

DR. REDDY'S LABORATORIES LIMITED
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2007

All amounts in Indian Rupees lakhs, except share data

Sl. No.	PARTICULARS	Quarter ended		Year ended
		30.6.07	30.6.06	31.3.07
		(Unaudited)	(Unaudited)	(Audited)
1	Sales / income from operations (including excise duty)	74,330	72,554	382,804
	less: Excise duty recovered on sales	1,560	2,461	7,794
	Net sales / income from operations	72,770	70,093	375,010
2	License fees and service income	1,429	4,296	21,918
3	Other income	5,985	2,829	11,503
4	Total income (1 + 2 + 3)	80,184	77,218	408,431
5	Total expenditure	58,847	58,276	253,699
a	(Increase)/ decrease in stock	(3,512)	(1,186)	(2,323)
b	Material consumed	28,810	27,563	114,482
c	Excise duty	211	51	1,172
d	Research and development expenses	6,802	5,820	24,571
e	Personnel costs	7,774	6,150	27,977
f	Selling expenses	6,154	7,482	32,415
g	Provision for decline in the value of long-term investments	-	-	4,721
h	Other expenditure	12,608	12,396	50,684
6	Profit before interest, depreciation, amortisation and tax (4 - 5)	21,337	18,942	154,732
7	Interest	582	1,324	4,797
8	Profit after interest but before depreciation amortisation and tax (6 - 7)	20,755	17,618	149,935
9	Depreciation and amortisation	3,496	3,154	13,350
10	Profit before tax (8 - 9)	17,259	14,464	136,585
11	Provision for taxation			
	- Current tax	194	650	17,300
	- Fringe benefit tax	1,080	145	699
12	Deferred tax expense	1,416	488	900
13	Net profit (10 - 11 - 12)	14,569	13,181	117,686
14	Paid - up equity share capital (face value Rs.5 each)	8,402	7,670	8,396
15	Reserves (Excluding revaluation reserve)	-	-	428,940
16	Aggregate of Public share holding			
	-Number of shares (Face value Rs.5 each)	125,761,978	111,742,932	125,624,306
	-Percentage of share holding	74.84	72.84	74.82
17	Earnings per share for the period (in Rupees) per Rs.5 share			
	Basic	8.68	8.60	74.23
	Diluted	8.62	8.55	73.74
		(Not annualised)	(Not annualised)	

All amounts in Indian Rupees lakhs, except share data

SI. No.	PARTICULARS	Quarter ended		Year ended
		30.6.07	30.6.06	31.3.07
		(Unaudited)	(Unaudited)	(Audited)
	Segment wise revenue, results and capital employed:			
1	Segment revenue :			
	a) Active Pharmaceutical Ingredients and Intermediates	27,755	25,406	133,004
	b) Formulations	32,749	32,524	127,685
	c) Generics	6,964	12,722	117,633
	d) Custom Pharmaceutical Services	5,998	11,158	41,485
	e) Drug Discovery	178	258	1,382
	Total	73,644	82,068	421,189
	Less: Inter segment revenue	4,601	4,843	23,855
	Add : Other unallocable Income	11,141	(7)	11,097
	Total income	80,184	77,218	408,431
2	Segment results :			
	Profit / (loss) before tax and interest from each segment			
	a) Active Pharmaceutical Ingredients and Intermediates	5,821	2,950	31,383
	b) Formulations	9,897	12,341	42,315
	c) Generics	(3,516)	4,190	77,191
	d) Custom Pharmaceutical Services	223	1,254	9,764
	e) Drug Discovery	(2,327)	(2,241)	(8,143)
	Total	10,098	18,494	152,510
	Less: (i) Interest	582	1,324	4,797
	(ii) Other un-allocable expenditure	(7,743)	2,706	11,128
	Total profit before tax	17,259	14,464	136,585
3	Capital Employed:			
	a) Active Pharmaceutical Ingredients and Intermediates	71,380	67,054	74,931
	b) Formulations	77,689	47,361	68,795
	c) Generics	37,305	40,458	62,220
	d) Custom Pharmaceutical Services	22,115	13,322	15,572
	e) Drug Discovery	2,651	3,507	1,131
	f) Others	238,831	67,169	214,687
	Total	449,971	238,871	437,336

Notes:

1 Pursuant to clause 41 of the listing agreements, the investor complaints received, disposed off and lying unresolved as on 30 June 2007 are given in the table below:

Nature of Complaints	Opening balance	Additions	Disposal	Closing balance
Non receipt of Share certificates and dividend	0	10	9	1

2 At the Annual General meeting held on 28 July 2006, the shareholders approved 1:1 bonus issue for all shareholders including American Depository Receipts holders (ADR) i.e. one additional equity share for every one existing share held by the members by capitalising a part of

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

4 The above results have been taken on record by the Board of Directors of the Company at its meeting held on 23 July 2007.

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

Place: Hyderabad
Date: 23 July 2007

Satish Reddy
Managing Director & Chief Operating Officer

DR. REDDY'S LABORATORIES LIMITED

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2007

All amounts in Indian Rupees lakhs, except share data

SI No.	Particulars	Quarter ended		Year ended
		30.06.2007 (Unaudited)	30.06.2006 (Unaudited)	31.03.2007 (Audited)
1	Sales / Income from operations (including Excise Duty and other similar duties and taxes)	120,369	140,256	651,257
	Less: Excise duty and other similar duties and taxes	1,560	6,580	7,794
	Net sales / income from operations	118,809	133,676	643,463
2	License Fees and Service income	1,087	1,236	9,097
3	Other Income	5,353	2,455	11,616
4	Total Income (1+2+3)	125,249	137,367	664,176
5	Total Expenditure	93,961	109,709	487,013
a	(Increase) / Decrease in stock	(2,202)	(12,484)	44,441
b	Material consumed	39,065	70,331	229,876
c	Excise duty and other similar duties and taxes	211	51	1,172
d	Research and development expenses, net	7,080	5,416	24,461
e	Personnel costs	17,262	15,361	64,329
f	Selling expenses	10,859	12,670	47,923
g	Other expenditure	21,686	18,364	74,811
6	Profit Before Interest, Depreciation, Amortisation and Tax (4 - 5)	31,288	27,658	177,163
7	Interest	3,390	3,885	15,262
8	Profit After Interest but Before Depreciation, Amortisation and Tax (6 -7)	27,898	23,773	161,901
9	Depreciation and Amortisation	9,356	8,481	37,911
10	Profit before tax and minority interest (8-9)	18,542	15,292	123,990
11	Provision for taxation			
	- Current tax	1,221	3,696	24,353
	- Fringe benefit tax	1,088	147	705
12	Deferred tax Expense/(benefit)	(2,462)	(1,443)	2,378
13	Net profit before minority interest (10 - 11- 12)	18,695	12,892	96,554
14	Minority interest	28	-	35
15	Net Profit attributable to the shareholders of the Parent	18,723	12,892	96,589
16	Paid - up equity share capital (Face value Rs.5/- each)	8,402	7,670	8,396
17	Reserves (Excluding revaluation reserve)	-	-	391,330
18	Earnings per share for the period (in Rupees) per Rs.5/- share			
	Basic	11.15	8.41	60.92
	Diluted	11.07	8.36	60.52
		(Not Annualised)	(Not Annualised)	

Notes:

- The Company has consolidated the financials of the following companies and a partnership firm.
- 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 by
- At the Annual General meeting held on 28 July 2006, the shareholders approved 1:1 bonus issue for all shareholders including American Depository Receipts holders (ADR) i.e. one additional equity share for every one existing share
- The figures for the previous year have been re-grouped/re-classified, wherever necessary, to conform with the current period classification.
- The above results have been taken on record by the Board of Directors of the Company at its meeting held on 23 July 2007.

Place: Hyderabad
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