

DR. REDDY'S LABORATORIES LIMITED

PART I : STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2014

All amounts in Indian Rupees lakhs, except share data

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	a) Net sales / income from operations (Net of excise duty)	212,136	245,199	254,711	722,619	696,345	949,572
	b) License fees and service income	660	782	2,138	2,998	8,815	15,112
	c) Other operating income	2,294	2,103	1,528	6,605	6,133	8,121
	Total income from operations (net)	215,090	248,084	258,377	732,222	711,293	972,805
2	Expenses						
	a) Cost of materials consumed	63,527	63,110	50,948	185,062	161,963	224,802
	b) Purchase of traded goods	15,149	14,067	12,017	39,485	33,581	46,904
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(7,049)	(9,720)	(59)	(15,903)	(10,192)	(17,048)
	d) Employee benefits expense	36,909	37,327	37,259	110,653	106,691	141,991
	e) Selling expenses	26,109	27,575	22,486	84,012	62,138	89,898
	f) Depreciation and amortisation	12,739	12,059	9,816	35,346	28,155	38,050
	g) Provision for decline in the value of long-term investments	-	-	-	-	2,449	2,449
	h) Other expenditure	65,079	56,020	44,191	166,575	145,121	207,635
	Total expenses	212,463	200,438	176,658	605,230	529,906	734,681
3	Profit from ordinary activities before other income, finance costs and exceptional items (1 - 2)	2,627	47,646	81,719	126,992	181,387	238,124
4	Other income	6,274	5,478	6,319	14,711	10,271	15,146
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	8,901	53,124	88,038	141,703	191,658	253,270
6	Finance costs	1,391	1,602	2,125	4,503	5,933	7,831
7	Profit from ordinary activities before exceptional items (5 - 6)	7,510	51,522	85,913	137,200	185,725	245,439
8	Exceptional items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7 + 8)	7,510	51,522	85,913	137,200	185,725	245,439
10	Tax expense	351	8,163	23,596	26,407	39,584	52,155
11	Net Profit from ordinary activities after tax (9 - 10)	7,159	43,359	62,317	110,793	146,141	193,284
12	Extra-ordinary items (net of tax)	-	-	-	-	-	-
13	Net profit for the period / year (11 - 12)	7,159	43,359	62,317	110,793	146,141	193,284
14	Paid-up equity share capital (face value Rs. 5/- each)	8,518	8,518	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	4.20	25.45	36.63	65.06	85.95	113.67
	- Diluted	4.18	25.34	36.47	64.77	85.53	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 NINE MONTHS ENDED 31 DECEMBER 2014

A PARTICULARS OF SHAREHOLDING

Sl No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
1	Public shareholding*						
	- Number of shares (face value Rs.5/- each)	97,291,936	97,914,376	97,590,957	97,291,936	97,590,957	96,048,821
	- Percentage of shareholding	57.11	57.47	57.37	57.11	57.37	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	2
Received during the quarter	2
Disposed off during the quarter	4
Remaining unresolved at the end of the quarter	Nil

Segment Information

All amounts in Indian Rupees lakhs

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	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	64,468	69,899	57,863	204,878	180,153	248,914
	b) Global Generics	168,773	197,282	215,311	582,670	567,252	776,769
	c) Proprietary Products	-	-	(3)	-	3,131	3,131
	Total	233,241	267,181	273,171	787,548	750,536	1,028,814
	Less: Inter segment revenue	18,151	19,097	14,796	55,326	39,245	56,011
	Add : Other unallocable income	-	-	2	-	2	2
	Total income from operations	215,090	248,084	258,377	732,222	711,293	972,805
2	Segment results :						
	Profit / (loss) before tax and interest from each segment						
	a) Pharmaceutical Services and Active Ingredients	(3,922)	4,516	(2,901)	2,836	5,709	6,258
	b) Global Generics	6,123	55,031	86,494	149,927	245,620	291,062
	c) Proprietary Products	(6,739)	(7,019)	(5,585)	(21,325)	(12,974)	(19,909)
	Total	(4,538)	52,528	78,008	131,438	238,355	277,411
	Less: (i) Interest	1,391	1,602	2,125	4,503	5,933	7,831
	(ii) Other un-allocable expenditure / (income), net	(13,439)	(596)	(10,030)	(10,265)	46,697	24,141
	Total profit before tax	7,510	51,522	85,913	137,200	185,725	245,439
3	Capital Employed :						
	a) Pharmaceutical Services and Active Ingredients	292,880	286,074	269,242	292,880	269,242	273,267
	b) Global Generics	601,000	632,977	538,387	601,000	538,387	566,508
	c) Proprietary Products	(8,885)	(6,769)	2,069	(8,885)	2,069	590
	d) Unallocated	165,183	127,925	105,128	165,183	105,128	92,517
	Total	1,050,178	1,040,207	914,826	1,050,178	914,826	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 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.
- 3 The unaudited results have been reviewed by the Audit Committee of the Board on 28 January 2015 and approved by the Board of Directors of the Company at their meeting held on 29 January 2015.
- 4 The results for the quarter and nine months ended 31 December 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:

All amounts in Indian Rupees lakhs

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	31.03.2014
Employee benefits expense	6,180	6,196	6,021	17,996	17,628	23,497
Other expenditure	21,454	23,884	14,517	62,821	43,093	76,320
Total	27,634	30,080	20,538	80,817	60,721	99,817

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

Place: Hyderabad
Date: 29 January 2015

G V Prasad
Co-Chairman & Chief Executive Officer