



DR. REDDY'S

Dr. Reddy's Laboratories Ltd.

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

Tel : + 91 40 4900 2900

Fax : +91 40 4900 2999

www.drreddys.com

July 30, 2013

The Secretary / Executive Director
BSE Limited
National Stock Exchange of India Ltd.
New York Stock Exchange Inc.

Dear Sir/Madam,

Sub: Outcome of Board Meeting – Unaudited Financial Results for the quarter ended June 30, 2013

Further to our letter dated July 8, 2013, we would like to inform you that the Board of Directors of the Company at their meeting held on July 30, 2013, have approved the Unaudited Financial Results of the Company for the quarter ended June 30, 2013.

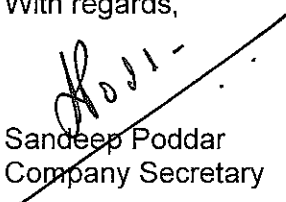
In terms of the above, we are enclosing herewith the following:

1. Unaudited Standalone Financial Results of the Company for the quarter ended June 30, 2013 as per Indian GAAP.
2. Unaudited Consolidated Financial Results of the Company prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).
3. Press Release on Financial Results of the Company for the above period.

Pursuant to the Clause 41 of the Listing Agreement, as amended, the Limited Review Reports of the Statutory Auditors on the unaudited standalone and consolidated financial results of the Company for the quarter ended June 30, 2013 are also enclosed.

Please take the above information on record.

With regards,


Sandeep Poddar
Company Secretary

Encl : as above



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DR. REDDY'S LABORATORIES LIMITED
PART I : STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2013

All amounts in Indian Rupees lakhs, except share data

Sl. No.	Particulars	Quarter ended		Year ended	
		30.06.2013	31.03.2013	30.06.2012	31.03.2013
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income from operations				
	a) Net sales / income from operations (Net of excise duty)	178,346	216,090	174,755	807,434
	b) License fees and service income	783	7,240	3,646	17,033
	c) Other operating income	3,033	12,918	2,053	18,934
	Total income from operations (net)	182,162	236,248	180,454	843,401
2	Expenses				
	a) Cost of materials consumed	56,119	63,393	50,528	234,102
	b) Purchase of traded goods	9,224	9,707	9,003	39,308
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(7,919)	7,330	(7,140)	(10,073)
	d) Employee benefits expense	28,067	30,343	26,095	113,812
	e) Research and development expenses	18,516	18,505	14,025	65,092
	f) Selling expenses	19,454	17,318	19,573	76,684
	g) Depreciation and amortisation	8,909	8,463	7,312	31,285
	h) Provision for decline in the value of long-term investments	2,449	13	-	2,232
	i) Other expenditure	40,946	32,695	40,569	123,677
	Total expenses	175,765	187,767	159,965	676,119
3	Profit from ordinary activities before other income, finance costs and exceptional items (1 - 2)	6,397	48,481	20,489	167,282
4	Other income	3,331	8,879	3,040	14,171
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	9,728	57,360	23,529	181,453
6	Finance costs	1,392	1,760	1,722	6,140
7	Profit from ordinary activities before exceptional items (5 - 6)	8,336	55,600	21,807	175,313
8	Exceptional items	-	-	-	-
9	Profit from ordinary activities before tax (7 + 8)	8,336	55,600	21,807	175,313
10	Tax expense	1,850	17,785	4,041	48,766
11	Net Profit from ordinary activities after tax (9 - 10)	6,486	37,815	17,766	126,547
12	Extra-ordinary items (net of tax)	-	-	-	-
13	Net profit for the period / year (11 - 12)	6,486	37,815	17,766	126,547
14	Paid-up equity share capital (face value Rs. 5/- each)	8,503	8,492	8,490	8,492
15	Reserves (excluding revaluation reserve)				769,869
16	Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share				
	- Basic	3.82	22.27	10.47	74.54
	- Diluted	3.80	22.16	10.41	74.17
		(Not annualised)	(Not annualised)	(Not annualised)	

See accompanying notes to the financial results

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DR. REDDY'S LABORATORIES LIMITED
PART II : SELECTED INFORMATION FOR THE QUARTER ENDED 30 JUNE 2013

A PARTICULARS OF SHAREHOLDING

Sl No.	Particulars	Quarter ended			Year ended
		30.06.2013	31.03.2013	30.06.2012	31.03.2013
1	Public shareholding*				
	- Number of shares (face value Rs.5/- each)	97,484,533	97,799,433	97,877,295	97,799,433
	- Percentage of shareholding	57.32	57.59	57.64	57.59
2	Promoters and promoter group shareholding				
	a) Pledged / Encumbered				
	- Number of shares	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
	b) Non-encumbered				
	- Number of shares	43,417,812	43,417,812	43,417,812	43,417,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	25.53	25.56	25.57	25.56

*Public shareholding as defined under Clause 40A of Listing Agreement (excludes shares held by Promoters, Promoter Group and American Depository Receipt Holders)

B INVESTOR COMPLAINTS

Pending at the beginning of the quarter	Nil
Received during the quarter	4
Disposed off during the quarter	4
Remaining unresolved at the end of the quarter	Nil

Segment Information

Sl. No.	Particulars	Quarter ended		Year ended	
		30.06.2013	31.03.2013	30.06.2012	31.03.2013
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Segment wise revenue, results and capital employed:				
	Segment revenue :				
	a) Pharmaceutical Services and Active Ingredients	56,878	91,781	57,019	296,136
	b) Global Generics	155,721	153,102	133,901	600,894
	c) Proprietary Products	3	332	2,779	3,037
	Total	192,602	245,215	193,699	900,067
	Less: Inter segment revenue	10,151	14,116	13,100	55,845
	Add : Other unallocable Income	3,042	14,027	2,895	13,350
	Total income	185,493	245,126	183,494	857,572
2	Segment results :				
	Profit / (loss) before tax and interest from each segment				
	a) Pharmaceutical Services and Active Ingredients	4,037	12,860	6,039	36,189
	b) Global Generics	44,591	45,394	35,369	187,215
	c) Proprietary Products	(5,029)	(3,325)	(1,514)	(12,732)
	Total	43,599	54,929	39,894	210,672
	Less: (i) Interest	1,392	1,760	1,722	6,140
	(ii) Other un-allocable expenditure, net	33,871	(2,431)	16,365	29,219
	Total profit before tax	8,336	55,600	21,807	175,313
3	Capital Employed :				
	a) Pharmaceutical Services and Active Ingredients	250,491	255,427	208,866	255,427
	b) Global Generics	417,336	388,826	299,262	388,826
	c) Proprietary Products	(1,137)	(435)	(1,736)	(435)
	d) Unallocated	107,494	134,543	173,113	134,543
	Total	774,184	778,361	679,505	778,361

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



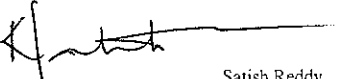
DR. REDDY'S LABORATORIES LIMITED

Notes:

- 1 The unaudited results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meeting held on 30 July 2013.
- 2 The results for the quarter ended 30 June 2013 have been subjected to a "Limited review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

Place: Hyderabad
Date: 30 July 2013

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


Satish Reddy
Vice Chairman & Managing Director

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Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter ended 30 June 2013 prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

All amounts in Indian Rupees lakhs, except share data

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2013	31.03.2013	30.06.2012	31.03.2013
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Net Income from Sales and Services	284,492	333,994	254,061	1,162,656
2	Cost of Sales and Services				
	a) (Increase) / decrease in stock-in-trade and work-in-progress	(11,875)	10,783	(12,342)	(13,608)
	b) Consumption of raw materials	94,391	102,999	90,278	383,628
	c) Other expenditure	51,784	51,763	40,716	186,850
3	Gross Profit (1 - 2)	150,192	168,449	135,409	605,786
4	Selling, General and Administrative expenses	87,936	87,224	82,784	335,844
5	Research and Development expenses	24,297	23,261	15,636	76,733
6	Impairment loss on goodwill	-	-	-	1,809
7	Impairment loss on intangibles	-	-	-	5,067
8	Other (income) / expense, net	(3,756)	(16,310)	(2,185)	(24,790)
9	Operating profit (3) - (4 + 5 + 6 + 7 + 8)	41,715	74,274	39,174	211,123
10	Finance (expense) / income, net	(699)	3,973	(2,116)	4,599
11	Share of profit of equity accounted affiliate, net of income taxes	355	257	190	1,044
12	Profit before tax (9 + 10 + 11)	41,371	78,504	37,248	216,766
13	Tax expense	5,278	21,415	3,650	49,004
14	Net Profit after tax (12 - 13)	36,093	57,089	33,598	167,762
15	Extra-ordinary items (net of tax expense)	-	-	-	-
16	Net Profit for the period / year (14 - 15)	36,093	57,089	33,598	167,762
17	Net Profit attributable to:				
	- Equity holders of the Company	36,099	57,101	33,598	167,774
	- Non-controlling interest	(6)	(12)	-	(12)
18	Paid-up equity share capital (Face value of Rs. 5/- each)	8,503	8,492	8,490	8,492
19	Securities premium, retained earnings, share based payment reserve, debenture redemption reserve and other components of equity				719,408
20	Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share				
	- Basic	21.25	33.62	19.81	98.82
	- Diluted	21.17	33.51	19.74	98.44
		(Not annualised)	(Not annualised)	(Not annualised)	
21	Public shareholding *				
	- Number of shares	97,484,533	97,799,433	97,877,295	97,799,433
	- Percentage of shareholding	57.32	57.59	57.64	57.59
22	Promoters and promoter group shareholding				
	a) Pledged / Encumbered				
	- Number of shares	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-
	b) Non-encumbered				
	- Number of shares	43,417,812	43,417,812	43,417,812	43,417,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	25.53	25.56	25.57	25.56
23	Details of items exceeding 10% of total expenditure				
	- Employee cost	55,697	53,488	47,668	204,133

*Public Shareholding as defined under Clause 40A of the Listing Agreement (excludes shares held by Promoters, Promoter Group and American Depository Receipt holders)

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Segment reporting (Consolidated)

All amounts in Indian Rupees lakhs

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2013	31.03.2013	30.06.2012	31.03.2013
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Segment wise revenue and results:				
	Segment revenue :				
	a) Pharmaceutical Services and Active Ingredients	68,833	115,846	68,372	362,864
	b) Global Generics	219,025	225,658	190,663	825,629
	c) Proprietary Products	3,191	3,855	3,783	14,679
	d) Others	3,594	2,751	4,343	15,329
	Total	294,643	348,110	267,161	1,218,501
	Less: Inter-segment revenue	10,151	14,116	13,100	55,845
	Net Revenue from operations	284,492	333,994	254,061	1,162,656
2	Segment results :				
	Gross Profit from each segment				
	a) Pharmaceutical Services and Active Ingredients	11,133	34,771	17,205	99,696
	b) Global Generics	134,824	130,238	112,626	487,205
	c) Proprietary Products	2,815	3,415	3,483	13,237
	d) Others	1,420	25	2,095	5,648
	Total	150,192	168,449	135,409	605,786
	Less: Other un-allocable expenditure, net of other income	108,821	89,945	98,161	389,020
	Total profit before tax	41,371	78,504	37,248	216,766

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.

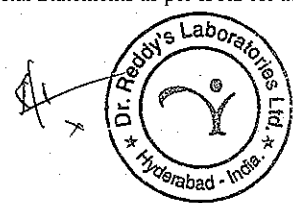
Notes:
1 Investor Complaints

Pending at the beginning of the quarter	Nil
Received during the quarter	4
Disposed off during the quarter	4
Remaining unresolved at the end of the quarter	Nil

2 The Company has consolidated the financial statements of the following companies:

Dr. Reddy's Farmaceutica Do Brazil Ltda., Dr. Reddy's Laboratories (EU) Limited, Dr. Reddy's Laboratories (UK) Limited, Aurigene Discovery Technologies Limited, Aurigene Discovery Technologies Inc., Cheminor Investments Limited, DRL Impex Limited, Reddy Netherlands B.V., Reddy US Therapeutics Inc., Dr. Reddy's Laboratories (Proprietary) Limited, OOO Dr. Reddy's Laboratories Limited, Promius Pharma LLC, Dr Reddy's Bio-Sciences Limited, Industrias Quimicas Falcon de Mexico SA de CV, Lacock Holdings Limited, Reddy Holding GmbH, betapharm Arzneimittel GmbH, Reddy beta GmbH, beta Institut gemeinnützige GmbH, Dr. Reddy's Laboratories (Australia) Pty Ltd, Dr. Reddy's Laboratories Inc., Reddy Cheminor S.A., Reddy Antilles N.V., Reddy Pharma Iberia, S.A., Reddy Pharma Italia S.p.A, Dr. Reddy's Laboratories SA, Eurobridge Consulting B.V, OOO DRS LLC, Dr. Reddy's New Zealand Limited, Aurigene Discovery Technologies (Malaysia) Sdn Bhd, Dr. Reddy's Laboratories Louisiana LLC, Chirotech Technology Limited, Dr. Reddy's s.r.l., Dr. Reddy's Pharma SEZ Limited, Dr. Reddy's Laboratories International SA, Idea2Enterprises (India) Private Limited, Dr. Reddy's Laboratories Romania-SRL, I-Ven Pharma Capital Limited, Dr. Reddy's Venezuela, C.A., Dr. Reddy's Laboratories Tennessee LLC, Dr Reddy's Laboratories New York Inc, Dr. Reddy's Laboratories, LLC, Ukraine, DRANU, LLC, OctoPlus N.V., OctoPlus Development B.V., OctoPlus Technologies B.V., OctoShare B.V., OctoPlus Sciences B.V., OctoPlus PolyActive Sciences B.V. and Chienna B.V.

3 Kunshan Rotam Reddy Pharmaceutical Company Limited (a joint venture) has been accounted under the equity method of accounting in accordance with IFRS 11 'Joint Arrangements'.
4 Components of equity as on 31 March 2013 have been restated by Rs. 3,000 Lakhs to reflect the adoption of amendments to IAS 19 'Employee benefits', which is applicable to the Company from 1 April 2013.
5 The unaudited results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors of the Company at their meeting held on 30 July 2013. 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).
6 The Securities and Exchange Board of India (SEBI) issued a circular, dated 5 April 2010 permitting listed entities having subsidiaries to voluntarily submit the Consolidated Financial Statements as per IFRS. Consequent to this, the Company has voluntarily prepared and published unaudited Consolidated Financial Statements as per IFRS for the quarter ended 30 June 2013 and 30 June 2012 and audited Consolidated Financial Statements as per IFRS for the quarter and year ended 31 March 2013.

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DR. REDDY'S

7 The results for the quarter ended 30 June 2013 have been subject to a "Limited review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

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

All amounts in Indian Rupees lakhs

Particulars	Quarter ended		Year ended	
	30.06.2013	31.03.2013	30.06.2012	31.03.2013
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Total income from operations	182,162	236,248	180,454	843,401
Profit from ordinary activities before tax	8,336	55,600	21,807	175,313
Profit from ordinary activities after tax	6,486	37,815	17,766	126,547

Note:

The unaudited standalone financial results for the quarter ended 30 June 2013 are available on the Stock Exchange's website : www.bseindia.com and www.nseindia.com and also on the Company's website: www.drreddys.com.

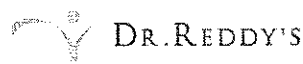
By order of the Board
For Dr. Reddy's Laboratories Limited

Satish Reddy
Vice Chairman & Managing Director

Place: Hyderabad
Date: 30 July 2013

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Press Release



Dr. Reddy's Q1 FY14 Financial Results

Q1 FY14 Revenues at ₹28.4 billion (YoY growth of 12%)

Q1 FY14 EBITDA at ₹5.7 billion (20% of the revenues, with YoY growth of 13%)

Q1 FY14 Adjusted PAT^{*} at ₹3.2 billion (11% of the revenues, with YoY growth of 12%)

Hyderabad, India, July 30, 2013: Dr. Reddy's Laboratories Ltd. (NYSE: RDY) today announced its unaudited consolidated financial results for the quarter ended June 30, 2013 under International Financial Reporting Standards (IFRS).

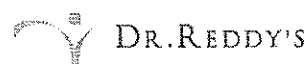
Key Highlights (Q1 FY14)

- o Consolidated revenues for Q1 FY14 at ₹28.4 billion, recorded YoY growth of 12%.
 - o Revenues from the Global Generics segment for Q1 FY14 at ₹21.9 billion, YoY growth of 15%.
 - o Revenues from the PSAI segment for Q1 FY14 at ₹5.9 billion, YoY growth of 6%.
- o R&D expenses for Q1 FY14 increased by 55% to reach ₹2.4 billion, 8.5% of revenues as compared to 6.2% of revenues in Q1 FY13.
- o Selling, general & administrative (SG&A) expenses for Q1 FY14 increased by only 6% and stood at ₹8.8 billion, 30.9% to revenues as compared to 32.6% to revenues in Q1 FY13.
- ~~o EBITDA for Q1 FY14 at ₹5.7 billion, 20% of revenues and has recorded a YoY growth of 13%~~
- o PAT for Q1 FY14 at ₹3.6 billion, 13% of revenues and has recorded a YoY growth of 7%.
- o Adjusted PAT* for Q1 FY14 at ₹3.2 billion, 11% of revenues with a YoY growth of 12%
- o During the quarter, the company launched 18 new generic products, filed 12 new product registrations and filed 5 DMFs globally.

* Q1 FY14 normalized to the FY14 annual effective tax rate and Q1 FY13 normalized to the FY13 annual effective tax rate



Press Release



All figures in millions, except EPS

All US dollar figures based on convenience translation rate of 1USD = ₹59.52

Dr. Reddy's Laboratories Limited and Subsidiaries

Unaudited Consolidated Income Statement

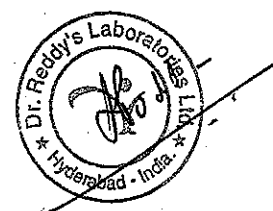
Particulars	Q1 FY14			Q1 FY13			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
Revenues	478	28,449	100.0	427	25,406	100.0	12
Cost of revenues	226	13,430	47.2	199	11,865	46.7	13
Gross profit	252	15,019	52.8	228	13,541	53.3	11
Operating Expenses							
Selling, general & administrative expenses	148	8,794	30.9	139	8,278	32.6	6
Research and development expenses	41	2,430	8.5	26	1,564	6.2	55
Other operating income	(6)	(376)	(1.3)	(4)	(218)	(0.9)	73
Results from operating activities	70	4,171	14.7	66	3,917	15.4	6
Net finance expense	1	70	0.2	4	212	0.8	(67)
Share of profit of equity accounted investees	(1)	(36)	(0.1)	(0)	(19)	(0.1)	87
Profit before income tax (PBT)	70	4,137	14.5	63	3,725	14.7	11
Income tax expense	9	528	1.9	6	365	1.4	45
Profit for the period (PAT)	61	3,609	12.7	56	3,360	13.2	7

Diluted EPS	0.4	21.17		0.3	19.74		7
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EBITDA Computation	Q1 FY14		Q1 FY13	
	(\$)	(Rs.)	(\$)	(Rs.)
PBT	70	4,137	63	3,725
Interest	(1)	(61)	0	3
Depreciation	19	1,117	15	896
Amortization	0	105	7	400
EBITDA	96	5,689	84	5,024

Adjusted PAT Computation	Q1 FY14		Q1 FY13	
	(\$)	(Rs.)	(\$)	(Rs.)
PAT	61	3,609	56	3,360
Adjustments:				
Tax adjustment*	(6)	(382)	(8)	(477)
Adjusted PAT	54	3,227	48	2,883

* Q1 FY14 normalized to the FY14 annual effective tax rate and Q1 FY13 normalized to the FY13 annual effective tax rate



Press Release



Segmental Analysis

Global Generics

Revenues from Global Generics segment at ₹21.9 billion recorded a YoY growth of 15%. Growth was primarily driven by North America and Emerging market territories.

- o Revenues from **North America** at ₹10.9 billion, recorded a YoY growth of 37%. Growth was primarily driven by:
 - Key difficult to synthesize products with limited competition launched during rest of the quarters of the previous year i.e. montelukast granules, finasteride 1mg, isotretinoin, zoledronic acid (4mg/5mL), metoprolol succinate extended release, etc.
 - Two new products which have been launched during the quarter – zoledronic acid (5mg/100mL) injection and lamotrigine XL.
 - Significant traction in market share of products such as tacrolimus, fondaparinux, etc on a YoY basis.

During the quarter, 2 ANDAs were filed. Cumulatively, 64 ANDAs are pending for approval with the USFDA of which 38 are Para IVs and we believe 8 to have 'First To File' status.

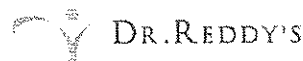
- o Revenues from **Emerging Markets** (which include Russia, CIS countries and RoW territories) for Q1 FY14 at ₹6.0 billion, YoY growth of 9%.
 - Revenues from Russia at ₹3.7 billion, YoY growth of 4%. Growth was muted primarily on account of high base effect of the previous year and changes in the market stocking pattern.
 - Revenues from CIS markets at ₹0.8 billion, YoY growth of 28%. Growth was largely driven by volume uptake of existing products and introduction of new products in Ukraine.
 - Revenues from RoW territories stood at ₹1.5 billion, YoY growth of 12% despite the devaluation impact in Venezuela.
- o Revenues from **India** for Q1 FY14 at ₹3.5 billion remained flat YoY.
 - Implementation of the new Pricing Policy 2012, which led to destocking in the trade, coupled with the Maharashtra trade strike had an adverse effect on the revenues for the quarter.
- o Revenues from **Europe** for Q1 FY14 at ₹1.6 billion declined YoY by 28%.
 - Revenues from Germany for Q1 FY14 at ₹1.1 billion declined YoY by 26%.

Pharmaceutical Services and Active Ingredients (PSAI)

- Revenues from PSAI for Q1 FY14 at ₹5.9 billion, YoY growth of 6%. Muted growth on the back of lower number of 'launch molecules' to our customers during the quarter.
- During the quarter, 5 DMFs were filed globally, including 3 in the US. The cumulative number of DMF filings as of June 30, 2013 is 581.



Press Release



Income Statement Highlights:

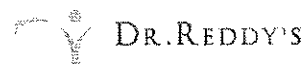
- o Gross profit margin for Q1 FY14 stood at 52.8%, marginal drop of 50 basis points compared to Q1 FY13. Corresponding values for Global Generics and PSAl segments for the quarter are at 61.6% and 19% respectively. GG gross margin improved primarily on account of higher contribution from new product launches in North America Generics, where as PSAl gross margin declined, primarily on the back of lower number of launch molecules to our customers and relatively higher overheads during the quarter.
- o Selling, general and administration (SG&A) expenses including amortization at ₹8.8 billion increased YoY by only 6%. SG&A expenses for Q1 FY14 stood at 30.9% to sales as compared to 32.6% to sales in Q1 FY13.
- o Research & development expenses stood at ₹2.4 billion, YoY growth of 55%; 8.5% of revenues in Q1 FY14 as compared to 6.2% of revenues in Q1 FY13. The increase is in line with the increased focus on complex formulations, differentiated portfolio and biosimilars.
- o Net Finance expense is at ₹70 million in Q1 FY14 compared to ₹212 million in Q1 FY13. The change is on account of :
 - Net forex loss of ₹131 million in Q1 FY14 as compared to ₹209 million in Q1 FY13.
 - Net interest income of ₹61 million in Q1 FY14 compared to net interest expense of ₹3 million in Q1 FY13.
- o EBITDA for Q1 FY14 at ₹5.7 billion, 20% of revenues with a YoY growth of 13%.
- o Profit after Tax in Q1 FY14 at ₹3.6 billion, 13% of revenues with a YoY growth of 7%.
- o *Adjusted Profit after tax in Q1 FY14 at ₹3.2 billion, YoY growth of 12%.
- o Diluted earnings per share in Q1 FY 14 are ₹21.17
- o Capital expenditure for Q1 FY14 is ₹2.0 billion.

** Q1 FY14 normalized to the FY14 annual effective tax rate and Q1 FY13 normalized to the FY13 annual effective tax rate*

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Press Release



All US dollar figures based on convenience translation rate of 1USD = ₹59.52

Appendix 1: Key Balance Sheet Items

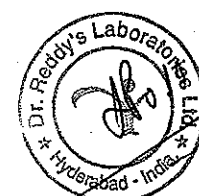
(in millions)

Particulars	As on 30th June 2013		As on 31st March 2013	
	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents and current investments	502	29,907	371	22,099
Trade receivables	490	29,168	537	31,972
Inventories	379	22,536	363	21,600
Property, plant and equipment	662	39,393	635	37,814
Goodwill and other Intangible assets	248	14,787	236	14,021
Loans and borrowings (current & non-current)	738	43,937	616	36,678
Trade payables	169	10,076	199	11,862
Total Equity	1,261	75,051	1,223	72,805

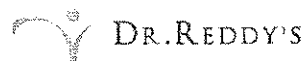
Appendix 2: Revenue Mix by Segment

(in millions)

	Q1 FY14			Q1 FY13			Growth
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	%
Global Generics	368	21,903	77	320	19,066	75	15
North America		10,871	50		7,920	42	37
Europe		1,573	7		2,178	11	(28)
India		3,493	16		3,482	18	0
Russia & Other CIS		4,489	20		4,167	22	8
RoW		1,477	7		1,319	7	12
PSAI	99	5,868	21	93	5,527	22	6
North America		1,093	19		1,064	19	3
Europe		2,093	36		2,233	40	(6)
India		791	13		611	11	29
RoW		1,891	32		1,619	29	17
Proprietary Products & Others	11	679	2	14	813	3	(16)
Total	478	28,449	100	427	25,406	100	12



Press Release



Disclaimer

This press release includes forward-looking statements, as defined in the U.S. Private Securities Litigation Reform Act of 1995. We have based these forward-looking statements on our current expectations and projections about future events. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such factors include, but are not limited to, changes in local and global economic conditions, our ability to successfully implement our strategy, the market acceptance of and demand for our products, our growth and expansion, technological change and our exposure to market risks. By their nature, these expectations and projections are only estimates and could be materially different from actual results in the future.

About Dr. Reddy's

Dr. Reddy's Laboratories Ltd. (NYSE: RDY) is an integrated global pharmaceutical company, committed to providing affordable and innovative medicines for healthier lives. Through its three businesses - Pharmaceutical Services and 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. Major therapeutic focus is on gastro-intestinal, cardiovascular, diabetology, oncology, pain management and anti-infective. Major markets include India, USA, Russia-CIS and Europe apart from other select geographies within Emerging Markets.

For more information, log on to: www.drreddys.com

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Media:

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Note: All discussions in this release are based on unaudited consolidated IFRS financials.

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BSR & Co.

(Registered)
Chartered Accountants

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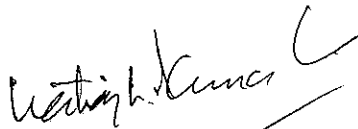
Review report to the Board of Directors of Dr. Reddy's Laboratories Limited

We have reviewed the accompanying statement of unaudited financial results of Dr. Reddy's Laboratories Limited ("the Company") for the quarter ended 30 June 2013 except for the disclosures regarding 'Public shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of the Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared for the quarter ended 30 June 2013 prepared in accordance with applicable accounting standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

for BSR & Co.
Chartered Accountants
Firm registration number: 101248W



Natrajh Ramakrishna
Partner
Membership Number: 032815

Hyderabad
Date: 30 July 2013

BSR & Co.

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Chartered Accountants

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Review report to the Board of Directors of Dr. Reddy's Laboratories Limited on the consolidated financial results of Dr. Reddy's Laboratories Limited and subsidiaries.

We have reviewed the accompanying statement of unaudited consolidated financial results of Dr. Reddy's Laboratories Limited ("the Company") and the subsidiary companies as listed in Notes 2 and a joint venture listed in Note 3 of the accompanying statement for the quarter ended 30 June 2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these consolidated financial results based on our review, which have been prepared in accordance with the recognition and measurement principles laid down in International Accounting Standard (IAS) 34, Interim Financial Reporting, as issued by the International Accounting Standard Board ('IASB').

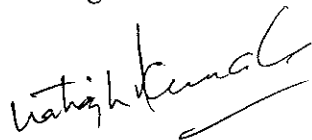
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results for the quarter 30 June 2013, prepared in accordance with applicable International accounting standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of ~~Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it~~ contains any material misstatement.

for BSR & Co.

Chartered Accountants

Firm registration number: 101248W



Natrajh Ramakrishna

Partner

Membership No.: 032815

Hyderabad
30 July 2013