

Unaudited Consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and half year ended 30 September 2011 prepared in compliance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB)

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Half year ended		Year ended
		30.09.11 (Unaudited)	30.09.10 (Unaudited)	30.09.11 (Unaudited)	30.09.10 (Unaudited)	31.03.11 (Audited)
1	<b>Net Income from Sales and Services</b>	<b>226,779</b>	<b>187,037</b>	<b>424,611</b>	<b>355,350</b>	<b>746,928</b>
2	<b>Cost of Sales and Services</b>					
	a) (Increase) / decrease in stock in trade and work in progress	(6,575)	(2,070)	(11,778)	(7,290)	(17,763)
	b) Consumption of raw materials	76,660	59,137	140,159	114,709	241,871
	c) Other expenditure	34,649	30,109	68,628	58,932	120,192
3	<b>Gross Profit (1 - 2)</b>	<b>122,045</b>	<b>99,861</b>	<b>227,602</b>	<b>188,999</b>	<b>402,628</b>
4	Selling, General and Administrative expenses	72,158	57,087	139,724	111,905	236,907
5	Research and Development expenses	14,594	12,698	26,562	22,627	50,596
6	Other (income) / expense, net	(2,152)	(2,190)	(4,022)	(4,054)	(11,151)
7	<b>Operating profit (3) - (4 + 5 + 6)</b>	<b>37,445</b>	<b>32,266</b>	<b>65,338</b>	<b>58,521</b>	<b>126,276</b>
8	Finance (expense) / income, net	(495)	(349)	(960)	(2,123)	(1,877)
9	Share of profit / (loss) of equity accounted affiliate, net of income taxes	133	30	173	77	32
10	<b>Profit / (loss) before tax (7 + 8 + 9)</b>	<b>37,083</b>	<b>31,947</b>	<b>64,551</b>	<b>56,475</b>	<b>124,431</b>
11	Tax Expense / (benefit)	6,303	3,265	7,497	6,838	14,031
12	<b>Net Profit after tax (10 - 11)</b>	<b>30,780</b>	<b>28,682</b>	<b>57,054</b>	<b>49,637</b>	<b>110,400</b>
13	Non-Controlling Interest	-	-	-	-	-
14	Extra-ordinary items (net of tax expense)	-	-	-	-	-
15	<b>Net Profit for the period / year (12 + 13 + 14)</b>	<b>30,780</b>	<b>28,682</b>	<b>57,054</b>	<b>49,637</b>	<b>110,400</b>
16	Paid-up equity share capital (Face value of Rs. 5/- each)	8,476	8,460	8,476	8,460	8,463
17	Share premium, retained earnings, share based payment reserve, debenture redemption reserve and other components of equity					451,485
18	<b>Earnings per share for the period / year (in Rupees) per Rs. 5/- share</b>					
	Basic	18.16	16.95	33.68	29.36	65.28
	Diluted	18.10	16.88	33.54	29.21	64.95
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	
19	Public shareholding *					
	Number of shares	96,165,909	98,466,684	96,165,909	98,466,684	94,124,752
	Percentage of shareholding	56.73	58.19	56.73	58.19	55.61
20	Promoters and promoter group shareholding					
	<b>a) Pledged / Encumbered</b>					
	- 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>b) Non-encumbered</b>					
	- 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
21	<b>Details of expenditure</b>					
	Items exceeding 10% of total expenditure					
	Employee cost	40,196	35,274	80,958	67,629	141,091
	Depreciation and amortization	12,685	10,479	25,023	20,239	41,477

\*Public Share Holding as defined under Clause 40A of 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		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)
	<b>Segment wise revenue and results:</b>					
<b>1</b>	<b>Segment revenue :</b>					
	a) Pharmaceutical Services and Active Ingredients	71,767	53,382	129,375	106,141	227,935
	b) Global Generics	161,357	136,670	305,597	255,841	533,494
	c) Proprietary Products	2,638	1,308	4,606	2,535	5,323
	d) Others	3,458	2,889	6,767	5,810	11,727
	<b>Total</b>	<b>239,220</b>	<b>194,249</b>	<b>446,345</b>	<b>370,327</b>	<b>778,479</b>
	Less: Inter-segment revenue	12,441	7,212	21,734	14,977	31,551
	<b>Net Revenue from operations</b>	<b>226,779</b>	<b>187,037</b>	<b>424,611</b>	<b>355,350</b>	<b>746,928</b>
<b>2</b>	<b>Segment results :</b>					
	Gross Profit from each segment					
	a) Pharmaceutical Services and Active Ingredients	16,901	10,355	27,344	20,372	51,045
	b) Global Generics	101,998	87,810	194,639	165,164	344,992
	c) Proprietary Products	2,150	896	3,766	1,692	3,827
	d) Others	996	800	1,853	1,771	2,764
	<b>Total</b>	<b>122,045</b>	<b>99,861</b>	<b>227,602</b>	<b>188,999</b>	<b>402,628</b>
	Less: Other un-allocable expenditure, net of other income	84,962	67,914	163,051	132,524	278,197
	<b>Total profit before tax</b>	<b>37,083</b>	<b>31,947</b>	<b>64,551</b>	<b>56,475</b>	<b>124,431</b>

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 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 & Annual Report etc.	Nil	5	5	Nil

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

OOO JV Reddy Biomed Limited, Reddy Pharmaceuticals Hong Kong Limited, Dr. Reddy's Laboratories Inc., Reddy Cheminor S.A., Reddy Antilles N.V., 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 Investments 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, Trigenesis Therapeutics Inc., Industrias Quimicas Falcon de Mexico SA de CV, Lacock Holdings Limited, Reddy Holding GmbH, betapharm Arzneimittel GmbH, beta Healthcare Solutions GmbH, beta institut fur sozialmedizinische Forschung und Entwicklung GmbH, Dr. Reddy's Laboratories (Australia) Pty Ltd, 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 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).

- 5 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. The above financial results have been prepared from the condensed consolidated interim 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).

- 6 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. Subsequent to this, the Company has voluntarily prepared and published unaudited Consolidated Financial Statements as per IFRS for the quarter and half year ended 30 September 2011, 30 September 2010 and for the year ended 31 March 2011.

## 7 STATEMENT OF ASSETS AND LIABILITIES (Consolidated)

All amounts in Indian Rupees lakhs

PARTICULARS	As at	
	30.09.11	30.09.10
	(Unaudited)	(Unaudited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	75,961	61,966
Other investments	18,277	405
Trade receivables	205,680	133,758
Inventories	185,920	147,283
Other current assets	83,147	78,985
<b>Total current assets</b>	<b>568,985</b>	<b>422,396</b>
<b>Non-current assets</b>		
Property, plant and equipment	314,504	254,118
Goodwill	21,997	21,739
Other intangible assets	129,150	113,369
Investment in equity accounted investees	3,301	3,180
Other non-current assets	40,092	18,893
<b>Total non-current assets</b>	<b>509,044</b>	<b>411,299</b>
<b>Total assets</b>	<b>1,078,029</b>	<b>833,696</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Loans and short-term borrowings	260,093	121,214
Other current liabilities	240,517	196,792
Provisions	14,725	12,089
<b>Total current liabilities</b>	<b>515,335</b>	<b>330,095</b>
<b>Non-current liabilities</b>		
Loans	52,938	23,719
Other non-current liabilities	28,504	27,016
Provisions	442	410
<b>Total non-current liabilities</b>	<b>81,884</b>	<b>51,145</b>
<b>Total liabilities</b>	<b>597,219</b>	<b>381,240</b>
<b>Equity</b>		
Equity capital	8,476	8,460
Reserves and surplus	472,334	443,996
<b>Total equity</b>	<b>480,810</b>	<b>452,456</b>
<b>Total liabilities and equity</b>	<b>1,078,029</b>	<b>833,696</b>

## 8 UNAUDITED FINANCIAL RESULTS OF DR. REDDY'S LABORATORIES LIMITED (STANDALONE INFORMATION) PREPARED AS PER IGAAP

All amounts in Indian Rupees lakhs

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)
Total operating income	164,698	129,688	334,394	256,814	530,441
Profit before tax and exceptional items	18,067	26,477	76,380	54,363	105,181
Profit after tax before exceptional items	13,850	22,020	59,255	46,468	89,331
Profit after tax and exceptional items	13,850	22,020	59,255	46,468	89,331

**Note:**

The unaudited standalone financial results for the quarter ended 30 September 2011 are available on the Stock Exchange's website : [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and also on the Company's website: [www.drreddys.com](http://www.drreddys.com).

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

Place: Hyderabad  
Date: 25 October 2011

Satish Reddy  
Managing Director & Chief Operating Officer