

**DR. REDDY'S LABORATORIES LIMITED**  
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2010**

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Half Year ended		Year ended
		30.09.10	30.09.09	30.09.10	30.09.09	31.03.10
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Sales / Income from operations (including Excise Duty)	128,707	108,094	255,106	223,271	443,274
	Less: Excise duty	875	772	1,652	1,532	3,161
	<b>Net sales / income from operations</b>	<b>127,832</b>	<b>107,322</b>	<b>253,454</b>	<b>221,739</b>	<b>440,113</b>
2	License fees and service income	476	4,349	1,045	9,714	11,109
3	Other operating income	1,380	915	2,315	1,565	4,098
<b>4</b>	<b>Total income (1 + 2 + 3)</b>	<b>129,688</b>	<b>112,586</b>	<b>256,814</b>	<b>233,018</b>	<b>455,320</b>
<b>5</b>	<b>Total expenditure</b>	<b>108,433</b>	<b>88,562</b>	<b>207,720</b>	<b>181,398</b>	<b>362,873</b>
a	(Increase)/ decrease in stock	468	(4,355)	(2,905)	(4,243)	(11,729)
b	Material consumed	41,972	41,046	85,798	82,936	164,178
c	Research and development expenses, net	12,707	8,895	22,151	17,680	36,428
d	Personnel costs	18,910	12,534	34,299	24,693	51,001
e	Selling expenses	10,885	11,676	23,904	22,425	44,848
f	Other expenditure	17,356	13,258	32,618	27,214	52,693
g	Depreciation and amortisation	6,135	5,508	11,855	10,693	22,243
h	Provision for decline in the value of long-term investments	-	-	-	-	3,211
<b>6</b>	<b>Profit from operations before other income, interest and exceptional items (4 - 5)</b>	<b>21,255</b>	<b>24,024</b>	<b>49,094</b>	<b>51,620</b>	<b>92,447</b>
7	Other income	5,235	1,315	5,328	2,950	17,144
<b>8</b>	<b>Profit before interest and exceptional items (6 + 7)</b>	<b>26,490</b>	<b>25,339</b>	<b>54,422</b>	<b>54,570</b>	<b>109,591</b>
9	Interest	13	10	59	344	1,108
<b>10</b>	<b>Profit before exceptional items (8 - 9)</b>	<b>26,477</b>	<b>25,329</b>	<b>54,363</b>	<b>54,226</b>	<b>108,483</b>
11	Exceptional items	-	-	-	-	-
<b>12</b>	<b>Profit from ordinary activities before tax (10 - 11)</b>	<b>26,477</b>	<b>25,329</b>	<b>54,363</b>	<b>54,226</b>	<b>108,483</b>
13	Tax expense	4,457	5,623	7,895	11,776	23,875
<b>14</b>	<b>Net Profit from ordinary activities after tax (12 - 13)</b>	<b>22,020</b>	<b>19,706</b>	<b>46,468</b>	<b>42,450</b>	<b>84,608</b>
15	Extra-ordinary items					
<b>16</b>	<b>Net profit for the period / year (14 - 15)</b>	<b>22,020</b>	<b>19,706</b>	<b>46,468</b>	<b>42,450</b>	<b>84,608</b>
17	Paid - up equity share capital (face value Rs.5/- each)	8,460	8,437	8,460	8,437	8,442
18	Reserves (excluding revaluation reserve)					583,007
19	Earnings per share for the period (in Rupees) per Rs.5/- share					
	a) Before Extra-ordinary items					
	- Basic	13.02	11.68	27.49	25.18	50.15
	- Diluted	12.94	11.60	27.31	24.99	49.81
	b) After Extra-ordinary items					
	- Basic	13.02	11.68	27.49	25.18	50.15
	- Diluted	12.94	11.60	27.31	24.99	49.81
20	Public share holding*					
	-Number of shares (Face value Rs.5/- each)	98,466,684	100,552,801	98,466,684	100,552,801	100,778,704
	-Percentage of share holding	58.19	59.59	58.19	59.59	59.69
21	Promoters and promoter group Shareholding					
	a) Pledged/Encumbered					
	- Number of shares	2,100,000	2,100,000	2,100,000	2,100,000	2,225,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	4.83	4.83	4.83	4.83	5.11
	- Percentage of shares (as a % of the total share capital of the company)	1.24	1.24	1.24	1.24	1.32
	b) Non-encumbered					
	- Number of shares	41,367,812	41,417,812	41,367,812	41,417,812	41,292,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	95.17	95.17	95.17	95.17	94.89
	- Percentage of shares (as a % of the total share capital of the company)	24.45	24.55	24.45	24.55	24.46

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

**DR. REDDY'S LABORATORIES LIMITED**  
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2010**

All amounts in Indian Rupees lakhs

Sl. No.	PARTICULARS	Quarter ended		Half Year ended		Year ended
		30.09.10	30.09.09	30.09.10	30.09.09	31.03.10
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Segment wise revenue, results and capital employed:</b>						
<b>Segment revenue :</b>						
a)	Pharmaceutical Services and Active Ingredients	49,242	48,259	93,254	97,513	185,602
b)	Global Generics	88,370	70,826	179,274	148,431	287,661
c)	Proprietary Products	72	14	114	16	297
	<b>Total</b>	<b>137,684</b>	<b>119,099</b>	<b>272,642</b>	<b>245,960</b>	<b>473,560</b>
	Less: Inter segment revenue	7,212	6,585	14,977	12,979	27,970
	Add : Other unallocable Income	4,451	1,387	4,477	2,987	26,874
	<b>Total income</b>	<b>134,923</b>	<b>113,901</b>	<b>262,142</b>	<b>235,968</b>	<b>472,464</b>
<b>2 Segment results :</b>						
Profit / (loss) before tax and interest from each segment						
a)	Pharmaceutical Services and Active Ingredients	5,847	11,043	10,694	21,415	33,957
b)	Global Generics	20,957	20,553	54,212	42,193	80,385
c)	Proprietary Products	(2,466)	(2,932)	(4,556)	(5,312)	(9,233)
	<b>Total</b>	<b>24,338</b>	<b>28,664</b>	<b>60,350</b>	<b>58,296</b>	<b>105,109</b>
	Less: (i) Interest	13	10	59	344	1,108
	(ii) Other un-allocable expenditure	(2,152)	3,325	5,928	3,726	(4,482)
	<b>Total profit before tax</b>	<b>26,477</b>	<b>25,329</b>	<b>54,363</b>	<b>54,226</b>	<b>108,483</b>
<b>3 Capital Employed:</b>						
a)	Pharmaceutical Services and Active Ingredients	151,645	139,244	151,645	139,244	136,672
b)	Global Generics	221,506	156,106	221,506	156,106	166,017
c)	Proprietary Products	666	1,646	666	1,646	2,365
d)	Others	264,377	275,717	264,377	275,717	286,395
	<b>Total</b>	<b>638,194</b>	<b>572,713</b>	<b>638,194</b>	<b>572,713</b>	<b>591,449</b>

**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 2010 are given in the table below:

Nature of Complaints	Opening balance	Received	Disposal	Closing Balance
Non receipt of shares and dividend	Nil	5	5	Nil

2 The unaudited results have been taken on record by the Board of Directors of the Company at its meeting held on 23 October 2010.

**3 Statement of assets and liabilities**

All amounts in Indian Rupees lakhs

Sl. No.	PARTICULARS	As at	
		30.09.10	30.09.09
		(Unaudited)	(Unaudited)
<b>SHARE HOLDERS' FUNDS</b>			
a	Share capital	8,460	8,437
b	Share application money pending allotment	1	116
c	Reserves and surplus	629,733	564,160
	<b>LOAN FUNDS</b>	61,167	17,693
	<b>DEFERRED TAX LIABILITY</b>	9,262	7,217
		<b>708,623</b>	<b>597,623</b>
	<b>FIXED ASSETS</b> (including capital work in progress/advances)	220,518	166,882
	<b>INVESTMENTS</b>	246,527	193,519
	<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
a	Inventories	96,985	79,629
b	Sundry debtors	129,827	118,941
c	Cash and bank balances	37,272	35,984
d	Loans and advances	130,119	121,801
	Less: Current liabilities and provisions		
a	Liabilities	150,390	117,953
b	Provisions	2,235	1,180
	Net current assets	<b>241,578</b>	<b>237,222</b>
	<b>MISCELLANEOUS EXPENDITURE (not written off or adjusted)</b>		
		<b>708,623</b>	<b>597,623</b>

4 The figures for the previous periods have been re-grouped/re-classified, wherever necessary, to conform with the current period classification.

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

Place: Hyderabad  
Date: 23 October 2010

Satish Reddy  
Managing Director & Chief Operating Officer