

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

May 11, 2012

The Secretary / Executive Director
Bombay Stock Exchange Ltd.
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, 2012

Further to our letter dated April 16, 2012, we would like to inform you that the Board of Directors of the Company at their meeting held on May 11, 2012, have approved the Audited Financial Results of the Company for the quarter and year ended March 31, 2012.

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

1. Audited Standalone Financial Results of the Company for the quarter and year ended March 31, 2012 as per Indian GAAP.
2. Audited Consolidated Financial Results of the Company for the quarter and year ended March 31, 2012 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 periods.

Pursuant to Clause 41 of the Listing Agreement, as amended, the Audit Report of the Statutory Auditors on the financial results as mentioned at serial Nos.1 & 2 is also enclosed.

We would also like to inform you that the Board of Directors of the Company have recommended a final dividend of Rs.13.75 (275%) per equity share of Rs.5/- face value, for the financial year 2011-12. The dividend on equity shares, if declared by the shareholders at the ensuing Annual General Meeting, will be credited / despatched on or after July 27, 2012.

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 STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2012

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended			Year ended	
		31.03.12	31.12.11	31.03.11	31.03.12	31.03.11
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from operations					
	a) Net sales / income from operations (Net of excise duty)	174,871	156,680	131,871	660,378	521,804
	b) License fees and service income	1,667	2,159	1,045	6,399	3,103
	c) Other operating income	2,292	1,930	1,750	7,193	5,534
	Total income from operations (net)	178,830	160,769	134,666	673,970	530,441
2	Expenses					
	a) Cost of materials consumed	52,603	42,708	34,220	179,201	139,676
	b) Purchase of stock-in-trade	8,530	7,236	9,272	30,763	33,104
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	462	(5,582)	58	(10,476)	(7,899)
	d) Research and development expenses, net	16,744	14,947	16,153	58,129	51,286
	e) Employee benefits expense	23,596	20,666	18,897	86,614	70,113
	f) Selling expenses	14,502	19,585	11,171	62,506	47,713
	g) Provision for decline in the value of long-term investments, net	19,248	-	5,574	19,248	5,574
	h) Other expenditure	23,885	40,492	16,029	93,768	72,321
	i) Depreciation and amortisation	8,395	7,488	6,550	30,115	24,794
	Total expenses	167,965	147,540	117,924	549,868	436,682
3	Profit from operations before other income, finance costs and exceptional items (1 - 2)	10,865	13,229	16,742	124,102	93,759
4	Other income	26,288	2,417	2,911	8,178	11,960
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	37,153	15,646	19,653	132,280	105,719
6	Finance costs	1,567	1,693	425	6,362	538
7	Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	35,586	13,953	19,228	125,918	105,181
8	Exceptional items	-	-	-	-	-
9	Profit from ordinary activities before tax (7 - 8)	35,586	13,953	19,228	125,918	105,181
10	Tax expense	14,407	3,150	2,641	34,682	15,850
11	Net Profit from ordinary activities after tax (9 - 10)	21,179	10,803	16,587	91,236	89,331
12	Extra-ordinary items	-	-	-	-	-
13	Net profit for the period / year (11 - 12)	21,179	10,803	16,587	91,236	89,331
14	Paid - up equity share capital (face value Rs.5/- each)	8,478	8,476	8,463	8,478	8,463
15	Paid up debt capital				152,811	143,880
16	Reserves (excluding revaluation reserve and debenture redemption reserve)				654,653	593,352
17	Debenture redemption reserve				8,664	185
18	Earnings per share for the period (in Rupees) per Rs.5/- share					
	a) Before Extra-ordinary items					
	- Basic	12.49	6.37	9.80	53.83	52.82
	- Diluted	12.43	6.34	9.75	53.56	52.51
	b) After Extra-ordinary items					
	- Basic	12.49	6.37	9.80	53.83	52.82
	- Diluted	12.43	6.34	9.75	53.56	52.51
		(Not annualised)	(Not annualised)	(Not annualised)		
19	a) Debt equity ratio				0.077	0.085
	b) Debt service coverage ratio				0.606	0.929
	c) Interest service coverage ratio				18.154	107.580

See accompanying notes to the financial results



12/04/12

DR. REDDY'S LABORATORIES LIMITED
PART II : SELECTED INFORMATION FOR THE QUARTER AND YEAR ENDED 31 MARCH 2012

A PARTICULARS OF SHAREHOLDING

	PARTICULARS	Quarter ended			Year ended	
		31.03.12	31.12.11	31.03.11	31.03.12	31.03.11
1	Public share holding*					
	- Number of shares (Face value Rs.5/- each)	97,627,569	96,543,537	94,124,752	97,627,569	94,124,752
	- Percentage of share holding	57.57	56.94	55.61	57.57	55.61
2	Promoters and promoter group Shareholding					
a)	Pledged/Encumbered					
	- Number of shares	-	-	2,100,000	-	2,100,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	4.84	-	4.84
	- Percentage of shares (as a % of the total share capital of the company)	-	-	1.24	-	1.24
b)	Non-encumbered					
	- Number of shares	43,417,812	43,417,812	41,317,812	43,417,812	41,317,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	95.16	100.00	95.16
	- Percentage of shares (as a % of the total share capital of the company)	25.61	25.61	24.41	25.61	24.41

*Public Share Holding 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	1
Received during the quarter	4
Disposed of during the quarter	5
Remaining unresolved at the end of the quarter	Nil

Segment Information

All amounts in Indian Rupees lakhs, except share data

SL No.	PARTICULARS	Quarter ended			Year ended	
		31.03.12	31.12.11	31.03.11	31.03.12	31.03.11
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Segment wise revenue, results and capital employed:					
	Segment revenue :					
	a) Pharmaceutical Services and Active Ingredients	79,855	63,092	56,592	259,069	205,467
	b) Global Generics	116,564	111,603	85,739	468,035	356,227
	c) Proprietary Products	59	44	50	189	252
	Total	196,478	174,739	142,381	727,293	561,946
	Less: Inter segment revenue	17,694	13,936	7,873	53,364	31,551
	Add : Other unallocable Income	26,334	2,383	3,069	8,219	12,006
	Total income	205,118	163,186	137,577	682,148	542,401
2	Segment results :					
	Profit / (loss) before tax and interest from each segment					
	a) Pharmaceutical Services and Active Ingredients	15,486	17,172	10,561	48,602	30,997
	b) Global Generics	24,679	33,579	15,764	157,976	96,210
	c) Proprietary Products	(4,489)	(5,301)	(3,875)	(16,800)	(11,693)
	Total	35,676	45,450	22,450	189,778	115,514
	Less: (i) Interest	1,567	1,693	425	6,362	538
	(ii) Other un-allocable expenditure, net	(1,477)	29,804	2,797	57,498	9,795
	Total profit before tax	35,586	13,953	19,228	125,918	105,181
3	Capital Employed :					
	a) Pharmaceutical Services and Active Ingredients	203,180	200,208	177,497	203,180	177,497
	b) Global Generics	272,931	285,365	265,407	272,931	265,407
	c) Proprietary Products	(1,754)	(3,386)	303	(1,754)	303
	d) Unallocated	197,438	190,191	158,793	197,438	158,793
	Total	671,795	672,378	602,000	671,795	602,000



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DR. REDDY'S LABORATORIES LIMITED
Notes:

1 The audited results have been reviewed by the Audit Committee of the Board on 10 May 2012 and approved by the Board of Directors of the Company at their meeting held on 11 May 2012.

2 Statement of assets and liabilities

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	As at	As at
		31.03.12	31.03.11
		(Audited)	(Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders Funds		
	a) Share capital	8,478	8,463
	b) Reserves and surplus	663,317	593,537
	Sub-total - Shareholders' funds	671,795	602,000
2	Non-current liabilities		
	a) Long-term borrowings	51,301	51,300
	b) Deferred tax liabilities (net)	2,003	10,076
	c) Other long-term liabilities	632	602
	d) Long-term provisions	2,120	1,966
	Sub-total - Non current liabilities	56,056	63,944
3	Current Liabilities		
	a) Short-term borrowings	102,036	93,110
	b) Trade payables	73,342	80,689
	c) Other current liabilities	98,437	58,895
	d) Short-term provisions	32,398	27,679
	Sub-total - Current liabilities	306,213	260,373
	TOTAL - EQUITY AND LIABILITIES	1,034,064	926,317
B	ASSETS		
1	Non-current Assets		
	a) Fixed Assets	251,439	223,688
	b) Non-current investments	227,049	246,181
	c) Long-term loans and advances	63,192	91,170
	Sub-total - Non-current assets	541,680	561,039
2	Current Assets		
	a) Current investments	20,702	-
	b) Inventories	132,662	106,317
	c) Trade receivables	194,345	177,051
	d) Cash and cash equivalents	84,904	6,624
	e) Short-term loans and advances	52,993	57,784
	f) Other current assets	6,778	17,502
	Sub-total - Current assets	492,384	365,278
	TOTAL - ASSETS	1,034,064	926,317

3 Ratios have been computed as follows:

- a) Debt Equity Ratio = Debt / Net Worth
[Debt: Long Term Borrowings (Current and Non current portions)]
[Net Worth: Share Capital + Reserves and Surplus]
- b) Debt Service Coverage Ratio = Earnings before interest and tax / (Interest expense during the period + Principal repayment for all the loan funds during the period)
- c) Interest Service Coverage Ratio = Earnings before interest and tax / Interest expense during the period
[Earnings before interest and tax: Profit from ordinary activities before tax + Interest expense]

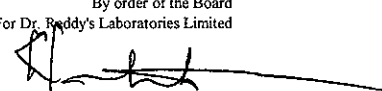
4 During the year, there have been certain significant changes in the German generics market which are likely to cause an adverse impact on the price realization of some of the company's products. Pursuant to such adverse market developments, the Company has created a provision of Rs. 20,998 lakhs for diminution, other than temporary, in value of long term investments in Lacock Holdings Limited, a wholly owned subsidiary of the company. Further, an amount of Rs. 1,750 lakhs representing a provision created in earlier years for decline in the long-term investment in Kunshan Rotam Reddy Pharmaceutical Co. Limited, a joint venture company, was reversed owing to its improved business performance.

5 The Board of Directors at their meeting held on 11 May 2012 have recommended a final dividend of Rs. 13.75 per share subject to approval of shareholders.

6 The figures of the last 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 subject to audit.

7 The figures of the earlier periods have been re-grouped to be in conformity with the new format prescribed under Clause 41 of the listing agreement.

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


Satish Reddy
Managing Director & Chief Operating Officer

Place: Hyderabad
Date: 11 May 2012

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DR. REDDY'S

Dr. Reddy's Laboratories Ltd.

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Audited Consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and year ended March 31, 2012 prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB)

Sl. No.	PARTICULARS	All amounts in Indian Rupees lakhs, except share data				
		Quarter ended			Year ended	
		31.03.12 (Audited)	31.12.11 (Unaudited)	31.03.11 (Audited)	31.03.12 (Audited)	31.03.11 (Audited)
1	Net Income from Sales and Services	265,845	276,919	201,727	967,374	746,928
2	Cost of Sales and Services					
a)	(Increase) / decrease in stock in trade and work in progress	1,373	(3,612)	(6,948)	(14,017)	(17,763)
b)	Consumption of raw materials	84,404	78,632	67,013	303,195	241,871
c)	Other expenditure	40,362	36,151	32,178	145,141	120,192
3	Gross Profit (1 - 2)	139,706	165,748	109,484	533,055	402,628
4	Selling, General and Administrative expenses	72,166	76,784	61,274	288,674	236,907
5	Research and Development expenses	17,404	15,140	14,911	59,105	50,596
6	Impairment loss on intangibles	10,404	-	-	10,404	-
7	Other (income) / expense, net	(1,980)	(1,648)	(5,117)	(7,650)	(11,151)
8	Operating profit (3) - (4 + 5 + 6 + 7)	41,712	75,472	38,416	182,522	126,276
9	Finance (expense) / income, net	822	1,737	743	1,599	(1,877)
10	Share of profit / (loss) of equity accounted affiliate, net of income taxes	115	255	(38)	544	32
11	Profit / (loss) before tax (8 + 9 + 10)	42,649	77,464	39,121	184,665	124,431
12	Tax Expense / (benefit)	8,379	26,168	5,674	42,044	14,031
13	Net Profit after tax (11 - 12)	34,270	51,296	33,447	142,621	110,400
14	Extra-ordinary items (net of tax expense)	-	-	-	-	-
15	Net Profit for the period / year (13 - 14)	34,270	51,296	33,447	142,621	110,400
16	Paid-up equity share capital (Face value of Rs. 5/- each)	8,478	8,478	8,463	8,478	8,463
17	Share premium, retained earnings, share based payment reserve, debenture redemption reserve and other components of equity				566,001	451,485
18	Earnings per share for the period / year (in Rupees) per Rs. 5/- share					
- Basic		20.21	30.26	19.81	84.16	65.28
- Diluted		20.14	30.16	19.72	83.81	64.95
		(Not annualised)	(Not annualised)	(Not annualised)		
19	Public shareholding *					
- Number of shares		97,627,569	96,543,537	94,124,752	97,627,569	94,124,752
- Percentage of shareholding		57.57	56.94	55.61	57.57	55.61
20	Promoters and promoter group shareholding					
a) Pledged / Encumbered						
- Number of shares		-	-	2,100,000	-	2,100,000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)		-	-	4.84	-	4.84
- Percentage of shares (as a % of the total share capital of the Company)		-	-	1.24	-	1.24
b) Non-encumbered						
- Number of shares		43,417,812	43,417,812	41,317,812	43,417,812	41,317,812
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)		100.00	100.00	95.16	100.00	95.16
- Percentage of shares (as a % of the total share capital of the Company)		25.61	25.61	24.41	25.61	24.41
21	Details of expenditure					
Items exceeding 10% of total expenditure						
- Employee cost		44,834	43,483	39,115	169,275	141,091
- Depreciation and amortization		14,053	13,058	10,580	52,134	41,477

*Public Share Holding as defined under Clause 40A of 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	
		31.03.12 (Audited)	31.12.11 (Unaudited)	31.03.11 (Audited)	31.03.12 (Audited)	31.03.11 (Audited)
	Segment wise revenue and results:					
1	Segment revenue :					
	a) Pharmaceutical Services and Active Ingredients	92,531	69,577	63,300	291,483	227,935
	b) Global Generics	183,972	212,866	141,772	702,434	533,494
	c) Proprietary Products	2,932	3,238	1,170	10,776	5,323
	d) Others	4,104	5,174	3,358	16,045	11,727
	Total	283,539	290,855	209,600	1,020,738	778,479
	Less: Inter-segment revenue	17,694	13,936	7,873	53,364	31,551
	Net Revenue from operations	265,845	276,919	201,727	967,374	746,928
2	Segment results :					
	Gross Profit from each segment					
	a) Pharmaceutical Services and Active Ingredients	28,449	19,284	16,495	75,077	51,045
	b) Global Generics	107,029	140,965	91,306	442,633	344,992
	c) Proprietary Products	2,562	2,704	829	9,032	3,827
	d) Others	1,666	2,795	854	6,313	2,764
	Total	139,706	165,748	109,484	533,055	402,628
	Less: Other un-allocable expenditure, net of other income	97,057	88,284	70,363	348,390	278,197
	Total profit before tax	42,649	77,464	39,121	184,665	124,431

Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics.

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	1
Received during the quarter	4
Disposed of during the quarter	5
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 Investments 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, Trigenesis Therapeutics Inc., Industrias Quimicas Falcon de Mexico SA de CV, Lacock Holdings Limited, Reddy Holding GmbH, betapharm Arzneimittel GmbH, beta Healthcare Solutions GmbH, beta institut fur sozialmedizinische Forschung und Entwicklung GmbH, Dr. Reddy's Laboratories (Australia) Pty Ltd, OOO Alpha, Reddy Pharmaceuticals Hong Kong Limited, 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 Laboratories ILAC TICARET Limited Sirketi, 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 Laboratories C.A., Dr. Reddy's Laboratories Tennessee LLC, Dr. Reddy's Laboratories New York Inc, Dr. Reddy's Laboratories, LLC, Ukraine and Dr. Reddy's Laboratories Canada, Inc.

3 Kunshan Rotam Reddy Pharmaceutical Company Limited (a joint venture) has been accounted under the equity method of accounting in accordance with IAS-31 "Interests in Joint Ventures".
4 During the year, there have been certain significant changes in the German generics market which are likely to cause an adverse impact on the price realization of some of the company's products. Pursuant to such adverse market developments, the Company has recorded an impairment loss with respect to its intangible assets amounting to Rs. 10,219 lakhs as at March 31, 2012.
5 The audited results have been reviewed by the Audit Committee of the board on May 10, 2012 and approved by the Board of Directors of the Company at their meeting held on May 11, 2012. 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 Board of Directors at their meeting held on 11 May 2012 have recommended a final dividend of Rs.13.75 per share subject to approval of shareholders.
7 The figures of the last 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. The figures up to the end of third quarter were only reviewed and not subject to audit.
8 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 audited Consolidated Financial Statements as per IFRS for the year ended March 31, 2012 and March 31, 2011.


12/11/12

9 STATEMENT OF ASSETS AND LIABILITIES (Consolidated)

All amounts in Indian Rupees lakhs

PARTICULARS	As at	As at
	31.03.12	31.03.11
	(Audited)	(Audited)
ASSETS		
Current assets		
Cash and cash equivalents	79,788	57,287
Other investments	101,733	332
Trade receivables	253,388	176,154
Inventories	193,524	160,589
Other current assets	71,091	81,566
Total current assets	699,524	475,928
Non-current assets		
Property, plant and equipment	332,464	296,416
Goodwill	22,081	21,795
Other intangible assets	113,209	130,661
Investment in equity accounted investees	3,678	3,134
Other non-current assets	23,815	22,114
Total non-current assets	495,247	474,120
Total assets	1,194,771	950,048
LIABILITIES AND EQUITY		
Current liabilities		
Loans and short-term borrowings	158,756	183,015
Other current liabilities	256,601	213,996
Provisions	19,256	13,136
Total current liabilities	434,613	410,147
Non-current liabilities		
Loans	163,350	52,704
Other non-current liabilities	21,908	26,884
Provisions	470	414
Total non-current liabilities	185,728	80,002
Total liabilities	620,341	490,149
Equity		
Equity capital	8,478	8,463
Reserves and surplus	565,952	451,436
Total equity	574,430	459,899
Total liabilities and equity	1,194,771	950,048

10 AUDITED FINANCIAL RESULTS OF DR. REDDY'S LABORATORIES LIMITED (STANDALONE INFORMATION) PREPARED AS PER IGAAP

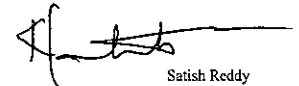
All amounts in Indian Rupees lakhs

PARTICULARS	Quarter ended			Year ended	
	31.03.12	31.12.11	31.03.11	31.03.12	31.03.11
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Total income from operations	178,830	160,769	134,666	673,970	530,441
Profit before tax and exceptional items	35,586	13,953	19,228	125,918	105,181
Profit after tax before exceptional items	21,179	10,803	16,587	91,236	89,331
Profit after tax and exceptional items	21,179	10,803	16,587	91,236	89,331

Note:

The audited standalone financial results for the quarter and year ended March 31, 2012 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



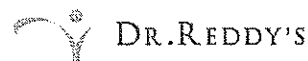
Satish Reddy

Managing Director & Chief Operating Officer

Place: Hyderabad
Date: 11-May-12

12/5/12
VH

Press Release



Dr. Reddy's revenues cross \$2 billion milestone^[#] in FY12

FY12 Revenues at ₹96.7 billion, YoY growth of 30%

FY12 PAT* at ₹15.3 billion, YoY growth of 42%

Q4 FY12 Revenues at ₹26.6 billion, YoY growth of 32%

Q4 FY12 PAT* at ₹4.2 billion, YoY growth of 38%

Hyderabad, India, May 11th, 2012: Dr. Reddy's Laboratories Ltd. (NYSE: RDY) today announced its audited consolidated financial results for the quarter and full year ended March 31, 2012 under International Financial Reporting Standards (IFRS).

Key Highlights

- Consolidated revenues at ₹96.7 billion in FY12, year-on-year growth of 30%, driven by key markets of North America and Russia in Global Generics segment and Pharmaceutical Services and Active Ingredients segment.
 - Consolidated revenues of ₹26.6 billion in Q4 FY12, year-on-year growth of 32%.
- EBITDA of ₹25.4 billion in FY12, 26% of revenues and recorded year-on-year growth of 51%.
 - EBITDA of ₹6.8 billion in Q4 FY12, 26% of revenues and recorded year-on-year growth of 34%.
- Profit after Tax* in FY12 of ₹15.3 billion, year-on-year growth of 42%.
 - Profit after Tax* of ₹4.2 billion in Q4 FY12, year-on-year growth of 38%.
- During the year, the company launched 141 new generic products, filed 88 new product registrations and filed 68 DMFs globally.
- The Board of Directors of the Company has proposed a dividend of Rs. 13.75 (275%) per equity share of Rs. 5/- face value, subject to the approval of shareholders.

[#] Revenues based on the average billed dollar rate of 47.91

*Note: PAT adjusted for a) interest on bonus debentures b) Impairment of intangibles and c) corresponding tax adjustment



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Press Release



All figures in millions, except EPS

All US dollar figures based on convenience translation rate of 1USD = ₹50.89

Dr. Reddy's Laboratories Limited and Subsidiaries

Audited Consolidated Income Statement

Particulars	FY12			FY11			Growth %
	(\$)	(₹)	%	(\$)	(₹)	%	
Revenue	1,901	96,737	100	1,468	74,693	100	30
Cost of revenues	853	43,432	45	677	34,430	46	26
Gross profit	1,048	53,305	55	791	40,263	54	32
Operating Expenses							
Selling, general and administrative expenses	567	28,868	30	466	23,690	32	22
Research and development expenses	116	5,911	6	99	5,060	7	17
Write down of intangible assets	20	1,040	1	-	-	-	-
Other operating (income) / expense	(15)	(765)	(1)	(22)	(1,115)	(1)	(31)
Results from operating activities	360	18,252	19	248	12,628	17	45
Net finance (income) / expense	(3)	(160)	(0)	4	188	0	(185)
Share of (profit) / loss of equity accounted investees	(1)	(54)	(0)	(0)	(3)	(0)	1700
Profit / (loss) before income tax	364	18,466	19	244	12,443	17	48
Income tax (benefit) / expense	83	4204	4	28	1,403	2	200
Profit / (loss) for the period	281	14,262	15	216	11,040	15	29
Diluted EPS	1.6	83.8		1.3	65.0		29

Profit Computation:

EBITDA Computation	FY12		FY11	
	(\$)	(₹)	(\$)	(₹)
PBT	363	18,466	245	12,443
Interest	14	690	4	199
Depreciation	71	3,628	58	2,961
Amortization and Impairment	52	2,626	23	1,186
Reported EBITDA	500	25,409	330	16,789
Adjustments of exceptional items:				
Profit on sale of land and negative goodwill	-	-	(7)	(365)
Adjusted EBITDA	500	25,409	323	16,424

PAT Computation	FY12		FY11	
	(\$)	(₹)	(\$)	(₹)
PAT	280	14,262	217	11,040
Adjustments of exceptional items:				
Interest on Bonus Debentures	9	470	-	-
Profit on sale of land and negative goodwill	-	-	(7)	(365)
Impairment	20	1,040	-	-
Tax adjustment	(9)	(466)	2	88
Adjusted PAT	300	15,306	212	10,763



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Appendix 1: Key Balance Sheet Items

(in millions)

Particulars	As on 31st Mar 12		As on 31st Mar 11	
	(\$)	(₹)	(\$)	(₹)
Cash, cash equivalents and other investments	357	18,152	113	5,831
Trade receivables	498	25,339	346	17,615
Inventories	380	19,352	316	16,059
Property, plant and equipment	653	33,246	582	29,642
Goodwill and Other Intangible assets	265	13,529	300	15,246
Loans and borrowings (current and non current)	633	32,210	463	23,503
Trade payables	187	9,503	167	8,480
Equity	1,129	57,443	904	45,990

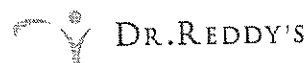
Appendix 2: FY12 Revenue Mix by Segment

(in millions)

	FY12			FY11			Growth %
	(\$)	(₹)	%	(\$)	(₹)	%	
Global Generics	1,380	70,243	73	1,048	53,340	71	32
North America		31,889	45		18,996	36	68
Europe		8,259	12		8,431	16	(2)
India		12,931	18		11,690	22	11
Russia and Other CIS		13,260	19		10,858	20	22
RoW		3,904	6		3,366	6	16
PSAI	468	23,812	25	386	19,648	26	21
North America		4,272	18		3,170	16	35
Europe		8,424	35		7,020	36	20
India		3,586	15		2,619	13	37
RoW		7,531	32		6,838	35	10
Proprietary Products and Others	53	2,682	3	34	1,705	2	57
Total	1,901	96,737	100	1,468	74,693	100	30



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Segmental Analysis

Global Generics

Revenues from Global Generics segment at ₹70.2 billion in FY12, year-on-year growth of 32% driven by key markets of North America and Russia.

- o Revenues from **North America** at ₹31.9 billion in FY12 grew by 62% in local currency over previous year. Revenues in Q4 FY12 at ₹8.7 billion represented year-on-year growth of 36% in local currency. In Q4 FY12, revenue share of olanzapine was below \$2 million due to lower generic substitution and shelf stock adjustment.
 - Growth was largely driven by new product launches of ziprasidone, fondaparinux, amoxicillin clavulanic acid, products from Shreveport facility and market share expansion in existing products of lansoprazole and omeprazole Mg OTC.
 - 16 new products were launched during the year.
 - 26 products of prescription portfolio feature among the Top 3 ranks in market shares
(Source: IMS Health Volumes February 2012).
 - During the year, 17 ANDAs were filed. Cumulatively 80 ANDAs are pending for approval with the USFDA of which 41 are Para IVs and 7 are with FTF status.
- o Revenues in **Russia and Other CIS** markets at ₹13.3 billion in FY12 represented year-on-year growth of 22%.
 - Revenues in **Russia** at ₹11.0 billion in FY12 represented year-on-year growth of 15% in local currency. Revenues in Q4 FY12 at ₹2.9 billion represented year-on-year growth of 23% in local currency.
 - Growth driven by volume increase across key brands and OTC portfolio.
 - OTC portfolio grew by 32% over previous year.
 - Based on market research, Dr. Reddy's year-on-year rouble growth at 21% versus industry's growth of 17%; Dr. Reddy's is ranked 13th by market share (Source: Pharmexpert March 2012)
 - Revenues in **Other CIS** markets at ₹2.2 billion in FY12 grew by 17% over previous year.
- o Revenues in **India** at ₹12.9 billion in FY12 grew by 11% over previous year. Revenues in Q4 FY12 at ₹3.2 billion represented year-on-year growth of 16%.
 - Growth driven by volume increase across key brands and oncology portfolio.
 - Biosimilars portfolio grew by 33% over previous year.
 - 23 new products were launched during the year.
- o Revenues from **Europe** at ₹8.3 billion in FY12 declined by 2% over previous year.
 - Revenues from **Germany** at ₹5.1 billion in FY12 declined by 15% in local currency over previous year. This decline was largely due to the continued tenderization of the German market.



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Pharmaceutical Services and Active Ingredients (PSAI)

- o Revenues from PSAI are at ₹23.8 billion in FY 12, year-on-year growth of 21%. Revenues in Q4 FY12 at ₹7.5 billion represented year-on-year growth of 35%.
 - The growth in Active Ingredients business was led by sales to generic customers to support their generic product launches in line with patent expiries in the near term.
 - The growth in Pharmaceutical Services business was led by new customer orders.
 - During the year, 68 DMFs were filed globally, with 14 each in the US and Europe. The cumulative DMF filings as of 31st March 2012 are 543.

Income Statement Highlights:

- o Gross profit margin at 55% in FY12 marginally improved versus 54% in FY11. Gross profit margin for Global Generics and PSAI business segments were at 63% and 32% respectively.
- o Selling, General and Administration (SG&A) expenses including amortization at ₹28.9 billion increased by 22% over previous year. This increase is on account of higher manpower and distribution costs and the effect of rupee depreciation against multiple currencies.
- o In Q4 FY12, there were triggering events in the German market relating to reduction in the reference prices and additional tenders at low bid prices. As a result, a non-cash impairment charge, related to product intangibles, of ₹1,040 million was recorded in the books. Impairment charge after effecting the corresponding tax benefit was ₹730 million.
- o Net Finance income was at ₹160 million in FY 12 versus net Finance expense of ₹188 million in FY11. The change is on account of :
 - Net forex gain of ₹689 million in FY12 versus net forex loss of ₹57 million in FY11.
 - Net interest expense of ₹690 million in FY12 versus ₹199 million in FY11. This increase is largely on account of the interest on bonus debentures of ₹470 million recorded in FY12.
 - Profit on sale of investments of ₹161 million in FY12 versus ₹68 million in FY11.
- o EBITDA of ₹25.4 billion in FY12, 26% of revenues and recorded year-on-year growth of 51%.
- o Profit after Tax* in FY12 of ₹15.3 billion recorded year-on-year growth of 42%.
- o Earnings* per share in FY 12 were ₹89.9.
- o Capital expenditure in FY12 was ₹8.6 billion.

**Note: Adjusted for: a) interest on bonus debentures b) Impairment of intangibles and c) corresponding tax adjustment*



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Appendix 4: Q4 FY12 Consolidated Income Statement

All figures in millions, except EPS

All US dollar figures based on convenience translation rate of 1USD = ₹50.89

Particulars	Q4 FY12			Q4 FY11			Growth %
	(\$)	(₹)	%	(\$)	(₹)	%	
Revenue	522	26,584	100	396	20,173	100	32
Cost of revenues	248	12,613	47	181	9,224	46	37
Gross profit	274	13,971	53	215	10,949	54	28
Operating Expenses							
Selling, general and administrative expenses	142	7,217	27	120	6,127	30	18
Research and development expenses	34	1,741	7	29	1,491	7	17
Write down of intangible assets	20	1,040	4	-	-	-	-
Other operating (income) / expense	(4)	(198)	(1)	(10)	(512)	(3)	(61)
Results from operating activities	82	4,171	16	76	3,843	19	9
Net finance (income) / expense	(2)	(82)	(0)	(1)	(74)	(0)	14
Share of (profit) / loss of equity accounted investees	(0)	(12)	(0)	0	4	0	-
Profit / (loss) before income tax	84	4,265	16	77	3,913	19	9
Income tax (benefit) / expense	16	838	3	11	567	3	48
Profit / (loss) for the period	68	3,427	13	66	3,346	17	2
Diluted EPS	0.4	20.1		0.4	19.7		2

Appendix 5: Q4 FY12 Profit Computation

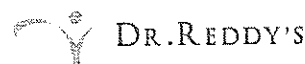
(in millions)

EBITDA Computation	Q4 FY12		Q4 FY11	
	(\$)	(₹)	(\$)	(₹)
PBT	84	4,265	77	3,913
Interest	2	88	2	104
Depreciation	20	1,020	15	787
Ammortization and Impairment	28	1,424	5	274
EBITDA	134	6,797	99	5,078
Adjustments of exceptional items:				
Profit on sale of land and negative goodwill	-	-	(7)	(365)
Adjusted EBITDA	134	6,797	92	4,713

PAT Computation	Q4 FY12		Q4 FY11	
	(\$)	(₹)	(\$)	(₹)
PAT	67	3,427	66	3,346
Adjustments of exceptional items:				
Interest on Bonus Debentures	2	116		
Profit on sale of land and negative goodwill			(7)	(365)
Impairment	20	1,040		
Tax adjustment	(7)	(349)	2	88
Adjusted PAT	82	4,234	61	3,069



Press Release



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 business segments - 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, differentiated formulations and NCEs. Therapeutic focus is on gastro-intestinal, cardiovascular, diabetology, oncology, pain management, anti-infective and pediatrics. Focus markets include India, USA, Russia and CIS, Germany, UK, Venezuela, S. Africa, Romania, Australia and New Zealand.

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

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.

Contact Information

Investors and Financial Analysts:

Kedar Upadhye at kedaru@drreddys.com or on +91-40-66834297

Raghavender R at raghavenderr@drreddys.com or on +91-40-49002135

Saunak Savla at saunaks@drreddys.com or on +91-40-49002135

Milan Kalawadia (North America) at mkalawadia@drreddys.com or on +1-9082034931

Media:

Rajan S at rajans@drreddys.com or on +91-40-49002445

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



BSR & Co.

(Registered)
Chartered Accountants

Reliance Humsafar, IV Floor,
Road No. 11, Banjara Hills
Hyderabad-500 034. India

Telephone : +91 40 3046 5000
Fax : +91 40 3046 5299

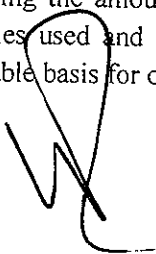
Auditor's Report on Quarterly Financial Results and Year to Date Financial Results of Dr. Reddy's Laboratories Limited Pursuant to the Clause 41 of the Listing Agreement

To
The Board of Directors of
Dr. Reddy's Laboratories Limited

We have audited the accompanying annual financial results of Dr. Reddy's Laboratories Limited ("the Company") for the year ended 31 March 2012 attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement 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. Attention is drawn to the fact that the figures for the quarter ended 31 March 2012 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter of the relevant financial year had only been reviewed and not subjected to audit.

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.

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. 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.



B S R & Co.

In our opinion and to the best of our information and according to the explanations given to us these financial results:

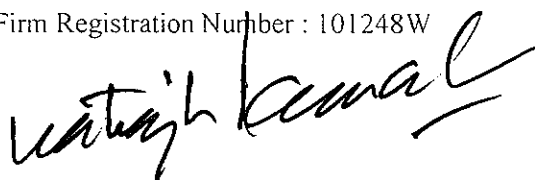
- (i) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the financial year ended 31 March 2012.

Further, we also report that we have, on the basis of the books of accounts and other records and information and explanation given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

for B S R & Co

Chartered Accountants

Firm Registration Number : 101248W



Natrajh Ramakrishna

Partner

Membership No: 32815

Place: Hyderabad

Date: 11 May 2012

BSR & Co.

(Registered)
Chartered Accountants

Reliance Humsafar, IV Floor,
Road No. 11, Banjara Hills
Hyderabad-500 034. India

Telephone : +91 40 3046 5000
Fax : +91 40 3046 5299

Auditor's Report on Quarterly Consolidated Financial Results and Year to Date Consolidated Financial Results of Dr. Reddy's Laboratories Limited Pursuant to the Clause 41 of the Listing Agreement

To
The Board of Directors of
Dr. Reddy's Laboratories Limited

We have audited the annual consolidated financial results of Dr. Reddy's Laboratories Limited and subsidiaries ("the Company") for the year ended 31 March 2012 attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement 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. Attention is drawn to the fact that the figures for the quarter ended 31 March 2012 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter of the relevant financial year had only been reviewed and not subjected to audit.

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements which have been prepared in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board (IFRS) and in compliance with Clause 41 of the Listing Agreement.

We did not audit the financial results of certain subsidiaries which have been audited by other auditors whose reports have been furnished to us, and our opinion is based on the report of other auditors. The attached consolidated financial results include revenue of Rs 11,193 lakhs and Rs 50,553 lakhs in respect of the aforementioned subsidiary for the quarter and year then ended, respectively.

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. 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.



B S R & Co.

In our opinion and to the best of our information and according to the explanations given to us these financial results:

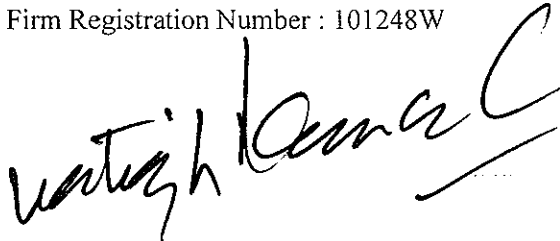
- (i) are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the financial year ended 31 March 2012.

Further, we also report that we have, on the basis of the books of accounts and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

for B S R & Co

Chartered Accountants

Firm Registration Number : 101248W



Natrajh Ramakrishna

Partner

Membership No: 32815

Place: Hyderabad

Date: 11 May 2012