

Unaudited Consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and nine months ended 31 December 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			Nine Months ended		Year ended
		31.12.11 (Unaudited)	30.09.11 (Unaudited)	31.12.10 (Unaudited)	31.12.11 (Unaudited)	31.12.10 (Unaudited)	31.03.11 (Audited)
1	Net Income from Sales and Services	2,76,919	2,26,779	1,89,851	7,01,529	5,45,201	7,46,928
2	Cost of Sales and Services						
	a) (Increase) / decrease in stock in trade and work in progress	(3,612)	(6,575)	(3,525)	(15,390)	(10,815)	(17,763)
	b) Consumption of raw materials	78,632	76,660	60,149	2,18,791	1,74,858	2,41,871
	c) Other expenditure	36,151	34,649	29,082	1,04,779	88,014	1,20,192
3	Gross Profit (1 - 2)	1,65,748	1,22,045	1,04,145	3,93,349	2,93,144	4,02,628
4	Selling, General and Administrative expenses	76,784	72,158	63,728	2,16,508	1,75,633	2,36,907
5	Research and Development expenses	15,140	14,594	13,058	41,701	35,685	50,596
6	Other (income) / expense, net	(1,648)	(2,152)	(1,979)	(5,670)	(6,033)	(11,151)
7	Operating profit (3) - (4 + 5 + 6)	75,472	37,445	29,338	1,40,810	87,859	1,26,276
8	Finance (expense) / income, net	1,737	(495)	(498)	777	(2,621)	(1,877)
9	Share of profit / (loss) of equity accounted affiliate, net of income taxes	255	133	(7)	428	70	32
10	Profit / (loss) before tax (7 + 8 + 9)	77,464	37,083	28,833	1,42,015	85,308	1,24,431
11	Tax Expense / (benefit)	26,168	6,303	1,519	33,665	8,357	14,031
12	Net Profit after tax (10 - 11)	51,296	30,780	27,314	1,08,350	76,951	1,10,400
13	Non-Controlling Interest	-	-	-	-	-	-
14	Extra-ordinary items (net of tax expense)	-	-	-	-	-	-
15	Net Profit for the period / year (12 + 13 + 14)	51,296	30,780	27,314	1,08,350	76,951	1,10,400
16	Paid-up equity share capital (Face value of Rs. 5/- each)	8,476	8,476	8,461	8,476	8,461	8,463
17	Share premium, retained earnings, share based payment reserve, debenture redemption reserve and other components of equity	-	-	-	-	-	4,51,485
18	Earnings per share for the period / year (in Rupees) per Rs. 5/- share						
	Basic	30.26	18.16	16.14	63.95	45.51	65.28
	Diluted	30.16	18.10	16.07	63.68	45.29	64.95
		(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	
19	Public shareholding *						
	Number of shares	9,65,43,537	9,61,65,909	9,29,47,595	9,65,43,537	9,29,47,595	9,41,24,752
	Percentage of shareholding	56.94	56.73	54.92	56.94	54.92	55.61
20	Promoters and promoter group shareholding						
	a) Pledged / Encumbered						
	- Number of shares	-	-	21,00,000	-	21,00,000	21,00,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	4.84	-	4.84	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	4,34,17,812	4,34,17,812	4,13,17,812	4,34,17,812	4,13,17,812	4,13,17,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	95.16	100.00	95.16	95.16
	- Percentage of shares (as a % of the total share capital of the Company)	25.61	25.61	24.42	25.61	24.42	24.41
21	Details of expenditure						
	Items exceeding 10% of total expenditure						
	Employee cost	43,483	40,196	34,347	1,24,440	1,01,976	1,41,091
	Depreciation and amortization	13,058	12,685	10,658	38,081	30,897	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			Nine Months ended		Year ended
		31.12.11 (Unaudited)	30.09.11 (Unaudited)	31.12.10 (Unaudited)	31.12.11 (Unaudited)	31.12.10 (Unaudited)	31.03.11 (Audited)
	Segment wise revenue and results:						
1	Segment revenue :						
	a) Pharmaceutical Services and Active Ingredients	69,577	71,767	58,494	1,98,952	1,64,635	2,27,935
	b) Global Generics	2,12,866	1,61,357	1,35,881	5,18,462	3,91,722	5,33,494
	c) Proprietary Products	3,238	2,638	1,618	7,844	4,153	5,323
	d) Others	5,174	3,458	2,559	11,941	8,369	11,727
	Total	2,90,855	2,39,220	1,98,552	7,37,199	5,68,879	7,78,479
	Less: Inter-segment revenue	13,936	12,441	8,701	35,670	23,678	31,551
	Net Revenue from operations	2,76,919	2,26,779	1,89,851	7,01,529	5,45,201	7,46,928
2	Segment results :						
	Gross Profit from each segment						
	a) Pharmaceutical Services and Active Ingredients	19,284	16,901	14,178	46,628	34,550	51,045
	b) Global Generics	1,40,965	1,01,998	88,522	3,35,604	2,53,686	3,44,992
	c) Proprietary Products	2,704	2,150	1,306	6,470	2,998	3,827
	d) Others	2,795	996	139	4,647	1,910	2,764
	Total	1,65,748	1,22,045	1,04,145	3,93,349	2,93,144	4,02,628
	Less: Other un-allocable expenditure, net of other income	88,284	84,962	75,312	2,51,334	2,07,836	2,78,197
	Total profit before tax	77,464	37,083	28,833	1,42,015	85,308	1,24,431

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 31 December 2011 are given in the table below:

Nature of Complaints	Opening Balance	Received	Disposal	Closing Balance
Non receipt of Shares/ Debenture Certificates and Dividend	Nil	3	2	1*

*Since resolved

- 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 During the three months ended 31 December 2011, the Company received an approval and was awarded a 180-day period of marketing exclusivity from the U.S. FDA for olanzapine 20 mg tablets (generic version of Eli Lilly's Zyprexa®20 mg) for sale in the United States. The Company had entered into an agreement with Teva Pharmaceuticals Inc. ("Teva") under which the company would supply olanzapine 20mg tablets to Teva. In consideration for such supply, Teva would pay a revenue share to the Company computed based on its ultimate net sale proceeds. Based on the statement of net sale proceeds received from Teva, the Company has recorded the revenue share in its financial statements for the quarter ended December 31, 2011.
- 5 The unaudited results have been reviewed by the Audit Committee of the board on 2 February 2012 and approved by the Board of Directors of the Company at their meeting held on 3 February 2012. 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. 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 2011, 31 December 2010, for the quarter ended 30 September 2011 and for the year ended 31 March 2011.

7 The results for the quarter and nine months ended 31 December 2011 have been subjected to a "Limited review" by the Statutory Auditors of the Company. An unqualified report has been issued by them thereon.

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			Nine Months ended		Year ended
	31.12.11	30.09.11	31.12.10	31.12.11	31.12.10	31.03.11
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total operating income	1,60,769	1,64,698	1,38,976	4,95,141	3,95,775	5,30,441
Profit before tax and exceptional items	13,953	18,067	31,591	90,333	85,954	1,05,181
Profit after tax before exceptional items	10,803	13,850	26,277	70,058	72,745	89,331
Profit after tax and exceptional items	10,803	13,850	26,277	70,058	72,745	89,331

Note:

The unaudited standalone financial results for the quarter ended 31 December 2011 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: 3 February 2012

Satish Reddy
Managing Director & Chief Operating Officer