2016 prepared in accordance with Ind AS, included in these standalone financial results, have been audited by the predecessor auditor who had audited the standalone Ind AS financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information dated May 12, 2017 expressed an unmodified opinion.
5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2017 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Kaustav Ghose
per **Kaustav Ghose**
Partner
Membership No.: 57828



Place: Hyderabad
Date: May 12, 2017

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2017

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations					
	a) Net sales / income from operations (inclusive of excise duty)	22,860	25,442	21,658	95,868	100,060
	b) License fees and service income	174	149	2,021	413	2,288
	c) Other operating income	567	94	106	917	571
	Total Revenue from operations (inclusive of excise duty)	23,601	25,685	23,785	97,198	102,919
2	Other Income	595	890	1,270	5,912	3,249
	Total income (1+2)	24,196	26,575	25,055	103,110	106,168
3	Expenses					
	a) Cost of materials consumed	3,830	4,506	5,118	18,176	20,727
	b) Purchase of traded goods	1,686	1,619	1,267	6,715	6,104
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,691	(338)	461	19	(288)
	d) Employee benefits expense	3,723	4,824	4,322	18,033	16,934
	e) Selling expenses	2,388	2,440	1,558	9,985	9,275
	f) Depreciation and amortisation	1,896	1,837	1,811	7,351	6,495
	g) Finance costs	158	165	146	572	641
	h) Other expenditure	7,190	6,228	11,020	26,814	29,514
	Total expenses	22,562	21,281	25,703	87,665	89,402
4	Profit before tax (1 + 2 - 3)	1,634	5,294	(648)	15,445	16,766
5	Tax expense					
	a) Current tax	(774)	1,033	619	1,826	4,182
	b) Deferred tax	178	(127)	(881)	(222)	(1,159)
6	Net profit for the period / year (4 - 5)	2,230	4,388	(386)	13,841	13,743
7	Other comprehensive income					
	a) (i) Items that will not be reclassified to profit or loss	(38)	-	(186)	(31)	(191)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	15	-	63	15	63
	b) (i) Items that will be reclassified to profit or loss	717	(104)	(150)	475	(184)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(47)	13	53	(51)	23
	Total other comprehensive income	647	(91)	(220)	408	(289)
8	Total Comprehensive income (6 + 7)	2,877	4,297	(606)	14,249	13,454
9	Paid-up equity share capital (face value Rs. 5/- each)	829	829	853	829	853
10	Other Equity				115,177	119,931
11	Earnings per equity share (face value Rs. 5/- each)					
	- Basic	13.46	26.49	(2.26)	83.05	80.59
	- Diluted	13.44	26.44	(2.26)	82.88	80.34
		(Not annualised)	(Not annualised)	(Not annualised)		

See accompanying notes to the financial results

(Msk)



Segment Information

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	Segment wise revenue and results:					
1	Segment revenue (inclusive of excise duty):					
	a) Pharmaceutical Services and Active Ingredients	5,786	5,551	6,254	22,564	23,096
	b) Global Generics	18,814	21,615	19,016	80,277	85,131
	c) Proprietary Products	417	-	-	417	1
	Total	25,017	27,166	25,270	103,258	108,228
	Less: Inter segment revenue	1,422	1,481	1,485	6,066	5,309
	Add: Other unallocable income	6	-	-	6	-
	Total revenue from operations	23,601	25,685	23,785	97,198	102,919
2	Segment results:					
	Profit / (loss) before tax and interest from each segment					
	a) Pharmaceutical Services and Active Ingredients	(598)	145	(1,041)	(1,446)	(1,324)
	b) Global Generics	1,795	6,979	1,666	17,817	23,081
	c) Proprietary Products	(679)	(824)	(917)	(3,124)	(2,975)
	Total	518	6,300	(292)	13,247	18,782
	Less: (i) Finance costs	158	165	146	572	641
	(ii) Other un-allocable expenditure / (income), net	(1,274)	841	210	(2,770)	1,375
	Total profit before tax	1,634	5,294	(648)	15,445	16,766

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:

- The Company adopted Indian Accounting Standards ("Ind AS") from 1 April 2016 and accordingly these results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.

2 Reconciliation between financial results as previously reported under Previous GAAP and Ind AS for the quarter and year ended 31 March 2016

Particulars	Quarter ended 31.03.2016	Year ended 31.03.2016
Net profit under previous GAAP	(57)	13,545
Impact on account of measuring investments at fair value through profit and loss	51	799
Recognition of intangible assets not eligible for recognition under Previous GAAP	-	5
Reversal of goodwill amortised under Previous GAAP	3	13
Difference in measurement of employee share based payments	(6)	(16)
Difference in measurement of employee benefits	183	183
Impact on current and deferred taxes	(557)	(768)
Others	(3)	(18)
Net profit under Ind AS	(386)	13,743

3 Reconciliation of equity as on 31 March 2016 as previously reported under Previous GAAP to Ind AS

Particulars	As on 31.03.2016	
Equity reported under Previous GAAP as on 31 March 2016		115,201
Adjustments:		
Derecognition of provision for proposed dividend	4,101	
Impact on account of measuring investments at fair value	1,218	
Recognition of intangible assets not eligible for recognition under Previous GAAP	102	
Impact on current and deferred taxes	(646)	
Impact on account of expected credit loss on trade receivables	(40)	
Others	(5)	
		4,730
Equity reported under Ind AS as on 31 March 2016		119,931

4 Statement of Assets and Liabilities

All amounts in Indian Rupees millions

Particulars	As at	As at
	31.03.2017	31.03.2016
	(Audited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	40,433	35,939
Capital work-in-progress	5,400	6,149
Goodwill	323	323
Other intangible assets	7,665	8,120
Intangible assets under development	-	11
Financial assets		
Investments	18,028	17,781
Trade Receivables	206	-
Loans	1,932	2,200
Other financial assets	462	479
Deferred tax assets, net	821	635
Current tax assets, net	2,892	1,491
Other non-current assets	372	613
Total Non-Current assets	78,534	73,741
Current assets		
Inventories	18,097	16,996
Financial assets		
Investments	12,991	32,980
Trade receivables	44,054	38,895
Cash and cash equivalents	668	2,021
Other financial assets	1,057	2,889
Other current assets	9,071	8,330
Total Current assets	85,938	102,111
TOTAL ASSETS	164,472	175,852
EQUITY AND LIABILITIES		
Equity		
Equity share capital	829	853
Other equity	115,177	119,931
Total Equity	116,006	120,784
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	4,852	9,939
Provisions	623	665
Other Non-current liabilities	411	576
Total Non-current liabilities	5,886	11,180
Current liabilities		
Financial liabilities		
Borrowings	18,699	20,896
Trade payables	7,787	7,192
Other financial liabilities	11,556	12,208
Provisions	2,084	1,706
Other current liabilities	2,454	1,886
Total Current liabilities	42,580	43,888
TOTAL EQUITY AND LIABILITIES	164,472	175,852




- 5 Other expenditure for the quarter and year ended 31 March 2016 includes provision for doubtful debts of Rs. 3,559 million pertaining to outstanding receivable from Venezuelan subsidiary.
- 6 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, March 2016, May 2016 and August 2016. The U.S. FDA completed the reinspection of the aforementioned facilities in March and April 2017. The Company has responded to the observations identified by the U.S. FDA.
- 7 On 26 September 2016, the Bombay High court dismissed the writ petition filed by the Indian Pharmaceutical Alliance in July 2014 contending the validity of certain notifications issued in July 2014 by the National Pharmaceutical Pricing Authority. Consequently, during the quarter ended 30 September 2016, an amount of Rs. 344 million was recorded as a potential liability including the interest thereon. The aforesaid amount was included under "selling expenses". As on 31 March 2017, the carrying value of the aforesaid liability was Rs. 374 million.
- 8 The reduction in the income tax expense for the quarter ended 31 March 2017 is primarily due to resolution of certain tax matters pertaining to prior years.
- 9 The audited results have been reviewed by the Audit Committee of the Board on 11th May 2017 and approved by the Board of Directors of the Company at their meeting held on 12th May 2017.
- 10 The Board of Directors, at their meeting held on 12 May 2017, have recommended a final dividend of Rs. 20 per share subject to the approval of shareholders.
- 11 The comparative financial information of the Company for the year ended 31 March 2016 prepared in accordance with Ind AS, included in these standalone Ind AS financial results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 12 May 2017 expressed an unmodified opinion. The financial information for the quarter ended 31 March 2016 represents the derived figures between the audited figures in respect of the financial year ended 31 March 2016 and the published year to date figures upto 31 December 2015, being the date of the end of the third quarter of the previous financial year, which were subjected to a limited review by the predecessor auditor.
- 12 The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to 31 March 2017 and the unaudited published year to date figures up to 31 December 2016, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 13 The results for the quarter and year ended 31 March 2017 periods presented have been audited by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

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



G V Prasad
Co-Chairman & Chief Executive Officer

Place: Hyderabad
Date: 12 May 2017


(MSK)

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. We have audited the accompanying statement of quarterly consolidated financial results of Dr. Reddy's Laboratories Limited ('the Company') comprising its subsidiaries (together, 'the Group'), its joint ventures for the quarter ended March 31, 2017 and the consolidated financial results for the year ended March 31, 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The quarterly consolidated financial results are the derived figures between the audited figures in respect of the year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The consolidated financial results for the quarter ended March 31, 2017 and year ended March 31, 2017 have been prepared on the basis of the consolidated financial results for the nine-month period ended December 31, 2016, the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2017, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our review of the consolidated financial results for the nine-month period ended December 31, 2016 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual consolidated Ind AS financial statements as at and for the year ended March 31, 2017; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. 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 results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as 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.
3. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on separate financial statements and the other financial information of subsidiaries / joint ventures these quarterly consolidated financial results as well as the year to date results:
 - i. include the results of the following entities;
 - Subsidiaries
 - Aurigene Discovery Technologies (Malaysia) SDN BHD



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Chartered Accountants

- Aurigene Discovery Technologies Inc.
- Aurigene Discovery Technologies Limited
- beta Institut gemeinnützige GmbH (formerly beta Institut for Soziaimedizinische Forschung und Entwicklung GmbH)
- betapharm Arzneimittel GmbH
- Cheminor Investments Limited
- Chiretech Technology Limited
- Dr. Reddy's Bio-Sciences Limited
- Dr. Reddy's Farmaceutica Do Brasil Ltda.
- Dr. Reddy's Laboratories (Australia) Pty. Limited
- Dr. Reddy's Laboratories Canada, Inc.
- Dr. Reddy's Laboratories (EU) Limited
- Dr. Reddy's Singapore PTE LTD
- Dr. Reddy's Laboratories Inc.
- Dr. Reddy's Laboratories International SA
- Limited Liability Company Dr. Reddy's Laboratories
- Dr. Reddy's Laboratories Louisiana LLC
- Dr. Reddy's Laboratories New York, Inc.
- Dr. Reddy's Laboratories (Proprietary) Limited
- Dr. Reddy's Laboratories Romania S.R.L.
- Dr. Reddy's Laboratories SA
- Dr. Reddy's Laboratories Tennessee, LLC
- Dr. Reddy's Laboratories (UK) Limited
- Dr. Reddy's New Zealand Ltd. (formerly Affordable Healthcare Ltd.)
- Dr. Reddy's Pharma SEZ Limited
- Dr. Reddy's SRL (formerly Jet Generici SRL)
- DRL Impex Limited (formerly DRL Investments Limited)
- Dr. Reddy's Venezuela, C.A.
- Eurobridge Consulting B.V.
- Industrias Quimicas Falcon de Mexico, S.A. de CV
- Idea2Enterprises (India) Pvt. Limited
- Lacock Holdings Limited
- OOO Dr. Reddy's Laboratories Limited
- OOO DRS LLC
- Dr. Reddy's Laboratories SAS
- Dr. Reddy's Research and Development B.V. (formerly Octoplus BV)
- OctoPlus Development B.V. (merged with Dr. Reddy's Research and Development B.V. from January 01, 2017)
- OctoPlus Technologies B.V. (merged with Dr. Reddy's Research and Development B.V. from January 01, 2017)
- OctoShare B.V. (merged with Dr. Reddy's Research and Development B.V. from January 01, 2017)
- OctoPlus Sciences B.V. (merged with Dr. Reddy's Research and Development B.V. from January 01, 2017)
- OctoPlus PolyActive Sciences B.V. (merged with Dr. Reddy's Research and Development B.V. from January 01, 2017)
- Chienna B.V. (merged with Dr. Reddy's Research and Development B.V. from January 01, 2017)
- Promius Pharma LLC (formerly Reddy Pharmaceuticals LLC)
- Reddy Antilles N.V.
- Reddy Cheminor S.A. (upto July 20, 2016)



- Imperial Credit Private Limited (from February 22, 2017)
 - Reddy Holding GmbH
 - Reddy Netherlands B.V.
 - Reddy Pharma Iberia SA
 - Reddy Pharma Italia SRL
 - Dr. Reddy's Laboratories Japan K.K.
 - Reddy Pharma SAS
 - Dr. Reddy's Laboratories Kazakhstan LLP (from November 30, 2016)
- Joint Ventures
 - DRANU LLC
 - Kunshan Rotam Reddy Pharmaceutical Co. Limited
 - DRSS Solar Power Private Limited
 - DRES Solar Private Limited
- ii. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and
- iii. give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2017 and for the year ended March 31, 2017.
4. We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose Ind AS financial statements include total assets of Rs 82,003 million and net assets of Rs 39,458 million as at March 31, 2017, and total revenues of Rs 8,245 million and Rs 29,066 million for the quarter and the year ended on that date and net cash inflows of Rs 203 million and Rs 876 million for the quarter and for the year ended on that date. The above financial information are before giving effect to any consolidation adjustments. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management.
- These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us. Our opinion is not modified/qualified in respect of this matter.
5. The comparative financial information of the Group including Joint Ventures for the quarter and for the year ended March 31, 2016 prepared in accordance with Ind AS, included in these consolidated Ind AS financial results, have been audited by the predecessor auditor who had audited the consolidated Ind AS financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information dated May 12, 2017 expressed an unmodified opinion.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

6. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2017 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Kaustav Ghose

per Kaustav Ghose

Partner

Membership No.: 57828



Place: Hyderabad

Date: May 12, 2017

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31 MARCH 2017

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Year Ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations					
	a) Net sales / income from operations (inclusive of excise duty)	34,985	36,534	36,951	138,663	152,475
	b) License fees and service income	557	531	610	2,146	2,233
	c) Other operating income	577	167	389	1,152	975
	Total revenue from operations (inclusive of excise duty)	36,119	37,232	37,950	141,961	155,683
2	Other income	205	403	850	1,715	2,950
3	Total Income (1+2)	36,324	37,635	38,800	143,676	158,633
4	Expenses					
	a) Cost of materials consumed	4,649	5,369	6,121	21,930	26,799
	b) Purchase of traded goods	3,751	3,496	2,585	13,752	11,743
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,652	(706)	943	(1,233)	(957)
	d) Employee benefits expense	6,711	8,146	7,909	31,068	31,174
	e) Selling expenses	2,972	3,145	2,685	12,934	11,811
	f) Depreciation and amortisation	2,543	2,665	2,767	10,266	9,389
	g) Finance costs	196	164	170	634	826
	h) Other expenditure	10,479	9,137	12,890	38,788	39,260
	Total expenses	32,953	31,416	36,070	128,139	130,045
5	Profit before tax (3 - 4)	3,371	6,219	2,730	15,537	28,588
6	Tax expense:					
	Current Tax	(568)	1,368	1,667	3,096	7,432
	Deferred Tax	665	17	(104)	(131)	79
7	Net profit for the period / year (5 - 6)	3,274	4,834	1,167	12,572	21,077
8	Share of profit of equity accounted investees, net of tax	102	89	59	349	229
9	Net Profit after taxes and share of profit of associates (7 + 8)	3,376	4,923	1,226	12,921	21,306
10	Other comprehensive income					
	(a) (i) Items that will not be reclassified subsequently to profit or loss	(653)	864	(1,661)	1,930	(1,024)
	(ii) Income tax relating to Items that will not be reclassified subsequently to profit or loss	190	(261)	404	(404)	255
	(b) (i) Items that will be reclassified subsequently to profit or loss	287	544	(210)	1,279	493
	(ii) Income tax relating to Items that will be reclassified subsequently to profit or loss	130	47	59	136	(94)
	Total Other comprehensive income	(46)	1,194	(1,408)	2,941	(370)
11	Total comprehensive income (9+10)	3,330	6,117	(182)	15,862	20,936
12	Paid-up equity share capital (face value Rs. 5/- each)	829	829	853	829	853
13	Reserves				121,792	124,845
14	Earnings per equity share (face value Rs.5/- each)					
	- Basic	20.38	29.72	7.19	77.53	124.93
	- Diluted	20.34	29.65	7.17	77.37	124.54
		(Not annualised)	(Not annualised)	(Not annualised)		

See accompanying notes to the financial results



DR. REDDY'S LABORATORIES LIMITED
Segment Information

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Year Ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	Segment wise revenue and results:					
1	Segment revenue (inclusive of excise duty):					
	a) Pharmaceutical Services and Active Ingredients	6,969	6,997	7,514	27,832	28,437
	b) Global Generics	29,169	30,714	30,902	115,736	128,330
	c) Proprietary Products	969	603	645	2,783	2,659
	d) Others	460	435	382	1,791	1,704
	Total	37,567	38,749	39,443	148,142	161,130
	Less: Inter segment revenue	1,448	1,517	1,493	6,181	5,447
	Add: Other unallocable income	-	-	-	-	-
	Total revenue from operations	36,119	37,232	37,950	141,961	155,683
2	Segment results:					
	Gross profit from each segment					
	a) Pharmaceutical Services and Active Ingredients	543	1,537	1,195	4,497	4,954
	b) Global Generics	17,024	19,649	19,435	71,079	84,427
	c) Proprietary Products	410	509	533	1,951	2,217
	d) Others	208	210	121	853	706
	Total	18,185	21,905	21,284	78,380	92,304
	Less: Other un-allocable expenditure / (income), net	14,814	15,686	18,554	62,843	63,716
	Total profit before tax	3,371	6,219	2,730	15,537	28,588

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:

- The Company adopted Indian Accounting Standards ("Ind AS") from 1 April 2016 and accordingly these results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.
- Reconciliation between financial results as previously reported under Previous GAAP and Ind AS for the quarter and year ended 31 March 2016

Particulars	Quarter ended 31.03.2016	Year ended 31.03.2016
Net profit under previous GAAP	2,356	21,514
Impact on account of measuring investments at fair value through profit and loss	55	817
Recognition of intangible assets not eligible for recognition under Previous GAAP	-	859
Reversal of goodwill amortised under Previous GAAP	108	404
Difference in measurement of employee share based payments	(6)	(16)
Difference in measurement of employee benefits	185	185
Impact on current and deferred taxes	(1,476)	(2,372)
Others	4	(85)
Net profit for under Ind AS	1,226	21,306

- Reconciliation of equity as on 31 March 2016 as previously reported under Previous GAAP to Ind AS

Particulars	As on 31.03.2016	
Equity reported under previous GAAP as on 31 March 2016		116,156
<i>Adjustments:</i>		
Derecognition of provision for proposed dividend	4,101	
Impact on account of measuring investments at fair value	1,510	
Recognition of intangible assets not eligible for recognition under Previous GAAP	1,035	
Impact on current and deferred taxes	1,527	
Reversal of goodwill amortised under Previous GAAP	395	
Impact on account of consolidation of entities previously do not qualify for consolidation under previous GAAP	226	
Impact on account of expected credit loss on trade receivables	(57)	
Others	(48)	
		8,689
Equity reported under Ind AS as on 31 March 2016		124,845

4 Statement of Assets and Liabilities

All amounts in Indian Rupees millions

Particulars	As at	As at
	31.03.2017	31.03.2016
ASSETS		
Non-current assets		
Property, plant and equipment	50,281	46,130
Capital work-in-progress	6,095	6,626
Goodwill	4,763	4,650
Other intangible assets	14,263	14,850
Intangible assets under development	27,150	1,096
Investment in joint ventures	1,603	1,311
Financial assets		
Investments	5,223	1,986
Trade receivables non current	210	-
Other financial assets	829	788
Deferred tax assets, net	6,784	5,905
Other non-current assets	4,127	2,559
Total non-current assets	121,328	85,901
Current assets		
Inventories	28,528	25,579
Financial assets		
Investments	14,271	35,034
Trade receivables	37,986	41,250
Derivative instruments	264	176
Cash and cash equivalents	3,865	4,921
Other financial assets	1,432	1,332
Other current assets	10,491	9,648
Total current assets	96,837	117,940
TOTAL ASSETS	218,165	203,841
EQUITY AND LIABILITIES		
Equity		
Equity share capital	829	853
Other equity	121,792	124,845
Total equity	122,621	125,698
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	5,449	10,685
Other financial liabilities	183	243
Long term provisions	842	947
Deferred tax liabilities, net	1,620	537
Other non-current liabilities	3,251	2,260
Total non-current liabilities	11,345	14,672
Current liabilities		
Financial liabilities		
Borrowings	43,626	22,718
Trade payables	10,569	9,068
Other financial liabilities	18,750	20,502
Liabilities for current tax (net)	1,482	2,304
Provisions	5,125	5,290
Other current liabilities	4,647	3,589
Total current liabilities	84,199	63,471
TOTAL EQUITY AND LIABILITIES	218,165	203,841


(MSK)


DR. REDDY'S LABORATORIES LIMITED

- 5 Consequent to the decline in the expected cash flows of some of the products forming part of a cash generating unit ("CGU") under the Global Generics segment, the Company, following the guidance under Ind AS 36 "Impairment of assets", estimated the recoverable amount of the CGU and assessed that the recoverable amount of the CGU is lower than its carrying cost. Accordingly, an amount of Rs.335 millions was recorded as an impairment during the quarter ended 31 March 2017. The said impairment charge was recorded under "other expenditure".
- 6 On 10 June 2016, the Company entered into a definitive purchase agreement with Teva Pharmaceutical Industries Limited ("Teva") and an affiliate of Allergan plc ("Allergan") to acquire a portfolio of eight Abbreviated New Drug Applications ("ANDAs") in the United States for USD 350 million in cash at closing. The acquisition of these ANDAs was contingent on the closing of the Teva/Allergan generics purchase transaction and approval by the U.S. Federal Trade Commission of the Company as a buyer. The acquisition was consummated on 3 August 2016 upon the completion of all closing conditions, and the Company paid Rs. 23,366 million (USD 350 million) as the consideration for the acquired portfolio of ANDAs. As the acquired ANDAs are being developed, they are recorded as intangible assets under development.
- 7 Consequent to an amendment to the collaboration, license and option agreement with Curis Inc. ("Curis"), during the quarter ended 30 September 2016, the Company was allotted 10,208,333 equity shares in Curis in lieu of certain future milestone payments that would be due to the Company under the collaboration agreement. These equity shares were recorded at USD 1.84 per share representing the market price of such equity shares on the date of allotment. The aggregate market value of such equity shares on the date of allotment was Rs. 1,247 million (USD 18.8 million).
- 8 Other expenditure includes an amount of Rs. 3,845 million and Rs. 4,621 million for the quarter and year ended 31 March 2016, respectively, on account of currency devaluation and translation of monetary assets and liabilities using SIMADI / DICOM rate pertaining to the Company's Venezuelan subsidiary.
- 9 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, March 2016, May 2016 and August 2016. The U.S. FDA completed the reinspection of the aforementioned facilities in March and April 2017. The Company has responded to the observations identified by the U.S. FDA.
- 10 On 26 September 2016, the Bombay High court dismissed the writ petition filed by the Indian Pharmaceutical Alliance in July 2014 contending the validity of certain notifications issued in July 2014 by the National Pharmaceutical Pricing Authority. Consequently, during the quarter ended 30 September 2016, an amount of Rs. 344 million was recorded as a potential liability including the interest thereon. The aforesaid amount was included under "selling expenses". As on 31 March 2017, the carrying value of the aforesaid liability was Rs. 374 million.
- 11 The reduction in the income tax expense for the quarter ended 31 March 2017 is primarily due to resolution of certain tax matters pertaining to prior years.
- 12 The audited results have been reviewed by the Audit Committee of the Board on 11 May 2017 and approved by the Board of Directors of the Company at their meeting held on 12 May 2017.
- 13 The Board of Directors, at their meeting held on 12 May 2017, have recommended a final dividend of Rs. 20 per share subject to the approval of shareholders.
- 14 The comparative financial information of the Group including Joint Ventures for the year ended 31 March 2016 prepared in accordance with Ind AS, included in these consolidated Ind AS financial results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 12 May 2017 expressed an unmodified opinion. The financial information for the quarter ended 31 March 2016 represents the derived figures between the audited figures in respect of the financial year ended 31 March 2016 and the published year to date figures upto 31 December 2015, being the date of the end of the third quarter of the previous financial year, which were subjected to a limited review by the predecessor auditor.
- 15 The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to 31 March 2017 and the unaudited published year to date figures up to 31 December 2016, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 16 The results for the quarter and year ended 31 March 2017 periods presented have been audited by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

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


G V Prasad
Co-Chairman & Chief Executive Officer

Place: Hyderabad
Date: 12 May 2017


(MSK)

DR. REDDY'S LABORATORIES LTD.

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

CONTACT

INVESTOR RELATIONS

SAUNAK SAVLA
sauanaks@drreddys.com
(Ph: +91-40-4900 2135)

MEDIA RELATIONS

CALVIN PRINTER
calvinprinter@drreddys.com
(Ph: +91-40-4900 2121)

Dr. Reddy's Q4 and FY17 Financial Results

Q4 Revenues at ₹35.5 Bn [QoQ decline: 4%] Q4 EBITDA at ₹6.3 Bn [17.7% of Revenues]	FY 17 Revenues at ₹140.8 Bn [YoY decline: 9%] FY 17 EBITDA at ₹25.5 Bn [18.1% of Revenues]
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Hyderabad, India, May 12, 2017: Dr. Reddy's Laboratories Ltd. (BSE: 500124 | NSE: DRREDDY | NYSE: RDY) today announced its consolidated financial results for the fourth quarter and full year ended March 31, 2017 under International Financial Reporting Standards (IFRS).

FY17: Key Highlights

- Revenues at ₹140.8 billion: YoY decline: 9%
- Gross Profit Margin at 55.6%
- Research & Development (R&D) spend at ₹19.6 billion [13.9% of Revenues]
- Selling, general & administrative (SG&A) expenses at ₹46.4 billion [YoY increase: 1%]
- EBITDA at ₹25.5 billion [18.1% of Revenues]
- Profit after tax at ₹12.0 billion [8.5% of Revenues]

Q4 FY17: Key Highlights

- Revenues at ₹35.5 billion: QoQ decline: 4%; YoY decline: 5%
- Gross Profit Margin at 51.2%
- R&D spend at ₹4.6 billion [12.9% of Revenues]
- SG&A expenses at ₹11.0 billion [YoY decline: 6%]
- EBITDA at ₹6.3 billion [17.7% of Revenues]
- Profit after tax at ₹3.1 billion [8.8% of Revenues]

Commenting on the results, Co-chairman and CEO, G V Prasad said "FY17 has been a challenging year due to lack of new product approvals for the US market. However, our other geographies delivered good performances, with several new product launches. We are also seeing expanded global access to our Biosimilars, as a result of successful registrations in Emerging Markets. We will continue our focus on rationalisation of cost structures and building a sustainable quality culture across the organisation."



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Dr. Reddy's Laboratories Limited and Subsidiaries**Consolidated Income Statement for Q4 FY 17**

Particulars	Q4 FY17			Q4 FY16			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Revenues	548	35,542	100.0	579	37,562	100.0	(5)
Cost of revenues	268	17,360	48.8	251	16,286	43.4	7
Gross profit	280	18,182	51.2	328	21,276	56.6	(15)
Operating Expenses							
Selling, general & administrative expenses	169	10,973	30.9	179	11,632	31.0	(6)
Research and development expenses	71	4,579	12.9	75	4,879	13.0	(6)
Other operating (income) / expense	(8)	(505)	(1.4)	(5)	(307)	(0.8)	64
Results from operating activities	48	3,135	8.8	78	5,072	13.5	(38)
Net finance expense	1	48	0.1	41	2,646	7.0	(98)
Share of (profit) / loss of equity accounted investees	(2)	(102)	(0.3)	(1)	(59)	(0.2)	72
Profit before income tax	49	3,189	9.0	38	2,485	6.6	28
Income tax expense	1	64	0.2	27	1,739	4.6	(96)
Profit for the period	48	3,125	8.8	11	746	2.0	319

Diluted EPS	0.29	18.83		0.07	4.36		332
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EBITDA Computation

Particulars	Q4 FY 17		Q4 FY 16	
	\$	Rs.	\$	Rs.
Profit before income tax	49	3,189	38	2,485
Interest income, net*	(1)	(90)	(11)	(713)
Depreciation#	36	2,338	32	2,062
Amortization	13	866	15	970
EBITDA	97	6,303	74	4,804
EBITDA% to Revenues		17.7%		12.8%

* Includes income from Investments; # Includes Impairment charge

Key Balance Sheet Items

Particulars	As on 31 st Mar 17		As on 31 st Dec 16	
	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents and Other current Investments	280	18,136	311	20,145
Trade Receivables	587	38,065	634	41,119
Inventories	440	28,529	463	30,052
Property, plant and equipment	881	57,160	882	57,209
Goodwill and Other Intangible assets	751	48,677	771	49,977
Loans and borrowings (current & non-current)	758	49,185	894	57,999
Trade & other payables	207	13,417	205	13,308
Equity	1,913	1,24,044	1,866	121,040



Dr. Reddy's Laboratories Limited and Subsidiaries
Consolidated Income Statement for FY 17

Particulars	FY17			FY16			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Revenues	2,171	1,40,809	100.0	2,386	1,54,708	100.0	(9)
Cost of revenues	963	62,453	44.4	963	62,427	40.4	0
Gross profit	1,208	78,356	55.6	1,423	92,281	59.6	(15)
Operating Expenses							
Selling, general & administrative expenses	715	46,372	32.9	705	45,702	29.5	1
Research and development expenses	301	19,551	13.9	275	17,834	11.5	10
Other operating (income) / expense	(16)	(1,065)	(0.8)	(13)	(874)	(0.6)	22
Results from operating activities	208	13,498	9.6	457	29,619	19.1	(54)
Net finance (income) / expense	(12)	(806)	(0.6)	42	2,708	1.8	(130)
Share of (profit) / loss of equity accounted investees	(5)	(349)	(0.2)	(4)	(229)	(0.1)	52
Profit / (loss) before income tax	226	14,653	10.4	418	27,140	17.5	(46)
Income tax (benefit) / expense	40	2,614	1.9	110	7,127	4.6	(63)
Profit / (loss) for the period	186	12,039	8.5	309	20,013	12.9	(40)
Diluted EPS	1.11	72.09		1.80	116.98		(38)

EBITDA Computation

Particulars	FY 17		FY 16	
	\$	Rs.	\$	Rs.
Profit before income tax	226	14,653	418	27,140
Interest income, net*	(14)	(880)	(22)	(1,425)
Depreciation#	122	7,931	106	6,874
Amortization#	59	3,791	56	3,663
EBITDA	393	25,495	559	36,252
EBITDA% to Revenues		18.1%		23.4%

* Includes income from Investments; # Includes Impairment charge

Key Balance Sheet Items

Particulars	As on 31 st Mar 17		As on 31 st Mar 16	
	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents and Other current Investments	280	18,136	616	39,955
Trade Receivables	587	38,065	637	41,306
Inventories	440	28,529	394	25,578
Property, plant and equipment	881	57,160	832	53,961
Goodwill and Other Intangible assets	751	48,677	380	24,644
Loans and borrowings (current & non-current)	758	49,185	517	33,513
Trade & other payables	207	13,417	190	12,300
Equity	1,913	1,24,044	1,979	1,28,336

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Revenue Mix by Segment [FY 17 vs FY 16]

Particulars	FY 17			FY 16			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Global Generics	1,780	1,15,409	82	1,975	1,28,062	83	(10)
North America		63,601			75,445		(16)
Europe*		7,606			7,732		(2)
India		23,131			21,293		9
Emerging Markets [#]		21,071			23,592		(11)
PSAI	328	21,277	15	345	22,379	14	(5)
North America		3,569			3,052		17
Europe		8,410			9,313		(10)
India		1,750			2,618		(33)
Rest of World		7,548			7,396		2
Proprietary Products & Others	64	4,123	3	66	4,267	3	(3)
Total	2,171	1,40,809	100	2,386	1,54,708	100	(9)

* 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



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Revenue Mix by Segment [Q4 FY 17 vs Q3 FY 17]

Particulars	Q4 FY 17			Q3 FY 17			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Global Generics	449	29,138	82	472	30,638	83	(5)
North America		15,349			16,595		(8)
Europe*		2,066			2,148		(4)
India		5,711			5,947		(4)
Emerging Markets [#]		6,012			5,948		1
PSAI	83	5,401	15	83	5,400	14	-
North America		532			1,259		(58)
Europe		2,539			1,828		39
India		395			409		(3)
Rest of World		1,935			1,904		2
Proprietary Products & Others	15	1,003	3	16	1,027	3	(2)
Total	548	35,542	100	572	37,065	100	(4)

Revenue Mix by Segment [Q4 FY 17 vs Q4 FY 16]

Particulars	Q4 FY17			Q4 FY16			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Global Generics	449	29,138	82	475	30,774	82	(5)
North America		15,349			18,950		(19)
Europe*		2,066			1,759		17
India		5,711			5,267		8
Emerging Markets [#]		6,012			4,798		25
PSAI	83	5,401	15	89	5,766	15	(6)
North America		532			742		(28)
Europe		2,539			2,586		(2)
India		395			603		(35)
Rest of World		1,935			1,835		5
Proprietary Products & Others	15	1,003	3	16	1,022	3	(2)
Total	548	35,542	100	579	37,562	100	(5)



* 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

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Segmental Analysis

Global Generics (GG)

Revenues from **GG** segment for FY 17 at ₹115.4 billion, year-on-year decline of 10%; primarily on account of lower contribution from North America and Emerging Markets. Revenues for fourth quarter declined by 5% on a year-on-year basis.

- Revenues from **North America** for FY 17 at ₹63.6 billion, year-on-year decline of 16%. This is primarily on account of increased competition in our key products namely valganciclovir, decitabine, azacitidine etc. coupled with discontinuation of the McNeil business. Revenues for fourth quarter at ₹15.3 billion.

During the year, we filed 26 ANDAs with USFDA. Of these 13 ANDAs filed in the fourth quarter.

As of 31st March, 2017, cumulatively 101 generic filings are pending for approval with the USFDA (99 ANDAs and 2 NDAs under 505(b)(2) route). Of these 99 ANDAs, 62 are Para IVs out of which we believe 21 have 'First to File' status.

- Revenues from **Emerging Markets** for FY 17 at ₹21.1 billion, year-on-year decline of 11%, primarily on account of constrained operations in Venezuela. Revenues for fourth quarter at ₹6 billion. Gradual sequential improvement through the year is backed by improving macro economic environment across geographies coupled with focused foray into the institutional business in some countries.
 - Revenues from **Russia** for FY 17 at ₹11.5 billion, year-on-year growth of 9%. In constant currency it has grown by 8%. Revenues the fourth quarter at ₹3.4 billion and grew 26% year-on-year in constant currency.
 - Revenues from **other CIS countries and Romania** for FY 17 at ₹3.7 billion, year-on-year growth of 4%.
 - Revenues from **Rest of World (RoW)** territories for FY 17 at ₹5.8 billion, year-on-year decline of 38%. This is primarily on account of constrained operations in Venezuela.
- Revenues from **India** at ₹23.1 billion, year-on-year growth of 9%. Revenues for fourth quarter at ₹5.7 billion and grew 8% year-on-year.
- Revenues from **Europe** at ₹7.6 billion, year-on-year decline of 2%, impacted due to weak GBP.

Pharmaceutical Services and Active Ingredients (PSAI)

- Revenues from **PSAI** at ₹21.3 billion, year-on-year decline of 5%. Revenues for fourth quarter at ₹5.4 billion declined by 6%.
- During the year, 82 DMFs were filed globally of which 9 were in the US. Cumulative number of DMF filings as of 31st March, 2017 was 754.

Proprietary Products (PP)

Zembrace™ Sym Touch™ (Suma 3 mg) injection and Sernivo™ (betamethasone dipropionate) Spray, 0.05% are gradually gaining traction, with an improvement in the sales volumes.



Income Statement Highlights:

- Gross profit margin for FY 17 is at 55.6% and declined ~400 bps over that of previous year. This decline is primarily on account of high price erosion in our North America Generics Business, impairment charge taken at our Bristol plant, provision towards new product inventory and higher manufacturing overheads. Gross profit margin for GG and PSAI business segments are at 61.6% and 21.0% respectively. Gross profit margin for the fourth quarter at 51.2%.
- SG&A expenses for FY 17 at ₹46.4 billion. Marginal increase of 1%. SG&A expenses for fourth quarter at ₹11 billion.
- R&D expenses for FY 17 at ₹19.6 billion, 13.9% of Revenues, against 11.5% in FY 16. R&D expense for the fourth quarter at ₹4.6 billion, 12.9% of Revenues. Focus continues to build a sustainable revenue stream through a mix of simple and complex generics, biosimilars and differentiated products pipeline.
- Net finance income for FY 17 is ₹806 million compared to net finance expense of ₹2,708 million in FY 16. This is on account of:
 - Net foreign exchange loss of ₹74 million in the current year vs net foreign exchange loss of ₹4,133 million in the previous year primarily related to the Venezuela adjustment.
 - Increase in profit on sales of investments by ₹105 million; offset by
 - Net decrease in interest income of ₹650 million.
- Profit after Tax for FY 17 at ₹12.0 billion. PAT for fourth quarter at ₹3.1 billion.
- Diluted earnings per share for FY 17 is at ₹72.1 and ₹18.8 for fourth quarter.
- Capital expenditure for FY 17 is at ₹11.7 billion and ₹2.4 billion for fourth quarter.

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, 2017 subject to approval of members



Earnings Call Details (06:00 pm IST, 08:30 am EDT, May 12, 2017)

The Company will host an earnings call 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
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. (BSE: 500124, NSE: DRREDDY, NYSE: RDY) is an integrated pharmaceutical company, committed to providing affordable and innovative medicines for healthier lives. Through its three businesses - Pharmaceutical Services & Active Ingredients, Global Generics and Proprietary Products – Dr. Reddy's offers a portfolio of products and services including APIs, custom pharmaceutical services, generics, biosimilars and differentiated formulations. Our major therapeutic areas of focus are gastro-intestinal, cardiovascular, diabetology, oncology, pain management and dermatology. Dr. Reddy's operates in markets across the globe. Our major markets include – USA, India, Russia and other CIS countries. For more information, log on to: www.drreddys.com

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