

Audited Consolidated financial results of Dr. Reddy's Laboratories Limited and its subsidiaries for the quarter and year ended March 31, 2012 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			Year ended	
		31.03.12 (Audited)	31.12.11 (Unaudited)	31.03.11 (Audited)	31.03.12 (Audited)	31.03.11 (Audited)
1	<b>Net Income from Sales and Services</b>	<b>2,65,845</b>	<b>2,76,919</b>	<b>2,01,727</b>	<b>9,67,374</b>	<b>7,46,928</b>
2	<b>Cost of Sales and Services</b>					
	a) (Increase) / decrease in stock in trade and work in progress	1,373	(3,612)	(6,948)	(14,017)	(17,763)
	b) Consumption of raw materials	84,404	78,632	67,013	3,03,195	2,41,871
	c) Other expenditure	40,362	36,151	32,178	1,45,141	1,20,192
3	<b>Gross Profit (1 - 2)</b>	<b>1,39,706</b>	<b>1,65,748</b>	<b>1,09,484</b>	<b>5,33,055</b>	<b>4,02,628</b>
4	Selling, General and Administrative expenses	72,166	76,784	61,274	2,88,674	2,36,907
5	Research and Development expenses	17,404	15,140	14,911	59,105	50,596
6	Impairment loss on intangibles	10,404	-	-	10,404	-
7	Other (income) / expense, net	(1,980)	(1,648)	(5,117)	(7,650)	(11,151)
8	<b>Operating profit (3) - (4 + 5 + 6 + 7)</b>	<b>41,712</b>	<b>75,472</b>	<b>38,416</b>	<b>1,82,522</b>	<b>1,26,276</b>
9	Finance (expense) / income, net	822	1,737	743	1,599	(1,877)
10	Share of profit / (loss) of equity accounted affiliate, net of income taxes	115	255	(38)	544	32
11	<b>Profit / (loss) before tax (8 + 9 + 10)</b>	<b>42,649</b>	<b>77,464</b>	<b>39,121</b>	<b>1,84,665</b>	<b>1,24,431</b>
12	Tax Expense / (benefit)	8,379	26,168	5,674	42,044	14,031
13	<b>Net Profit after tax (11 - 12)</b>	<b>34,270</b>	<b>51,296</b>	<b>33,447</b>	<b>1,42,621</b>	<b>1,10,400</b>
14	Extra-ordinary items (net of tax expense)	-	-	-	-	-
15	<b>Net Profit for the period / year (13 - 14)</b>	<b>34,270</b>	<b>51,296</b>	<b>33,447</b>	<b>1,42,621</b>	<b>1,10,400</b>
16	Paid-up equity share capital (Face value of Rs. 5/- each)	8,478	8,478	8,463	8,478	8,463
17	Share premium, retained earnings, share based payment reserve, debenture redemption reserve and other components of equity				5,66,001	4,51,485
18	<b>Earnings per share for the period / year (in Rupees) per Rs. 5/- share</b>					
	- Basic	20.21	30.26	19.81	84.16	65.28
	- Diluted	20.14	30.16	19.72	83.81	64.95
		(Not annualised)	(Not annualised)	(Not annualised)		
19	Public shareholding *					
	- Number of shares	9,76,27,569	9,65,43,537	9,41,24,752	9,76,27,569	9,41,24,752
	- Percentage of shareholding	57.57	56.94	55.61	57.57	55.61
20	Promoters and promoter group shareholding					
	<b>a) Pledged / Encumbered</b>					
	- Number of shares	-	-	21,00,000	-	21,00,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	4.84	-	4.84
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	1.24	-	1.24
	<b>b) Non-encumbered</b>					
	- Number of shares	4,34,17,812	4,34,17,812	4,13,17,812	4,34,17,812	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
	- Percentage of shares (as a % of the total share capital of the Company)	25.61	25.61	24.41	25.61	24.41
21	<b>Details of expenditure</b>					
	Items exceeding 10% of total expenditure					
	- Employee cost	44,834	43,483	39,115	1,69,275	1,41,091
	- Depreciation and amortization	14,053	13,058	10,580	52,134	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			Year ended	
		31.03.12 (Audited)	31.12.11 (Unaudited)	31.03.11 (Audited)	31.03.12 (Audited)	31.03.11 (Audited)
	<b>Segment wise revenue and results:</b>					
<b>1</b>	<b>Segment revenue :</b>					
	a) Pharmaceutical Services and Active Ingredients	92,531	69,577	63,300	2,91,483	2,27,935
	b) Global Generics	1,83,972	2,12,866	1,41,772	7,02,434	5,33,494
	c) Proprietary Products	2,932	3,238	1,170	10,776	5,323
	d) Others	4,104	5,174	3,358	16,045	11,727
	<b>Total</b>	<b>2,83,539</b>	<b>2,90,855</b>	<b>2,09,600</b>	<b>10,20,738</b>	<b>7,78,479</b>
	Less: Inter-segment revenue	17,694	13,936	7,873	53,364	31,551
	<b>Net Revenue from operations</b>	<b>2,65,845</b>	<b>2,76,919</b>	<b>2,01,727</b>	<b>9,67,374</b>	<b>7,46,928</b>
<b>2</b>	<b>Segment results :</b>					
	Gross Profit from each segment					
	a) Pharmaceutical Services and Active Ingredients	28,449	19,284	16,495	75,077	51,045
	b) Global Generics	1,07,029	1,40,965	91,306	4,42,633	3,44,992
	c) Proprietary Products	2,562	2,704	829	9,032	3,827
	d) Others	1,666	2,795	854	6,313	2,764
	<b>Total</b>	<b>1,39,706</b>	<b>1,65,748</b>	<b>1,09,484</b>	<b>5,33,055</b>	<b>4,02,628</b>
	Less: Other un-allocable expenditure, net of other income	97,057	88,284	70,363	3,48,390	2,78,197
	<b>Total profit before tax</b>	<b>42,649</b>	<b>77,464</b>	<b>39,121</b>	<b>1,84,665</b>	<b>1,24,431</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 INVESTOR COMPLAINTS**

Pending at the beginning of the quarter	1
Received during the quarter	4
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 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, Trigensis 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, OOO Alpha, 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** During the year, there have been certain significant changes in the German generics market which are likely to cause an adverse impact on the price realization of some of the company's products. Pursuant to such adverse market developments, the Company has recorded an impairment loss with respect to its intangible assets amounting to Rs. 10,219 lakhs as at March 31, 2012.

**5** The audited results have been reviewed by the Audit Committee of the board on May 10, 2012 and approved by the Board of Directors of the Company at their meeting held on May 11, 2012. 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).

**6** The Board of Directors at their meeting held on 11 May 2012 have recommended a final dividend of Rs.13.75 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. The figures up to the end of third quarter were only reviewed and not subject to audit.

**8** 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 audited Consolidated Financial Statements as per IFRS for the year ended March 31, 2012 and March 31, 2011.

## 9 STATEMENT OF ASSETS AND LIABILITIES (Consolidated)

All amounts in Indian Rupees lakhs

PARTICULARS	As at	
	31.03.12	31.03.11
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	79,788	57,287
Other investments	1,01,733	332
Trade receivables	2,53,388	1,76,154
Inventories	1,93,524	1,60,589
Other current assets	71,091	81,566
<b>Total current assets</b>	<b>6,99,524</b>	<b>4,75,928</b>
<b>Non-current assets</b>		
Property, plant and equipment	3,32,464	2,96,416
Goodwill	22,081	21,795
Other intangible assets	1,13,209	1,30,661
Investment in equity accounted investees	3,678	3,134
Other non-current assets	23,815	22,114
<b>Total non-current assets</b>	<b>4,95,247</b>	<b>4,74,120</b>
<b>Total assets</b>	<b>11,94,771</b>	<b>9,50,048</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Loans and short-term borrowings	1,58,756	1,83,015
Other current liabilities	2,56,601	2,13,996
Provisions	19,256	13,136
<b>Total current liabilities</b>	<b>4,34,613</b>	<b>4,10,147</b>
<b>Non-current liabilities</b>		
Loans	1,63,350	52,704
Other non-current liabilities	21,908	26,884
Provisions	470	414
<b>Total non-current liabilities</b>	<b>1,85,728</b>	<b>80,002</b>
<b>Total liabilities</b>	<b>6,20,341</b>	<b>4,90,149</b>
<b>Equity</b>		
Equity capital	8,478	8,463
Reserves and surplus	5,65,952	4,51,436
<b>Total equity</b>	<b>5,74,430</b>	<b>4,59,899</b>
<b>Total liabilities and equity</b>	<b>11,94,771</b>	<b>9,50,048</b>

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

All amounts in Indian Rupees lakhs

PARTICULARS	Quarter ended			Year ended	
	31.03.12	31.12.11	31.03.11	31.03.12	31.03.11
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Total income from operations	1,78,830	1,60,769	1,34,666	6,73,970	5,30,441
Profit before tax and exceptional items	35,586	13,953	19,228	1,25,918	1,05,181
Profit after tax before exceptional items	21,179	10,803	16,587	91,236	89,331
Profit after tax and exceptional items	21,179	10,803	16,587	91,236	89,331

**Note:**

The audited standalone financial results for the quarter and year ended March 31, 2012 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: 11-May-12

Satish Reddy  
Managing Director & Chief Operating Officer