

Unaudited Consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter ended 30 June 2010 prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB)

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended 30.06.10 (Unaudited)	Quarter ended 30.06.09 (Unaudited)	Year ended 31.03.10 (Unaudited)
1	Net Income from Sales and Services	168,313	181,894	702,765
2	Cost of Sales and Services			
a)	(Increase) / decrease in stock	(5,220)	(2,504)	4,408
b)	Consumption of raw materials	55,572	58,689	232,162
c)	Other expenditure	28,823	23,986	102,796
3	Gross Profit (1 - 2)	89,138	101,723	363,399
4	Selling, General and Administrative expenses	54,818	59,265	225,050
5	Research and Development expenses	9,929	9,851	37,930
6	Impairment loss on intangible assets	-	-	34,561
7	Impairment loss on goodwill	-	-	51,468
8	Other (income) / expense, net	(1,864)	(349)	(5,691)
9	Operating profit (3) - (4 + 5 + 6 + 7 + 8)	26,255	32,956	20,081
10	Finance (expense) / income, net	(1,774)	(1,353)	(27)
11	Share of profit of equity accounted affiliate, net of income taxes	47	109	475
12	Profit / (loss) before tax (9 + 10 + 11)	24,528	31,712	20,529
13	Tax Expense	3,573	7,265	9,853
14	Net Profit after tax (12 - 13)	20,955	24,447	10,676
15	Non-Controlling Interest	-	-	-
16	Extra-ordinary items (net of tax expense)	-	-	-
17	Net Profit for the period / year (14 + 15 + 16)	20,955	24,447	10,676
18	Paid-up equity share capital (Face value of Rs. 5/- each)	8,457	8,433	8,442
19	Reserves (Excluding revaluation reserves)			420,757
20	Earnings per share for the period (in Rupees) per Rs.5/- share			
	Basic	12.41	14.51	6.33
	Diluted	12.34	14.45	6.30
		(Not annualised)	(Not annualised)	
21	Public shareholding *			
	Number of shares	98,897,537	101,140,473	100,778,704
	Percentage of shareholding	58.47	59.97	59.69
22	Promoters and promoter group shareholding			
	a) Pledged / Encumbered			
	- Number of shares	2,100,000	11,220,509	2,225,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	4.83	25.78	5.11
	- Percentage of shares (as a % of the total share capital of the Company)	1.24	6.65	1.32
	b) Non-encumbered			
	- Number of shares	41,417,812	32,297,303	41,292,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	95.17	74.22	94.89
	- Percentage of shares (as a % of the total share capital of the Company)	24.49	19.15	24.46
	Details of expenditure			
	Items exceeding 10% of total expenditure			
	Employee cost	32,355	31,644	130,629
	Depreciation and amortization	9,760	11,337	127,630

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

Notes:

- 1 Pursuant to clause 41 of the Listing Agreement, the investor complaints received, disposed off and lying unresolved for the quarter ended 30 June 2010 are given in the table below:

Nature of Complaints	Opening balance	Received	Disposal	Closing Balance
Non-receipt of Shares & Dividend	Nil	3	3	Nil

- 2 The Company has consolidated the financial statements of the following companies and a partnership firm:
 OOO JV Reddy Biomed Limited, Reddy Pharmaceuticals Hong Kong Limited, Dr. Reddy's Laboratories Inc., Reddy Cheminor S.A., Reddy Antilles N.V., 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, 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, Macred India Private Limited, Dr. Reddy's Pharma SEZ Limited, Dr. Reddy's Laboratories International SA and Idea2Entreprises (India) Private Limited.
- 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 The unaudited results have been approved by the Board of Directors of the Company at its meeting held on 22 July 2010. These results have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

- 5 The Securities and Exchange Board of India (SEBI) had on 9 November 2009 issued a press release permitting listed entities having subsidiaries to voluntarily submit the Consolidated Financial Statements as per IFRS. Further, the SEBI issued a circular, dated 5 April 2010, wherein the Listing Agreement has been modified to this effect from 31 March 2010. Consequent to this, the Company has voluntarily prepared and published unaudited Consolidated Financial Statements as per IFRS for the quarter ended 30 June 2010.
- 6 The figures for the previous period have been re-grouped/re-classified, wherever necessary, to conform with the current period classification.
- 7 **UNAUDITED FINANCIAL RESULTS OF DR. REDDY'S LABORATORIES LIMITED (STANDALONE INFORMATION) PREPARED AS PER IGAAP**

All amounts in Indian Rupees lakhs, except share data

PARTICULARS	Quarter ended		Year ended
	30.06.10	30.06.09	31.03.10
	(Unaudited)	(Unaudited)	Audited
Revenues	129,218	122,071	472,464
Profit before tax and exceptional items	27,886	28,898	108,483
Profit after tax before exceptional items	24,448	22,744	84,608
Profit after tax and exceptional items	24,448	22,744	84,608

Note:

The unaudited standalone financial results for the quarter ended 30 June 2010 are available on the Stock Exchange's website : www.bseindia.com and www.nseindia.com and also on Company's website: www.drreddys.com

8 **Segment reporting (Consolidated - Unaudited)**

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Year ended
		30.06.10	30.06.09	31.03.10
		(Unaudited)	(Unaudited)	(Unaudited)
1	Segment wise revenue and results:			
	Segment revenue :			
	a) Pharmaceutical Services and Active Ingredients	52,759	55,085	231,837
	b) Global Generics	119,171	130,198	486,228
	c) Proprietary Products	1,227	1,120	5,131
	d) Others	2,921	1,879	7,540
	Total	176,078	188,282	730,736
	Less: Inter-segment revenue	7,765	6,388	27,971
	Net Revenue from operations	168,313	181,894	702,765
	2 Segment results :			
	Gross Profit from each segment			
	a) Pharmaceutical Services and Active Ingredients	10,017	17,040	66,598
	b) Global Generics	77,354	83,128	291,460
	c) Proprietary Products	796	729	3,956
	d) Others	971	826	1,385
	Total	89,138	101,723	363,399
	Less: Other un-allocable expenditure, net of other income	64,610	70,011	342,870
	Profit / (loss) before tax	24,528	31,712	20,529

Segmental Capital employed :

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

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

Place: Hyderabad
Date: 22 July 2010

Satish Reddy
Managing Director & Chief Operating Officer