

DR. REDDY'S LABORATORIES LIMITED

PART I : STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2013

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	Income from operations						
	a) Net sales / income from operations (Net of excise duty)	254,711	263,288	212,460	696,345	591,344	807,434
	b) License fees and service income	2,138	5,894	1,265	8,815	9,793	17,033
	c) Other operating income	1,528	1,572	2,119	6,133	6,016	18,934
	Total income from operations (net)	258,377	270,754	215,844	711,293	607,153	843,401
2	Expenses						
	a) Cost of materials consumed	50,948	54,896	62,836	161,963	170,709	234,102
	b) Purchase of traded goods	12,017	12,340	10,892	33,581	29,601	39,308
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(59)	(2,214)	(6,879)	(10,192)	(17,403)	(10,073)
	d) Employee benefits expense	31,238	29,758	28,655	89,063	83,469	113,812
	e) Research and development expenses	20,538	21,667	15,808	60,721	46,587	65,092
	f) Selling expenses	22,486	20,198	20,373	62,138	59,366	76,684
	g) Depreciation and amortisation	9,816	9,430	7,907	28,155	22,822	31,285
	h) Provision for decline in the value of long-term investments	-	-	-	2,449	2,219	2,232
	i) Other expenditure	29,674	34,123	30,239	102,028	95,835	123,677
	Total expenses	176,658	180,198	169,831	529,906	493,205	676,119
3	Profit from ordinary activities before other income, finance costs and exceptional items (1 - 2)	81,719	90,556	46,013	181,387	113,948	167,282
4	Other income	6,319	3,336	2,786	10,271	10,146	14,171
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	88,038	93,892	48,799	191,658	124,094	181,453
6	Finance costs	2,125	2,416	1,154	5,933	4,380	6,140
7	Profit from ordinary activities before exceptional items (5 - 6)	85,913	91,476	47,645	185,725	119,714	175,313
8	Exceptional items	-	-	-	-	-	-
9	Profit from ordinary activities before tax (7 + 8)	85,913	91,476	47,645	185,725	119,714	175,313
10	Tax expense	23,596	14,138	12,981	39,584	30,981	48,766
11	Net Profit from ordinary activities after tax (9 - 10)	62,317	77,338	34,664	146,141	88,733	126,547
12	Extra-ordinary items (net of tax)	-	-	-	-	-	-
13	Net profit for the period / year (11 - 12)	62,317	77,338	34,664	146,141	88,733	126,547
14	Paid-up equity share capital (face value Rs. 5/- each)	8,505	8,505	8,492	8,505	8,492	8,492
15	Reserves (excluding revaluation reserve)						769,869
16	Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share						
	- Basic	36.63	45.47	20.41	85.95	52.27	74.54
	- Diluted	36.47	45.25	20.31	85.53	52.01	74.17
		<i>(Not annualised)</i>					

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 2013

A PARTICULARS OF SHAREHOLDING

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
1	Public shareholding*						
	- Number of shares (face value Rs.5/- each)	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
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)	25.53	25.53	25.56	25.53	25.56	25.56

*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	6
Disposed off during the quarter	6
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
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Segment wise revenue, results and capital employed:						
1	Segment revenue :						
	a) Pharmaceutical Services and Active Ingredients	57,856	65,461	72,564	180,198	203,636	296,136
	b) Global Generics	215,472	216,525	158,654	567,718	443,088	600,894
	c) Proprietary Products	-	3,250	1	3,250	2,790	3,037
	Total	273,328	285,236	231,219	751,166	649,514	900,067
	Less: Inter segment revenue	14,796	14,298	15,218	39,245	41,729	55,845
	Add : Other unallocable Income	6,164	3,152	2,629	9,643	9,514	13,350
	Total income	264,696	274,090	218,630	721,564	617,299	857,572
2	Segment results :						
	Profit / (loss) before tax and interest from each segment						
	a) Pharmaceutical Services and Active Ingredients	(2,901)	4,573	7,628	5,709	23,329	36,189
	b) Global Generics	86,334	114,695	63,026	245,620	141,822	187,215
	c) Proprietary Products	(5,585)	(2,242)	(4,185)	(12,856)	(9,407)	(12,732)
	Total	77,848	117,026	66,469	238,473	155,744	210,672
	Less: (i) Interest	2,125	2,416	1,154	5,933	4,380	6,140
	(ii) Other un-allocable (income) / expenditure, net	(10,190)	23,134	17,670	46,815	31,650	29,219
	Total profit before tax	85,913	91,476	47,645	185,725	119,714	175,313
3	Capital Employed :						
	a) Pharmaceutical Services and Active Ingredients	267,292	266,868	238,153	267,292	238,153	255,427
	b) Global Generics	546,320	496,601	364,367	546,320	364,367	388,826
	c) Proprietary Products	1,974	1,424	(1,733)	1,974	(1,733)	(435)
	d) Unallocated	99,240	79,119	163,246	99,240	163,246	134,543
	Total	914,826	844,012	764,033	914,826	764,033	778,361

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

Notes:

- 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 values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 and guidelines issued by Securities and Exchange Board of India.
- 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 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.
- During the quarter ended 31 December 2013, the Company disposed its investment in Lacock Holdings Limited, Dr. Reddy's Laboratories Inc., Dr. Reddy's Laboratories (Australia) Pty. Limited, Dr. Reddy's Laboratories (Proprietary) Limited and OOO Dr. Reddy's Laboratories Limited to its wholly owned subsidiary Dr. Reddy's Laboratories SA, Switzerland. The aggregate loss on such disposal of investment recorded under "other expenditure" is Rs. 1,655 lakhs.
- 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 assessed the recoverability of money advanced to one of its subsidiaries which had funded the acquisition of such product related intangibles and reversed Rs. 2,804 lakhs of provision for doubtful advances during the quarter ended 31 December 2013.

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