

**DR. REDDY'S LABORATORIES LIMITED**  
**PART I : STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2013**

All amounts in Indian Rupees lakhs, except share data

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2013	31.12.2012	31.03.2012	31.03.2013	31.03.2012
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>1</b>	<b>Income from operations</b>					
	a) Net sales / income from operations (Net of excise duty)	216,090	212,460	174,871	807,434	660,378
	b) License fees and service income	7,240	1,265	1,667	17,033	6,399
	c) Other operating income	12,918	2,119	2,292	18,934	7,193
	<b>Total income from operations (net)</b>	<b>236,248</b>	<b>215,844</b>	<b>178,830</b>	<b>843,401</b>	<b>673,970</b>
<b>2</b>	<b>Expenses</b>					
	a) Cost of materials consumed	63,393	62,836	52,603	234,102	179,201
	b) Purchase of stock-in-trade	9,707	10,892	8,530	39,308	30,763
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	7,330	(6,879)	462	(10,073)	(10,476)
	d) Employee benefits expense	30,343	28,655	23,596	113,812	86,614
	e) Research and development expenses	18,505	15,808	16,744	65,092	58,129
	f) Selling expenses	17,318	20,373	14,502	76,684	62,506
	g) Depreciation and amortisation	8,463	7,907	8,395	31,285	30,115
	h) Provision for decline in the value of long-term investments	13	-	19,248	2,232	19,248
	i) Other expenditure	32,695	30,239	23,885	123,677	93,768
	<b>Total expenses</b>	<b>187,767</b>	<b>169,831</b>	<b>167,965</b>	<b>676,119</b>	<b>549,868</b>
<b>3</b>	<b>Profit from ordinary activities before other income, finance costs and exceptional items (1 - 2)</b>	<b>48,481</b>	<b>46,013</b>	<b>10,865</b>	<b>167,282</b>	<b>124,102</b>
4	Other income	8,879	2,786	26,288	14,171	8,178
<b>5</b>	<b>Profit from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>57,360</b>	<b>48,799</b>	<b>37,153</b>	<b>181,453</b>	<b>132,280</b>
6	Finance costs	1,760	1,154	1,567	6,140	6,362
<b>7</b>	<b>Profit from ordinary activities before exceptional items (5 - 6)</b>	<b>55,600</b>	<b>47,645</b>	<b>35,586</b>	<b>175,313</b>	<b>125,918</b>
8	Exceptional items	-	-	-	-	-
<b>9</b>	<b>Profit from ordinary activities before tax (7 + 8)</b>	<b>55,600</b>	<b>47,645</b>	<b>35,586</b>	<b>175,313</b>	<b>125,918</b>
10	Tax expense	17,785	12,981	14,407	48,766	34,682
<b>11</b>	<b>Net Profit from ordinary activities after tax (9 - 10)</b>	<b>37,815</b>	<b>34,664</b>	<b>21,179</b>	<b>126,547</b>	<b>91,236</b>
12	Extra-ordinary items (net of tax)	-	-	-	-	-
<b>13</b>	<b>Net profit for the period / year (11 - 12)</b>	<b>37,815</b>	<b>34,664</b>	<b>21,179</b>	<b>126,547</b>	<b>91,236</b>
14	Paid-up equity share capital (face value Rs. 5/- each)	8,492	8,492	8,478	8,492	8,478
15	Paid-up debt capital				209,049	152,811
16	Reserves (excluding revaluation reserve & debenture redemption reserve)				752,751	654,653
17	Debenture redemption reserve				17,118	8,664
<b>18</b>	<b>Earnings per share before and after extra-ordinary items (in Rupees) per Rs. 5/- share</b>					
	- Basic	22.27	20.41	12.49	74.54	53.83
	- Diluted	22.16	20.31	12.43	74.17	53.56
		(Not annualised)	(Not annualised)	(Not annualised)		
<b>19</b>	<b>a) Debt equity ratio</b>				0.064	0.077
	<b>b) Debt service coverage ratio</b>				0.697	0.606
	<b>c) Interest service coverage ratio</b>				21.318	18.154

See accompanying notes to the financial results

**DR. REDDY'S LABORATORIES LIMITED**

**PART II : SELECTED INFORMATION FOR THE QUARTER AND YEAR ENDED 31 MARCH 2013**

**A PARTICULARS OF SHAREHOLDING**

Sl No.	Particulars	Quarter ended			Year ended	
		31.03.2013	31.12.2012	31.03.2012	31.03.2013	31.03.2012
<b>1</b>	<b>Public shareholding*</b>					
	- Number of shares (face value Rs.5/- each)	97,799,433	98,126,503	97,627,569	97,799,433	97,627,569
	- Percentage of shareholding	57.59	57.78	57.57	57.59	57.57
<b>2</b>	<b>Promoters and promoter group shareholding</b>					
	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)	25.56	25.56	25.61	25.56	25.61

\*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	8
Disposed off during the quarter	8
Remaining unresolved at the end of the quarter	Nil

**Segment Information**

All amounts in Indian Rupees lakhs

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2013	31.12.2012	31.03.2012	31.03.2013	31.03.2012
		(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	91,781	72,564	79,855	296,136	259,069
	b) Global Generics	153,102	158,654	116,564	600,894	468,035
	c) Proprietary Products	332	1	59	3,037	189
	<b>Total</b>	<b>245,215</b>	<b>231,219</b>	<b>196,478</b>	<b>900,067</b>	<b>727,293</b>
	Less: Inter segment revenue	14,116	15,218	17,694	55,845	53,364
	Add : Other unallocable income	14,027	2,629	26,334	13,350	8,219
	<b>Total income</b>	<b>245,126</b>	<b>218,630</b>	<b>205,118</b>	<b>857,572</b>	<b>682,148</b>
<b>2</b>	<b>Segment results :</b>					
	Profit / (loss) before tax and interest from each segment					
	a) Pharmaceutical Services and Active Ingredients	12,860	7,628	15,486	36,189	48,602
	b) Global Generics	45,394	63,026	24,679	187,215	157,976
	c) Proprietary Products	(3,325)	(4,185)	(4,489)	(12,732)	(16,800)
	<b>Total</b>	<b>54,929</b>	<b>66,469</b>	<b>35,676</b>	<b>210,672</b>	<b>189,778</b>
	Less: (i) Interest	1,760	1,154	1,567	6,140	6,362
	(ii) Other un-allocable expenditure, net	(2,431)	17,670	(1,477)	29,219	57,498
	<b>Total profit before tax</b>	<b>55,600</b>	<b>47,645</b>	<b>35,586</b>	<b>175,313</b>	<b>125,918</b>
<b>3</b>	<b>Capital Employed :</b>					
	a) Pharmaceutical Services and Active Ingredients	255,427	238,153	203,180	255,427	203,180
	b) Global Generics	388,826	364,367	272,931	388,826	272,931
	c) Proprietary Products	(435)	(1,733)	(1,754)	(435)	(1,754)
	d) Unallocated	134,543	163,246	197,438	134,543	197,438
	<b>Total</b>	<b>778,361</b>	<b>764,033</b>	<b>671,795</b>	<b>778,361</b>	<b>671,795</b>

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

**DR. REDDY'S LABORATORIES LIMITED**

**PART II : SELECTED INFORMATION FOR THE QUARTER AND YEAR ENDED 31 MARCH 2013**

**Notes:**

1 The audited results have been reviewed by the Audit Committee of the Board on 13 May 2013 and approved by the Board of Directors of the Company at their meeting held on 14 May 2013.

**2 Statement of assets and liabilities**

		All amounts in Indian Rupees lakhs	
Sl. No.	PARTICULARS	As at	As at
		31.03.2013	31.03.2012
		(Audited)	(Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders Funds</b>		
	a) Share capital	8,492	8,478
	b) Reserves and surplus	769,869	663,317
	<b>Sub-total - Shareholders' funds</b>	<b>778,361</b>	<b>671,795</b>
<b>2</b>	<b>Non-current liabilities</b>		
	a) Long term borrowings	637	51,301
	b) Deferred tax liabilities (net)	9,372	2,003
	c) Other long term liabilities	277	632
	d) Long-term provisions	2,988	2,120
	<b>Sub-total - Non current liabilities</b>	<b>13,274</b>	<b>56,056</b>
<b>3</b>	<b>Current Liabilities</b>		
	a) Short-term borrowings	158,274	102,036
	b) Trade payables	76,782	73,342
	c) Other current liabilities	130,097	98,437
	d) Short-term provisions	42,127	32,398
	<b>Sub-total - Current liabilities</b>	<b>407,280</b>	<b>306,213</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>1,198,915</b>	<b>1,034,064</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current Assets</b>		
	a) Fixed Assets	281,031	251,439
	b) Non-current investments	218,256	227,049
	c) Long-term loans and advances	35,020	63,192
	d) Other non-current assets	2,090	-
	<b>Sub-total - Non-current assets</b>	<b>536,397</b>	<b>541,680</b>
<b>2</b>	<b>Current Assets</b>		
	a) Current investments	19,656	20,702
	b) Inventories	152,657	132,662
	c) Trade receivables	296,394	194,345
	d) Cash and cash equivalents	91,905	84,904
	e) Short-term loans and advances	88,837	52,993
	f) Other current assets	13,069	6,778
	<b>Sub-total - Current assets</b>	<b>662,518</b>	<b>492,384</b>
	<b>TOTAL - ASSETS</b>	<b>1,198,915</b>	<b>1,034,064</b>

**3 Ratios have been computed as follows:**

- a) Debt Equity Ratio = Debt / Net Worth  
 [ Debt: Long Term Borrowings (Current and Non current portion) ]  
 [ Net Worth: Share Capital + Reserves & Surplus ]  
 b) Debt Service Coverage Ratio = Earnings before interest and tax / (Interest expense during the period + Principal repayment for all the loan funds during the period)  
 c) Interest Service Coverage Ratio = Earnings before interest and tax / Interest expense during the period  
 [ Earnings before interest and tax: Profit from ordinary activities before tax + Interest expense ]

4 During March 2013, the Company entered into an agreement with Nordion Inc., to settle its ongoing litigation for alleged breach of service obligations by Nordion Inc. during the years 2000 to 2004. As part of the settlement, the Company received a total amount of Rs. 12,200 lakhs (USD 22.5 million) from Nordion, out of which Rs. 1,084 lakhs (USD 2 million) is towards reimbursement of research and development cost and the same is recorded as reduction in such cost. The balance Rs. 11,116 lakhs (USD 20.5 million) is towards 'lost profits' and the same is recorded as part of other operating income.

5 Consequent to the decline 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. Accordingly, the Company has created a provision for doubtful advances of Rs. 7,746 lakhs and recorded the same as part of other expenditure during the quarter ended 30 September 2012.

6 The Board of Directors at their meeting held on 14 May 2013 have recommended a final dividend of Rs. 15 per share subject to approval of shareholders.

7 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.

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

Place: Hyderabad  
 Date: 14 May 2013

Satish Reddy  
 Vice Chairman & Managing Director