

DR REDDYS LABORATORIES LTD

Form 6-K

May 16, 2013

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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**

May 2013

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

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(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) <u>Press Release, Dr. Reddy s Q4 &amp; FY13 Financial Results; Highest ever Quarterly Performance , May 14, 2013.</u>	3
(2) <u>Audited consolidated financial results of Dr. Reddy s Laboratories Limited and its subsidiaries for the quarter and year ended 31 March 2013 prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).</u>	10

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**Press Release**

Dr. Reddy s Laboratories Ltd.  
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**Dr. Reddy s Q4 & FY13 Financial Results**

**Highest ever Quarterly Performance**

**FY13 Revenues at 116.3 billion**  
*(YoY growth of 26%)#*

**FY13 EBITDA at 27.8 billion**

**FY13 PAT at 17.5 billion\***

**Q4 FY13 Revenues at 33.4 billion**  
*(YoY growth of 26%)#*

**Q4 FY13 EBITDA at 9.3 billion**

**Q4 FY13 PAT at 5.7 billion\***

**Hyderabad, India, May 14, 2013:** Dr. Reddy s Laboratories Ltd. (NYSE: RDY) today announced its audited consolidated financial results for the fourth quarter and full year ended March 31, 2013 under International Financial Reporting Standards (IFRS).

**Key Highlights**

**Consolidated revenues for FY13 at 116.3 billion, recorded year-on-year growth of 20%. Excluding the beneficial impact of olanzapine exclusivity in FY12, registered year-on-year growth of 26%. Growth primarily driven by North America and Emerging Markets (which include Russia, other CIS countries and Rest of World (RoW) territories) in the Global Generics segment; and overall performance by Pharmaceutical Services and Active Ingredients segment.**

*Consolidated revenues of 33.4 billion in Q4 FY13, year-on-year growth of 26%.*

**EBITDA of 27.8 billion in FY13, 24% of revenues, with year-on-year growth of 9.5%.**

*EBITDA of 9.3 billion in Q4 FY13, 28% of revenues, with year-on-year growth of 37%.*

**Profit after tax\* for FY13 at 17.5 billion, 15% of revenues with year-on-year growth of 17%**

*Profit after tax of 5.7 billion in Q4 FY13, 17% of revenues with year-on-year growth of 67%.*

**During the year, the company launched 78 new generic products, filed 56 new product registrations and filed 47 DMFs globally.**

*During the quarter, the company launched 18 new generic products, filed 14 new product registrations and filed 17 DMFs globally.*

- # *Excluding olanzapine exclusivity in FY12*
- \* *PAT adjusted for Impairment of intangibles/goodwill*

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All figures in millions, except EPS

All US dollar figures based on convenience translation rate as on 31<sup>st</sup> March, 2013

1 USD = 54.52

**Dr. Reddy s Laboratories Limited and Subsidiaries****Audited Consolidated Income Statement**

Particulars	FY13			FY12			Growth	
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	%	
<b>Revenue</b>	<b>2,133</b>	<b>116,266</b>	<b>100</b>	<b>1,774</b>	<b>96,737</b>	<b>100</b>	<b>20</b>	
Cost of revenues	1,021	55,687	48	797	43,432	45	28	
<b>Gross profit</b>	<b>1,111</b>	<b>60,579</b>	<b>52</b>	<b>978</b>	<b>53,305</b>	<b>55</b>	<b>14</b>	
<b>Operating Expenses</b>								
Selling, general & administrative expenses	616	33,584	29	529	28,867	30	16	
Research and development expenses	141	7,673	7	108	5,911	6	30	
Write down of intangible assets	9	507	0	19	1,040	1	(51)	
Write down of goodwill	3	181	0	0	0	0	0	
Other operating income	(45)	(2,479)	(2)	(14)	(765)	(1)	224	
<b>Results from operating activities</b>	<b>387</b>	<b>21,112</b>	<b>18</b>	<b>335</b>	<b>18,252</b>	<b>19</b>	<b>16</b>	
Net finance income	(8)	(460)	(0)	(3)	(160)	(0)	187	
Share of profit of equity accounted investees	(2)	(104)	(0)	(1)	(54)	(0)	93	
<b>Profit before income tax</b>	<b>398</b>	<b>21,677</b>	<b>19</b>	<b>339</b>	<b>18,466</b>	<b>19</b>	<b>17</b>	
Income tax expense	90	4,900	4	77	4,204	4	17	
<b>Profit for the year</b>	<b>308</b>	<b>16,776</b>	<b>14</b>	<b>262</b>	<b>14,262</b>	<b>15</b>	<b>18</b>	
		<b>170</b>			<b>170</b>			
<b>Diluted EPS</b>	<b>1.8</b>	<b>98.44</b>		<b>1.5</b>	<b>83.81</b>		<b>17</b>	

**EBITDA Computation**

Particulars	FY13		FY12	
	(\$)	(Rs.)	(\$)	(Rs.)
<b>PBT</b>	<b>398</b>	<b>21,677</b>	<b>339</b>	<b>18,466</b>
Interest and Income from Mutual Funds	(2)	(94)	13	690
Depreciation	71	3,859	67	3,628
Amortization & Impairment	44	2,378	48	2,626
<b>EBITDA</b>	<b>510</b>	<b>27,820</b>	<b>466</b>	<b>25,409</b>

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All figures in millions, except EPS

All US dollar figures based on convenience translation rate as on 31<sup>st</sup> March, 2013  
1USD = 54.52**Appendix 1: Key Balance Sheet Items**

Particulars	As on 31st March 13		As on 31st March 12	
	(\$)	(Rs.)	(\$)	(Rs.)
Cash and cash equivalents	405	22,099	333	18,152
Trade receivables	586	31,972	465	25,339
Inventories	396	21,600	355	19,352
Property, plant and equipment	694	37,814	610	33,246
Goodwill and Other Intangible assets	257	14,021	248	13,529
Loans and borrowings (current & non-current)	674	36,760	591	32,210
Trade payables	218	11,862	174	9,503
Equity	1,341	73,085	1,054	57,444

**Appendix 2: FY13 Revenue Mix by Segment**

Particulars	(\$)	FY13		(\$)	FY12		Growth	
		(Rs.)	%		(Rs.)	%	%	
<b>Global Generics</b>	<b>1,514</b>	<b>82,563</b>	<b>71</b>	<b>1,288</b>	<b>70,243</b>	<b>73</b>	<b>18</b>	
North America		37,846	46		31,889	45	19	
Europe		7,716	9		8,259	12	(7)	
India		14,560	18		12,931	18	13	
Russia & Other CIS		16,908	20		13,260	19	28	
RoW		5,533	7		3,904	6	42	
<b>PSAI</b>	<b>563</b>	<b>30,702</b>	<b>26</b>	<b>437</b>	<b>23,812</b>	<b>25</b>	<b>29</b>	
North America		5,744	19		4,272	18	34	
Europe		12,007	39		8,424	35	43	
India		4,638	15		3,586	15	29	
RoW		8,313	27		7,531	32	10	
<b>Proprietary Products &amp; Others</b>	<b>55</b>	<b>3,001</b>	<b>3</b>	<b>49</b>	<b>2,682</b>	<b>3</b>	<b>12</b>	
<b>Total</b>	<b>2,133</b>	<b>116,266</b>	<b>100</b>	<b>1,774</b>	<b>96,737</b>	<b>100</b>	<b>20</b>	

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### SEGMENTAL ANALYSIS

#### Global Generics

Revenues from Global Generics segment for FY13 are at 82.6 billion with a year-on-year growth of 18%, primarily driven by North America and Emerging Markets.

Revenues from **North America** for FY13 at 37.8 billion, recorded year-on-year growth of 19%. Excluding the beneficial impact of olanzapine exclusivity in FY12, registered year-on-year growth of 38%.

Growth is largely driven by key limited competition products such as ziprasidone, fondaparinux, ramp-up in our antibiotics portfolio and products from our Shreveport facility.

Significant contribution from new products launched during the year. 14 new products have been launched during the year major contributors being finasteride 1mg (180 day exclusivity), montelukast granules, atorvastatin, metoprolol, clopidogrel, ibandronate and zoledronic acid 4mg/5mL.

19 product filings (18 ANDAs and 1 NDA). Cumulatively, 65 ANDAs are pending for approval with the USFDA of which 38 are Para IVs and 8 have First To File status.

Revenues from **Emerging Markets** for FY13 at 22.4 billion recorded year-on-year growth of 31%.

Revenues from **Russia** for FY13 stood at 14.0 billion and recorded year-on-year growth of 27%, largely driven by volume growth in the major brands and new product launches.

Revenues from **Other CIS** markets for FY13 stood at 2.9 billion recorded year-on-year growth of 28%.

Revenues from **Rest of World (RoW)** territories at 5.5 billion recorded year-on-year growth of 42%. Of this Venezuela and Australia have shown strong growth in FY13 on the back of higher volumes for existing products and new product launches.

Revenues from **India** for FY13 at 14.6 billion recorded year-on-year growth of 13%.

Growth driven by volume increase across most key brands and new products launches.

24 new brands were launched.

IMS Mar 13, Dr Reddy's MAT Gr% 13.7% Vs IPM MAT Gr% of 10.2%. (Source: IMS).



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Biosimilars portfolio has grown by 25% in FY13 compared to FY12.

### **Pharmaceutical Services and Active Ingredients (PSAI)**

Revenues from PSAI for FY13 at 30.7 billion, recorded Year-on-year growth of 29%.

High growth on account of increased sales to generic customers on account of patent expirations and higher customer orders in the custom pharmaceutical business.

During the year, 47 DMFs were filed globally, including 5 in the US and 10 in Europe. The cumulative number of DMF filings as of March 31, 2013 is 577.

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**INCOME STATEMENT HIGHLIGHTS:**

Gross profit margin stood at 52.1% in FY13 as compared to 55.1% in FY12. Adjusted for the olanzapine exclusivity in FY12, the gross profit margins remained stable. Gross profit margin for Global Generics and PSAI business segments are at 59.0% and 32.5% respectively for FY13.

Selling, General and Administration (SG&A) expenses including amortization at 33.6 billion increased Year-on-year by 16%. The increase is primarily on account of regular year-on-year increments in manpower costs, selling costs and the effect of rupee depreciation against multiple currencies. SG&A as a percentage to sales stood at 29% in FY13 and compared to previous year there is a fall of 100 bps indicating improved operating leverage.

Research & development expenses for FY13 at 7.7 billion is at 6.6% of revenues as against 5.9 billion at 6.1% of revenues in FY12.

During the year Dr. Reddy's benefited by an amount of USD 22.5 Mn from one-time settlement done with Nordion Inc [which is formerly MDS Inc]. The settlement is towards the damages sustained by the Company due to the breach by Nordion of the then existing Laboratory services agreement for bioequivalence studies.

Net Finance income in FY13 is at 460 million compared to the net finance income of 160 million in FY12. The change is on account of :

Net forex gain of 365 million in FY13 compared to net forex gain of 689 million.

Net interest expense of 118 million in FY13 compared to net interest expense of 690 million in FY12.

Incremental income from mutual funds of 51 million in FY13 over FY12.

EBITDA for FY13 is 27.8 billion, 24% of revenues and increased by 9.5% as compared to the previous year.

Profit after Tax\* in FY13 at 17.5 billion, 15% of revenues and increased by 17% as compared to the previous year.

Diluted earnings per share in FY 13 are 98.4

Capital expenditure for FY13 is 6.6 billion.

\* *PAT adjusted for Impairment of intangibles/goodwill*

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All figures in millions, except EPS

All US dollar figures based on convenience translation rate as on 31<sup>st</sup> March, 2013

1USD = 54.52

**Appendix 3: Q4 FY13 Consolidated Income Statement**

Particulars	Q4 FY13			Q4 FY12			Growth %
	(\$)	(Rs.)	%	(\$)	(Rs.)	%	
<b>Revenue</b>	<b>613</b>	<b>33,400</b>	<b>100</b>	<b>488</b>	<b>26,584</b>	<b>100</b>	<b>26</b>
Cost of revenues	304	16,554	50	231	12,614	47	31
<b>Gross profit</b>	<b>309</b>	<b>16,846</b>	<b>50</b>	<b>256</b>	<b>13,970</b>	<b>53</b>	<b>21</b>
<b>Operating Expenses</b>							
Selling, general & administrative expenses	160	8,722	26	132	7,217	27	21
Research and development expenses	43	2,326	7	32	1,741	7	34
Write down of intangible assets	0	0	0	19	1,040	4	
Other operating income	(30)	(1,631)	(5)	(4)	(199)	(1)	720
<b>Results from operating activities</b>	<b>136</b>	<b>7,427</b>	<b>22</b>	<b>77</b>	<b>4,172</b>	<b>16</b>	<b>78</b>
Net finance income	(7)	(397)	(1)	(1)	(82)	(0)	386
Share of profit of equity accounted investees	(0)	(26)	(0)	(0)	(11)	(0)	131
<b>Profit before income tax</b>	<b>144</b>	<b>7,850</b>	<b>24</b>	<b>78</b>	<b>4,265</b>	<b>16</b>	<b>84</b>
Income tax expense	39	2,141	6	15	838	3	156
<b>Profit for the period</b>	<b>105</b>	<b>5,709</b>	<b>17</b>	<b>63</b>	<b>3,427</b>	<b>13</b>	<b>67</b>
<b>Diluted EPS</b>	<b>0.6</b>	<b>33.51</b>		<b>0.4</b>	<b>20.09</b>		<b>67</b>

**Appendix 4: Q4 FY13 Profit Computation**

Particulars	Q4 FY13		Q4 FY12	
	(\$)	(Rs.)	(\$)	(Rs.)
<b>PBT</b>	<b>144</b>	<b>7,850</b>	<b>78</b>	<b>4,265</b>
Interest	(1)	(52)	2	89
Depreciation	19	1,049	19	1,021
Amortization	8	446	7	383
Impairment	0	0	19	1,040
<b>EBITDA</b>	<b>170</b>	<b>9,293</b>	<b>125</b>	<b>6,798</b>

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### **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 and differentiated formulations. Major therapeutic focus is on gastro-intestinal, cardiovascular, diabetology, oncology, pain management and anti-infective. Major markets include India, USA, Russia-CIS and Europe apart from other select geographies within Emerging Markets.

For more information, log on to: [www.drreddys.com](http://www.drreddys.com)

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

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**Audited consolidated financial results of Dr. Reddy s Laboratories Limited and its subsidiaries for the quarter and year ended 31 March 2013 prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)**

All amounts in Indian Rupees lakhs, except share data

Sl. No.	Particulars	Quarter ended		Year ended		
		31.03.2013 (Audited)	31.12.2012 (Unaudited)	31.03.2012 (Audited)	31.03.2013 (Audited)	31.03.2012 (Audited)
<b>1</b>	<b>Net Income from Sales and Services</b>	<b>333,994</b>	<b>286,516</b>	<b>265,845</b>	<b>1,162,656</b>	<b>967,374</b>
<b>2</b>	<b>Cost of Sales and Services</b>					
	a) (Increase) / decrease in stock-in-trade and work-in-progress	10,783	(4,544)	1,373	(13,608)	(14,017)
	b) Consumption of raw materials	102,999	94,366	84,404	383,628	303,195
	c) Other expenditure	51,763	47,812	40,362	186,850	145,141
<b>3</b>	<b>Gross Profit (1 - 2)</b>	<b>168,449</b>	<b>148,882</b>	<b>139,706</b>	<b>605,786</b>	<b>533,055</b>
4	Selling, General and Administrative expenses	87,224	85,708	72,166	335,844	288,674
5	Research and Development expenses	23,261	20,254	17,404	76,733	59,105
6	Impairment loss on goodwill				1,809	
7	Impairment loss on intangibles			10,404	5,067	10,404
8	Other (income) / expense, net	(16,310)	(2,331)	(1,980)	(24,790)	(7,650)
<b>9</b>	<b>Operating profit (3) - (4 + 5 + 6 + 7 + 8)</b>	<b>74,274</b>	<b>45,251</b>	<b>41,712</b>	<b>211,123</b>	<b>182,522</b>
10	Finance (expense) / income, net	3,973	(968)	822	4,599	1,599
11	Share of profit of equity accounted affiliate, net of income taxes	257	313	115	1,044	544
<b>12</b>	<b>Profit before tax (9 + 10 + 11)</b>	<b>78,504</b>	<b>44,596</b>	<b>42,649</b>	<b>216,766</b>	<b>184,665</b>
13	Tax expense	21,415	8,265	8,379	49,004	42,044

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Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2013 (Audited)	31.12.2012 (Unaudited)	31.03.2012 (Audited)	31.03.2013 (Audited)	31.03.2012 (Audited)
14	<b>Net Profit after tax (12 - 13)</b>	<b>57,089</b>	<b>36,331</b>	<b>34,270</b>	<b>167,762</b>	<b>142,621</b>
15	Extra-ordinary items (net of tax expense)					
16	<b>Net Profit for the period / year (14 - 15)</b>	<b>57,089</b>	<b>36,331</b>	<b>34,270</b>	<b>167,762</b>	<b>142,621</b>
17	<b>Net Profit attributable to:</b>					
	- Equity holders of the Company	57,101	36,331	34,270	167,774	142,621
	- Non-controlling interest	(12)			(12)	
18	Paid-up equity share capital (Face value of Rs. 5/- each)	8,492	8,492	8,478	8,492	8,478
19	Share premium, retained earnings, share based payment reserve, debenture redemption reserve and other components of equity				722,408	566,001
20	<b>Earnings per share for the period / year (in Rupees) per Rs. 5/- share</b>					
	- Basic	33.62	21.39	20.21	98.82	84.16
	- Diluted	33.51	21.33	20.14	98.44	83.81
		(Not annualised)	(Not annualised)	(Not annualised)		
21	Public shareholding *					
	- Number of shares	97,799,433	98,126,503	97,627,569	97,799,433	97,627,569
	- Percentage of shareholding	57.59	57.78	57.57	57.59	57.57
22	Promoters and promoter group shareholding					
	<b>a) Pledged / Encumbered</b>					
	- Number of shares					
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)					
	- Percentage of shares (as a % of the total share capital of the Company)					
	<b>b) Non-encumbered</b>					
	- Number of shares	43,417,812	43,417,812	43,417,812	43,417,812	43,417,812
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	25.56	25.56	25.61	25.56	25.61
23	Details of items exceeding 10% of total expenditure					
	- Employee cost	53,488	51,647	44,834	204,133	169,275

\* Public Shareholding as defined under Clause 40A of the Listing Agreement (excludes shares held by Promoters, Promoter Group and American Depository Receipt holders)

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Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2013 (Audited)	31.12.2012 (Unaudited)	31.03.2012 (Audited)	31.03.2013 (Audited)	31.03.2012 (Audited)
<b>Segment wise revenue and results:</b>						
<b>1</b>	<b>Segment revenue:</b>					
	a) Pharmaceutical Services and Active Ingredients	115,846	86,485	92,531	362,864	291,483
	b) Global Generics	225,658	208,277	183,972	825,629	702,434
	c) Proprietary Products	3,855	4,013	2,932	14,679	10,776
	d) Others	2,751	2,959	4,104	15,329	16,045
	<b>Total</b>	<b>348,110</b>	<b>301,734</b>	<b>283,539</b>	<b>1,218,501</b>	<b>1,020,738</b>
	Less: Inter-segment revenue	14,116	15,218	17,694	55,845	53,364
	<b>Net Revenue from operations</b>	<b>333,994</b>	<b>286,516</b>	<b>265,845</b>	<b>1,162,656</b>	<b>967,374</b>
<b>2</b>	<b>Segment results:</b>					
	Gross Profit from each segment					
	a) Pharmaceutical Services and Active Ingredients	34,771	19,531	28,449	99,696	75,077
	b) Global Generics	130,238	124,901	107,029	487,205	442,633
	c) Proprietary Products	3,415	3,715	2,562	13,237	9,032
	d) Others	25	735	1,666	5,648	6,313
	<b>Total</b>	<b>168,449</b>	<b>148,882</b>	<b>139,706</b>	<b>605,786</b>	<b>533,055</b>
	Less: Other un-allocable expenditure, net of other income	89,945	104,286	97,057	389,020	348,390
	<b>Total profit before tax</b>	<b>78,504</b>	<b>44,596</b>	<b>42,649</b>	<b>216,766</b>	<b>184,665</b>

Global Generics includes operations of Biologics business. Inter-segment revenue represents sale from Pharmaceutical Services and Active Ingredients to Global Generics.

**Table of Contents****Segmental Capital employed**

As certain assets of the Company including manufacturing facilities, development facilities and treasury assets and liabilities are often deployed interchangeably across segments, it is impractical to allocate these assets and liabilities to each segment. Hence, the details for capital employed have not been disclosed in the above table.

**Notes:****1 Investor Complaints**

Pending at the beginning of the quarter	Nil
Received during the quarter	8
Disposed off during the quarter	8
Remaining unresolved at the end of the quarter	Nil

- 2 The Company has consolidated the financial statements of the following companies: 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 Impex Limited, Reddy Netherlands B.V., Reddy US Therapeutics Inc., Dr. Reddy s Laboratories (Proprietary) Limited, OOO Dr. Reddy s Laboratories Limited, Promius Pharma LLC, 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, Reddy beta GmbH, beta Institut gemeinnützige GmbH, Dr. Reddy s Laboratories (Australia) Pty Ltd, OOO Alfa, Reddy Pharmaceuticals Hong Kong Limited, Dr. Reddy s Laboratories Inc., Reddy Cheminor S.A., Reddy Antilles N.V., Reddy Pharma Iberia, S.A., Reddy Pharma Italia S.p.A, Dr. Reddy s Laboratories SA, Eurobridge Consulting B.V, OOO DRS LLC, Dr. Reddy s New Zealand Limited, Aurigene Discovery Technologies (Malaysia) Sdn Bhd, Dr. Reddy s Laboratories Louisiana LLC, Chirotech Technology Limited, Dr. Reddy s Laboratories ILAC TICARET Limited SIRKETI, Dr. Reddy s s.r.l., Dr. Reddy s Pharma SEZ Limited, Dr. Reddy s Laboratories International SA, Idea2Enterprises (India) Private Limited, Dr. Reddy s Laboratories Romania-SRL, I-Ven Pharma Capital Limited, Dr. Reddy s Venezuela, C.A., Dr. Reddy s Laboratories Tennessee LLC, Dr Reddy s Laboratories New York Inc, Dr. Reddy s Laboratories, LLC, Ukraine, Dr. Reddy s Laboratories Canada, Inc., OctoPlus N.V., OctoPlus Development B.V., OctoPlus Technologies B.V., OctoShare B.V., OctoPlus Sciences B.V., OctoPlus PolyActive Sciences B.V. and Chienna B.V.
- 3 Kunshan Rotam Reddy Pharmaceutical Company Limited (a joint venture) has been accounted under the equity method of accounting in accordance with IAS-31 Interests in Joint Ventures .
- 4 DRANU, LLC (a joint venture) has been consolidated in accordance with SIC-12 Consolidation Special Purpose Entities .



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- 5 During March 2013, the Company entered into an agreement with Nordion Inc., to settle its ongoing litigation for alleged breach of service obligations by Nordion Inc. during the years 2000 to 2004. As part of the settlement, the Company received a total amount of Rs. 12,200 lakhs (USD 22.5 million) from Nordion, out of which Rs. 1,084 lakhs (USD 2 million) is towards reimbursement of research and development cost and the same is recorded as reduction in such cost. The balance Rs. 11,116 lakhs (USD 20.5 million) is towards lost profits and the same is recorded as part of other income.
- 6 Pursuant to the Company's announcement of its public offer to acquire all of the equity shares of OctoPlus N V ( OctoPlus ) at Euro 0.52 per share, the Company acquired and made settlement of the shares tendered under the offer on 15 February 2013. The transaction was accounted under IFRS 3 Business Combinations. As of 31 March 2013, the Company had acquired 98.9% of the total shares of OctoPlus for a total consideration of Euro 27 million.
- 7 Based on the business performance and expected cash flows from its business in Italy, the Company carried out an impairment test of Dr. Reddy's s.r.l's cash-generating unit and recorded an impairment loss of goodwill and intangibles amounting to Rs. 1,809 lakhs and Rs. 93 lakhs respectively during the quarter ended 30 September 2012.
- 8 Consequent to the decline in expected cash flows of some of the products forming part of product related intangibles pertaining to Company's Global Generics segment, the Company carried out an impairment test of such product related intangibles and recorded an impairment loss of Rs. 4,974 lakhs during the quarter ended 30 September 2012.
- 9 The audited results have been reviewed by the Audit Committee of the Board on 13 May 2013 and approved by the Board of Directors of the Company at their meeting held on 14 May 2013. The above financial results have been prepared from the consolidated financial statements, which are prepared in accordance with International Financial Reporting Standards and its interpretations (IFRS), as issued by the International Accounting Standards Board (IASB).
- 10 The Board of Directors at their meeting held on 14 May 2013 have recommended a final dividend of Rs. 15 per share subject to approval of shareholders.
- 11 The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the relevant financial year. The figures up to the end of third quarter were only reviewed and not subject to audit.
- 12 The Securities and Exchange Board of India (SEBI) issued a circular, dated 5 April 2010 permitting listed entities having subsidiaries to voluntarily submit the Consolidated Financial Statements as per IFRS. Consequent to this, the Company has voluntarily prepared and published audited Consolidated Financial Statements as per IFRS for the year ended 31 March 2013 and 31 March 2012.

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<b>Statement of Assets and</b>	All amounts in Indian Rupees lakhs	
<b>Liabilities (Consolidated)</b>	<b>As at</b>	<b>As at</b>
<b>Particulars</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>(Audited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	51,363	79,788
Other current investments	169,630	101,733
Trade receivables	319,717	253,388
Inventories	215,995	193,524
Other current assets	100,425	71,091
<b>Total current assets</b>	<b>857,130</b>	<b>699,524</b>
<b>Non-current assets</b>		
Property, plant and equipment	378,144	332,464
Goodwill	31,932	22,081
Other intangible assets	108,281	113,209
Investment in equity accounted investees	4,721	3,678
Other non-current investments	2,092	
Other non-current assets	41,390	23,815
<b>Total non-current assets</b>	<b>566,560</b>	<b>495,247</b>
<b>Total assets</b>	<b>1,423,690</b>	<b>1,194,771</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Short-term borrowings	241,350	158,756
Trade accounts payable	118,618	95,024
Provisions	22,881	19,256
Other current liabilities	153,615	161,577
<b>Total current liabilities</b>	<b>536,464</b>	<b>434,613</b>
<b>Non-current liabilities</b>		
Long-term borrowings	126,247	163,350
Provisions	474	470
Other non-current liabilities	29,460	21,908
<b>Total non-current liabilities</b>	<b>156,181</b>	<b>185,728</b>
<b>Total liabilities</b>	<b>692,645</b>	<b>620,341</b>
<b>Equity</b>		
Equity share capital	8,492	8,478
Reserves and surplus	722,361	565,952
Non-controlling interest	192	
<b>Total equity</b>	<b>731,045</b>	<b>574,430</b>

<b>Total liabilities and equity</b>	<b>1,423,690</b>	<b>1,194,771</b>
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**Table of Contents**14 **Audited financial results of Dr. Reddy s Laboratories Limited (Standalone Information) prepared as per IGAAP**

Particulars	Quarter ended			Year ended	
	31.03.2013 (Audited)	31.12.2012 (Unaudited)	31.03.2012 (Audited)	31.03.2013 (Audited)	31.03.2012 (Audited)
Total income from operations	236,248	215,844	178,830	843,401	673,970
Profit from ordinary activities before tax	55,600	47,645	35,586	175,313	125,918
Profit from ordinary activities after tax	37,815	34,664	21,179	126,547	91,236

**Note:**

The audited standalone financial results for the quarter and year ended 31 March 2013 are available on the Stock Exchange s website: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and also on the Company s website: [www.drreddys.com](http://www.drreddys.com).

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

Place: Hyderabad  
Date: 14 May 2013

Satish Reddy  
Vice Chairman & Managing Director

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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: May 16, 2013

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

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