

DR. REDDY'S LABORATORIES LIMITED
UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2011

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Half year ended		Year ended
		30.09.11	30.09.10	30.09.11	30.09.10	31.03.11
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Sales / Income from operations (including Excise Duty)	162,195	128,707	330,703	255,106	525,368
	Less: Excise duty	939	875	1,876	1,652	3,564
	Net sales / income from operations	161,256	127,832	328,827	253,454	521,804
2	License fees and service income	1,766	476	2,573	1,045	3,103
3	Other operating income	1,676	1,380	2,994	2,315	5,534
4	Total operating income (1 + 2 + 3)	164,698	129,688	334,394	256,814	530,441
5	Total expenditure	146,358	108,433	257,478	207,720	436,682
a	(Increase) / decrease in stock	(2,209)	468	(5,355)	(2,905)	(7,899)
b	Material consumed	54,719	41,972	102,523	85,798	181,116
c	Research and development expenses, net	14,527	12,707	26,438	22,151	51,286
d	Personnel costs	19,745	18,910	40,108	34,299	70,113
e	Selling expenses	14,491	10,885	28,419	23,904	47,713
f	Other expenditure	37,745	17,356	51,112	32,618	63,985
g	Depreciation and amortisation	7,340	6,135	14,233	11,855	24,794
h	Provision for decline in the value of long-term investments	-	-	-	-	5,574
6	Profit from operations before other income, interest and exceptional items (4 - 5)	18,340	21,255	76,916	49,094	93,759
7	Other income	1,305	5,235	2,566	5,328	11,960
8	Profit before interest and exceptional items (6 + 7)	19,645	26,490	79,482	54,422	105,719
9	Interest	1,578	13	3,102	59	538
10	Profit before exceptional items (8 - 9)	18,067	26,477	76,380	54,363	105,181
11	Exceptional items	-	-	-	-	-
12	Profit from ordinary activities before tax (10 - 11)	18,067	26,477	76,380	54,363	105,181
13	Tax expense	4,217	4,457	17,125	7,895	15,850
14	Net Profit from ordinary activities after tax (12 - 13)	13,850	22,020	59,255	46,468	89,331
15	Extra-ordinary items	-	-	-	-	-
16	Net profit for the period / year (14 - 15)	13,850	22,020	59,255	46,468	89,331
17	Paid - up equity share capital (face value Rs.5/- each)	8,476	8,460	8,476	8,460	8,463
18	Paid up debt capital	-	-	168,748	60,615	143,880
19	Reserves (excluding revaluation reserve and debenture redemption reserve)	-	-	-	-	593,352
20	Debenture redemption reserve	-	-	4,428	-	185
21	Earnings per share for the period (in Rupees) per Rs.5/- share					
	a) Before Extra-ordinary items					
	- Basic	8.17	13.02	34.98	27.49	52.82
	- Diluted	8.13	12.94	34.79	27.31	52.51
	b) After Extra-ordinary items					
	- Basic	8.17	13.02	34.98	27.49	52.82
	- Diluted	8.13	12.94	34.79	27.31	52.51
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	
22	a) Debt equity ratio			0.078	0.001	0.085
	b) Debt service coverage ratio			0.816	0.944	0.929
	c) Interest service coverage ratio			22.544	136.176	107.580
23	Public share holding*					
	-Number of shares (Face value Rs.5/- each)	96,165,909	98,466,684	96,165,909	98,466,684	94,124,752
	-Percentage of share holding	56.73	58.19	56.73	58.19	55.61
24	Promoters and promoter group Shareholding					
	a) Pledged/Encumbered					
	- Number of shares	-	2,100,000	-	2,100,000	2,100,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	4.83	-	4.83	4.84
	- Percentage of shares (as a % of the total share capital of the company)	-	1.24	-	1.24	1.24
	b) Non-encumbered					
	- Number of shares	43,417,812	41,367,812	43,417,812	41,367,812	41,317,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	95.17	100.00	95.17	95.16
	- Percentage of shares (as a % of the total share capital of the company)	25.61	24.45	25.61	24.45	24.41

*Public Share Holding as defined under Clause 40A of Listing Agreement (excludes shares held by Promoters, Promoter Group and American Depository Receipt Holders)

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All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Half year ended		Year ended
		30.09.11	30.09.10	30.09.11	30.09.10	31.03.11
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment wise revenue, results and capital employed:					
	Segment revenue :					
	a) Pharmaceutical Services and Active Ingredients	63,222	49,242	116,122	93,254	205,467
	b) Global Generics	113,035	88,370	239,868	179,274	356,227
	c) Proprietary Products	50	72	86	114	252
	Total	176,307	137,684	356,076	272,642	561,946
	Less: Inter segment revenue	12,442	7,212	21,733	14,977	31,551
	Add : Other unallocable Income	2,138	4,451	2,617	4,477	12,006
	Total income	166,003	134,923	336,960	262,142	542,401
2	Segment results :					
	Profit / (loss) before tax and interest from each segment					
	a) Pharmaceutical Services and Active Ingredients	12,414	5,847	15,945	10,694	30,997
	b) Global Generics	40,128	20,957	99,718	54,212	96,210
	c) Proprietary Products	(4,213)	(2,466)	(7,010)	(4,556)	(11,693)
	Total	48,329	24,338	108,653	60,350	115,514
	Less: (i) Interest	1,578	13	3,102	59	538
	(ii) Other un-allocable expenditure, net	28,684	(2,152)	29,171	5,928	9,795
	Total profit before tax	18,067	26,477	76,380	54,363	105,181
3	Capital Employed :					
	a) Pharmaceutical Services and Active Ingredients	196,429	151,645	196,429	151,645	177,497
	b) Global Generics	325,123	221,506	325,123	221,506	265,407
	c) Proprietary Products	(658)	666	(658)	666	303
	d) Unallocated	139,627	264,377	139,627	264,377	158,793
	Total	660,521	638,194	660,521	638,194	602,000

Notes:

1 Pursuant to clause 41 of the Listing Agreement, the investor complaints received, disposed off and lying unresolved for the quarter ended 30 September 2011 are given in the table below:

Nature of Complaints	Opening balance	Received	Disposal	Closing Balance
Non receipt of Shares, Dividend and Annual Reports etc.	Nil	5	5	Nil

2 On 24 October 2011, the Company has received an approval from U.S. FDA for olanzapine 20 mg tablets (generic version of Eli Lilly's Zyprexa@20 mg).

3 The unaudited results have been reviewed by the Audit Committee of the Board on 24 October 2011 and approved by the Board of Directors of the Company at their meeting held on 25 October 2011.

4 Statement of assets and liabilities

All amounts in Indian Rupees lakhs

Sl. No.	PARTICULARS	As at	
		30.09.11	30.09.10
		(Unaudited)	(Unaudited)
	SHARE HOLDERS' FUNDS		
a	Share capital	8,476	8,460
b	Share application money pending allotment	-	1
c	Reserves and surplus	652,045	629,733
	LOAN FUNDS	169,491	61,167
	DEFERRED TAX LIABILITY	3,711	9,262
		833,723	708,623
	FIXED ASSETS	241,633	220,518
	(including capital work in progress/advances)		
	INVESTMENTS	263,954	246,527
	CURRENT ASSETS, LOANS AND ADVANCES		
a	Inventories	119,618	96,985
b	Sundry debtors	234,385	129,827
c	Cash and bank balances	20,602	37,272
d	Loans and advances	133,378	130,119
	Less: Current liabilities and provisions		
a	Liabilities	165,029	150,390
b	Provisions	14,818	2,235
	Net current assets	328,136	241,578
	MISCELLANEOUS EXPENDITURE (not written off or adjusted)	-	-
		833,723	708,623

5 Ratios have been computed as follows:

a) Debt Equity Ratio= Debt / Net Worth

[Debt: Long Term Secured Loans + Long Term Unsecured Loans]

[Net Worth: Equity Share Capital + Reserves & Surplus - Miscellaneous expenditure to the extent not written off]

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]

6 During the year ended 31 March 2011, the Company had issued unsecured debentures in accordance with the scheme of arrangement approved by the High Court of Andhra Pradesh, India. Accordingly, no security or charge in respect of such debentures has been created. These debentures form part of loan funds as on 30 September 2011.

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

Place: Hyderabad
Date: 25 October 2011

Satish Reddy
Managing Director & Chief Operating Officer