



**Good  
Health  
Can't  
Wait.**

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## Our Brand

We are in the business of good health and are driven by an imperative to accelerate access to affordable and innovative medicines to people who need them. We don't see medicines just as molecules but as a medium to help people get back to good health. Our new brand reflects this belief and builds the foundation to enable us to find tomorrow's healthcare solutions today. Because **Good Health Can't Wait.**

## Our Promises

Our five Promises clarify what we do, what we offer and the commitments we make to our customers. Our patients trust our medicines. We focus our energies on renewing this trust every day. As we keep the interests of our patients at the centre of all we do, our Promises drive us to reach higher levels of excellence.



The change in our brand is an affirmation that we are constantly adapting to meet the changing needs of our patients, even as we remain true to our core values.

Our logo unit is based on a heart which represents our empathy for patients and partners. It embodies our sensitivity to their problems, and our relentless search for solutions that bring good health to them. The circles on the right represent the dynamism that we bring to our work – always striving to be the first to bring good health to the world.

Purple, our new corporate color, signifies the balance between the stimulating red and the calming blue. To us, it is a combination of our empathy and our dynamism. It signifies our intent purpose and desire to be both different and decisive, especially when it comes to practicing our belief – **Good Health Can't Wait.**

1

**Bringing  
expensive  
medicine  
within reach**

2

**Addressing  
unmet patient  
needs**

3

**Helping  
patients  
manage  
disease better**

4

**Enabling  
and helping  
our partners  
ensure that  
our medicines  
are available  
where needed**

5

**Working with  
partners and  
helping them  
succeed**





## Chairman's Letter

### DEAR SHAREHOLDER,

FY2015 has been a good year for your Company. Let me begin by sharing with you the key results.

- Consolidated net revenue increased by 12% over the previous year to ₹ 148.19 billion. This translated to US\$ 2.38 billion.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 9% to ₹ 36.17 billion, or 24% of consolidated revenue.
- Profit before taxes (PBT) grew by 6% over the previous year to ₹ 28.16 billion, or US\$ 452 million.
- Profits after tax (PAT) increased by 3% to ₹ 22.18 billion, at 15% of consolidated net revenue.
- Cash and cash equivalents (including other investments) rose by 18% to ₹ 39.65 billion as on 31 March 2015, or US\$ 636 million.

Revenue from your Company's Global Generics business increased by 15% and stood at ₹ 120.56 billion. This was driven by North America, where revenues grew by 17%; by India, which registered a growth of 14%; and by Emerging Markets, which grew by 13% despite the sharp depreciation of the Russian rouble.

In Global Generics, North America performed well with revenues at ₹ 64.72 billion, thus crossing the US\$ 1 billion mark. Twelve new products were launched during the year. Last quarter of FY2015 saw the commencement of OTC sales of Habitrol® – nicotine replacement therapy transdermal patches – a brand that was acquired from Novartis Consumer Health Inc. in November 2014.

We are well on track with the introduction of new generics in the US market. As of 31 March 2015, we have 68 abbreviated new drug applications (ANDAs) filed for approval from the US Food and Drug Administration (USFDA). Of these, 43 are Para IV filings, and we believe that 13 of them have the 'First to File' status.

India Generics also performed satisfactorily. Revenues in FY2015

*All US dollar amounts based on the convenience translation rate of US\$ 1 = ₹ 62.31*

grew to ₹ 17.87 billion. In doing so, the business accounted for 15% of your Company's Global Generics sale, and 12% of total revenues. The only problem was in Russia and Ukraine, where the sharp depreciation of the rouble and the hryvnia, reduced revenues in rupee terms – although the business grew smartly in the local currencies.

FY2014 was a difficult year for the Pharmaceutical Services and Active Ingredients (PSAI) business – one that saw declining revenues. That has been reversed. PSAI revenues in FY2015 increased by 6% to reach ₹ 25.46 billion; the business also posted significant margin improvement due to a more profitable product mix. Regarding active pharmaceutical ingredients (APIs), we globally filed 77 drug master files (DMFs) in FY2015, taking the cumulative number of DMF filings on 31 March 2015 to 735.

As your Company's founder, Dr. K. Anji Reddy always said, we are in the business of treating diseases and saving lives. We strive every day to do what matters most to patients – accelerating access to affordable medicines and finding intelligent solutions for unmet therapeutic needs. In this journey, we have steadily moved on from producing relatively simple APIs and formulations to difficult-to-produce APIs, complex generics including injectables, proprietary products and biosimilars – many of which deal with cancers, diabetes and cardiovascular disease, serious infections, gastrointestinal ailments, pain management, pediatrics and dermatology. With more than 2000 scientists across our development centers in India, the UK, the US and the Netherlands, we have the ability to leverage the best of global scientific talent.

Our skills in science and technology range from synthetic organic chemistry, development of biologics and formulation development to small-molecule-based drug discovery. These are complemented by specialized research facilities.

Our product development capabilities in India span synthetic organic

chemistry, analytical chemistry, process engineering, formulations development, polymorphism, bio-pharmaceutics, management of intellectual property and projects and regulatory science. Octoplus, our specialty research facility in the Netherlands, concentrates on development of injectables, which works better, longer and with fewer side effects. Chirotech, a facility located at Cambridge (UK) helps our custom pharmaceutical services business with its distinctive competencies in organic and bio-catalysis. And our biologics facility in Hyderabad has helped us build unique biotechnology capabilities and so create biosimilars for complex and expensive therapies and make them accessible to patients.

Your Company's commitment to finding new cures is evident in its focus on R&D. I am proud to inform you that in FY2015 alone R&D expenses grew by 41% to ₹ 17.45 billion, and accounted for 11.8% of sales, versus 9.4% in FY2014.

I look forward to an even better year in FY2016. A year when we will introduce new formulations, maintain best-in-class globally certified scientific, technological and manufacturing facilities, and remain both strategic and nimble in providing complex medicines to meet critical therapeutic needs.

With the commitment of your Company's outstanding set of employees and your good wishes, I believe we will get there.

With best regards,



**Satish Reddy**  
Chairman

**We are in the business of treating diseases and saving lives. We strive every day to do what matters most to patients – accelerating access to affordable medicines and finding intelligent solutions for unmet therapeutic needs.**



## Living the Good Health belief

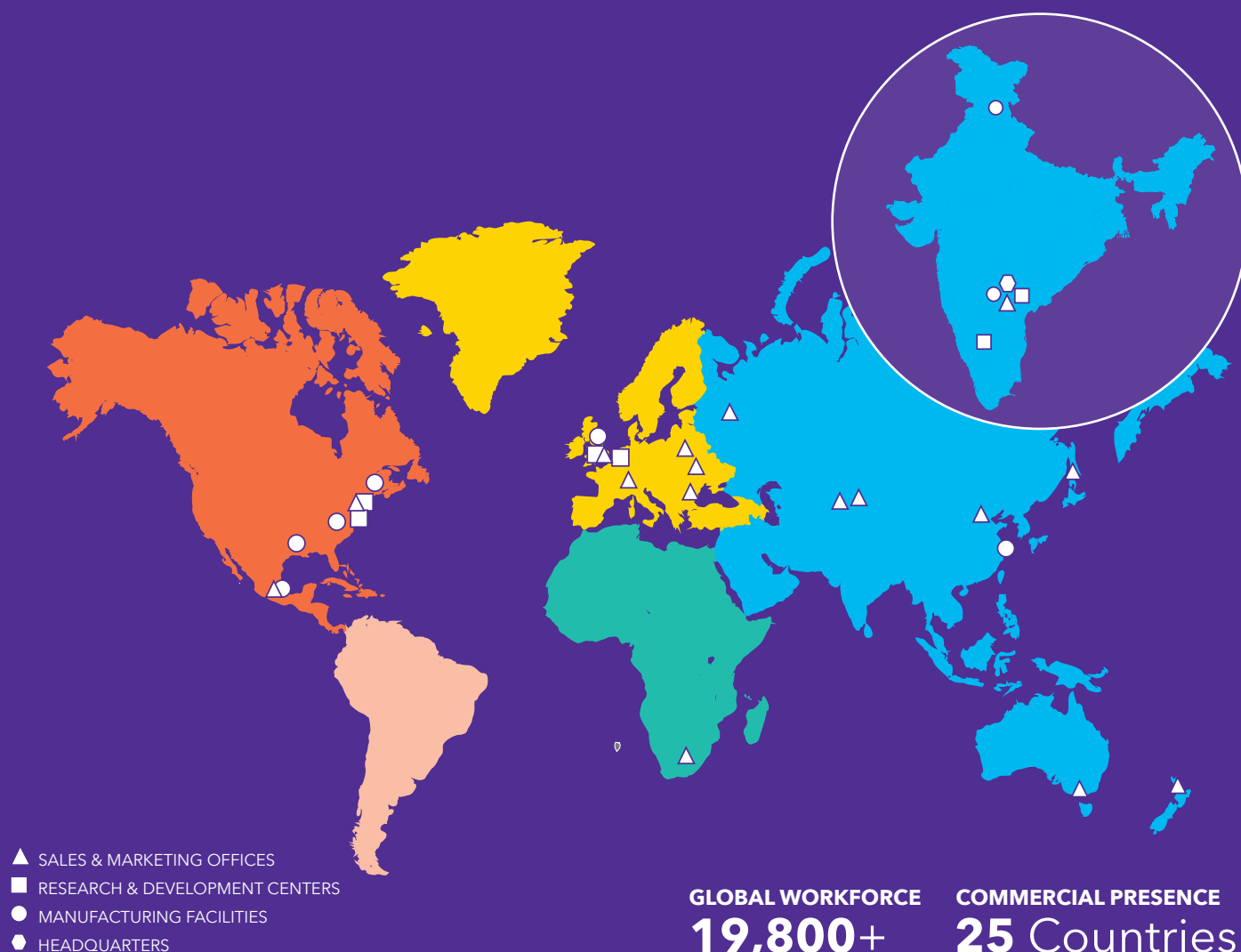
At Dr. Reddy's, we are driven by the conviction that Good Health Can't Wait. We work tirelessly to create an environment of innovation and learning. This objective enables us to help patients across the world gain access to affordable healthcare.

We are a global organization, with products across the pharmaceutical value chain designed to offer solutions for unmet medical needs and better access to existing medicines. Our offerings cover active pharmaceutical ingredients, branded formulations, generic drugs, biologics, specialty products and new chemical entities (NCE).

We are headquartered in Hyderabad, India, with a presence across 25 countries. Our manufacturing facilities are supported by five technology development centers, two integrated product development facility and three R&D centers.

### **BRINGING AFFORDABLE HEALTHCARE TO EVERYONE**

Our corporate mandate is to create greater access to affordable medicines and reach patients worldwide. We have a strong presence in key generics markets globally. Our medicines and services are available in North America, Europe and the emerging markets of Asia, Africa and South America. This helps us stay close to patients, doctors, healthcare providers and business partners, wherever they are.



## FY2015 Consolidated Highlights

REVENUE **↑12%**

**₹ 148.19 bn**

EBITDA **↑9%**

**₹ 36.17 bn**

PROFIT AFTER TAX **↑3%**

**₹ 22.18 bn**

DILUTED EPS **↑3%**

**₹ 129.7**

## FY2015 Filings and Launches

**ANDA FILINGS**  
**13**

As on 31 March 2015, the ANDA pipeline has 68 ANDAs pending approval with the USFDA, of which 43 are Para IV applications and we believe, 13 to have 'first-to-file' status.

**DMF FILINGS**  
**77**

12 DMFs were filed in the US and 16 in Europe. As on 31 March 2015, there were 735 cumulative DMF filings.

**NEW PRODUCTS**  
**61**

61 new products were launched in FY2015, of which 12 were launched in the US, 11 in Europe, 20 in Emerging markets and 18 in India.

## Our top therapies

### GLOBAL GENERICS

Gastrointestinal  
 Oncology  
 Cardiovascular  
 Pain Management  
 Central Nervous System  
 Anti-Infective

### PSAI

Cardiovascular  
 Oncology  
 Pain Management  
 Central Nervous System  
 Anti-Infective  
 Gastrointestinal



## Our Businesses



Global  
Generics



Biologics



Pharmaceutical  
Services & Active  
Ingredients



Proprietary  
Products &  
Others

R E V E N U E I N F Y 2 0 1 5

**₹ 121 bn**

**81% OF NET REVENUE**

Revenue from the GG segment increased by 14.6% to ₹ 121 billion.

- Revenue from North America increased 17.0% to ₹ 64.72 billion.
- Revenue from Russia and other CIS countries decreased to ₹ 17.71 billion.
- Revenue from India increased 13.7% to ₹ 17.87 billion.

**₹ 25 bn**

**18% OF NET REVENUE**

Revenue from the PSAI segment was ₹ 25.46 billion, an increase of 6.2%.

**₹ 2 bn**

**1% OF NET REVENUE**

Revenue from Proprietary Products & Others was ₹ 2.18 billion, an increase of 1%.





### GLOBAL GENERICS

Our Generics business helps make healthcare affordable by offering reasonably priced alternatives to expensive innovator medicines. Global generics is our biggest business driver. We offer over 200 high-quality generic drugs, keeping costs reasonable by leveraging our integrated operations. Our expertise in active ingredients, product development skills, a keen understanding of regulations and intellectual property rights, as well as our streamlined supply chain, makes us leaders in this segment.

### BIOLOGICS

Biologics, or biologically synthesized medicines, are increasingly preferred for the treatment of diseases like cancer and auto-immune disorders. Biologics offer higher efficacy and fewer side effects, but are priced out of the reach of most patients. Our biosimilars, generic equivalents of the innovator's biologics, offer affordable yet equally effective alternatives. Our product development capabilities and commercial reach have made us global leaders in this therapeutic area. We have four products in the market and an industry-leading pipeline spanning oncology, nephrology and auto-immune diseases.



### PHARMACEUTICAL SERVICES & ACTIVE INGREDIENTS

#### ACTIVE PHARMACEUTICALS INGREDIENTS

We are one of the world's largest manufacturers of Active Pharmaceuticals Ingredients (APIs) and partner with several leading innovator companies in bringing their molecules first to market. An affordable API is key to reasonably priced medicines. Our focus on innovation-led affordability gives our customers access to the most complex active ingredients, while maintaining a consistent global quality standard. Besides, our APIs development efforts enable our own generics business to be cost competitive and get to market faster.

#### CUSTOM PHARMACEUTICAL SERVICES

Dr. Reddy's has one of the largest custom pharmaceutical services businesses in India. We offer end to end product development and manufacturing services and solutions to innovator companies. Our clients have access to the best technologies and a global delivery network. Further, our rich and extensive knowledge repository of various types of formulations helps shorten time to market and support lifecycle management. We have a well-earned reputation for bringing innovations to the market quickly, efficiently and economically.



### PROPRIETARY PRODUCTS

Our Proprietary Products business focuses on developing differentiated formulations that present significantly enhanced benefits in terms of efficacy, ease of use and the resolution of unmet patient needs. The aim is to improve the patient's holistic experience with our medicines, so as to strengthen compliance with the therapeutic regimen and ensure positive outcomes.

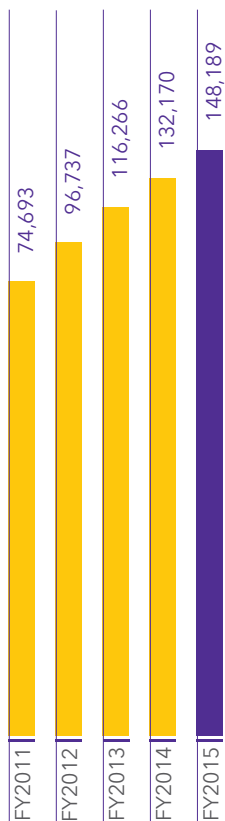
Dr. Reddy's is well positioned in the most significant segments of the pharmaceutical value chain to make a big difference to patients around the world.

- G V Prasad

# Key Performance Indicators

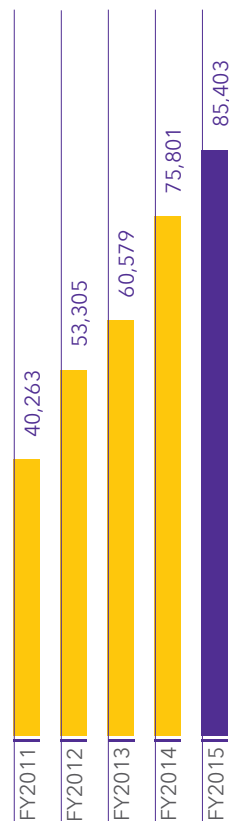
**CHART A:**  
REVENUES  
(₹ MILLION)

5 YR CAGR  
**19%**



Revenues grew by 12.1% y-o-y primarily on account of our Global Generics segment's operations in the North America, India and our "Rest of the World" markets, primarily Venezuela.

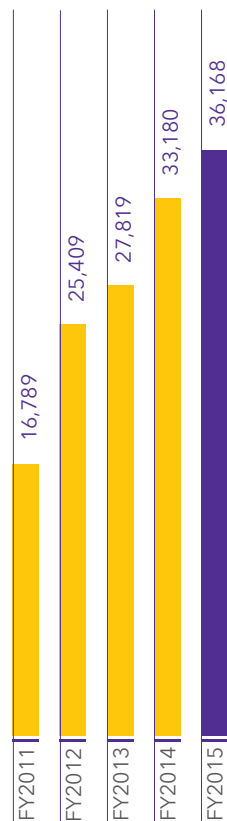
**CHART B:**  
GROSS PROFIT  
(₹ MILLION)



Gross Profit as a percentage to sales, improved primarily due to an increase in sales of products with higher gross profit margins during the year.

**CHART C:**  
EBITDA  
(₹ MILLION)

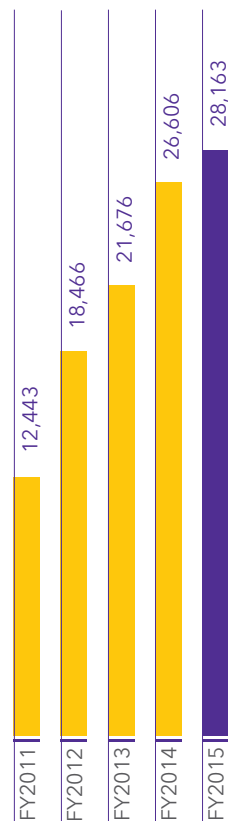
5 YR CAGR  
**9%**



EBITDA increased by 9% to ₹ 36,168 million or 24.4% of revenues.

**CHART D:**  
PROFIT BEFORE TAX  
(₹ MILLION)

5 YR CAGR  
**11%**



Profit before tax grew by 6% y-o-y.