

DR. REDDY'S LABORATORIES LIMITED

PART I : STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2014

All amounts in Indian Rupees lakhs, except share data

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	a) Net sales / income from operations (Net of excise duty)	245,199	265,284	263,288	510,483	441,634	949,572
	b) License fees and service income	782	1,556	5,894	2,338	6,677	15,112
	c) Other operating income	2,103	2,208	1,572	4,311	4,605	8,121
	Total income from operations (net)	248,084	269,048	270,754	517,132	452,916	972,805
2	Expenses						
	a) Cost of materials consumed	63,110	58,425	54,896	121,535	111,015	224,802
	b) Purchase of traded goods	14,067	10,269	12,340	24,336	21,564	46,904
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(9,720)	866	(2,214)	(8,854)	(10,133)	(17,048)
	d) Employee benefits expense	37,327	36,417	35,335	73,744	69,432	141,991
	e) Selling expenses	27,575	30,328	20,198	57,903	39,652	89,898
	f) Depreciation and amortisation	12,059	10,548	9,430	22,607	18,339	38,050
	g) Provision for decline in the value of long-term investments	-	-	-	-	2,449	2,449
	h) Other expenditure	56,020	51,705	50,213	107,030	103,645	207,635
	Total expenses	200,438	198,558	180,198	398,301	355,963	734,681
3	Profit from ordinary activities before other income, finance costs and exceptional items (1 - 2)	47,646	70,490	90,556	118,831	96,953	238,124
4	Other income	5,478	9,188	3,336	13,971	6,667	15,146
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	53,124	79,678	93,892	132,802	103,620	253,270
6	Finance costs	1,602	1,510	2,416	3,112	3,808	7,831
7	Profit from ordinary activities before exceptional items (5 - 6)	51,522	78,168	91,476	129,690	99,812	245,439
8	Exceptional items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7 + 8)	51,522	78,168	91,476	129,690	99,812	245,439
10	Tax expense	8,163	17,893	14,138	26,056	15,988	52,155
11	Net Profit from ordinary activities after tax (9 - 10)	43,359	60,275	77,338	103,634	83,824	193,284
12	Extra-ordinary items (net of tax)	-	-	-	-	-	-
13	Net profit for the period / year (11 - 12)	43,359	60,275	77,338	103,634	83,824	193,284
14	Paid-up equity share capital (face value Rs. 5/- each)	8,518	8,517	8,505	8,518	8,505	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	25.45	35.42	45.47	60.87	49.31	113.67
	- Diluted	25.34	35.26	45.25	60.59	49.06	113.13
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	

See accompanying notes to the financial results

DR. REDDY'S LABORATORIES LIMITED

PART II : SELECTED INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2014

A PARTICULARS OF SHAREHOLDING

Sl No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
1	Public shareholding*						
	- Number of shares (face value Rs.5/- each)	97,914,376	95,472,936	97,979,592	97,914,376	97,979,592	96,048,821
	- Percentage of shareholding	57.47	56.05	57.60	57.47	57.60	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	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)	25.49	25.49	25.53	25.49	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	4
Disposed off during the quarter	2
Remaining unresolved at the end of the quarter	2*

* Since resolved

Segment Information

All amounts in Indian Rupees lakhs

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Segment wise revenue, results and capital employed:						
1	Segment revenue :						
	a) Pharmaceutical Services and Active Ingredients	69,899	70,511	65,459	140,410	122,290	248,914
	b) Global Generics	197,282	216,615	216,461	413,897	351,942	776,769
	c) Proprietary Products	-	-	3,133	-	3,134	3,131
	Total	267,181	287,126	285,053	554,307	477,366	1,028,814
	Less: Inter segment revenue	19,097	18,078	14,299	37,175	24,450	56,011
	Add : Other unallocable income	-	-	-	-	-	2
	Total income from operations	248,084	269,048	270,754	517,132	452,916	972,805
2	Segment results :						
	Profit / (loss) before tax and interest from each segment						
	a) Pharmaceutical Services and Active Ingredients	4,516	2,242	4,573	6,758	8,610	6,258
	b) Global Generics	55,031	88,773	114,628	143,804	159,126	291,062
	c) Proprietary Products	(7,019)	(7,567)	(2,360)	(14,586)	(7,389)	(19,909)
	Total	52,528	83,448	116,841	135,976	160,347	277,411
	Less: (i) Interest	1,602	1,510	2,416	3,112	3,808	7,831
	(ii) Other un-allocable expenditure / (income), net	(596)	3,770	22,949	3,174	56,727	24,141
	Total profit before tax	51,522	78,168	91,476	129,690	99,812	245,439
3	Capital Employed :						
	a) Pharmaceutical Services and Active Ingredients	286,074	271,806	266,605	286,074	266,605	273,267
	b) Global Generics	632,977	615,069	492,904	632,977	492,904	566,508
	c) Proprietary Products	(6,769)	(4,083)	1,423	(6,769)	1,423	590
	d) Unallocated	127,925	111,044	83,080	127,925	83,080	92,517
	Total	1,040,207	993,836	844,012	1,040,207	844,012	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.

DR. REDDY'S LABORATORIES LIMITED

Notes:

1 Statement of assets and liabilities

All amounts in Indian Rupees lakhs

Sl. No.	PARTICULARS	As at	As at
		30.09.2014	31.03.2014
		(Unaudited)	(Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders funds		
	a) Share capital	8,518	8,505
	b) Reserves and surplus	1,031,689	924,377
	Sub-total - Shareholders' funds	1,040,207	932,882
2	Non-current liabilities		
	a) Long term borrowings	92,885	90,155
	b) Deferred tax liabilities, net	13,643	12,519
	c) Other long term liabilities	342	476
	d) Long-term provisions	3,645	3,348
	Sub-total - Non current liabilities	110,515	106,498
3	Current liabilities		
	a) Short-term borrowings	104,340	176,298
	b) Trade payables	95,323	84,227
	c) Other current liabilities	119,333	102,937
	d) Short-term provisions	14,811	47,950
	Sub-total - Current liabilities	333,807	411,412
	TOTAL - EQUITY AND LIABILITIES	1,484,529	1,450,792
B	ASSETS		
1	Non-current assets		
	a) Fixed assets	358,345	332,436
	b) Non-current investments	176,007	174,005
	c) Long-term loans and advances	50,505	44,549
	d) Other non-current assets	111	-
	Sub-total - Non-current assets	584,968	550,990
2	Current assets		
	a) Current investments	80,402	106,643
	b) Inventories	182,896	159,213
	c) Trade receivables	500,637	456,148
	d) Cash and cash equivalents	32,176	66,507
	e) Short-term loans and advances	86,892	91,889
	f) Other current assets	16,558	19,402
	Sub-total - Current assets	899,561	899,802
	TOTAL - ASSETS	1,484,529	1,450,792

2 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.

3 The unaudited results have been reviewed by the Audit Committee of the Board on 28 October 2014 and approved by the Board of Directors of the Company at their meeting held on 29 October 2014.

4 The results for the quarter and half year ended 30 September 2014 have been subjected to a "Limited review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

5 The figures for the previous periods have been re-grouped/ re-classified, wherever necessary, to conform to the current period classification.

6 Research and development expenditure included in Employee benefits expense and Other expenditure is as under:

Particulars	Quarter ended			Half year ended		Year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
Employee benefits expense	6,196	5,620	5,577	11,816	11,607	23,497
Other expenditure	23,884	17,483	16,090	41,367	28,576	76,320
Total	30,080	23,103	21,667	53,183	40,183	99,817

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