

Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and nine months ended 31 December 2013 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			Nine months ended		Year ended
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Net Income from Sales and Services</b>	<b>353,376</b>	<b>335,745</b>	<b>286,516</b>	<b>973,613</b>	<b>828,662</b>	<b>1,162,656</b>
2	<b>Cost of Sales and Services</b>						
	a) (Increase) / decrease in stock-in-trade and work-in-progress	(3,360)	(10,080)	(4,544)	(25,315)	(24,391)	(13,608)
	b) Consumption of raw materials	89,074	98,670	94,366	282,135	280,629	383,628
	c) Other expenditure	53,751	52,466	47,812	158,001	135,087	186,850
3	<b>Gross Profit (1 - 2)</b>	<b>213,911</b>	<b>194,689</b>	<b>148,882</b>	<b>558,792</b>	<b>437,337</b>	<b>605,786</b>
4	Selling, general and administrative expenses	104,427	97,368	85,708	289,731	248,620	335,844
5	Research and development expenses	29,791	30,087	20,254	84,175	53,472	76,733
6	Impairment loss on goodwill	-	-	-	-	1,809	1,809
7	Impairment loss/ (reversal of impairment loss) on intangibles	(4,974)	-	-	(4,974)	5,067	5,067
8	Other (income) / expense, net	(1,773)	(6,367)	(2,331)	(11,896)	(8,480)	(24,790)
9	<b>Operating profit (3) - (4 + 5 + 6 + 7 + 8)</b>	<b>86,440</b>	<b>73,601</b>	<b>45,251</b>	<b>201,756</b>	<b>136,849</b>	<b>211,123</b>
10	Finance (expense) / income, net	147	2,913	(968)	2,361	626	4,599
11	Share of profit of equity accounted affiliate, net of income taxes	465	437	313	1,257	787	1,044
12	<b>Profit before tax (9 + 10 + 11)</b>	<b>87,052</b>	<b>76,951</b>	<b>44,596</b>	<b>205,374</b>	<b>138,262</b>	<b>216,766</b>
13	Tax expense	25,210	7,926	8,265	38,414	27,589	49,004
14	<b>Net profit after tax (12 - 13)</b>	<b>61,842</b>	<b>69,025</b>	<b>36,331</b>	<b>166,960</b>	<b>110,673</b>	<b>167,762</b>
15	Extra-ordinary items (net of tax expense)	-	-	-	-	-	-
16	<b>Net profit for the period / year (14 - 15)</b>	<b>61,842</b>	<b>69,025</b>	<b>36,331</b>	<b>166,960</b>	<b>110,673</b>	<b>167,762</b>
17	<b>Net profit attributable to:</b>						
	- Equity holders of the Company	61,853	69,033	36,331	166,985	110,673	167,774
	- Non-controlling interest	(11)	(8)	-	(25)	-	(12)
18	Paid-up equity share capital (Face value of Rs. 5/- each)	8,505	8,505	8,492	8,505	8,492	8,492
19	Securities premium, retained earnings, share based payment reserve, debenture redemption reserve and other components of equity						719,408
20	<b>Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share</b>						
	- Basic	36.36	40.59	21.39	98.21	65.19	98.82
	- Diluted	36.25	40.47	21.33	97.85	64.95	98.44
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	
21	Public shareholding *						
	- Number of shares	97,590,957	97,979,592	98,126,503	97,590,957	98,126,503	97,799,433
	- Percentage of shareholding	57.37	57.60	57.78	57.37	57.78	57.59
22	Promoters and promoter group shareholding						
	<b>a) Pledged / Encumbered</b>						
	- 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>b) Non-encumbered</b>						
	- 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)	25.53	25.53	25.56	25.53	25.56	25.56
23	Details of items exceeding 10% of total expenditure						
	- Employee cost	65,463	60,052	51,647	181,212	150,646	204,133

\*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			Nine months ended		Year ended
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Segment wise revenue and results:</b>						
	<b>Segment revenue :</b>						
	a) Pharmaceutical Services and Active Ingredients	65,418	78,324	86,485	212,575	247,018	362,864
	b) Global Generics	293,958	265,478	208,277	778,461	599,971	825,629
	c) Proprietary Products	4,777	4,254	4,013	12,222	10,824	14,679
	d) Others	4,019	1,987	2,959	9,600	12,578	15,329
	<b>Total</b>	<b>368,172</b>	<b>350,043</b>	<b>301,734</b>	<b>1,012,858</b>	<b>870,391</b>	<b>1,218,501</b>
	Less: Inter-segment revenue	14,796	14,298	15,218	39,245	41,729	55,845
	<b>Net Revenue from operations</b>	<b>353,376</b>	<b>335,745</b>	<b>286,516</b>	<b>973,613</b>	<b>828,662</b>	<b>1,162,656</b>
	2	<b>Segment results :</b>					
Gross Profit from each segment							
a) Pharmaceutical Services and Active Ingredients		7,951	15,774	19,531	34,858	64,925	99,696
b) Global Generics		200,514	175,591	124,901	510,929	356,967	487,205
c) Proprietary Products		4,315	4,057	3,715	11,187	9,822	13,237
d) Others		1,131	(733)	735	1,818	5,623	5,648
<b>Total</b>		<b>213,911</b>	<b>194,689</b>	<b>148,882</b>	<b>558,792</b>	<b>437,337</b>	<b>605,786</b>
Less: Other un-allocable expenditure, net of other income		126,859	117,738	104,286	353,418	299,075	389,020
<b>Total profit before tax</b>		<b>87,052</b>	<b>76,951</b>	<b>44,596</b>	<b>205,374</b>	<b>138,262</b>	<b>216,766</b>

Global Generics includes operations of Biologics business. Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics at Cost.

**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	6
Disposed off during the quarter	6
Remaining unresolved at the end of the quarter	Nil

- Reserves and surplus and other liabilities as on 31 March 2013 have both been restated by Rs. 3,000 Lakhs to reflect the adoption of amendments to IAS 19 'Employee benefits', which is applicable to the Company from 1 April 2013.
- Consequent to the increase in expected cash flows of some of the products forming part of product related intangibles pertaining to Company's Global Generics segment, the Company, following the guidance under IAS 36 "Impairment of assets", estimated the recoverable amount of such intangible asset and assessed that the impairment loss recorded in an earlier period should be reversed. Accordingly, an amount of Rs. 4,974 lakhs was reversed during the quarter ended 31 December 2013.
- The unaudited results have been reviewed by the Audit Committee of the Board on 10 February 2014 and approved by the Board of Directors of the Company at their meeting held on 11 February 2014. 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).
- 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 nine months ended 31 December 2013 and 31 December 2012, for the quarter ended 30 September 2013 and audited Consolidated Financial Statements as per IFRS for the year ended 31 March 2013.
- The results for the quarter and nine months ended 31 December 2013 have been subjected to a "Limited Review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.
- Unaudited financial results of Dr. Reddy's Laboratories Limited (Standalone Information) prepared as per IGAAP**

All amounts in Indian Rupees lakhs

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total income from operations	258,377	270,754	215,844	711,293	607,153	843,401
Profit from ordinary activities before tax	85,913	91,476	47,645	185,725	119,714	175,313
Profit from ordinary activities after tax	62,317	77,338	34,664	146,141	88,733	126,547

**Note:**

The unaudited standalone financial results for the quarter and nine months ended 31 December 2013 are available on the Stock Exchange's website : [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and also on the Company's website: [www.drreddys.com](http://www.drreddys.com).

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

Place: Hyderabad  
Date: 11 February 2014

Satish Reddy  
Vice Chairman & Managing Director