

Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and half year ended 30 September 2012 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			Half Year ended		Year ended
		30.09.12 (Unaudited)	30.06.12 (Unaudited)	30.09.11 (Unaudited)	30.09.12 (Unaudited)	30.09.11 (Unaudited)	31.03.12 (Audited)
1	Net Income from Sales and Services	288,085	254,061	226,779	542,146	424,611	967,374
2	Cost of Sales and Services						
	a) (Increase) / decrease in stock-in-trade and work-in-progress	(7,505)	(12,342)	(6,575)	(19,847)	(11,778)	(14,017)
	b) Consumption of raw materials	95,985	90,278	76,660	186,263	140,159	303,195
	c) Other expenditure	46,559	40,716	34,649	87,275	68,628	145,141
3	Gross Profit (1 - 2)	153,046	135,409	122,045	288,455	227,602	533,055
4	Selling, General and Administrative expenses	80,128	82,784	72,158	162,912	139,724	288,674
5	Research and Development expenses	17,582	15,636	14,594	33,218	26,562	59,105
6	Impairment loss on goodwill	1,809	-	-	1,809	-	-
7	Impairment loss on intangibles	5,067	-	-	5,067	-	10,404
8	Other (income) / expense, net	(3,964)	(2,185)	(2,152)	(6,149)	(4,022)	(7,650)
9	Operating profit (3) - (4 + 5 + 6 + 7 + 8)	52,424	39,174	37,445	91,598	65,338	182,522
10	Finance (expense) / income, net	3,710	(2,116)	(495)	1,594	(960)	1,599
11	Share of profit of equity accounted affiliate, net of income taxes	284	190	133	474	173	544
12	Profit before tax (9 + 10 + 11)	56,418	37,248	37,083	93,666	64,551	184,665
13	Tax Expense	15,674	3,650	6,303	19,324	7,497	42,044
14	Net Profit after tax (12 - 13)	40,744	33,598	30,780	74,342	57,054	142,621
15	Extra-ordinary items (net of tax expense)	-	-	-	-	-	-
16	Net Profit for the period / year (14 - 15)	40,744	33,598	30,780	74,342	57,054	142,621
17	Paid-up equity share capital (Face value of Rs. 5/- each)	8,492	8,490	8,476	8,492	8,476	8,478
18	Share premium, retained earnings, share based payment reserve, debenture redemption reserve and other components of equity						566,001
19	Earnings per share for the period / year (in Rupees) per Rs. 5/- share						
	- Basic	23.99	19.81	18.16	43.80	33.68	84.16
	- Diluted	23.93	19.74	18.10	43.64	33.54	83.81
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	
20	Public shareholding *						
	- Number of shares	97,663,976	97,877,295	96,165,909	97,663,976	96,165,909	97,627,569
	- Percentage of shareholding	57.51	57.64	56.73	57.51	56.73	57.57
21	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	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	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	25.56	25.57	25.61	25.56	25.61	25.61
22	Details of items exceeding 10% of total expenditure						
	- Employee cost	51,330	47,668	40,196	98,999	80,958	169,275

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

Segment reporting (Consolidated)

All amounts in Indian Rupees lakhs

Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30.09.12 (Unaudited)	30.06.12 (Unaudited)	30.09.11 (Unaudited)	30.09.12 (Unaudited)	30.09.11 (Unaudited)	31.03.12 (Audited)
1	Segment wise revenue and results:						
	Segment revenue :						
	a) Pharmaceutical Services and Active Ingredients	92,161	68,372	71,767	160,533	129,375	291,483
	b) Global Generics	201,031	190,663	161,357	391,694	305,597	702,434
	c) Proprietary Products	3,028	3,783	2,638	6,811	4,606	10,776
	d) Others	5,276	4,343	3,458	9,619	6,767	16,045
	Total	301,496	267,161	239,220	568,657	446,345	1,020,738
	Less: Inter-segment revenue	13,411	13,100	12,441	26,511	21,734	53,364
	Net Revenue from operations	288,085	254,061	226,779	542,146	424,611	967,374
2	Segment results :						
	Gross Profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	28,189	17,205	16,901	45,394	27,344	75,077
	b) Global Generics	119,440	112,626	101,998	232,066	194,639	442,633
	c) Proprietary Products	2,624	3,483	2,150	6,107	3,766	9,032
	d) Others	2,793	2,095	996	4,888	1,853	6,313
	Total	153,046	135,409	122,045	288,455	227,602	533,055
	Less: Other un-allocable expenditure, net of other income	96,628	98,161	84,962	194,789	163,051	348,390
	Total profit before tax	56,418	37,248	37,083	93,666	64,551	184,665

Global Generics includes operations of Biologics business. 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	Nil
Received during the quarter	4
Disposed of 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 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 Químicas Falcon de Mexico SA de CV, Lacock Holdings Limited, Reddy Holding GmbH, betapharm Arzneimittel GmbH, beta Healthcare Solutions GmbH, beta institut für sozialmedizinische Forschung und Entwicklung GmbH, Dr. Reddy's Laboratories (Australia) Pty Ltd, OOO Alfa, 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 SİRKETİ, 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 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 DRANU, LLC (a joint venture) has been consolidated in accordance with SIC-12 'Consolidation - Special Purpose Entities'.

5 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 and half year ended 30 September 2012 and 30 September 2011, for the quarter ended 30 June 2012 and audited Consolidated Financial Statements as per IFRS for the year ended 31 March 2012.

6 Based on the business performance and expected cash flows from its business in Italy, the Company carried out an impairment test of Dr. Reddy's s.r.l's cash-generating unit and recorded an impairment loss of goodwill and intangibles amounting to Rs. 1,809 and Rs. 93 lakhs respectively during the quarter ended 30 September 2012.

7 Consequent to the decline in expected cash flows of some of the products forming part of product related intangibles pertaining to Company's Global Generics segment, the Company carried out an impairment test of such product related intangibles and recorded an impairment loss of Rs. 4,974 lakhs during the quarter ended 30 September 2012.

8 The unaudited results have been reviewed by the Audit Committee of the Board on 29 October 2012 and approved by the Board of Directors of the Company at their meeting held on 30 October 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).

9 The results for the quarter and half year ended 30 September 2012 have been subjected to a 'Limited Review' by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

10 Statement of Assets and Liabilities (Consolidated)

All amounts in Indian Rupees lakhs

Particulars	As at	As at
	30.09.12	31.03.12
	(Unaudited)	(Audited)
ASSETS		
Current assets		
Cash and cash equivalents	69,787	79,788
Other current investments	136,625	101,733
Trade receivables	262,471	253,388
Inventories	218,851	193,524
Other current assets	100,614	71,091
Total current assets	788,348	699,524
Non-current assets		
Property, plant and equipment	352,996	332,464
Goodwill	20,389	22,081
Other intangible assets	102,584	113,209
Investment in equity accounted investees	4,151	3,678
Other non-current investments	2,090	-
Other non-current assets	34,943	23,815
Total non-current assets	517,153	495,247
Total assets	1,305,501	1,194,771
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings	180,781	158,756
Trade accounts payable	104,122	95,024
Provisions	17,706	19,256
Other current liabilities	171,215	161,577
Total current liabilities	473,824	434,613
Non-current liabilities		
Long-term borrowings	168,234	163,350
Provisions	494	470
Other non-current liabilities	29,409	21,908
Total non-current liabilities	198,137	185,728
Total liabilities	671,961	620,341
Equity		
Equity share capital	8,492	8,478
Reserves and surplus	625,048	565,952
Total equity	633,540	574,430
Total liabilities and equity	1,305,501	1,194,771

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

All amounts in Indian Rupees lakhs

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.12	30.06.12	30.09.11	30.09.12	30.09.11	31.03.12
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total income from operations	210,855	180,454	164,698	391,309	334,394	673,970
Profit before tax and exceptional items	50,262	21,807	18,067	72,069	76,380	125,918
Profit after tax before exceptional items	36,303	17,766	13,850	54,069	59,255	91,236
Profit after tax and exceptional items	36,303	17,766	13,850	54,069	59,255	91,236

Note:

The unaudited standalone financial results for the quarter and half year ended 30 September 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

Place: Hyderabad
Date: 30 October 2012

Satish Reddy
Managing Director & Chief Operating Officer