

May 22, 2018

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, 2018.

Further to our letter dated April 10, 2018, we would like to inform you that the Board of Directors of the Company at their meeting held on May 22, 2018, have *interalia* approved the Audited Financial Results of the Company for the quarter and year ended March 31, 2018.

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

1. Audited Consolidated Financial Results of the Company for the quarter and year ended March 31, 2018 prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).
2. Press Release on Financial Results of the Company for the above period.
3. Audited Consolidated Financial Results of the Company and its subsidiaries for the quarter and year ended March 31, 2018 as per Indian Accounting Standards.
4. Audited Standalone Financial Results of the Company for the quarter and year ended March 31, 2018 as per Indian Accounting Standards.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Report of the Statutory Auditors on the financial results as mentioned at serial Nos. 3 & 4 are also enclosed.

We would like to state that the Statutory Auditors of the Company, have issued Audit Reports with 'Unmodified Opinion' on the Audited Financial Statements of the Company (Standalone and Consolidated) for the year ended March 31, 2018.

We would also like to inform that the Board of Directors have recommended a final dividend of Rs. 20/- (400%) per equity share of Rs. 5/- face value for the financial year 2017-18. The dividend on equity shares, if declared by the shareholders at the ensuing Annual General Meeting, will be credited / dispatched on or after August 1, 2018.

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

Audited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and year ended 31 March 2018 prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenues	35,349	38,060	35,542	142,028	140,809
2	Cost of revenues	16,454	16,649	17,360	65,724	62,453
3	Gross profit (1 - 2)	18,895	21,411	18,182	76,304	78,356
4	Selling, general and administrative expenses	12,067	12,048	10,973	46,910	46,372
5	Research and development expenses	4,348	4,667	4,579	18,265	19,551
6	Other (income)/expense, net	(167)	(313)	(505)	(788)	(1,065)
	Total operating expenses	16,248	16,402	15,047	64,387	64,858
7	Operating profit [(3) - (4 + 5 + 6)]	2,647	5,009	3,135	11,917	13,498
	Finance income	1,209	1,053	285	2,897	1,587
	Finance expense	(177)	(202)	(333)	(817)	(781)
8	Finance (expense)/income, net	1,032	851	(48)	2,080	806
9	Share of profit of equity accounted investees, net of tax	69	85	102	344	349
10	Profit before tax (7 + 8 + 9)	3,748	5,945	3,189	14,341	14,653
11	Tax expense	726	2,601	64	4,535	2,614
12	Profit for the period / year	3,022	3,344	3,125	9,806	12,039
	Attributable to :					
	- Equity holders of the Company	3,022	3,344	3,125	9,806	12,039
	- Non-controlling interest	-	-	-	-	-
13	Earnings per share:					
	Basic earnings per share of Rs.5/- each	18.21	20.16	18.86	59.13	72.24
	Diluted earnings per share of Rs.5/- each	18.18	20.13	18.83	59.00	72.09
		(Not annualised)	(Not annualised)	(Not annualised)		

(MSK)



Segment reporting (consolidated)

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Segment wise revenue and results:					
	Segment revenue:					
	a) Pharmaceutical Services and Active Ingredients	7,699	6,785	6,850	27,484	27,458
	b) Global Generics	27,836	30,105	29,138	114,014	115,409
	c) Proprietary Products	848	2,137	552	4,245	2,363
	d) Others	414	382	451	1,777	1,760
	Total	36,797	39,409	36,991	147,520	146,990
	Less: Inter-segment revenues	1,448	1,349	1,449	5,492	6,181
	Net revenue from operations	35,349	38,060	35,542	142,028	140,809
2	Segment results:					
	Gross profit from each segment					
	a) Pharmaceutical Services and Active Ingredients	1,510	1,296	541	4,446	4,473
	b) Global Generics	16,506	17,912	17,024	67,190	71,079
	c) Proprietary Products	726	2,022	410	3,799	1,951
	d) Others	153	181	207	869	853
	Total	18,895	21,411	18,182	76,304	78,356
	Less: Selling and other un-allocable expenditure, net of other income	15,147	15,466	14,993	61,963	63,703
	Total profit before tax	3,748	5,945	3,189	14,341	14,653

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

Notes:

- The audited results have been reviewed by the Audit Committee of the Board on 21 May 2018 and approved by the Board of Directors of the Company at their meeting held on 22 May 2018. 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).
- Post implementation of Goods and Services Tax ("GST") in India with effect from 1 July 2017, revenues are disclosed net of GST. Revenues for the earlier periods included excise duty which is now subsumed in the GST. Revenues for the year ended 31 March 2018 include excise duty upto 30 June 2017. Accordingly, revenues for the quarter and year ended 31 March 2018 are not comparable with those of the previous periods presented.
- 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 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. The Company received Establishment Inspection report ("EIR") from the U.S. FDA for API manufacturing facility at Miryalaguda in June 2017 which indicates that the audit is closed. With regard to the Oncology manufacturing facility at Duvvada and API manufacturing facility at Srikakulam, the Company received EIRs from the U.S. FDA in November 2017 and February 2018, respectively, which indicates that the status remains unchanged.
- In the United States of America, The Tax Cuts and Jobs Act of 2017 was approved and enacted in to law on 22 December 2017. The law includes significant changes to the U.S. corporate income tax system, including a reduction in Federal corporate tax rate from 35% to 21%. Consequent to this enactment, the Company has re-measured its U.S. deferred tax assets and liabilities based on the new tax law and this resulted in a charge of Rs.374 million and Rs.1,304 million for the quarter and year ended 31 March 2018 respectively.
- During the quarter ended 31 December 2017, the Company entered into a settlement agreement with the U.S. Department of Justice with respect to a litigation involving packaging for five blister packed prescription products. Consequent to the settlement, the Company has agreed to pay Rs.319 million (U.S.\$5 million) to the Department of Justice. The same has been provided in the books of account under the head "selling, general and administrative expenses".
- The Board of directors, at their meeting held on 22 May 2018, have recommended a final dividend of Rs.20 per share subject to the approval of shareholders.
- The figures of the fourth quarter are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial year. Also the figures upto the end of third quarter were only reviewed and not subjected to audit.
- The results for the quarter and year ended 31 March 2018 were audited by the Independent Auditors of the Company. An unqualified report was issued by them thereon.

(MSW)



9 Consolidated statements of financial position

All amounts in Indian Rupees millions

Particulars	As at	As at
	31.03.2018	31.03.2017
	(Audited)	(Audited)
ASSETS		
Current assets		
Cash and cash equivalents	2,638	3,866
Other investments	18,330	14,270
Trade and other receivables	40,617	38,065
Inventories	29,089	28,529
Derivative financial instruments	103	262
Current tax assets	4,567	3,413
Other current assets	14,301	11,970
Total current assets	109,645	100,375
Non-current assets		
Property, plant and equipment	57,869	57,160
Goodwill	3,945	3,752
Other intangible assets	44,665	44,925
Trade and other receivables	169	206
Investment in equity accounted investees	2,104	1,603
Other investments	2,549	5,237
Deferred tax assets	3,628	5,580
Other non-current assets	1,030	983
Total non-current assets	115,959	119,446
Total assets	225,604	219,821
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	16,052	13,417
Short-term borrowings	25,466	43,539
Long-term borrowings, current portion	63	110
Provisions	3,732	4,509
Current tax liabilities	1,530	1,483
Derivative financial instruments	85	10
Bank overdraft	96	87
Other current liabilities	22,668	21,845
Total current liabilities	69,692	85,000
Non-current liabilities		
Long-term borrowings, excluding current portion	25,089	5,449
Deferred tax liabilities	730	1,204
Provisions	53	47
Other non-current liabilities	3,580	4,077
Total non-current liabilities	29,452	10,777
Total liabilities	99,144	95,777
Equity		
Share capital	830	829
Share premium	7,790	7,359
Share based payment reserve	1,021	998
Capital redemption reserve	173	173
Retained earnings	113,865	108,051
Other components of equity	2,781	6,634
Total equity	126,460	124,044
Total liabilities and equity	225,604	219,821

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




K Satish Reddy
Chairman

Place: Hyderabad
Date: 22 May 2018



DR. REDDY'S LABORATORIES LTD.

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

CONTACT**INVESTOR RELATIONS**

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

MEDIA RELATIONS

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

Dr. Reddy's Q4 and FY18 Financial Results

Hyderabad, India, May 22, 2018: 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, 2018 under International Financial Reporting Standards (IFRS).

Q4 Performance Summary**₹3,535 Cr****Revenue**

[Down: 7% QoQ; 1% YoY]

53.5%**Gross Margin**

[Q3 FY18: 56.3%; Q4 FY17: 51.2%]

₹1,207 Cr**SGNA expenses**

[Up: 10% YoY]

₹435 Cr**R&D expenses**

[12.3% of Revenues]

₹375 Cr**Profit before Tax**

[10.6% of Revenues]

₹302 Cr**Profit after Tax**

[8.5% of Revenues]

FY18 Performance Summary**₹14,203 Cr****Revenue**

[Up: 1% YoY]

53.7%**Gross Margin**

[FY17: 55.6%]

₹4,691 Cr**SGNA expenses**

[Up: 1% YoY]

₹1,826 Cr**R&D expenses**

[12.9% of Revenues]

₹1,434 Cr**Profit before Tax**

[10.1% of Revenues]

₹981 Cr**Profit after Tax**

[6.9% of Revenues]

Note: During FY18, the 'Tax Cuts and Jobs Act of 2017' was approved and enacted in the United States. Consequent to this enactment the deferred tax assets and liabilities of the US entity have been re-measured resulting in a charge of ₹130 Crores for the full year.

Commenting on the results, CEO and Co-chairman, G.V. Prasad said "We concluded a challenging year for Dr. Reddy's with a relatively muted fourth quarter's performance. This was mainly on account of continuing headwinds in the U.S markets and a temporary drop in sales in Russia, attributable to a shift in the channel purchasing pattern.

Looking ahead, we will continue to work diligently on resolving pending regulatory issues. We will also focus on accelerating new products to market and improving our approval process."



[Handwritten signature]

[Handwritten signature]

Dr. Reddy's Laboratories Limited and Subsidiaries

Consolidated Income Statement

Particulars	Q4 FY18		Q4 FY17		YoY Gr %	Q3 FY18		QoQ Gr%
	(\$)	(Rs.)	(\$)	(Rs.)		(\$)	(Rs.)	
Revenues	543	35,349	546	35,542	(1)	585	38,060	(7)
Cost of Revenues	253	16,454	267	17,360	(5)	256	16,649	(1)
Gross Profit	290	18,895	279	18,182	4	329	21,411	(12)
Operating Expenses								
Selling, General & Administrative expenses	185	12,067	169	10,973	10	185	12,048	0
Research and Development expenses	67	4,348	70	4,579	(5)	72	4,667	(7)
Other operating (income) / expense	(3)	(167)	(8)	(505)	(67)	(5)	(313)	(46)
Results from operating activities	41	2,647	48	3,135	(16)	77	5,009	(47)
Net finance (income) / expense	(16)	(1,032)	1	48		(13)	(851)	21
Share of (profit) / loss of equity accounted investees	(1)	(69)	(2)	(102)	(32)	(1)	(85)	(18)
Profit before income tax	58	3,748	49	3,189	18	91	5,945	(37)
Income tax expense	11	726	1	64		40	2,601	(72)
Profit for the period	46	3,022	48	3,125	(3)	51	3,344	(10)
Diluted Earnings Per Share (EPS)	0.28	18.18	0.29	18.83	(3)	0.31	20.13	(10)

As % to Revenues
Gross Profit
SG&A
R&D
PBT
PAT

Q4 FY18
53.5
34.1
12.3
10.6
8.5

Q4 FY17
51.2
30.9
12.9
9.0
8.8

Q3 FY18
56.3
31.7
12.3
15.6
8.8

EBITDA Computation

Particulars	Q4 FY18	
	(\$)	(Rs.)
Profit before Income Tax	58	3,748
Interest (income) net*	(15)	(1,001)
Depreciation #	32	2,109
Amortization #	14	921
EBITDA	89	5,777

Q4 FY17	
(\$)	(Rs.)
49	3,189
(1)	(90)
36	2,338
13	866
97	6,303

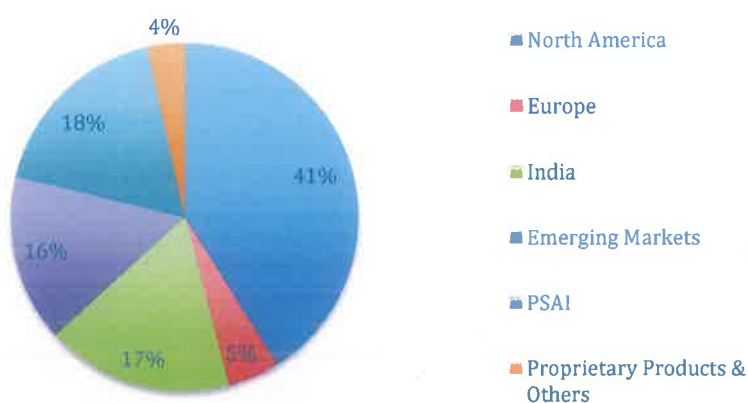
Q3 FY18	
(\$)	(Rs.)
91	5,945
(14)	(881)
32	2,089
14	902
124	8,055

* - Includes income from Investments # includes impairment charge



Revenue Mix by Segment

Particulars	Q4 FY18	Q4 FY17	YoY Growth %	Q3 FY18	QoQ Growth %
	(Rs.)	(Rs.)		(Rs.)	
Global Generics	27,836	29,138	(4)	30,105	(8)
North America	14,487	15,349	(6)	16,073	(10)
Europe*	1,711	2,066	(17)	2,006	(15)
India	6,138	5,711	7	6,126	0
Emerging Markets #	5,500	6,012	(9)	5,900	(7)
Pharmaceutical Services and Active Ingredients (PSAI)	6,251	5,401	16	5,436	15
Proprietary Products & Others	1,262	1,003	26	2,519	(50)
Total	35,349	35,542	(1)	38,060	(7)

Q4 FY18 Sales Mix

* Europe primarily includes Germany and UK

Emerging Markets refers to Russia, other CIS countries, Romania and Rest of the World markets



Handwritten signature

Handwritten signature

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

Particulars	FY 18			FY 17			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Revenues	2,181	1,42,028	100.0	2,163	1,40,809	100.0	1
Cost of Revenues	1,009	65,724	46.3	959	62,453	44.4	5
Gross Profit	1,172	76,304	53.7	1,203	78,356	55.6	(3)
Operating Expenses							
Selling, General & Administrative expenses	720	46,910	33.0	712	46,372	32.9	1
Research and Development expenses	281	18,265	12.9	300	19,551	13.9	(7)
Other operating expense / (income)	(12)	(788)	(0.6)	(16)	(1,065)	(0.8)	(26)
Results from operating activities	183	11,917	8.4	207	13,498	9.6	(12)
Finance (income), net	(32)	(2,080)	(1.5)	(12)	(806)	(0.6)	158
Share of (profit) of equity accounted investees, net of income tax	(5)	(344)	(0.2)	(5)	(349)	(0.2)	(1)
Profit before income tax	220	14,341	10.1	225	14,653	10.4	(2)
Income tax expense	70	4,535	3.2	40	2,614	1.9	73
Profit for the period	151	9,806	6.9	185	12,039	8.5	(19)
Diluted Earnings Per Share (EPS)	0.91	59.00		1.11	72.09		(18)

EBITDA Computation

Particulars	FY 18		FY 17	
	(\$)	(Rs.)	(\$)	(Rs.)
Profit before income tax	220	14,341	225	14,653
Interest (income) / expense net*	(31)	(2,022)	(14)	(880)
Depreciation #	127	8,285	122	7,931
Amortization #	53	3,477	58	3,791
EBITDA	370	24,081	392	25,495
EBITDA (% to revenues)		17.0		18.1

* - Includes income from Investments # includes impairment charge

Key Balance Sheet Items

Particulars	As on 31st Mar 2018		As on 31st Dec 2017		As on 31st Mar 2017	
	(\$)	(Rs.)	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents and current investments	322	20,967	337	21,958	279	18,136
Trade receivables (current & non-current)	626	40,786	654	42,593	588	38,271
Inventories	447	29,089	412	26,825	438	28,529
Property, plant and equipment	889	57,869	894	58,189	878	57,160
Goodwill and Other Intangible assets	747	48,610	740	48,182	748	48,677
Loans and borrowings (current & non-current)	779	50,714	843	54,911	755	49,185
Trade payables	247	16,052	224	14,575	206	13,417
Equity	1,942	1,26,460	1,900	1,23,685	1,905	1,24,044



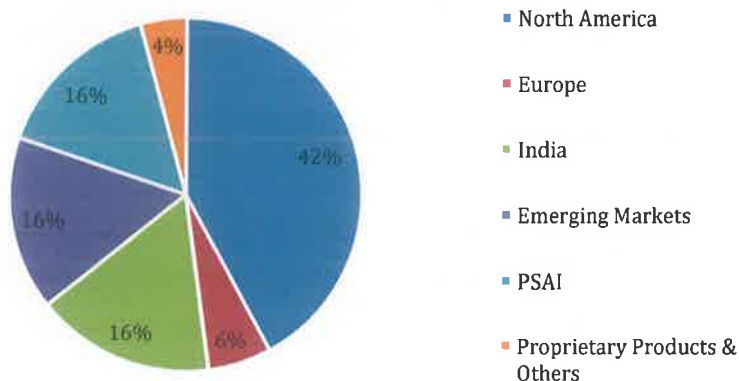
Handwritten signature/initials

Handwritten signature/initials

Revenue Mix by Segment [Year on year]

Particulars	FY 18			FY 17			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Global Generics	1,751	1,14,014	80%	1,773	1,15,409	82%	(1)
North America		59,822			63,601		(6)
Europe*		8,217			7,606		8
India		23,322			23,131		1
Emerging Markets#		22,653			21,071		8
Pharmaceutical Services and Active Ingredients (PSAI)	338	21,992	16%	327	21,277	15%	3
Proprietary Products & Others	92	6,022	4%	63	4,123	3%	46
Total	2,181	1,42,028	100%	2,163	1,40,809	100%	1

FY18 Sales Mix



* Europe primarily includes Germany and UK

Emerging Markets refers to Russia, other CIS countries, Romania and Rest of the World markets including Venezuela

Handwritten signature

Handwritten signature

Segmental Analysis [FY18]

Global Generics (GG)

Revenues from **GG** segment at ₹114 billion. Year-on-year (YoY) decline of 1%

Decline primarily on account of lower contribution from North America generics markets due to higher price erosion and unfavorable US dollar conversion

- Revenues from **North America** at ₹59.8 billion, YoY decline of 6%. Decline primarily on account of higher price erosions due to channel consolidation and increased competition in some of our key molecules namely valganciclovir, azacitidine, decitabine, etc. The above is partly offset by new products contribution.
- o Revenues for the 4th Quarter at ₹14.5 billion, YoY decline of 6% and sequential decline of 10%. During the 4th Quarter, we launched 3 new products - palonosetron inj, tetrabenazine and OTC levocetirizine

As of 31st March 2018, cumulatively 110 generic filings are pending for approval with the USFDA (107 ANDAs and 3 NDAs under 505(b)(2) route). Of these 107 ANDAs, 63 are Para IVs out of which we believe 30 have 'First to File' status.

- Revenues from **Emerging Markets** at ₹22.7 billion, YoY growth of 8%.
 - o Revenues from **Russia** at ₹12.6 billion. YoY growth of 9%. Adjusted for forex, growth driven by new launches. Revenues for the 4th Quarter at ₹2.6 billion, YoY decline of 25% primarily on account of lower off-take by the channel.
 - Revenues from **other CIS countries and Romania** at ₹3.9 billion. YoY growth of 6%.
 - Revenues from **Rest of World (RoW)** territories at ₹6.1 billion. YoY growth of 5%.
- Revenues from **India** at ₹23.3 billion, YoY growth of 1%. Revenues for 4th Quarter at ₹6.1 billion, YoY growth of 7.5%. Normalizing for the GST transition related adjustments, adjusted growth for FY18 is ~8% and Q4 FY18 is ~16%.
- Revenues from **Europe** at ₹8.2 billion, YoY growth of 8%. Revenues for the 4th Quarter at ₹1.7 billion, YoY decline of 17%, primarily due to higher price erosion and temporary supply disruptions.

Pharmaceutical Services and Active Ingredients (PSAI)

- Revenues from **PSAI** at ₹22.0 billion, YoY growth of 3%. Growth driven by key molecules. Revenues for the 4th Quarter at ₹6.3 billion, YoY growth of 16%
- During the quarter, we have filed 5 DMFs in the US.

Proprietary Products (PP)

- Revenues from **PP** at ₹4.2 billion

During the year USFDA approved IMPOYZ™ (clobetasol propionate) Cream 0.025%. In line with the existing out-licensing agreement with Encore Dermatology Inc. this approval triggered milestone recognition of ₹1.5 billion.



Handwritten signature

Handwritten signature

Income Statement Highlights [FY18]

- Gross profit margin at 53.7%.
 - Declined by ~190 bps over that of previous year primarily on account of higher price erosions, increased competitive intensity in some of our key molecules in the US and adverse foreign exchange impact.
 - Gross profit margin for GG and PSAI business segments are at 58.9% and 20.2% respectively.
 - Gross profit margin for the 4th Quarter at 53.5% (GG: 59.3%, PSAI: 24.2%). Sequential decline is primarily on account of (a) increased competitive intensity in some of our key products in the US (b) lower contribution from Russia and (c) preceding Quarter had out-licensing income in our Proprietary Products business
- SG&A expenses at ₹46.9 billion, marginal increase of 1%. SG&A expenses for the 4th Quarter at ₹12.1 billion, year-on-year increase of 10%.
- Research & development (R&D) expenses at ₹18.3 billion. As % to Revenues - FY18: 12.9% | FY 17: 13.9%. Focus continues on building complex generics, bio-similars and differentiated products pipeline. R&D expenses for the 4th Quarter stood at ₹4.3 billion, as % to revenues at 12.3%.
- Net Finance income at ₹2.1 billion compared to ₹0.8 billion in FY17. The incremental income is primarily on account of increase in profit on sales of investments by ₹1,314 million.
- Profit after Tax at ₹9.8 billion. Profit after tax during the 4th Quarter stood at ₹3.0 billion. During the year, the 'Tax Cuts and Jobs Act of 2017' was approved and enacted in the United States. Consequent to this enactment the deferred tax assets and liabilities in the US entity have been re-measured resulting in a charge of ₹1.3 billion being recorded under tax expense for the full year.
- Diluted earnings per share is at ₹59.0. Diluted earnings per share during the 4th Quarter at ₹18.2
- Capital expenditure for FY18 is at ₹9.2 billion. Capital expenditure for Q4 FY18 is at ₹1.5 billion.

The Board has recommended payment of a dividend of Rs. 20 per equity share of face value Rs 5/- each (400% of face value) for the year ended March 31, 2018 subject to approval of members

Handwritten signature



Handwritten signature

Earnings Call Details (06:30 pm IST, 09:00 am EDT, May 22, 2018)

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 6280 1219**

Secondary number: **91 22 7115 8120**

The numbers listed above are universally accessible from all networks and all countries.

Local Access number (India): **91 70456 71221**

International Toll Free Number **USA** **18667462133**

UK **08081011573**

Singapore **8001012045**

Hong Kong **800964448**

Playback of call: **91 22 7194 5757, 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

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.

Bo 11
Ca



Auditor's Report On Quarterly Consolidated 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, 2018 and the consolidated financial results for the year ended March 31, 2018 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The consolidated financial results for the quarter ended March 31, 2018 and year ended March 31, 2018 have been prepared on the basis of the consolidated financial results for the nine-month period ended December 31, 2017, the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation and the Circular, 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, 2017 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, 2018; and the relevant requirements of the Regulation and the Circular.
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 consolidated financial results are free of material misstatement(s). 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, these quarterly consolidated financial results as well as the year to date results:
 - i. includes the results of the following entities;
 - Subsidiaries
 - Aurigene Discovery Technologies (Malaysia) SDN BHD
 - Aurigene Discovery Technologies Inc.
 - Aurigene Discovery Technologies Limited
 - beta Institut gemeinnützige GmbH
 - betapharm Arzneimittel GmbH
 - Cheminor Investments Limited
 - Chirotech Technology Limited
 - Dr. Reddy's Bio-Sciences Limited
 - Dr. Reddy's Farmaceutica Do Brasil Ltda.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- Dr. Reddy's Laboratories (Australia) Pty. Limited
 - Dr. Reddy's Laboratories (EU) Limited
 - Dr. Reddy's Laboratories (Proprietary) Limited
 - Dr. Reddy's Laboratories (UK) Limited
 - Dr. Reddy's Laboratories Canada, Inc.
 - Dr. Reddy's Laboratories Chile SPA. (from June 16, 2017)
 - Dr. Reddy's Laboratories Inc.
 - Dr. Reddy's Laboratories International SA
 - Dr. Reddy's Laboratories Japan K.K.
 - Dr. Reddy's Laboratories Kazakhstan Limited Liability Partnership
 - Dr. Reddy's Laboratories LLC
 - Dr. Reddy's Laboratories Louisiana LLC
 - Dr. Reddy's Laboratories Malaysia Sdn. Bhd. (from July 10, 2017)
 - Dr. Reddy's Laboratories New York, Inc.
 - Dr. Reddy's Laboratories Romania S.R.L.
 - Dr. Reddy's Laboratories SA
 - Dr. Reddy's Laboratories SAS
 - Dr. Reddy's Laboratories Taiwan Limited (from February 23, 2018)
 - Dr. Reddy's Laboratories Tennessee, LLC
 - Dr. Reddy's New Zealand Ltd.
 - Regkinetics Services Limited (formerly Dr. Reddy's Pharma SEZ Limited)
 - Dr. Reddy's Research and Development B.V. (formerly Octopus BV)
 - Dr. Reddy's Singapore PTE Limited
 - Dr. Reddy's Srl
 - Dr. Reddy's (WUXI) Pharmaceutical Co. Ltd (from June 02, 2017)
 - Dr. Reddy's Venezuela, C.A.
 - DRL Impex Limited
 - Eurobridge Consulting B.V.
 - Idea2Enterprises (India) Private Limited
 - Imperial Credit Private Limited (from February 22, 2017)
 - Industrias Quimicas Falcon de Mexico, S.A. de CV
 - Lacock Holdings Limited
 - OOO Dr. Reddy's Laboratories Limited
 - OOO DRS LLC
 - Promius Pharma LLC
 - Reddy Antilles N.V.
 - Reddy Holding GmbH
 - Reddy Netherlands B.V.
 - Reddy Pharma Iberia SA
 - Reddy Pharma Italia S.R.L.
 - Reddy Pharma SAS
- Joint Ventures
 - DRANU LLC
 - DRES Solar Private Limited
 - DRSS Solar Power Private Limited (liquidated during the year)
 - Kunshan Rotam Reddy Pharmaceutical Co. Limited

- ii. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
- iii. give a true and fair view of the consolidated total comprehensive income (comprising of net profit and other comprehensive income) and other financial information for the quarter ended March 31, 2018 and for the year ended March 31, 2018.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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 19,130 million as at March 31, 2018, and total revenues of Rs 5,101 million and Rs 23,613 million for the quarter and the year ended on that date respectively. The above financial information are before giving effect to any consolidation adjustments. These Ind AS financial statements 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. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors. Our opinion is not modified/qualified in respect of this matter.
5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, 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 the Regulation and the Circular.

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 22, 2018

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2018

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended		Year ended	
		31.03.2018	31.12.2017	31.03.2018	31.03.2017
		(Audited)	(Unaudited)	(Audited)	(Audited)
1	Revenue from operations				
	a) Net sales / income from operations	34,464	36,164	34,985	138,022
	b) License fees and service income	885	1,896	557	4,006
	c) Other operating income	190	281	577	782
	Total revenue from operations	35,539	38,341	36,119	142,810
2	Other income	449	430	205	1,552
3	Total income (1 + 2)	35,988	38,771	36,324	144,362
4	Expenses				
	a) Cost of materials consumed	7,305	6,378	4,649	26,309
	b) Purchase of stock-in-trade	4,488	3,906	3,751	14,501
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,726)	83	1,652	(415)
	d) Employee benefits expense	8,005	8,181	6,711	32,149
	e) Depreciation and amortisation expense	2,763	2,715	2,543	10,772
	f) Finance costs	178	172	196	788
	g) Selling and other expenses	11,831	11,866	13,451	46,754
	Total expenses	32,844	33,301	32,953	130,858
5	Profit before tax (3 - 4)	3,144	5,470	3,371	15,537
6	Tax expense:				
	a) Current tax	184	653	(568)	1,753
	b) Deferred tax	308	1,875	665	2,627
7	Net profit for the period before share of profit of equity accounted investees (5 - 6)	2,652	2,942	3,274	12,572
8	Share of profit of equity accounted investees, net of tax	69	85	102	344
9	Net profit after taxes and share of profit of associates (7 + 8)	2,721	3,027	3,376	12,921
10	Other comprehensive income				
	a) (i) Items that will not be reclassified subsequently to profit or loss	(6)	(1,430)	(653)	(3,710)
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	(1)	331	190	874
	b) (i) Items that will be reclassified subsequently to profit or loss	186	(103)	287	(23)
	(ii) Income tax relating to items that will be reclassified subsequently to profit or loss	19	16	130	23
	Total other comprehensive income	198	(1,186)	(46)	(2,836)
11	Total comprehensive income (9 + 10)	2,919	1,841	3,330	6,632
12	Paid-up equity share capital (face value Rs. 5/- each)	830	829	829	829
13	Other equity				
				124,886	121,792
14	Earnings per equity share (face value Rs.5/- each)				
	Basic	16.39	18.25	20.38	57.08
	Diluted	16.36	18.22	20.34	56.96
		(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	
		31.03.2018 (Audited)	31.12.2017 (Unaudited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
	Segment wise revenue and results:					
1	Segment revenue :					
	a) Pharmaceutical Services and Active Ingredients	7,853	6,895	6,969	27,930	27,832
	b) Global Generics	27,858	30,270	29,169	114,282	115,736
	c) Proprietary Products	847	2,136	969	4,250	2,783
	d) Others	429	389	460	1,840	1,791
	Total	36,987	39,690	37,567	148,302	148,142
	Less: Inter-segment revenue	1,448	1,349	1,448	5,492	6,181
	Add: Other un-allocable income	-	-	-	-	-
	Total revenue from operations	35,539	38,341	36,119	142,810	141,961
2	Segment results:					
	Gross profit from each segment					
	a) Pharmaceutical Services and Active Ingredients	1,517	1,302	543	4,477	4,497
	b) Global Generics	16,506	17,912	17,024	67,190	71,079
	c) Proprietary Products	726	2,022	410	3,799	1,951
	d) Others	153	181	208	869	853
	Total	18,902	21,417	18,185	76,335	78,380
	Less: Selling and other un-allocable expenditure / (income), net	15,758	15,947	14,814	62,831	62,843
	Total profit before tax	3,144	5,470	3,371	13,504	15,537

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

Segmental Capital employed

As certain assets of the Company including manufacturing facilities, development facilities and treasury assets and liabilities are often deployed interchangeably across segments, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for capital employed have not been disclosed in the above table.

Notes:

- These results have been prepared on the basis of the audited financial statements for the year ended 31 March 2018 and the unaudited interim financial results upto the end of the third quarter, which are prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015.
- Post implementation of Goods and Services Tax ("GST") with effect from 1 July 2017, revenue from operations is disclosed net of GST. Revenue from operations for the earlier periods included excise duty which is now subsumed in the GST. Revenue from operations for the year ended 31 March 2018 includes excise duty upto 30 June 2017. Accordingly, revenue from operations for the quarter and year ended 31 March 2018 are not comparable with those of the previous periods presented.
- 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 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. The Company received Establishment Inspection report ("EIR") from the U.S. FDA for API manufacturing facility at Miryalaguda in June 2017 which indicates that the audit is closed. With regard to the Oncology manufacturing facility at Duvvada and API manufacturing facility at Srikakulam, the Company received EIRs from the U.S. FDA in November 2017 and February 2018, respectively, which indicates that the status remains unchanged.
- In the United States of America, The Tax Cuts and Jobs Act of 2017 was approved and enacted in to law on 22 December 2017. The law includes significant changes to the U.S. corporate income tax system, including a reduction in Federal corporate tax rate from 35% to 21%. Consequent to this enactment, the Company has re-measured its U.S. deferred tax assets and liabilities based on the new tax law and this resulted in a charge of Rs.396 million and Rs.1,269 million for the quarter and year ended 31 March 2018 respectively.
- During the quarter ended 31 December 2017, the Company entered into a settlement agreement with the U.S. Department of Justice with respect to a litigation involving packaging for five blister packed prescription products. Consequent to the settlement, the Company has agreed to pay Rs. 319 million (U.S.\$ 5 million) to the Department of Justice. The same has been provided in the books of account under the head "other expenditure".
- The audited results have been reviewed by the Audit Committee of the Board on 21 May 2018 and approved by the Board of Directors of the Company at their meeting held on 22 May 2018.
- The Board of directors, at their meeting held on 22 May 2018, have recommended a final dividend of Rs.20 per share subject to the approval of shareholders.
- The figures of the fourth quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the relevant financial year. Also the figures upto the end of third quarter were only reviewed and not subjected to audit.
- The results for the quarter and year ended 31 March 2018 periods presented have been audited by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.



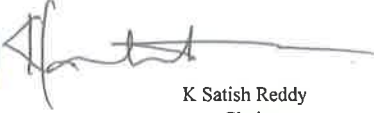
MSK

DR. REDDY'S LABORATORIES LIMITED
10 Consolidated Balance Sheet

All amounts in Indian Rupees millions

Particulars	As at	As at
	31.03.2018	31.03.2017
	(Audited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	49,733	50,281
Capital work-in-progress	7,678	6,095
Goodwill	5,331	4,763
Other intangible assets	14,616	14,263
Intangible assets under development	27,027	27,150
Investment in joint ventures	2,104	1,603
Financial assets		
Investments	2,549	5,223
Trade receivables	169	210
Other financial assets	756	829
Deferred tax assets, net	5,405	6,784
Tax assets, net	4,567	3,388
Other non-current assets	524	739
Total non-current assets	120,459	121,328
Current assets		
Inventories	29,089	28,528
Financial assets		
Investments	18,330	14,271
Trade receivables	40,527	37,986
Derivative instruments	105	264
Cash and cash equivalents	2,638	3,865
Other financial assets	1,533	1,432
Other current assets	12,762	10,491
Total current assets	104,984	96,837
TOTAL ASSETS	225,443	218,165
EQUITY AND LIABILITIES		
Equity		
Equity share capital	830	829
Other equity	124,886	121,792
Total equity	125,716	122,621
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	25,089	5,449
Other financial liabilities	144	183
Provisions	817	842
Deferred tax liabilities, net	1,950	1,620
Other non-current liabilities	2,789	3,251
Total non-current liabilities	30,789	11,345
Current liabilities		
Financial liabilities		
Borrowings	25,562	43,626
Trade payables	13,345	10,569
Derivative instruments	85	10
Other financial liabilities	19,497	18,740
Liabilities for current tax, net	1,530	1,482
Provisions	4,387	5,125
Other current liabilities	4,532	4,647
Total current liabilities	68,938	84,199
TOTAL EQUITY AND LIABILITIES	225,443	218,165

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


K Satish Reddy
Chairman

 Place: Hyderabad
Date: 22 May 2018



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, 2018 and for the year ended March 31, 2018 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The standalone financial results for the quarter ended March 31, 2018 and year ended March 31, 2018 have been prepared on the basis of the standalone financial results for the nine-month period ended December 31, 2017, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2018, and the relevant requirements of the Regulation and the Circular, 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, 2017 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, 2018; and the relevant requirements of the Regulation and the Circular.
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 misstatement(s). 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 the Regulation read with the Circular, in this regard; and
 - ii. give a true and fair view of the total comprehensive income (comprising of net profit and other comprehensive income) and other financial information for the quarter ended March 31, 2018 and for the year ended March 31, 2018.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

4. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2018 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, 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 the Regulation and the Circular.

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 22, 2018

DR. REDDY'S LABORATORIES LIMITED
STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2018

All amounts in Indian Rupees millions

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from operations					
	a) Net sales / income from operations	24,494	24,873	22,860	92,468	95,868
	b) License fees and service income	272	140	174	558	413
	c) Other operating income	157	217	567	567	917
	Total revenue from operations	24,923	25,230	23,601	93,593	97,198
2	Other income	731	477	595	2,040	5,912
	Total income (1 + 2)	25,654	25,707	24,196	95,633	103,110
3	Expenses					
	a) Cost of materials consumed	5,740	4,968	3,830	20,110	18,176
	b) Purchase of stock-in-trade	2,146	1,686	1,686	6,716	6,715
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(389)	(185)	1,691	(516)	19
	d) Employee benefits expense	4,633	4,767	3,723	18,430	18,033
	e) Depreciation and amortisation expense	1,900	1,983	1,896	7,741	7,351
	f) Finance costs	140	133	158	628	572
	g) Selling and other expenses	9,529	8,639	9,578	35,554	36,799
	Total expenses	23,699	21,991	22,562	88,663	87,665
4	Profit / (loss) before tax (1 + 2 - 3)	1,955	3,716	1,634	6,970	15,445
5	Tax expense					
	a) Current tax	457	598	(774)	1,381	1,826
	b) Deferred tax	(269)	149	178	(80)	(222)
6	Net profit / (loss) for the period / year (4 - 5)	1,767	2,969	2,230	5,669	13,841
7	Other comprehensive income					
	a) (i) Items that will not be reclassified to profit or loss	41	7	(38)	43	(31)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(16)	-	15	(16)	15
	b) (i) Items that will be reclassified to profit or loss	(209)	108	717	(133)	475
	(ii) Income tax relating to items that will be reclassified to profit or loss	72	(37)	(47)	46	(51)
	Total other comprehensive income	(112)	78	647	(60)	408
8	Total comprehensive income (6 + 7)	1,655	3,047	2,877	5,609	14,249
9	Paid-up equity share capital (face value Rs. 5/- each)	830	829	829	830	829
10	Other equity				117,248	115,177
11	Earnings per equity share (face value Rs. 5/- each)					
	Basic	10.65	17.90	13.46	34.19	83.05
	Diluted	10.63	17.87	13.44	34.12	82.88
		(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	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	Segment wise revenue and results					
1	Segment revenue					
	a) Pharmaceutical Services and Active Ingredients	6,268	5,605	5,786	22,741	22,564
	b) Global Generics	20,068	20,929	18,814	76,150	80,277
	c) Proprietary Products	27	26	417	109	417
	Total	26,363	26,560	25,017	99,000	103,258
	Less: Inter-segment revenue	1,440	1,330	1,422	5,407	6,066
	Add: Other un-allocable income	-	-	6	-	6
	Total revenue from operations	24,923	25,230	23,601	93,593	97,198
2	Segment results					
	Profit / (loss) before tax and interest from each segment					
	a) Pharmaceutical Services and Active Ingredients	383	56	(598)	(3)	(1,446)
	b) Global Generics	3,482	3,828	1,795	11,956	17,817
	c) Proprietary Products	(841)	(701)	(679)	(3,464)	(3,124)
	Total	3,024	3,183	518	8,489	13,247
	Less: (i) Finance costs	140	133	158	628	572
	(ii) Other un-allocable expenditure / (income), net	929	(666)	(1,274)	891	(2,770)
	Total profit before tax	1,955	3,716	1,634	6,970	15,445

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

Segmental capital employed

As certain assets of the Company including manufacturing facilities, development facilities and treasury assets and liabilities are often deployed interchangeably across segments, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for capital employed have not been disclosed in the above table.

Notes:

- These results have been prepared on the basis of the audited financial statements for the year ended 31 March 2018 and the unaudited interim financial results upto the end of the third quarter, which are prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015.
- Post implementation of Goods and Services Tax ("GST") with effect from 1 July 2017, revenue from operations is disclosed net of GST. Revenue from operations for the earlier periods included excise duty which is now subsumed in the GST. Revenue from operations for the year ended 31 March 2018 includes excise duty upto 30 June 2017. Accordingly, revenue from operations for the quarter and year ended 31 March 2018 are not comparable with those of the previous periods presented.
- 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 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. The Company received Establishment Inspection report (EIR) from the U.S. FDA for API manufacturing facility at Miryalaguda in June 2017 which indicates that the audit is closed. With regard to the Oncology manufacturing facility at Duvvada and API manufacturing facility at Srikakulam, the Company received EIRs from the U.S. FDA in November 2017 and February 2018, respectively, which indicates that the status remains unchanged.



(MSK)

Particulars	As at	As at
	31.03.2018	31.03.2017
	(Audited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	39,790	40,433
Capital work-in-progress	6,750	5,400
Goodwill	323	323
Other intangible assets	7,060	7,665
Intangible assets under development	-	-
Financial assets		
Investments	19,537	18,028
Trade receivables	169	206
Loans	1,991	1,932
Other financial assets	437	462
Deferred tax assets, net	931	821
Tax assets, net	3,518	2,892
Other non-current assets	112	372
Total non-current assets	80,618	78,534
Current assets		
Inventories	18,568	18,097
Financial assets		
Investments	16,828	12,991
Trade receivables	42,038	44,054
Cash and cash equivalents	1,207	668
Other financial assets	526	1,057
Other current assets	11,218	9,071
Total current assets	90,385	85,938
TOTAL ASSETS	171,003	164,472
EQUITY AND LIABILITIES		
Equity		
Equity share capital	830	829
Other equity	117,248	115,177
Total Equity	118,078	116,006
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	4,880	4,852
Provisions	533	623
Other non-current liabilities	313	411
Total non-current liabilities	5,726	5,886
Current liabilities		
Financial liabilities		
Borrowings	21,008	18,699
Trade payables	10,610	7,787
Other financial liabilities	11,471	11,556
Provisions	1,734	2,084
Other current liabilities	2,376	2,454
Total current liabilities	47,199	42,580
TOTAL EQUITY AND LIABILITIES	171,003	164,472

- The audited results have been reviewed by the Audit Committee of the Board on 21 May 2018 and approved by the Board of Directors of the Company at their meeting held on 22 May 2018.
- The Board of Directors, at their meeting held on 22 May 2017, have recommended a final dividend of Rs. 20 per share subject to the approval of shareholders.
- The figures of the fourth quarter are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the third quarter of the relevant financial year. Also the figures upto the end of third quarter were only reviewed and not subjected to audit.
- The results for the quarter and year ended 31 March 2018 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