

DR. REDDY'S LABORATORIES LIMITED

PART I : STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2015

All amounts in Indian Rupees lakhs, except share data

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Income from operations</b>					
	a) Net sales / income from operations (Net of excise duty)	266,120	212,136	253,227	988,739	949,572
	b) License fees and service income	1,008	660	6,297	4,006	15,112
	c) Other operating income	1,744	2,294	1,988	8,349	8,121
	<b>Total income from operations (net)</b>	<b>268,872</b>	<b>215,090</b>	<b>261,512</b>	<b>1,001,094</b>	<b>972,805</b>
<b>2</b>	<b>Expenses</b>					
	a) Cost of materials consumed	47,201	63,527	62,839	232,263	224,802
	b) Purchase of traded goods	13,121	15,149	13,323	52,606	46,904
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	13,007	(7,049)	(6,856)	(2,896)	(17,048)
	d) Employee benefits expense	38,433	36,909	35,300	149,086	141,991
	e) Selling expenses	22,338	26,109	27,760	106,350	89,898
	f) Depreciation and amortisation	13,677	12,739	9,895	49,023	38,050
	g) Provision for decline in the value of long-term investments	-	-	-	-	2,449
	h) Other expenditure	59,162	65,079	66,024	224,585	207,635
	<b>Total expenses</b>	<b>206,939</b>	<b>212,463</b>	<b>208,285</b>	<b>811,017</b>	<b>734,681</b>
<b>3</b>	<b>Profit from ordinary activities before other income, finance costs and exceptional items (1 - 2)</b>	<b>61,933</b>	<b>2,627</b>	<b>53,227</b>	<b>190,077</b>	<b>238,124</b>
4	Other income	8,726	6,274	8,385	22,285	15,146
<b>5</b>	<b>Profit from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>70,659</b>	<b>8,901</b>	<b>61,612</b>	<b>212,362</b>	<b>253,270</b>
6	Finance costs	1,877	1,391	1,898	6,380	7,831
<b>7</b>	<b>Profit from ordinary activities before exceptional items (5 - 6)</b>	<b>68,782</b>	<b>7,510</b>	<b>59,714</b>	<b>205,982</b>	<b>245,439</b>
8	Exceptional items	-	-	-	-	-
<b>9</b>	<b>Profit from ordinary activities before tax (7 + 8)</b>	<b>68,782</b>	<b>7,510</b>	<b>59,714</b>	<b>205,982</b>	<b>245,439</b>
10	Tax expense	11,640	351	12,571	38,047	52,155
<b>11</b>	<b>Net Profit from ordinary activities after tax (9 - 10)</b>	<b>57,142</b>	<b>7,159</b>	<b>47,143</b>	<b>167,935</b>	<b>193,284</b>
12	Extra-ordinary items (net of tax)	-	-	-	-	-
<b>13</b>	<b>Net profit for the period / year (11 - 12)</b>	<b>57,142</b>	<b>7,159</b>	<b>47,143</b>	<b>167,935</b>	<b>193,284</b>
14	Paid-up equity share capital (face value Rs. 5/- each)	8,519	8,518	8,505	8,519	8,505
15	Reserves (excluding revaluation reserve)				1,054,853	924,377
<b>16</b>	<b>Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share</b>					
	- Basic	33.54	4.20	27.71	98.60	113.67
	- Diluted	33.40	4.18	27.59	98.18	113.13
		(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 YEAR ENDED 31 MARCH 2015**

**A PARTICULARS OF SHAREHOLDING**

SI No.	Particulars	Quarter ended			Year ended	
		31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
1	Public shareholding*					
	- Number of shares (face value Rs.5/- each)	98,189,505	97,291,936	96,048,821	98,189,505	96,048,821
	- Percentage of shareholding	57.63	57.11	56.47	57.63	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
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	25.48	25.49	25.52	25.48	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	5
Disposed off during the quarter	5
Remaining unresolved at the end of the quarter	Nil

**Segment Information**

All amounts in Indian Rupees lakhs

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Segment wise revenue, results and capital employed:</b>					
	<b>Segment revenue :</b>					
	a) Pharmaceutical Services and Active Ingredients	68,155	64,468	68,761	273,033	248,914
	b) Global Generics	213,484	168,773	209,517	796,154	776,769
	c) Proprietary Products	-	-	-	-	3,131
	<b>Total</b>	<b>281,639</b>	<b>233,241</b>	<b>278,278</b>	<b>1,069,187</b>	<b>1,028,814</b>
	Less: Inter segment revenue	12,767	18,151	16,766	68,093	56,011
	Add : Other unallocable income	-	-	-	-	2
	<b>Total income from operations</b>	<b>268,872</b>	<b>215,090</b>	<b>261,512</b>	<b>1,001,094</b>	<b>972,805</b>
<b>2</b>	<b>Segment results :</b>					
	Profit / (loss) before tax and interest from each segment					
	a) Pharmaceutical Services and Active Ingredients	1,676	(3,922)	549	4,512	6,258
	b) Global Generics	71,882	6,123	45,442	221,809	291,062
	c) Proprietary Products	(9,710)	(6,739)	(6,935)	(31,035)	(19,909)
	<b>Total</b>	<b>63,848</b>	<b>(4,538)</b>	<b>39,056</b>	<b>195,286</b>	<b>277,411</b>
	Less: (i) Interest	1,877	1,391	1,898	6,380	7,831
	(ii) Other un-allocable expenditure / (income), net	(6,811)	(13,439)	(22,556)	(17,076)	24,141
	<b>Total profit before tax</b>	<b>68,782</b>	<b>7,510</b>	<b>59,714</b>	<b>205,982</b>	<b>245,439</b>
<b>3</b>	<b>Capital Employed :</b>					
	a) Pharmaceutical Services and Active Ingredients	311,881	292,880	273,267	311,881	273,267
	b) Global Generics	599,189	601,000	566,508	599,189	566,508
	c) Proprietary Products	(11,131)	(8,885)	590	(11,131)	590
	d) Unallocated	163,433	165,183	92,517	163,433	92,517
	<b>Total</b>	<b>1,063,372</b>	<b>1,050,178</b>	<b>932,882</b>	<b>1,063,372</b>	<b>932,882</b>

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
		31.03.2015	31.03.2014
		(Audited)	(Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders funds</b>		
	a) Share capital	8,519	8,505
	b) Reserves and surplus	1,054,853	924,377
	<b>Sub-total - Shareholders' funds</b>	<b>1,063,372</b>	<b>932,882</b>
<b>2</b>	<b>Non-current liabilities</b>		
	a) Long term borrowings	93,913	90,155
	b) Deferred tax liabilities, net	12,899	12,519
	c) Other long term liabilities	2,552	476
	d) Long-term provisions	4,979	3,348
	<b>Sub-total - Non current liabilities</b>	<b>114,343</b>	<b>106,498</b>
<b>3</b>	<b>Current liabilities</b>		
	a) Short-term borrowings	218,571	176,298
	b) Trade payables	71,596	84,227
	c) Other current liabilities	123,770	102,937
	d) Short-term provisions	53,944	47,950
	<b>Sub-total - Current liabilities</b>	<b>467,881</b>	<b>411,412</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>1,645,596</b>	<b>1,450,792</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	a) Fixed assets	373,770	332,436
	b) Non-current investments	176,007	174,005
	c) Long-term loans and advances	55,386	53,581
	d) Other non-current assets	111	-
	<b>Sub-total - Non-current assets</b>	<b>605,274</b>	<b>560,022</b>
<b>2</b>	<b>Current assets</b>		
	a) Current investments	210,218	106,643
	b) Inventories	172,332	159,213
	c) Trade receivables	471,169	456,148
	d) Cash and bank balances	90,143	66,507
	e) Short-term loans and advances	86,567	82,857
	f) Other current assets	9,893	19,402
	<b>Sub-total - Current assets</b>	<b>1,040,322</b>	<b>890,770</b>
	<b>TOTAL - ASSETS</b>	<b>1,645,596</b>	<b>1,450,792</b>

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 On 1 April 2015, the Company entered into a definitive agreement to acquire a select portfolio of the established products business of UCB in the territories of India, Nepal, Sri Lanka and Maldives for a total consideration of Rs 80,000 lakhs. The business is being acquired on a slump sale basis. The acquisition is expected to be closed in the first quarter of the financial year 2015-16.

4 Schedule II to the Companies Act, 2013 ("Schedule") prescribes the useful lives for various classes of tangible assets. For certain class of assets, based on its technical evaluation and assessment, the Company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule.

5 Other expenditure for the quarter ended 31 December 2014 includes impairment loss of Rs. 2,009 lakhs relating to some of the product related intangibles forming part of Company's Global Generics segment.

6 The audited results have been reviewed by the Audit Committee of the Board on 11 May 2015 and approved by the Board of Directors of the Company at their meeting held on 12 May 2015.

7 The Board of Directors, at their meeting held on 12 May 2015, have recommended a final dividend of Rs. 20 per share subject to the approval of shareholders.

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

9 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.

**DR. REDDY'S LABORATORIES LIMITED**

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

All amounts in Indian Rupees lakhs

Particulars	Quarter ended			Year ended	
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
Employee benefits expense	6,219	6,180	5,869	24,215	23,497
Other expenditure	25,267	21,454	33,227	88,088	76,320
<b>Total</b>	<b>31,486</b>	<b>27,634</b>	<b>39,096</b>	<b>112,303</b>	<b>99,817</b>

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

Place: Hyderabad  
Date: 12 May 2015

G V Prasad  
Co-Chairman & Chief Executive Officer