

Unaudited consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and nine months ended 31 December 2012 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
		31.12.2012	30.09.2012	31.12.2011	31.12.2012	31.12.2011	31.03.2012
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Net Income from Sales and Services	286,516	288,085	276,919	828,662	701,529	967,374
2	Cost of Sales and Services						
	a) (Increase) / decrease in stock-in-trade and work-in-progress	(4,544)	(7,505)	(3,612)	(24,391)	(15,390)	(14,017)
	b) Consumption of raw materials	94,366	95,985	78,632	280,629	218,791	303,195
	c) Other expenditure	47,812	46,559	36,151	135,087	104,779	145,141
3	Gross Profit (1 - 2)	148,882	153,046	165,748	437,337	393,349	533,055
4	Selling, General and Administrative expenses	85,708	80,128	76,784	248,620	216,508	288,674
5	Research and Development expenses	20,254	17,582	15,140	53,472	41,701	59,105
6	Impairment loss on goodwill	-	1,809	-	1,809	-	-
7	Impairment loss on intangibles	-	5,067	-	5,067	-	10,404
8	Other (income) / expense, net	(2,331)	(3,964)	(1,648)	(8,480)	(5,670)	(7,650)
9	Operating profit (3) - (4 + 5 + 6 + 7 + 8)	45,251	52,424	75,472	136,849	140,810	182,522
10	Finance (expense) / income, net	(968)	3,710	1,737	626	777	1,599
11	Share of profit of equity accounted affiliate, net of income taxes	313	284	255	787	428	544
12	Profit before tax (9 + 10 + 11)	44,596	56,418	77,464	138,262	142,015	184,665
13	Tax Expense	8,265	15,674	26,168	27,589	33,665	42,044
14	Net Profit after tax (12 - 13)	36,331	40,744	51,296	110,673	108,350	142,621
15	Extra-ordinary items (net of tax expense)	-	-	-	-	-	-
16	Net Profit for the period / year (14 - 15)	36,331	40,744	51,296	110,673	108,350	142,621
17	Paid-up equity share capital (Face value of Rs. 5/- each)	8,492	8,492	8,476	8,492	8,476	8,478
18	Share premium, retained earnings, share based payment reserve, debenture redemption reserve and other components of equity						566,001
19	Earnings per share for the period / year (in Rupees) per Rs. 5/- share						
	- Basic	21.39	23.99	30.26	65.19	63.95	84.16
	- Diluted	21.33	23.93	30.16	64.95	63.68	83.81
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	
20	Public shareholding *						
	- Number of shares	98,126,503	97,663,976	96,543,537	98,126,503	96,543,537	97,627,569
	- Percentage of shareholding	57.78	57.51	56.94	57.78	56.94	57.57
21	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)	25.56	25.56	25.61	25.56	25.61	25.61
22	Details of items exceeding 10% of total expenditure						
	- Employee cost	51,647	51,330	43,483	150,646	124,440	169,275

*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
		31.12.2012	30.09.2012	31.12.2011	31.12.2012	31.12.2011	31.03.2012
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Segment wise revenue and results:						
1	Segment revenue :						
	a) Pharmaceutical Services and Active Ingredients	86,485	92,161	69,577	247,018	198,952	291,483
	b) Global Generics	208,277	201,031	212,866	599,971	518,462	702,434
	c) Proprietary Products	4,013	3,028	3,238	10,824	7,844	10,776
	d) Others	2,959	5,276	5,174	12,578	11,941	16,045
	Total	301,734	301,496	290,855	870,391	737,199	1,020,738
	Less: Inter-segment revenue	15,218	13,411	13,936	41,729	35,670	53,364
	Net Revenue from operations	286,516	288,085	276,919	828,662	701,529	967,374
2	Segment results :						
	Gross Profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	19,531	28,189	19,284	64,925	46,628	75,077
	b) Global Generics	124,901	119,440	140,965	356,967	335,604	442,633
	c) Proprietary Products	3,715	2,624	2,704	9,822	6,470	9,032
	d) Others	735	2,793	2,795	5,623	4,647	6,313
	Total	148,882	153,046	165,748	437,337	393,349	533,055
	Less: Other un-allocable expenditure, net of other income	104,286	96,628	88,284	299,075	251,334	348,390
	Total profit before tax	44,596	56,418	77,464	138,262	142,015	184,665

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

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	5
Disposed of during the quarter	5
Remaining unresolved at the end of the quarter	Nil

2 The Company has consolidated the financial statements of the following companies:

Dr. Reddy's Farmaceutica Do Brazil Ltda., Dr. Reddy's Laboratories (EU) Limited, Dr. Reddy's Laboratories (UK) Limited, Aurigene Discovery Technologies Limited, Aurigene Discovery Technologies Inc., Cheminor Investments Limited, DRL Impex Limited, Reddy Netherlands B.V., Reddy US Therapeutics Inc., Dr. Reddy's Laboratories (Proprietary) Limited, OOO Dr. Reddy's Laboratories Limited, Promius Pharma LLC, Dr. Reddy's Bio-Sciences Limited, Trigensis Therapeutics Inc., Industrias Quimicas Falcon de Mexico SA de CV, Lacock Holdings Limited, Reddy Holding GmbH, betapharm Arzneimittel GmbH, Reddy beta GmbH, beta institut fur sozialmedizinische Forschung und Entwicklung GmbH, Dr. Reddy's Laboratories (Australia) Pty Ltd, OOO Alfa, Reddy Pharmaceuticals Hong Kong Limited, Dr. Reddy's Laboratories Inc., Reddy Cheminor S.A., Reddy Antilles N.V., Reddy Pharma Iberia, S.A., Reddy Pharma Italia S.p.A, Dr. Reddy's Laboratories SA, Eurobridge Consulting B.V, OOO DRS LLC, Dr. Reddy's New Zealand Limited, Aurigene Discovery Technologies (Malaysia) Sdn Bhd, Dr. Reddy's Laboratories Louisiana LLC, Chirotech Technology Limited, Dr. Reddy's Laboratories ILAC TICARET Limited SIRKETI, Dr. Reddy's s.r.l., Dr. Reddy's Pharma SEZ Limited, Dr. Reddy's Laboratories International SA, Idea2Enterprises (India) Private Limited, Dr. Reddy's Laboratories Romania-SRL, I-Ven Pharma Capital Limited, Dr. Reddy's Venezuela, C.A., Dr. Reddy's Laboratories Tennessee LLC, Dr Reddy's Laboratories New York Inc, Dr. Reddy's Laboratories, LLC, Ukraine and Dr. Reddy's Laboratories Canada, Inc.

3 Kunshan Rotam Reddy Pharmaceutical Company Limited (a joint venture) has been accounted under the equity method of accounting in accordance with IAS-31 'Interests in Joint Ventures'.

4 DRANU, LLC (a joint venture) has been consolidated in accordance with SIC-12 'Consolidation - Special Purpose Entities'.

5 Pursuant to the judgement rendered by the A.P. High Court on 4 December 2012, the Company, based on its best estimate, has recorded an expense of ₹ 2,216 lakhs during the quarter ended 31 December 2012 towards Fuel Surcharge Adjustments (additional electricity cost) for the period from 01 April 2008 to 31 December 2012. The aforesaid expense is included in 'Cost of Sales and Services'.

6 On 14 December 2012, the Company announced its public offer to acquire all of the equity shares of OctoPlus N V ('OctoPlus'). As on 31 December 2012, the Company has acquired 15.67% of equity shares of OctoPlus for ₹ 3,116 lakhs through open market purchases and recorded the same as part of non current investments. As on 8 February 2013, the date on which offer period ended, 70.7% of shares have been tendered under the offer which together with shares acquired by the Company during the offer period represent 92.7% of the total shares. Consequently, the Company declared the offer unconditional and the settlement of the shares tendered under the offer is expected to take place on 15 February 2013.

7 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 2012 and 31 December 2011, for the quarter ended 30 September 2012 and audited Consolidated Financial Statements as per IFRS for the year ended 31 March 2012.

8 The unaudited results have been reviewed by the Audit Committee of the Board on 13 February 2013 and approved by the Board of Directors of the Company at their meeting held on 14 February 2013. 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).

9 The results for the quarter and nine months ended 31 December 2012 have been subjected to a 'Limited Review' by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

10 **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
	31.12.2012	30.09.2012	31.12.2011	31.12.2012	31.12.2011	31.03.2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total income from operations	215,844	210,855	160,769	607,153	495,141	673,970
Profit before tax and exceptional items	47,645	50,262	13,953	119,714	90,333	125,918
Profit after tax before exceptional items	34,664	36,303	10,803	88,733	70,058	91,236
Profit after tax and exceptional items	34,664	36,303	10,803	88,733	70,058	91,236

Note:

The unaudited standalone financial results for the quarter and nine months ended 31 December 2012 are available on the Stock Exchange's website : www.bseindia.com and www.nseindia.com and also on the Company's website: www.drreddys.com.

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

Place: Hyderabad
Date: 14 February 2013

Satish Reddy
Managing Director & Chief Operating Officer