

DR REDDYS LABORATORIES LTD

Form 6-K

February 01, 2011

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FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934
For the Month of January 2011
Commission File Number 1-15182
DR. REDDY S LABORATORIES LIMITED
(Name of Registrant)
7-1-27, Ameerpet
Hyderabad, Andhra Pradesh 500 016, India
+91-40-23731946

(Address of Principal Executive Offices)

Indicate by check mark whether registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to registrant in connection with Rule 12g3-2(b):

Not applicable.

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- (1) Press Release, Dr. Reddy s announces the launch of Pantoprazole Sodium delayed-released tablets , January 20, 2011.
- (2) Press Release, Dr. Reddy s Q3 FY11 Financial Results , January 25, 2011.
- (3) Press Release, Dr. Reddy s provides update on the fexofenadine-pseudoephedrine 24 hour litigation , January 31, 2011.

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Press Release

Dr. Reddy s Laboratories Ltd.
7-1-27 Ameerpet
Hyderabad 500 016 India

Tel: 91 40 373 1946
Fax: 91 40 373 1955

www.drreddys.com

Dr. Reddy s announces the launch of Pantoprazole Sodium delayed-released tablets

Hyderabad, India, January 20, 2011 Dr. Reddy s Laboratories (NYSE: RDY) today announced that it has launched Pantoprazole Sodium Delayed-Released tablets (**20mg and 40mg strengths**), a bioequivalent generic version of Protonix® Tablets in the US market. The Food & Drug Administration (FDA) approved Dr. Reddy s ANDA for Pantoprazole Sodium Delayed-Released tablets on January 19, 2011.

Pantoprazole Sodium Delayed-Released tablets had total U.S. sales of approximately \$1.8 billion for the twelve months ending September 30, 2010 according to IMS Health. Both strengths of Dr. Reddy s Pantoprazole Sodium Delayed-Released tablets are available in 90 count bottles.

Disclaimer

This press release includes forward-looking statements, as defined in the U.S. Private Securities Litigation Reform Act of 1995. We have based these forward-looking statements on our current expectations and projections about future events. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such factors include, but are not limited to, changes in local and global economic conditions, our ability to successfully implement our strategy, the market acceptance of and demand for our products, our growth and expansion, technological change and our exposure to market risks. By their nature, these expectations and projections are only estimates and could be materially different from actual results in the future.

About Dr. Reddy s

Dr. Reddy s Laboratories Ltd. (NYSE: RDY) is an integrated global pharmaceutical company, committed to providing affordable and innovative medicines for healthier lives. Through its three businesses - *Pharmaceutical Services and Active Ingredients, Global Generics and Proprietary Products* Dr. Reddy s offers a portfolio of products and services including APIs, custom pharmaceutical services, generics, biosimilars, differentiated formulations and NCEs. Therapeutic focus is on gastro-intestinal, cardiovascular, diabetology, oncology, pain management, anti-infective and pediatrics. Major markets include India, USA, Russia and CIS, Germany, UK, Venezuela, S. Africa, Romania, and New Zealand. For more information, log on to: www.drreddys.com

Protonix®, is a registered Trademark of Nycomed GmbH

IMS National Sales Perspectives: Retail and Non-Retail MAT 09/2010

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Press Release

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Dr. Reddy s Q3 FY11 Financial Results

Revenues at Rs. 19.0 billion (\$424 million), YoY growth of 10%

EBITDA at Rs. 4.0 billion (\$90 million), YoY growth of 10%

Profit after Tax at Rs. 2.7 billion (\$61 million), YoY adjusted growth of 19%*

Hyderabad, India, January 25th, 2011: Dr. Reddy s Laboratories Ltd. (NYSE: RDY) today announced its unaudited financial results for the quarter ended December 31st, 2010 under International Financial Reporting Standards (IFRS).

KEY HIGHLIGHTS

Consolidated revenues are at Rs. 19.0 billion (\$424 million) in Q3 FY11 versus Rs. 17.3 billion (\$386 million) in Q3 FY10, year-on-year growth of 10%.

Revenues from Global Generics for Q3 FY11 are at Rs. 13.6 bn (\$303 mn), year-on-year growth of 16%.

Revenues from PSAI are at Rs. 5.0 billion (\$111 million) in Q3 FY11, year-on-year decline of 5%.

EBITDA of Rs. 4.0 billion (\$90 million) in Q3 FY11, is at 21% of revenues with year-on-year growth of 10%.

Profit before Tax for Q3 FY11 is at Rs. 2.9 billion (\$64 million), year-on-year adjusted growth of 11%*.

Profit after Tax for Q3 FY11 is at Rs. 2.7 billion (\$61 million), is at 14% of revenues with year-on-year adjusted growth of 19%.

During the quarter, the company launched 42 new generic products, filed 21 new product registrations and filed 9 DMFs globally.

Litigation settlements in US: Today the Company announces that it has entered into two settlement agreements with AstraZeneca in US relating to the ANDA filed for the generic versions of AstraZeneca s Nexium® (esomeprazole) and Accolate® (zafirlukast). Under the terms of the esomeprazole agreement, AstraZeneca has granted Dr. Reddy s a license, subject to regulatory approval, to launch a generic version of esomeprazole delayed-release capsules on May 27, 2014, or earlier in certain circumstances. The terms of this agreement have not been disclosed. The zafirlukast agreement ends all litigation related to the product and allows Dr. Reddy s to continue selling the product without risk. Dr. Reddy s launched its zafirlukast product on November 18, 2010 following a favorable summary judgment decision.

* ***Note: Adjustment in the previous year represents one-time impairment charge of intangibles & goodwill of Rs. 8,603 million and associated tax impact.***

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All figures in millions, except EPS All US \$ figures based on a convenience translation rate of 1USD = Rs 44.80

Dr. Reddy s Laboratories Limited and Subsidiaries
Unaudited Consolidated Income Statement

| Particulars | Q3 FY11 | | | Q3 FY10 | | | Growth % |
|---|------------|---------------|------------|--------------|----------------|-------------|-------------|
| | (\$) | (Rs.) | % | (\$) | (Rs.) | % | |
| Revenue | 424 | 18,985 | 100 | 386 | 17,296 | 100 | 10 |
| Cost of revenues | 191 | 8,571 | 45 | 189 | 8,487 | 49 | 1 |
| Gross profit | 232 | 10,414 | 55 | 197 | 8,809 | 51 | 18 |
| Operating Expenses | | | | | | | |
| Selling, general & administrative expenses ^(a) | 142 | 6,374 | 34 | 121 | 5,431 | 31 | 17 |
| Research and development expenses, net | 29 | 1,306 | 7 | 20 | 892 | 5 | 46 |
| Write down of intangible assets | 0 | 0 | 0 | 77 | 3,456 | 20 | |
| Write down of goodwill | 0 | 0 | 0 | 115 | 5,147 | 30 | |
| Other operating expenses | (4) | (199) | (1) | (4) | (171) | (1) | 17 |
| Total Operating Expenses | 167 | 7,480 | 39 | 329 | 14,755 | 85 | (49) |
| Results from operating activities | 65 | 2,934 | 15 | (133) | (5,946) | (34) | |
| Finance expenses, net ^(b) | 1 | 49 | 0 | 1 | 50 | 0 | (2) |
| Share of profit/(loss) of equity accounted investees | (0) | (1) | (0) | 0 | 2 | 0 | |
| Profit before income tax | 64 | 2,884 | 15 | (134) | (5,994) | (35) | |
| Income tax expense | (3) | (152) | (1) | 17 | 777 | 4 | |
| Profit for the period | 61 | 2,732 | 14 | (116) | (5,217) | (30) | |
| Diluted EPS | 0.4 | 16.1 | | (0.7) | (30.9) | | |

Notes:

(a) Includes amortization charge of Rs. 307 million (\$7 million) in Q3 FY11 and Rs. 374 million (\$8 million) in Q3 FY10.

(b) Includes forex gain of Rs. 45 million (\$1 million) in Q3 FY11 and forex loss of Rs. 44 million (\$1 million) in Q3 FY10.

SEGMENTAL ANALYSIS**Global Generics**

Revenues from Global Generics segment are at Rs. 13.6 billion (\$303 million) in Q3 FY11, year-on-year growth of 16% driven largely by our key market of North America.

Revenues from North America at Rs. 4.8 billion (\$106 million) in Q3 FY11 versus Rs. 3.0 billion (\$66 million) in Q3 FY10, represents growth of 60% in rupee terms and 66% in dollar terms.

Q3 FY11 is the fourth consecutive quarter demonstrating strong sequential growth in the revenues.

Growth driven by new products launched in the last one year and market share expansion in vertically integral products.

New launches during the quarter of Lansoprazole, Zafirlukast & Valacyclovir.

As of December 31, 2010, total cumulative ANDA filings are 165. Total ANDAs pending approval at the USFDA are 74 of which 32 are Para IVs and 12 are FTFs.

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Revenues from Europe at Rs. 2.1 billion (\$47 million) in Q3 FY11 versus Rs. 2.6 billion (\$58 million) in Q3 FY10, year-on-year decline of 18%.

Revenues from Germany at Rs. 1.4 billion (\$31 million) in Q3 FY11. The decline of 33% in rupee terms or 24% in Euro terms is largely due to price erosions caused by the tenders.

Revenues from Rest of Europe grew by 39% to Rs. 744 million (\$17 million) in Q3 FY11.

Revenues from Russia & Other CIS markets at Rs. 2.9 billion (\$64 million) in Q3 FY11 versus Rs. 2.8 billion (\$62 million) in Q3 FY10, growth of 4%.

Revenues in Russia at Rs. 2.4 billion (\$55 million) in Q3 FY11 versus Rs. 2.3 billion (\$51 million) in Q3 FY10, year-on-year growth of 7% in rupee terms and 11% in dollar terms.

Growth on the high base of previous year is driven by volume increase across key brands and new launches in the last twelve months.

Dr. Reddy's secondary prescription sales growth stands at 21% (*volume growth of 33%*) versus industry's growth of 8% (*volume growth of 12%*). (*Source: Pharmexpert April-November 2010*)

Revenues in Other CIS markets decreased by 11% to Rs. 434 million (\$10 million) in Q3 FY11 versus Rs. 488 million (\$11 million) in Q3 FY10.

Revenues in India at Rs. 3.0 billion (\$67 million) in Q3 FY11 versus Rs. 2.6 billion (\$59 million) in Q3 FY10, growth of 14%, consisting of volume growth of existing products of approx 8% and new products contribution (*last 12 month launches*) of 6%.

16 new products launched during the quarter.

Pharmaceutical Services and Active Ingredients (PSAI)

Revenues from PSAI are at Rs. 5.0 billion (\$111 million) in Q3 FY11, year-on-year decline of 5% and sequential growth of 8%.

Growth in Active Ingredients business on the back of new launches and an improved order books status was offset by the decline in the Pharmaceutical Services segment.

During the quarter 9 DMFs including 2 US DMFs were filed globally. The cumulative DMF filings as of Dec 10 are 436 including 159 US DMFs.

INCOME STATEMENT HIGHLIGHTS:

Gross profit at Rs. 10.4 billion (\$232 million) in Q3 FY11, gross margin of 55% to revenues versus 51% in Q3 FY10. This improvement in gross margin is largely on account of contribution in this quarter from new product launches in the US over the last one year.

Gross margins for Global Generics and Pharmaceutical Services and Active Ingredients are at 65% and 28% versus 60% and 31% respectively, in the previous year.

Selling, General & Administration (SG&A) expenses including amortization for the quarter, are at Rs. 6.4 billion (\$142 million), increase of 17% over the previous year.

A part of the spend in this quarter is on account of one-time litigation costs in US and higher selling and marketing costs linked to the seasonality in the branded markets of India and OTC portfolio related spend in Russia.

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R&D expenses at Rs. 1,306 million (\$29 million) in Q3 FY11, increase of 46%.

Other Income of Rs. 199 million (\$4 million) in Q3 FY11 versus Rs. 171 million (\$4 million) in Q3 FY10.

Net Finance costs are at Rs. 49 million (\$1 million) in Q3 FY11 versus Rs. 50 million (\$1 million) in Q3 FY10.

Include net forex gain of Rs. 45 million (\$1 million) in Q3 FY11 versus net forex loss of Rs. 44 million (\$1 million) in Q3 FY10.

EBITDA at Rs. 4.0 billion (\$90 million) in Q3 FY11 is at 21% of sales with year-on-year growth of 10%.

Net Profit after Tax for Q3 FY11 is at Rs. 2.7 billion (\$61 million) is at 14% of sales with year-on-year adjusted growth of 19%.

Diluted EPS is at Rs. 16.1 (\$0.4) in Q3 FY11 versus adjusted Rs. 13.7 in Q3 FY10.

Capital expenditure for the quarter is at Rs. 2.3 billion (\$52 million).

* *Note: Adjustment in the previous year represents one-time impairment charge of intangibles & goodwill of Rs. 8,603 million and associated tax impact.*

Appendix 1: Key Balance Sheet Items*(in millions)*

| Particulars | As on 31 th Dec 10 | | As on 30 th Sep 10 | |
|--|-------------------------------|--------|-------------------------------|--------|
| | (\$) | (Rs.) | (\$) | (Rs.) |
| Cash and cash equivalents | 92 | 4,126 | 138 | 6,196 |
| Trade receivables | 315 | 14,093 | 299 | 13,376 |
| Inventories | 340 | 15,244 | 329 | 14,728 |
| Property, plant and equipment | 605 | 27,102 | 567 | 25,412 |
| Goodwill and Other Intangible assets | 291 | 13,017 | 302 | 13,511 |
| Loans and borrowings (current & non current) | 308 | 13,808 | 324 | 14,493 |
| Trade payables | 165 | 7,395 | 221 | 9,907 |
| Equity | 1,075 | 48,151 | 1,010 | 45,245 |

Appendix 2: Q3 FY11 Revenue Mix by Segment*(in millions)*

| Particulars | Q3 FY11 | | | Q3 FY10 | | | Growth |
|------------------------|------------|---------------|-----------|------------|---------------|-----------|------------|
| | (\$) | (Rs.) | % | (\$) | (Rs.) | % | % |
| Global Generics | 303 | 13,589 | 72 | 262 | 11,723 | 68 | 16 |
| North America | 106 | 4,765 | 35 | 66 | 2,974 | 25 | 60 |
| Europe | 47 | 2,123 | 16 | 58 | 2,579 | 22 | (18) |
| India | 67 | 3,007 | 22 | 59 | 2,627 | 22 | 14 |
| Russia & Other CIS | 64 | 2,875 | 21 | 62 | 2,766 | 24 | 4 |
| RoW | 18 | 819 | 6 | 17 | 778 | 7 | 5 |
| PSAI | 111 | 4,979 | 26 | 117 | 5,237 | 30 | (5) |
| North America | 17 | 770 | 15 | 16 | 723 | 14 | 7 |
| Europe | 41 | 1,830 | 37 | 48 | 2,161 | 41 | (15) |
| India | 14 | 622 | 12 | 13 | 602 | 12 | 3 |

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| | | | | | | | |
|-----------------------------|------------|---------------|------------|------------|---------------|------------|-----------|
| RoW | 39 | 1,758 | 35 | 39 | 1,751 | 33 | 0 |
| Proprietary Products | 9 | 417 | 2 | 7 | 336 | 2 | 24 |
| Total | 424 | 18,985 | 100 | 386 | 17,296 | 100 | 10 |

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| Particulars | Q3 FY11 | | | Q3 FY10 | | | Growth |
|--------------------|------------|---------------|------------|------------|---------------|------------|-----------|
| | (\$) | (Rs.) | % | (\$) | (Rs.) | % | % |
| North America | 130 | 5,823 | 31 | 88 | 3,933 | 23 | 48 |
| Europe | 91 | 4,078 | 21 | 108 | 4,836 | 28 | (16) |
| India | 81 | 3,632 | 19 | 72 | 3,232 | 19 | 12 |
| Russia & Other CIS | 64 | 2,875 | 15 | 62 | 2,766 | 16 | 4 |
| Others | 58 | 2,577 | 14 | 56 | 2,529 | 15 | 2 |
| Total | 424 | 18,985 | 100 | 386 | 17,296 | 100 | 10 |

About Dr. Reddy s

Established in 1984, Dr. Reddy s Laboratories (NYSE: RDY) is a global pharmaceutical company. We fulfill our purpose of providing affordable and innovative medicines through three core businesses: Pharmaceutical Services & Active Ingredients, Global Generics and Proprietary Products.

Disclaimer

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Press Release

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Dr. Reddy s provides update on the fexofenadine-pseudoephedrine 24 hour litigation

January 31, 2011, Hyderabad, India: Dr. Reddy s Laboratories (NYSE: RDY) announced today that on Friday, 28 January 2011, the U.S. District Court of New Jersey filed a Stipulation and Order lifting an earlier motion for preliminary injunction and clearing the sale of Dr. Reddy s generic product version of Allegra® D24 (fexofenadine hydrochloride / pseudoephedrine hydrochloride 180mg / 240mg extended release tablet), which was approved by the FDA on March 16, 2010.

In addition, plaintiff s sanofi-aventis and Albany Molecular Research have been required to post a security with the Court, an amount of USD 40 mn towards the possibility that the injunction had been wrongfully granted. Having been excluded from launching the generic product since the June 2010 hearing, Dr. Reddy s intends to pursue an award of this security.

®Allegra D24 is a registered trademark of sanofi-aventis.

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DR. REDDY S LABORATORIES LIMITED
(Registrant)

Date: February 1, 2011

By: /s/ Sandeep Poddar
Name: Sandeep Poddar
Title: Company Secretary