

DR. REDDY'S LABORATORIES LIMITED

PART I : STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2014

All amounts in Indian Rupees lakhs, except share data

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2014	31.03.2014	30.06.2013	31.03.2014
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income from operations				
	a) Net sales / income from operations (Net of excise duty)	265,284	253,227	178,346	949,572
	b) License fees and service income	1,556	6,297	783	15,112
	c) Other operating income	2,208	1,988	3,033	8,121
	Total income from operations (net)	269,048	261,512	182,162	972,805
2	Expenses				
	a) Cost of materials consumed	58,425	62,839	56,119	224,802
	b) Purchase of traded goods	10,269	13,323	9,224	46,904
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	866	(6,856)	(7,919)	(17,048)
	d) Employee benefits expense	36,417	35,300	34,097	141,991
	e) Selling expenses	30,328	27,760	19,454	89,898
	f) Depreciation and amortisation	10,548	9,895	8,909	38,050
	g) Provision for decline in the value of long-term investments	-	-	2,449	2,449
	h) Other expenditure	51,705	66,024	53,432	207,635
	Total expenses	198,558	208,285	175,765	734,681
3	Profit from ordinary activities before other income, finance costs and exceptional items (1 - 2)	70,490	53,227	6,397	238,124
4	Other income	9,188	8,385	3,331	15,146
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	79,678	61,612	9,728	253,270
6	Finance costs	1,510	1,898	1,392	7,831
7	Profit from ordinary activities before exceptional items (5 - 6)	78,168	59,714	8,336	245,439
8	Exceptional items	-	-	-	-
9	Profit from ordinary activities before tax (7 + 8)	78,168	59,714	8,336	245,439
10	Tax expense	17,893	12,571	1,850	52,155
11	Net Profit from ordinary activities after tax (9 - 10)	60,275	47,143	6,486	193,284
12	Extra-ordinary items (net of tax)	-	-	-	-
13	Net profit for the period / year (11 - 12)	60,275	47,143	6,486	193,284
14	Paid-up equity share capital (face value Rs. 5/- each)	8,517	8,505	8,503	8,505
15	Reserves (excluding revaluation reserve)				924,377
16	Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share				
	- Basic	35.42	27.71	3.82	113.67
	- Diluted	35.26	27.59	3.80	113.13
		<i>(Not annualised)</i>	<i>(Not annualised)</i>	<i>(Not annualised)</i>	

See accompanying notes to the financial results

DR. REDDY'S LABORATORIES LIMITED

PART II : SELECTED INFORMATION FOR THE QUARTER ENDED 30 JUNE 2014

A PARTICULARS OF SHAREHOLDING

Sl No.	Particulars	Quarter ended			Year ended
		30.06.2014	31.03.2014	30.06.2013	31.03.2014
1	Public shareholding*				
	- Number of shares (face value Rs.5/- each)	95,472,936	96,048,821	97,484,533	96,048,821
	- Percentage of shareholding	56.05	56.47	57.32	56.47
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)	25.49	25.52	25.53	25.52

*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	Nil
Disposed off during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil

Segment Information

All amounts in Indian Rupees lakhs

Sl. No.	Particulars	Quarter ended			Year ended
		30.06.2014	31.03.2014	30.06.2013	31.03.2014
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Segment wise revenue, results and capital employed:				
1	Segment revenue :				
	a) Pharmaceutical Services and Active Ingredients	70,511	68,761	56,831	248,914
	b) Global Generics	216,615	209,517	135,481	776,769
	c) Proprietary Products	-	-	1	3,131
	Total	287,126	278,278	192,313	1,028,814
	Less: Inter segment revenue	18,078	16,766	10,151	56,011
	Add : Other unallocable income	-	-	-	2
	Total income from operations	269,048	261,512	182,162	972,805
2	Segment results :				
	Profit / (loss) before tax and interest from each segment				
	a) Pharmaceutical Services and Active Ingredients	2,242	549	4,037	6,258
	b) Global Generics	88,773	45,442	44,498	291,062
	c) Proprietary Products	(7,567)	(6,935)	(5,029)	(19,909)
	Total	83,448	39,056	43,506	277,411
	Less: (i) Interest	1,510	1,898	1,392	7,831
	(ii) Other un-allocable (income) / expenditure, net	3,770	(22,556)	33,778	24,141
	Total profit before tax	78,168	59,714	8,336	245,439
3	Capital Employed :				
	a) Pharmaceutical Services and Active Ingredients	271,806	273,267	249,271	273,267
	b) Global Generics	615,069	566,508	413,771	566,508
	c) Proprietary Products	(4,083)	590	(1,141)	590
	d) Unallocated	111,044	92,517	112,282	92,517
	Total	993,836	932,882	774,183	932,882

Global Generics includes operations of Biologics business. Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics at cost. Centrally managed assets and liabilities such as Cash and bank balances, loans and advances to subsidiaries, income tax assets and liabilities, investments and borrowings are included in unallocated capital employed.

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Notes:

- 1 The above financial results are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act 2013; guidelines issued by Securities and Exchange Board of India; and other accounting principles generally accepted in India.
- 2 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 2014.
- 3 The results for the quarter ended 30 June 2014 have been subjected to a "Limited review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.
- 4 The figures for the previous periods have been re-grouped/ re-classified, wherever necessary, to conform to the current period classification.
- 5 Research and development expenditure included in Employee benefits expense and Other expenditure is as under:

Particulars	Quarter ended			Year ended
	30.06.2014	31.03.2014	30.06.2013	31.03.2014
Employee benefits expense	5,620	5,869	6,030	23,497
Other expenditure	17,483	33,227	12,486	76,320
Total	23,103	39,096	18,516	99,817

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

Place: Hyderabad
Date: 30 July 2014

G V Prasad
Co-Chairman, Managing Director
& Chief Executive Officer