

DR REDDYS LABORATORIES LTD

Form 6-K

June 06, 2008

Table of Contents

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 6-K
REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934
For the Three Months Ended September 30, 2007
Commission File Number 1-15182
DR. REDDY S LABORATORIES LIMITED
(Translation of registrant's name into English)
7-1-27, Ameerpet
Hyderabad, Andhra Pradesh 500 016, India
+91-40-23731946

(Address of principal executive office)

Indicate by check mark whether the 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):
82-_____.

TABLE OF CONTENTS

SIGNATURES

Table of Contents

QUARTERLY REPORT

Three Months Ended September 30, 2007

Currency of Presentation and Certain Defined Terms

In this Quarterly Report, references to \$ or dollars or U.S.\$ or U.S. dollars are to the legal currency of the United States and references to Rs. or rupees or Indian rupees are to the legal currency of India. Our financial statements are presented in Indian rupees and are prepared in accordance with United States Generally Accepted Accounting Principles (U.S. GAAP). Convenience translation into U.S. dollars with respect to the unaudited interim condensed consolidated financial statements is also presented. References to a particular fiscal year are to our fiscal year ended March 31 of such year. References to ADS are to our American Depository Shares, to the FASB are to the Financial Accounting Standards Board, to SFAS are to the Statements of Financial Accounting Standards, to SAB are to Staff Accounting Bulletin and to the EITF are to the Emerging Issues Task Force.

References to U.S. or United States are to the United States of America, its territories and its possessions. References to India are to the Republic of India. All references to we, us, our, DRL, Dr. Reddy s or the Co mean Dr. Reddy s Laboratories Limited and its subsidiaries. Dr. Reddy s is a registered trademark of Dr. Reddy s Laboratories Limited in India. Other trademarks or trade names used in this Quarterly Report are trademarks registered in the name of Dr. Reddy s Laboratories Limited or are pending before the respective trademark registries.

Except as otherwise stated in this report, all translations from Indian rupees to U.S. dollars are based on the noon buying rate in the City of New York on September 28, 2007 for cable transfers in Indian rupees as certified for customs purposes by the Federal Reserve Bank of New York, which was Rs.39.75 per U.S.\$1.00. September 28, 2007 was the last day of the quarter ended September 30, 2007 for which the noon buying rate is available. No representation is made that the Indian rupee amounts have been, could have been or could be converted into U.S. dollars at such a rate or any other rate. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

Information contained in our website, www.drreddys.com, is not part of this quarterly report and no portion of such information is incorporated herein.

Forward-Looking and Cautionary Statement

IN ADDITION TO HISTORICAL INFORMATION, THIS QUARTERLY REPORT CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE REFLECTED IN THE FORWARD-LOOKING STATEMENTS. FACTORS THAT MIGHT CAUSE SUCH A DIFFERENCE INCLUDE, BUT ARE NOT LIMITED TO, THOSE DISCUSSED IN THE SECTION ENTITLED OPERATING AND FINANCIAL REVIEW AND ELSEWHERE IN THIS REPORT. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH REFLECT OUR ANALYSIS ONLY AS OF THE DATE HEREOF. IN ADDITION, READERS SHOULD CAREFULLY REVIEW THE INFORMATION IN OUR PERIODIC REPORTS AND OTHER DOCUMENTS FILED AND/OR FURNISHED WITH THE SECURITIES AND EXCHANGE COMMISSION (SEC) FROM TIME TO TIME.

Table of Contents

DR. REDDY S LABORATORIES LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

| | As of March 31, 2007 | | As of September 30, 2007 | | As of September 30, 2007 Convenience translation into U.S.\$ |
|--|----------------------------|--|--------------------------------|--|---|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | Rs. 17,981,447 | | Rs. 8,445,185 | | U.S.\$ 212,457 |
| Investment securities | 15,325 | | 1,714,101 | | 43,122 |
| Restricted cash | 606,159 | | 19,972 | | 502 |
| Accounts receivable, net of allowances | 7,518,878 | | 8,390,127 | | 211,072 |
| Inventories | 7,545,580 | | 9,620,273 | | 242,019 |
| Deferred income taxes and deferred charges | 557,792 | | 477,449 | | 12,011 |
| Due from related parties | 145,086 | | 172,812 | | 4,347 |
| Other current assets | 3,096,129 | | 4,347,531 | | 109,372 |
| Total current assets | 37,466,396 | | 33,187,450 | | 834,902 |
| Property, plant and equipment, net | 12,427,798 | | 13,658,090 | | 343,600 |
| Due from related parties | 4,856 | | 25,039 | | 630 |
| Investment securities | 1,089,950 | | 483,199 | | 12,156 |
| Goodwill | 15,540,688 | | 15,425,214 | | 388,056 |
| Intangible assets, net | 18,888,413 | | 17,720,106 | | 445,789 |
| Other assets | 501,002 | | 500,050 | | 12,580 |
| Total assets | Rs. 85,919,103 | | Rs. 80,999,147 | | U.S.\$ 2,037,713 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | | | | |
| Current liabilities: | | | | | |
| Borrowings from banks | Rs. 3,212,676 | | Rs. 1,841,589 | | U.S.\$ 46,329 |
| Current portion of long-term debt | 3,670,266 | | 2,198,998 | | 55,321 |
| Trade accounts payable | 4,754,978 | | 5,955,789 | | 149,831 |
| Due to related parties | 871 | | 58,032 | | 1,460 |
| Accrued expenses | 3,958,539 | | 2,945,102 | | 74,091 |
| Other current liabilities | 2,936,103 | | 4,025,675 | | 101,274 |
| Total current liabilities | 18,533,433 | | 17,025,185 | | 428,306 |
| Long-term debt, excluding current portion | 17,870,983 | | 12,309,934 | | 309,684 |
| Deferred income taxes | 7,556,228 | | 5,877,791 | | 147,869 |
| Other liabilities | 369,759 | | 421,099 | | 10,593 |

Edgar Filing: DR REDDYS LABORATORIES LTD - Form 6-K

| | | | | | | |
|---|-----|------------|-----|------------|--------|-----------|
| Total liabilities | Rs. | 44,330,402 | Rs. | 35,634,010 | U.S.\$ | 896,452 |
| Minority interest | | 10,473 | | 6,353 | | 160 |
| Stockholders equity: | | | | | | |
| Equity shares at Rs.5 par value: 200,000,000 shares authorized; issued and outstanding: 167,912,180 shares and 168,097,442 shares as of March 31, 2007 and September 30, 2007, respectively | | | | | | |
| | Rs. | 839,561 | Rs. | 840,488 | U.S.\$ | 21,144 |
| Additional paid-in capital | | 19,908,837 | | 20,002,082 | | 503,197 |
| Equity options outstanding | | 564,937 | | 588,379 | | 14,802 |
| Retained earnings | | 20,091,135 | | 23,850,559 | | 600,014 |
| Equity shares held by a controlled trust: 82,800 shares | | (4,882) | | (4,882) | | (122) |
| Accumulated other comprehensive income | | 178,640 | | 82,158 | | 2,067 |
| Total stockholders equity | | 41,578,228 | | 45,358,784 | | 1,141,101 |
| Total liabilities and stockholders equity | Rs. | 85,919,103 | Rs. | 80,999,147 | U.S.\$ | 2,037,713 |

See accompanying notes to the unaudited condensed consolidated financial statements

Table of Contents

**DR. REDDY S LABORATORIES LIMITED AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)**

**Three months
ended**

**Six months
ended**