

DR. REDDY'S LABORATORIES LIMITED
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2010

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Year ended	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
		(Unaudited)	(Unaudited)	Audited	Audited
1	Sales / Income from operations (including Excise Duty)	116,083	105,327	443,274	404,187
	Less: Excise duty	846	744	3,161	4,224
	Net sales / income from operations	115,237	104,583	440,113	399,963
2	License fees and service income	401	9,897	11,109	19,790
3	Other Operating Income	1,590	620	4,098	3,263
4	Total income (1 + 2 + 3)	117,228	115,100	455,320	423,016
5	Total expenditure	96,017	91,894	362,873	354,970
a	(Increase)/ decrease in stock	(2,645)	14	(11,729)	(6,407)
b	Material consumed	40,799	39,045	164,178	157,265
c	Research and development expenses, net	9,269	10,577	36,428	38,469
d	Personnel costs	14,011	9,887	51,001	41,334
e	Selling expenses	12,622	13,499	44,848	46,276
f	Other expenditure	12,654	13,625	52,693	57,551
g	Depreciation and amortisation	6,096	5,247	22,243	19,363
h	Provision for decline in the value of long-term investments	3,211	-	3,211	1,119
6	exceptional items (4 - 5)	21,211	23,206	92,447	68,046
7	Other Income	11,215	1,551	17,144	6,758
8	Profit before interest and exceptional items (6 + 7)	32,426	24,757	109,591	74,804
9	Interest	489	650	1,108	1,850
10	Profit before Exceptional items (8 - 9)	31,937	24,107	108,483	72,954
11	Exceptional items	-	-	-	-
12	Profit from Ordinary activities before tax (10 - 11)	31,937	24,107	108,483	72,954
13	Tax expense	6,621	8,490	23,875	16,865
14	Net Profit from ordinary activities after tax (12 - 13)	25,316	15,617	84,608	56,089
15	Extra-ordinary Items	-	-	-	-
16	Net profit for the period / year (14 - 15)	25,316	15,617	84,608	56,089
17	Paid - up equity share capital (face value Rs.5/- each)	8,442	8,423	8,442	8,423
18	Reserves (Excluding revaluation reserve)	-	-	583,007	517,494
19	Earnings per share for the period (in Rupees) per Rs.5/- share				
	a) Before Extra-ordinary items				
	- Basic	14.99	9.27	50.15	33.32
	- Diluted	14.91	9.22	49.81	33.11
	b) After Extra-ordinary items				
	- Basic	14.99	9.27	50.15	33.32
	- Diluted	14.91	9.22	49.81	33.11
		(Not annualised)	(Not annualised)		
20	Public share holding*				
	-Number of shares (Face value Rs.5/- each)	100,778,704	97,492,609	100,778,704	97,492,609
	-Percentage of share holding	59.69	57.87	59.69	57.87
21	Promoters and promoter group Shareholding				
a	Pledged/Encumbered				
	- Number of shares	2,225,000	11,859,009	2,225,000	11,859,009
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	5.11	26.67	5.11	26.67
	- Percentage of shares (as a % of the total share capital of the company)	1.32	7.04	1.32	7.04
b	Non-encumbered				
	- Number of shares	41,292,812	32,608,803	41,292,812	32,608,803
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	94.89	73.33	94.89	73.33
	- Percentage of shares (as a % of the total share capital of the company)	24.46	19.36	24.46	19.36

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

f	Other expenditure	12,654	13,625	52,693	57,551
g	Depreciation and amortisation	6,096	5,247	22,243	19,363
h	Provision for decline in the value of long-term investments	3,211	-	3,211	1,119

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Year ended	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009
		(Unaudited)	(Unaudited)	Audited	Audited
	Segment wise revenue, results and capital employed:				
1	Segment revenue :				
	a) Pharmaceutical Services and Active Ingredients	45,660	41,436	185,602	177,224
	b) Global Generics	75,240	79,011	287,661	269,836
	c) Proprietary Products	127	1	297	10
	Total	121,027	120,448	473,560	447,070
	Less: Inter segment revenue	7,806	5,292	27,970	23,749
	Add : Other unallocable Income	15,222	1,495	26,874	6,453
	Total income	128,443	116,651	472,464	429,774
2	Segment results :				
	Profit / (loss) before tax and interest from each segment				
	a) Pharmaceutical Services and Active Ingredients	5,011	8,375	33,957	35,877
	b) Global Generics	21,449	21,949	80,385	77,231
	c) Proprietary Products	(1,582)	(3,441)	(9,233)	(11,062)
	Total	24,878	26,883	105,109	102,046
	Less: (i) Interest	489	650	1,108	1,850
	(ii) Other un-allocable expenditure	(7,548)	2,126	(4,482)	27,242
	Total profit before tax	31,937	24,107	108,483	72,954
3	Capital Employed:				
	a) Pharmaceutical Services and Active Ingredients	136,672	135,227	136,672	135,227
	b) Global Generics	166,017	181,045	166,017	181,045
	c) Proprietary Products	2,365	14,947	2,365	14,947
	d) Others	286,395	194,699	286,395	194,699
	Total	591,449	525,918	591,449	525,918

STATEMENT OF ASSETS AND LIABILITIES

All amounts in Indian Rupees lakhs

Sl. No.	PARTICULARS	As at	
		31.03.2010	31.03.2009
		Audited	Audited
	SHARE HOLDERS' FUNDS		
a	Share capital	8,442	8,423
b	Reserves and Surplus	583,007	517,494
	LOAN FUNDS	56,317	64,026
	DEFERRED TAX LIABILITY	7,501	9,041
		655,267	598,984
	FIXED ASSETS	206,086	162,205
	INVESTMENTS	255,512	170,377
	CURRENT ASSETS, LOANS AND ADVANCES		
a	Inventory	89,737	73,513
b	Sundry debtors	106,050	141,974
c	Cash and bank balances	36,798	38,437
d	Loans and advances	130,008	130,850
	Less: Current liabilities and provisions		
a	liabilities	144,747	105,020
b	Provisions	24,177	13,352
	Net current assets	193,669	266,402
	MISCELLANEOUS EXPENDITURE (not written off or adjusted)	-	-
		655,267	598,984

Notes:

- 1 Pursuant to clause 41 of the listing agreement, the investor complaints received, disposed off and lying unresolved for the quarter ended 31 March 2010 are given in the table below:

Nature of Complaints	Opening balance	Received	Disposal	Closing Balance
Non-receipt of shares & dividend	Nil	4	4	Nil

- 2 The Board of Directors at its board meeting held on 06 May 2010 have recommended a final dividend of Rs. 11.25/- per share subject to approval of
- 3 The results have been taken on record by the Board of Directors of the Company at its meeting held on 06 May 2010.
- 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: 06 May 2010

Satish Reddy
Managing Director & Chief Operating Officer

DR. REDDY'S LABORATORIES LIMITED

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2010

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Year ended	
		31.03.2010	31.03.2009
		(Audited)	(Audited)
1	Sales / Income from operations (including Excise duty and other similar duties and taxes)	688,325	683,261
	Less: Excise duty and other similar duties and taxes	3,161	4,224
	Net sales / income from operations	685,164	679,037
2	License fees and service income	17,954	11,026
3	Other operating income	6,111	4,928
4	Total Income (1+2+3)	709,229	694,991
5	Total Expenditure	602,491	609,636
a	(Increase) / decrease in stock	2,477	(13,414)
b	Material consumed	234,740	249,513
c	Research and development expenses, net	37,307	40,927
d	Personnel costs	118,327	99,205
e	Selling expenses	70,296	66,544
f	Other expenditure	98,030	117,085
g	Depreciation and amortisation	41,314	49,776
6	Profit from operations before interest and exceptional items (4 -5)	106,738	85,355
7	Other income	4,040	5,013
8	Profit before interest and exceptional items (6+7)	110,778	90,368
9	Interest	3,122	9,715
10	Profit before exceptional items, taxation and minority interest (8-9)	107,656	80,653
11	Exceptional items - Impairment of Goodwill and Intangibles	45,828	146,284
12	Profit / (loss) before taxation and minority interest (10 -11)	61,828	(65,631)
13	Provision for Income tax	26,681	26,083
14	Net profit / (loss) from ordinary activities before minority interest (12-13)	35,147	(91,714)
15	Extra-ordinary items (Net of tax expense)	-	-
16	Net profit / (loss) before minority interest and equity in loss of associates (14-15)	35,147	(91,714)
17	Minority interest	-	-
18	Equity in loss of associates	-	(10)
19	Net profit / (loss) attributable to the shareholders of the parent (16+17+18)	35,147	(91,724)
20	Paid - up equity share capital (Face value Rs.5/- each)	8,442	8,423
21	Reserves (excluding Revaluation Reserve)	369,227	344,190
22	Earnings per share for the period (in Rupees) per Rs.5/- share		
	a) Before Extra-ordinary items		
	- Basic	20.83	(54.48)
	- Diluted	20.69	(54.48)
	b) After Extra-ordinary items		
	- Basic	20.83	(54.48)
	- Diluted	20.69	(54.48)

STATEMENT OF ASSETS AND LIABILITIES (Consolidated - Audited)

All amounts in Indian Rupees lakhs

Particulars	As at March 31,	
	2010	2009
<i>Shareholder's funds</i>		
Share Capital	8,442	8,423
Reserves and Surplus	369,227	344,190
Loans funds	148,394	199,760
Deferred tax liabilities	7,500	9,140
	533,563	561,513
Fixed Assets	311,440	335,659
Investments	35,808	5,235
Deferred tax assets	6,800	3,760
<i>Current assets, loans and advances</i>		
Inventories	133,928	132,496
Sundry debtors	115,990	144,060
Cash and bank balances	65,999	56,235
Loans and advances	66,084	55,194
<i>Less: Current Liabilities and provisions</i>		
Current liabilities	167,456	151,184
Provisions	35,030	19,942
Net Current Assets	179,515	216,859
	533,563	561,513

Notes:

- The Company has consolidated the financial statements of the following companies and a partnership firm:
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 (formerly Reddy Pharmaceutical Inc.), 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 SA, Reddy Pharma Italia SpA, Dr.Reddy's Laboratories SA, Eurobridge Consulting B.V, OOO DRS LLC, Dr. Reddy's Newzealand Limited, Aurigene Discovery Technologies (Malaysia) Sdn Bhd, Dr. Reddy's Laborator
- Kunshan Rotam Reddy Pharmaceutical Company Limited (a joint venture) has been accounted for under the proportionate consolidation method in accordance with AS 27 - "Financial Reporting of Interests in Joint Ventures" issued under Company (Accounting Standards) Rules, 2006.
- During the year, there have been certain significant changes in the German generics market such as increased presence of discount contracts and announcement of the results of a large sales tender from AOK and other healthcare insurance providers. Pursuant to such adverse market developments, the Company tested its carrying value of intangibles (primarily product related) and goodwill at the betapharm cash generating unit (CGU) for impairment. The impairment testing indicated that the carrying value of certain product related intangibles was higher than its recoverable value and accordingly, the Company has recorded an impairment loss with respect to such intangible assets amounting to Rs. 8,868 lakhs as at March 31, 2010. Additionally, as regards goodwill, the carrying value of the betapharm CGU was also higher than the recoverable amount resulting in a goodwill impairment of Rs 36,960 lakhs. The aforesaid impairment losses relate to the Company's Global Generics segment.
- The audited results have been taken on record by the Board of Directors of the Company at its meeting held on 6 May 2010.
- The figures for the previous period have been re-grouped/re-classified, wherever necessary, to conform with the current period classification.

Place : Hyderabad
Date : May 06, 2010

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

Satish Reddy
Managing Director & Chief Operating Officer