

DR REDDYS LABORATORIES LTD
Form 6-K/A
February 09, 2012

Form 6-K/A

(Amendment No. 1)

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

February 2012

Commission File Number 1-15182

DR. REDDY S LABORATORIES LIMITED

(Name of Registrant)

8-2-337, Road No. 3, Banjara Hills

Hyderabad, Andhra Pradesh 500 034, India

+91-40-4900-2900

(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,

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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.

Explanatory Note

This Form 6-K/A is being filed solely to correct a typographical error in the Current Report on Form 6-K filed on February 6, 2012. Throughout that report, the rupee symbol was written in an incorrect font which caused it to appear as the symbol ` instead. Other than the correction of such errors, no part of the Current Report on Form 6-K filed on February 6, 2012 is being amended. For convenience, the Current Report on Form 6-K filed on February 6, 2012 is being amended and restated in its entirety herein as aforesaid.

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- (1) Press Release, Dr. Reddy's Q3 FY12 Financial Results, February 3, 2012.

Press Release

Dr. Reddy s Laboratories Ltd.
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Andhra Pradesh, India

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DR. REDDY S Q3 FY12 FINANCIAL RESULTS

Highest ever quarterly sales and profit

Hyderabad, India, February 3rd, 2012: Dr. Reddy s Laboratories Ltd. (NYSE: RDY) today announced its unaudited consolidated financial results for the quarter ended December 31, 2011 under International Financial Reporting Standards (IFRS).

Key Highlights

Launch of olanzapine 20 mg (generic version of Eli Lilly s Zyprexa® 20 mg) in the US, another key milestone in consistently delivering limited competition opportunities

Revenues for Q3 FY12 at 27.7 billion (\$522 million), YoY growth of 46%

Revenues for nine months FY12 at 70.2 billion (\$1.3 billion), YoY growth of 29%

EBITDA for Q3 FY12 at 9.2 billion (\$174 million), 33% to sales, YoY growth of 127%

EBITDA for nine months FY12 at 18.6 billion (\$351 million), 27% to sales, YoY growth of 59%

Adjusted* PAT for Q3 FY12 at 5.2 billion (\$98 million), YoY growth of 91%

Adjusted PAT for nine months FY12 at 11.1 billion (\$209 million), YoY growth of 44%*

Q3 FY12 g 33 new generic launches, 16 new generic filings and 7 DMF filings

* *Note: Adjustments on account of interest on bonus debentures (net of tax)*

All figures in millions, except EPS

All US dollar figures based on convenience translation rate of 1USD = 53.01

Dr. Reddy's Laboratories Limited and Subsidiaries

Unaudited Consolidated Income Statement

| Particulars | September 30, (\$) | September 30, Q3 FY12 () | September 30, % | September 30, (\$) | September 30, Q3 FY11 () | September 30, % | September 30, Growth % |
|--|-----------------------|---------------------------------|--------------------|-----------------------|---------------------------------|--------------------|------------------------------|
| Revenue | 522 | 27,692 | 100 | 358 | 18,985 | 100 | 46 |
| Cost of revenues | 210 | 11,117 | 40 | 162 | 8,571 | 45 | 30 |
| Gross profit | 313 | 16,575 | 60 | 196 | 10,414 | 55 | 59 |
| Operating Expenses | | | | | | | |
| Selling, general & administrative expenses | 145 | 7,679 | 28 | 120 | 6,374 | 34 | 20 |
| Research and development expenses | 29 | 1,514 | 5 | 25 | 1,306 | 7 | 16 |
| Other operating (income) / expense | (3) | (165) | (1) | (4) | (199) | (1) | (17) |
| Results from operating activities | 142 | 7,547 | 27 | 55 | 2,933 | 15 | 157 |
| Net finance (income) / expense | (3) | (174) | (1) | 1 | 48 | 0 | |
| Share of (profit) / loss of equity accounted investees | (0) | (26) | (0) | 0 | 1 | 0 | |
| Profit / (loss) before income tax | 146 | 7,747 | 28 | 54 | 2,884 | 15 | 169 |
| Income tax (benefit) / expense | 49 | 2,616 | 9 | 3 | 152 | 1 | |
| Profit / (loss) for the period | 97 | 5,131 | 19 | 52 | 2,732 | 14 | 88 |

Diluted EPS 0.6 30.2 0.3 16.1 88

Profit Computation

(in millions)

| | September 30, Q3 FY12 | September 30, () | September 30, Q3 FY11 | September 30, () |
|---------------------------|--------------------------|----------------------|--------------------------|----------------------|
| EBITDA Computation | (\$) | () | (\$) | () |
| PBT (reported) | 146 | 7,747 | 54 | 2,884 |
| Interest | 3 | 155 | 2 | 98 |
| Depreciation | 17 | 899 | 14 | 758 |
| Amortization | 8 | 408 | 6 | 307 |
| EBITDA | 174 | 9,208 | 76 | 4,048 |

(in millions)

| | September 30, Q3 FY12 | September 30, () | September 30, Q3 FY11 | September 30, () |
|---|--------------------------|----------------------|--------------------------|----------------------|
| Adjusted PAT Computation | (\$) | () | (\$) | () |
| PAT (reported) | 97 | 5,131 | 52 | 2,732 |
| Adjustments: | | | | |
| Interest on Bonus Debentures (net of tax) | 1 | 78 | | |
| Adjusted PAT | 98 | 5,209 | 52 | 2,732 |

Key Balance Sheet Items*(in millions)*

| Particulars | September 30, | September 30, | September 30, | September 30, |
|--|-------------------|---------------|-------------------|---------------|
| | As on 31st Dec 11 | () | As on 30th Sep 11 | () |
| | (\$) | () | (\$) | () |
| Cash and cash equivalents | 313 | 16,587 | 143 | 7,596 |
| Trade receivables | 498 | 26,373 | 388 | 20,568 |
| Inventories | 369 | 19,586 | 351 | 18,592 |
| Property, plant and equipment | 612 | 32,433 | 593 | 31,450 |
| Goodwill and Other Intangible assets | 287 | 15,182 | 285 | 15,115 |
| Loans and borrowings (current & non-current) | 727 | 38,502 | 591 | 31,303 |
| Trade payables | 173 | 9,189 | 169 | 8,940 |
| Equity | 980 | 51,927 | 907 | 48,081 |

Q3 FY12 Revenue Mix by Segment*(in millions)*

| | September 30, | September 30, | September 30, | September 30, | September 30, | September 30, | September 30, |
|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | (\$) | Q3 FY12 | % | (\$) | Q3 FY11 | % | Growth |
| | | () | | | () | | % |
| Global | | | | | | | |
| Generics | 402 | 21,287 | 77 | 256 | 13,589 | 72 | 57 |
| North | | | | | | | |
| America | | 11,114 | | | 4,765 | | 133 |
| Europe | | 2,426 | | | 2,124 | | 14 |
| India | | 3,333 | | | 3,000 | | 11 |
| Russia & Other CIS | | 3,317 | | | 2,880 | | 15 |
| RoW | | 1,097 | | | 820 | | 34 |
| PSAI | 105 | 5,563 | 20 | 94 | 4,979 | 26 | 12 |
| North | | | | | | | |
| America | | 1,170 | | | 770 | | 52 |
| Europe | | 1,651 | | | 1,830 | | (10) |
| India | | 862 | | | 622 | | 39 |
| RoW | | 1,880 | | | 1,757 | | 7 |
| Others | 15 | 842 | 3 | 8 | 417 | 2 | 102 |
| Total | 522 | 27,692 | 100 | 358 | 18,985 | 100 | 46 |

Q3 FY12 Revenue Mix by Geography*(in millions)*

| | September 30, | September 30, | September 30, | September 30, | September 30, | September 30, | September 30, |
|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | (\$) | Q3 FY12 | % | (\$) | Q3 FY11 | % | Growth |
| | | () | | | () | | % |
| North | | | | | | | |
| America | 242 | 12,826 | 46 | 110 | 5,823 | 31 | 120 |
| Europe | 82 | 4,325 | 16 | 77 | 4,078 | 21 | 6 |
| India | 79 | 4,194 | 15 | 68 | 3,625 | 19 | 16 |
| Russia & Other CIS | | | | | | | |
| | 63 | 3,317 | 12 | 54 | 2,880 | 15 | 15 |

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| | | | | | | | |
|--------------|------------|---------------|------------|------------|---------------|------------|-----------|
| Others | 56 | 3,030 | 11 | 49 | 2,579 | 14 | 17 |
| Total | 522 | 27,692 | 100 | 358 | 18,985 | 100 | 46 |

SEGMENTAL ANALYSIS

Global Generics: North America

Revenues from North America were at 11.1 billion in Q3 FY12 versus 4.8 billion in Q3 FY11. Growth was led by the high value launch of olanzapine 20 mg, new products launched in the last twelve months and strong volume growth across key products.

2 new products launched during the quarter olanzapine 20 mg and olanzapine ODT.

Strong volume growth contributed by key products such as lansoprazole, tacrolimus, omeprazole Mg OTC and Shreveport products and last twelve months new launches of fondaparinux and antibiotics portfolio.

26 prescription products feature among the Top 3 in market share (*Source: IMS Volumes November 2011*).

During the quarter, 3 ANDAs were filed. The cumulative ANDA filings as of 31st December, 2011 are 187. A total of 79 ANDAs are pending for approval with the USFDA of which 40 are Para IVs and 10 are FTFs.

Global Generics: Russia & Other CIS

Revenues in Russia & Other CIS markets were at 3.3 billion in Q3 FY12 versus 2.9 billion in Q3 FY11.

Revenues in Russia were at 2.8 billion in Q3 FY12.

The company's secondary sales growth at 23% continued to outperform industry's growth of 19%. (*Source: Pharmexpert Prescription Sales November 2011*).

Top 5 products feature among Top 2 ranks in market share.

OTC portfolio grew by 24% over previous year.

Revenues in Other CIS markets were at 557 million in Q3 FY12; year-on-year growth driven largely by Ukraine and Kazakhstan.

Global Generics: India

Revenues in India were at 3.3 billion in Q3 FY12 versus 3.0 billion in Q3 FY11, driven by volume increase in key products and new product launches in the last twelve months.

6 new products launched during the quarter.

Biosimilars portfolio grew by 25% over previous year.

Global Generics: Europe

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Revenues from Europe were at 2.4 billion in Q3 FY12 versus 2.1 billion in Q3 FY11.

Revenues from Germany were at 1.5 billion in Q3 FY12. Growth in new product launches outside the scope of tender was offset by price erosion in products within tenders.

Revenues from Rest of Europe were at 881million.

Pharmaceutical Services and Active Ingredients (PSAI)

Revenues from PSAI were at 5.6 billion in Q3 FY12 versus 5.0 billion in Q3 FY11. Growth was largely driven by Pharmaceutical Services segment and benefit of rupee depreciation.

During the quarter, 7 DMFs were filed globally including 2 in US, 2 in Europe and 3 in rest of the markets. The cumulative DMF filings as of 31st December 2011 are 513 globally.

INCOME STATEMENT HIGHLIGHTS:

Gross profit margin 60% to revenues in Q3 FY12, increased largely on account of a favorable mix of high margin olanzapine revenues and benefit of rupee depreciation.

Selling, General & Administration (SG&A) expenses including amortization at 7.7 billion (\$145 million) increased by 20% over Q3 FY11. This increase is on account of higher manpower and freight costs and the effect of rupee depreciation against multiple currencies.

Net Finance income at 174 million (\$3 million) in Q3 FY12 versus net Finance cost of 49 million (\$1 million) in Q3 FY11. The change is on account of :

Net forex gain of 285 million (\$5 million) in Q3 FY12 versus net forex loss of 45 million (\$1 million) in Q3 FY11.

Net interest expense of 155 million (\$3 million) in Q3 FY12 versus 98 million (\$2 million) in Q3 FY11.

Profit on sale of investments of 44 million (\$1 million) in Q3 FY12 versus 4 million in Q3 FY11.

EBITDA of 9.2 billion (\$174 million) in Q3 FY12, represents 33% of revenues and recorded a year-on-year growth of 127%. EBITDA of 18.6 billion (\$351 million) for nine months ended December 2011, represents 27% of revenues and recorded a year-on-year growth of 59%.

Profit after Tax adjusted for interest on bonus debentures (net of tax), was at 5.2 billion (\$98 million) in Q3 FY12, 19% of revenues and year-on-year growth of 91%. Adjusted PAT for nine months ended December 2011 was 11.1 billion (\$209 million) and recorded year-on-year growth of 44%.

Adjusted EPS for Q3 FY12 was 30.6 (\$0.6) versus 16.1 (\$0.3) in Q3 FY11. Adjusted EPS for nine months ended December 2011 was 65.1 (\$1.2).

Capital expenditure for nine months ended December 2011, was 5.0 billion (\$94 million).

Consolidated Income Statement: Nine months ending December 2011

All figures in millions, except EPS

All US dollar figures based on convenience translation rate of 1USD = 53.01

| Particulars | September 30, (\$) | September 30, 9 Months FY12 () | September 30, % | September 30, (\$) | September 30, 9 Months FY11 () | September 30, % | September 30, Growth % |
|--|-----------------------|---------------------------------------|--------------------|-----------------------|---------------------------------------|--------------------|------------------------------|
| Revenue | 1,323 | 70,153 | 100 | 1,028 | 54,520 | 100 | 29 |
| Cost of revenues | 581 | 30,818 | 44 | 475 | 25,206 | 46 | 22 |
| Gross profit | 742 | 39,335 | 56 | 553 | 29,314 | 54 | 34 |
| Operating Expenses | | | | | | | |
| Selling, general & administrative expenses | 409 | 21,651 | 31 | 331 | 17,562 | 32 | 23 |
| Research and development expenses | 79 | 4,170 | 6 | 67 | 3,569 | 7 | 17 |
| Other operating (income) / expense | (11) | (567) | (1) | (11) | (602) | (1) | (6) |
| Results from operating activities | 266 | 14,081 | 20 | 166 | 8,786 | 16 | 60 |
| Net finance (income) / expense | (1) | (78) | (0) | 5 | 262 | 0 | |
| Share of (profit) / loss of equity accounted investees | (1) | (43) | (0) | (0) | (7) | (0) | 514 |
| Profit / (loss) before income tax | 268 | 14,202 | 20 | 161 | 8,531 | 16 | 66 |
| Income tax (benefit) / expense | 63 | 3,366 | 5 | 16 | 836 | 2 | 303 |
| Profit / (loss) for the period | 204 | 10,836 | 15 | 145 | 7,695 | 14 | 41 |
| Diluted EPS | 1.2 | 63.7 | | 0.9 | 45.3 | | 41 |

Profit Computation*(in millions)*

| | September 30, 9 Months FY12 (\$) | September 30, 9 Months FY12 (₹) | September 30, 9 Months FY11 (\$) | September 30, 9 Months FY11 (₹) |
|---------------------------|--|---------------------------------------|--|---------------------------------------|
| EBITDA Computation | | | | |
| PBT (reported) | 268 | 14,202 | 161 | 8,531 |
| Interest | 11 | 601 | 2 | 95 |
| Depreciation | 49 | 2,606 | 41 | 2,174 |
| Amortization | 23 | 1,202 | 17 | 912 |
| EBITDA | 351 | 18,611 | 221 | 11,712 |

(in millions)

| | September 30, 9 Months FY12 (\$) | September 30, 9 Months FY12 (₹) | September 30, 9 Months FY11 (\$) | September 30, 9 Months FY11 (₹) |
|---|--|---------------------------------------|--|---------------------------------------|
| Adjusted PAT Computation | | | | |
| PAT (reported) | 204 | 10,836 | 145 | 7,695 |
| Adjustments: | | | | |
| Interest on Bonus Debentures (net of tax) | 5 | 235 | | |
| Adjusted PAT | 209 | 11,071 | 145 | 7,695 |

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 business segments 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. Focus markets include India, USA, Russia and CIS, Germany, UK, Venezuela, S. Africa, Romania, Australia and New Zealand.

For more information, log on to: www.drreddys.com

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.

CONTACT INFORMATION

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Note: All discussions in this release are based on unaudited consolidated IFRS financials.

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)

By: /s/ Sandeep Poddar

Name: Sandeep Poddar

Title: Company Secretary

Date: February 9, 2012