

DR REDDYS LABORATORIES LTD

Form 6-K

June 09, 2003

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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 May, 2003

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 [X]

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 [X]

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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- (4) Notice to Stock Exchange, Grant of Options under Dr. Reddy s Employees Stock Option Scheme, 2002, May 13, 2002.
- (5) Press Release, Dr. Reddy s revenue at Rs.18070 million; Net income at Rs.3532 million, May 31, 2003.
- (6) Notice to Stock Exchanges, Board Resolutions of May 30, 2003, May 31, 2003.
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Dr. Reddy s Laboratories Ltd.
7-1-27 Ameerpet
Hyderabad 500 016 India

Tel: 91 40 2373 1946
Fax: 91 40 2373 1955

www.drreddys.com

May 5, 2003

All Stock Exchanges

Sub: Disclosure of shareholding

Dear Sir,

Pursuant to Sub Regulation (3) of Regulation 7 of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, we hereby intimate you that Fidelity Investments has acquired 43,709 shares in the Company which taken together with the shares and voting rights held by it, would entitle it to more than 5% shares or voting rights in the Company.

Fidelity Investments has informed the Company vide its letter dated April 29, 2003 that their shareholding in the Company taken together with the ADRs is 3,834,757 which is equivalent to 5.01% of the paid up capital of the Company. The letter received from Fidelity Investments is enclosed.

Kindly take the above information on record.

Thanking you,

Yours faithfully
For Dr. Reddy s Laboratories Ltd.
/s/ Santosh Kumar Nair
Santosh Kumar Nair
Company Secretary

cc
Jule Finocchio
Compliance Specialist
Fidelity Management & Research Company
82 Devonshire Street
Boston, MA 02109-3614

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Dr. Reddy s Laboratories Ltd.
7-1-27 Ameerpet
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May 7, 2003
The Secretary
Hyderabad Stock Exchange Ltd.
Mumbai Stock Exchange
Ahmedabad Stock Exchange
Calcutta Stock Exchange
Madras Stock Exchange
New York Stock Exchange
National Stock Exchange

Sub: Notice of the Board meeting under Clause 41 of the Listing Agreement

Dear Sir,

The Board of Directors of the Company is scheduled to meet on May 30, 2003 at New York, the United States of America to, inter alia, discuss and take on record the audited financial results of the Company for the year ended March 31, 2003.

The Board will also consider declaration of Dividend for the year 2002-2003 at this meeting.

Thanking you,

Yours faithfully
For Dr. Reddy s Laboratories Ltd.
/s/ Santosh Kumar Nair
Santosh Kumar Nair
Company Secretary

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www.drreddys.com

Dr. Reddy s announces ANDA filing for Ondansetron HCl Tablets, Equivalent to 16 mg Base

Hyderabad, India, May 8 2003:

Dr. Reddy s Laboratories (NYSE:RDY) today announced that the Company had filed an Abbreviated New Drug Application (ANDA) with the U.S. Food and Drug Administration for Ondansetron Hydrochloride tablets, equivalent to 16 mg base, with a Paragraph IV certification on the four Orange Book patents. The 16 mg dose is not currently marketed by GlaxoSmithKline.

Dr. Reddy s notified GlaxoSmithKline, upon which the latter filed a lawsuit against the Company in the United States District Court for the District of New Jersey alleging patent infringement on three of the four Orange Book patents as well as a process patent not listed in the Orange Book.

Ondansetron HCl is the generic version of GlaxoSmithKline s Zofran. The branded product is indicated for the prevention of postoperative nausea and vomiting, cancer chemotherapy induced nausea and vomiting and radiotherapy induced nausea and vomiting. The brand has annual sales in the United States of approximately \$900 million for all dosage forms and strengths (Source: IMS 2002).

About Dr. Reddy s

Established in 1984, Dr. Reddy s Laboratories (NYSE: RDY) is an emerging global pharmaceutical company with proven basic research capabilities. The company develops, manufactures and markets a wide range of pharmaceutical products in India and overseas. Dr. Reddy s produces finished dosage forms, active pharmaceutical ingredients, diagnostic kits, critical care and biotechnology products. The basic research program of Dr. Reddy s focuses on cancer, diabetes, bacterial infections and pain management.

Contact Information

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Bhaswati Banerjee at banerjeeb@drreddys.com or on +91-40-55511600.

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Investors and Financial Analysts:

US & Europe Artie Rokkam at artie@drreddys.com or on + 001-201-760-2880 X211 Asia Pacific Nikhil Shah at nikhilshah@drreddys.com or on +91-40-55511532.

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The Secretary/The Executive Director
Hyderabad Stock Exchange Ltd.
Mumbai Stock Exchange
Ahmedabad Stock Exchange
Calcutta Stock Exchange
Madras Stock Exchange
New York Stock Exchange

Sub: Grant of Options under Dr. Reddy s Employees Stock Option Scheme, 2002.

Pursuant to clause 25 of the listing agreement, we hereby intimate you that the company has granted 369,300 stock options to the employees of the company through a circular resolution of the Compensation Committee of board of directors passed on May 13, 2003. The shares covered by such options are 369,300.

The options have been granted at a price of Rs.883.00 per option, which is equivalent to weighted average share price of the company of last 30 days on BSE.

The options may be exercised in a phased manner after a vesting period of 12 months but before completion of five years from the date of vesting.

Kindly take the above information on record.

Thanking you,

Yours faithfully
For Dr. Reddy s Laboratories Ltd.
/s/ Santosh Kumar Nair
Santosh Kumar Nair
Company Secretary

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**Dr. Reddy s revenue at Rs.18070 million;
Net income at Rs.3532 million**

New Jersey, US, May 30, 2003 & Hyderabad, India, May 31, 2003: Dr. Reddy s Laboratories Ltd. today announced its audited financial results for the financial year ended March 31, 2003.

Notes

1. *In line with global disclosure standards, the company commenced reporting its financials on a consolidated basis since Q1 FY03.*
2. *Current financial year financial discussions below are on a consolidated basis as per the US GAAP.*
3. *Current financial year consolidated US GAAP financials are not comparable with earlier standalone Indian GAAP releases of the company.*
4. *Detailed analysis of the financials is available on the Company s website at www.drreddys.com.*

Audited US GAAP Financials for the financial year ended March 31, 2003
[All figures in Indian Rupees (INR) million except EPS. All dollar figures based on convenience translation rate of 1USD = Rs.47.53]

| Particulars | FY03 | | | FY02 | | | Growth % |
|------------------------------|------------|--------------|------------|------------|--------------|------------|-------------|
| | US \$ | INR | as a% | US \$ | INR | as a% | |
| Total Revenue | 380 | 18070 | 100 | 350 | 16623 | 100 | 9 |
| Cost of revenues | 165 | 7839 | 43 | 145 | 6869 | 41 | 14 |
| Gross profit | 215 | 10231 | 57 | 205 | 9754 | 59 | 5 |
| Total operating expenses | 145 | 6885 | 38 | 99 | 4688 | 28 | 47 |
| Operating income | 70 | 3346 | 19 | 107 | 5066 | 30 | (34) |
| Equity in loss of affiliates | 2 | 92 | 1 | 3 | 131 | 1 | (29) |
| Other expenses/(income) net | (14) | (683) | (4) | (3) | (154) | (1) | 342 |

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| Particulars | FY03 | | | FY02 | | | Growth % |
|---|-------------|--------------|-----------|-------------|--------------|-----------|-------------|
| | US \$ | INR | as a % | US \$ | INR | as a % | |
| Income before income taxes and minority interest | 83 | 3937 | 22 | 107 | 5090 | 31 | (23) |
| Income tax (benefit)/expense | 8 | 398 | 2 | 3 | 154 | 1 | 159 |
| Net income | 74 | 3532 | 20 | 104 | 4921 | 30 | (28) |
| DEPS | 0.97 | 46.16 | | 1.36 | 64.62 | | |

Key highlights

Total Revenue at Rs.18070 million, an increase of 9% from the previous fiscal.

Net Income at Rs.3532 million for this fiscal as against Rs.4921 million in FY 02.

Revenues outside of India at Rs.11581 million compared to Rs.10571 million in the previous financial year. A Year on Year (YoY) growth of 10%.

Revenues from North America at Rs.5853 million as against Rs.6037 million in FY02, a marginal decline of 3%. APIs grew by 54% in this market. In Generics, contribution from generic tizanidine, launched in the US in July 2002, offset the decline in revenues from fluoxetine, post expiry of one-time marketing exclusivity in January 2002.

Revenues from Europe at Rs.1401 million as against Rs.781 million in FY02; a YoY growth of 79%. Growth primarily driven by the acquisition of BMS and Meridian in the UK, presently known as Dr. Reddy's Laboratories (EU) Limited and Dr. Reddy's Laboratories (UK) Limited respectively. Combined revenues at Rs.759 million in FY03.

Revenues from Russia at Rs.1676 million as against Rs.1312 million in FY02. A YoY growth of 28% driven by growth in key brands Omez, Enam, Ciprolet & Ketorol.

Active Pharmaceutical Ingredients (APIs)

Revenues at Rs.6341 million as against Rs.5237 million in FY02, a growth of 21%.

Revenues outside of India at Rs.4592 million as against Rs.3589 million in FY02. A YoY growth of 28%.

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Revenues from North America at Rs.2398 million. North America's contribution to the API segment increased from 30% in FY02 to 38% this financial year. Revenues grew by 54% driven by Nizatidine, which contributed Rs.563 million.

Revenues from India at Rs.1749 million as against Rs.1648 million in FY02. A YoY growth of 6%, led by volume growth in key products.

The Company filed 14 US Drug Master Files (DMFs) during this financial year taking the total DMF filings to 40.

Branded Formulations highlights

Revenues at Rs.6860 million as against Rs.6035 million in FY02.

Branded Formulations India

Revenues at Rs.4303 million, an increase of 8% over FY02.

As per March ORG MARG, the Company grew at a MAT of 16.3% as against the industry average of 5.7%.

Branded Formulations International

Revenues at Rs.2557 million, an increase of 25% over FY02. The growth was primarily driven by the good performance in the CIS markets.

Revenues from Russia at Rs.1662 million as against Rs.1312 million in FY02. A YoY growth of 27% driven by growth in key brands Omez, Enam, Ciprolet & Ketorol.

Revenues from other CIS markets at Rs.430 million as against Rs.307 million in FY02, a YoY growth of 40%.

Generics highlights

Revenues in this segment at Rs.4284 million as against Rs.4527 million in FY02.

Revenues from North America at Rs.3445 million. North America contributed 80% to the total revenues in this segment.

Revenues from Europe at Rs.814 million as against Rs.12 million in FY02. Europe contributed 19% to the total revenues in this segment. Growth in Europe primarily driven by the acquisition of BMS and Meridian in the UK, presently known as Dr. Reddy's Laboratories (EU) Limited and Dr. Reddy's Laboratories (UK) Limited respectively. Combined revenues at Rs.759 million in FY03.

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Fluoxetine capsules 40mg revenues at Rs.1896 million compared to Rs.3664 million in FY02, which included one-time marketing exclusivity revenues.

Tizanidine tablets 2 & 4 mg, launched in the US in July 2002, contributed Rs.778 million to the revenues in North America.

Omeprazole capsules launched in UK in October 2002, was the key contributor to revenues from Europe in this segment, with revenues of Rs.283 million for FY03.

During the year, the Company filed 14 Abbreviated New Drug Applications (ANDAs) including 3 pending acceptance by the USFDA. Of the 14 filings, 10 were Para IV certifications. This takes the total ANDA filings to 34. Currently, there are 23 ANDA filings pending approval with the United States Food and Drug Administration (USFDA).

Other Businesses highlights

Revenues in the diagnostics, critical care & biotechnology segments at Rs.428 million.

Revenues in the Custom Chemical Services (CCS) business declined to Rs.69 million from Rs.175 million in FY02.

Income Statement highlights

Gross Margins on total revenues at 57% driven by improved business mix. This compares with gross margins of 59% in FY02 driven by fluoxetine one-time marketing exclusivity revenues.

R&D expenditure increased by 85% to Rs.1375 million this fiscal from Rs.742 million in FY02. As a percentage, R&D expenditure is at 7.6% of total revenues as against 4.5% in FY02. The increase in R&D expenditure is primarily on account of higher number of bio-studies in the Generics business, higher development activity in APIs and CCS.

Selling, General & Administration (SG&A) expenses increased by Rs.1352 million to Rs.5020 million this fiscal. As a percentage, SG&A expenses is at 28% of total revenues compared to 22% in FY02. This increase is primarily on account of increase in legal & professional charges, increase in manpower cost and increase in marketing expenses.

The cash and cash equivalents increased to Rs.7273 million as on March 31, 2003 from Rs.5109 million as on March 31, 2002.

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General information

The following items were considered and adopted by the Board of Directors of Dr. Reddy's Laboratories today:

Audited financial results for the financial year ended March 31, 2003 as required under Clause 41 of the listing agreement.

Recommendation of a dividend of Rs.5 on each equity share of Rs.5.

The 19th Annual General Meeting of the Company will be held on August 25, 2003.

Merger of Zenovus Biotech Limited, a wholly owned subsidiary of the Company, with Dr. Reddy's.

Closure of operations of the Diagnostics business of the Company.

Recommendation of delisting of shares of the Company from the Hyderabad Stock Exchange, the Ahmedabad Stock Exchange, the Kolkatta Stock Exchange and the Madras Stock Exchange.

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7-1-27 Ameerpet
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www.drreddys.com

May 31, 2003

The Secretary/The Executive Director
Hyderabad Stock Exchange Ltd.
Mumbai Stock Exchange
Ahmedabad Stock Exchange
Calcutta Stock Exchange
Madras Stock Exchange
National Stock Exchange

The Board of the company in its meeting held on May 30, 2003 at New York, USA have declared the financial results of the Company. We are enclosing herewith the following:

1. Audited financial results of the company for the financial year 2002-03.
2. Summarized financial results of the company for the financial year 2002 - 03 under USGAAP.
3. Press Release on Dr. Reddy s revenue at Rs.18070 million; Net income at Rs.3532 million .

The Board also took the following decisions at this meeting:

1. Recommendation of a dividend of Rs.5 on each equity share of Rs.5.
2. The 19th Annual General Meeting of the Company will be held on August 25, 2003.
3. Merger of Zenovus Biotech Limited, a wholly owned subsidiary of the Company, with Dr. Reddy s.
4. Closure of operations of the Diagnostics business of the Company.
5. Recommendation of delisting of shares of the Company from the Hyderabad Stock Exchange, the Ahmedabad Stock Exchange, the Kolkata Stock Exchange and the Madras Stock Exchange.

Please also note that Dr. A. Venkateswarlu, Director of the Company, has decided not to seek re-appointment at the ensuing Annual General Meeting.

Kindly take the above information on record.

Thanking you,

Yours faithfully
for Dr. Reddy s Laboratories Ltd.
/s/ Girish Tekchandani
Girish Tekchandani
Asst. Company Secretary

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Tel: 91 40 2373 1946
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www.drreddys.com

DR. REDDY S LABORATORIES LIMITED
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2003

All amounts in Indian Rupees lakhs, except share data

| Sl No. | PARTICULARS | 9 months ended | Quarter ended | | Year ended | Year ended |
|--------|--|---------------------------|---------------------------|---------------------------|-------------------------|-------------------------|
| | | 31.12.2002 (Unaudited) | 31.03.2003 (Unaudited) | 31.03.2002 (Unaudited) | 31.03.2003 (Audited) | 31.03.2002 (Audited) |
| 1 | Net Sales / Income from Operations (including Excise Duty) | 118,159 | 41,674 | 41,004 | 159,833 | 160,010 |
| 2 | Other Income | 5,276 | 1,393 | 1,392 | 6,669 | 5,153 |
| 3 | Total Income (1 + 2) | 123,435 | 43,067 | 42,396 | 166,502 | 165,163 |
| 4 | Total Expenditure | 87,245 | 29,713 | 29,536 | 116,958 | 112,027 |
| a | (Increase)/Decrease in stock | (2,261) | (103) | 3,220 | (2,364) | (1,101) |
| b | Material consumed | 40,857 | 9,285 | 8,882 | 50,142 | 43,997 |
| c | Excise duty | 6,840 | 1,632 | 2,084 | 8,472 | 7,897 |
| d | Research and development expenses | 8,551 | 4,835 | 3,791 | 13,386 | 9,803 |
| e | Personnel costs | 8,467 | 3,641 | 2,969 | 12,108 | 10,059 |
| f | Selling expenses | 11,649 | 3,884 | 3,601 | 15,533 | 13,438 |
| g | Deferred revenue expenditure written-off | | | | | 9,314 |
| h | Provision for decline in long-term investments | | 514 | 656 | 514 | 2,174 |
| I | Other expenditure | 13,142 | 6,025 | 4,333 | 19,167 | 16,446 |
| 5 | Profit Before Interest, Depreciation, Amortisation, Tax (3 - 4) | 36,190 | 13,354 | 12,860 | 49,544 | 53,136 |
| 6 | Interest | 295 | 50 | 405 | 345 | 1,090 |
| 7 | Profit After Interest but Before Depreciation, Amortisation, Tax (5 - 6) | 35,895 | 13,304 | 12,455 | 49,199 | 52,046 |
| 8 | Depreciation & Amortisation of Brand Acquisition Cost | 4,444 | 1,639 | 1,379 | 6,083 | 4,969 |
| 9 | Provision for Taxation | 4,194 | (172) | 706 | 4,022 | 3,952 |
| 10 | Deferred Tax Expense/(Benefit) | 7 | (122) | 252 | (115) | (2,840) |
| 11 | Net Profit (7 - 8 - 9 - 10) | 27,250 | 11,959 | 10,118 | 39,209 | 45,965 |
| 12 | Paid - up Equity Share Capital (Face value Rs.5/- each) | 3,826 | 3,826 | 3,826 | 3,826 | 3,826 |
| 13 | Reserves (Excluding Revaluation Reserve) | | | | 177,356 | 141,973 |

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| | | | | | | |
|----|--|------------------|------------------|------------------|------------|------------|
| 14 | Aggregate of Non-Promoter share holding | | | | | |
| | -Number of Shares (Face value Rs.5/- each) | 56,607,324 | 56,604,824 | 56,634,748 | 56,604,824 | 56,634,748 |
| | -Percentage of share holding | 73.98 | 73.98 | 74.02 | 73.98 | 74.02 |
| 15 | Earnings per share for the period (in Rupees) per Rs.5/- share | | | | | |
| | Basic | 35.61 | 15.63 | 13.30 | 51.24 | 60.41 |
| | Diluted | 35.61 | 15.63 | 13.30 | 51.24 | 60.41 |
| | | (Not Annualised) | (Not Annualised) | (Not Annualised) | | |

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SEGMENT WISE REVENUE, RESULTS & CAPITAL EMPLOYED

| | | All amounts in Indian Rupees lakhs, except share data | | | | |
|---------|---|---|--------------------------|--------------------------|------------------------|-------------------------|
| Sl. No. | PARTICULARS | 9 months ended | Quarter ended | | Year ended | Year ended |
| | | 31.12.2002 (Unaudited) | 31.3.2003 (Unaudited) | 31.3.2002 (Unaudited) | 31.3.2003 (Audited) | 31.03.2002 (Audited) |
| | Segment wise Revenue, Results and Capital Employed: | | | | | |
| 1 | Segment Revenue : | | | | | |
| | a) Active Pharmaceutical Ingredients and Intermediates | 51,641 | 12,895 | 17,011 | 64,536 | 59,518 |
| | b) Formulations | 54,122 | 16,853 | 15,909 | 70,975 | 62,937 |
| | c) Generics | 19,314 | 13,229 | 8,319 | 32,543 | 41,410 |
| | d) Diagnostics, Critical Care and Biotechnology | 3,199 | 792 | 1,112 | 3,991 | 4,245 |
| | e) Drug Discovery | | | | | 3,436 |
| | Total | 128,276 | 43,769 | 42,351 | 172,045 | 171,546 |
| | Less: Inter segment revenue | 7,737 | 1,872 | 1,897 | 9,609 | 10,463 |
| | Add : Other unallocable Income | 2,896 | 1,170 | 1,942 | 4,066 | 4,080 |
| | Total Income | 123,435 | 43,067 | 42,396 | 166,502 | 165,163 |
| 2 | Segment Results : | | | | | |
| | Profit/(loss) before tax and interest from each segment | | | | | |
| | a) Active Pharmaceutical Ingredients and Intermediates | 9,059 | 1,940 | 3,373 | 10,999 | 8,066 |
| | b) Formulations | 17,506 | 5,120 | 4,526 | 22,626 | 21,821 |
| | c) Generics | 10,512 | 8,451 | 6,647 | 18,963 | 34,024 |
| | d) Diagnostics, Critical Care and Biotechnology | 261 | (596) | (287) | (335) | (63) |
| | e) Drug Discovery | (3,802) | (1,396) | (1,764) | (5,198) | (1,756) |
| | Total | 33,536 | 13,519 | 12,495 | 47,055 | 62,092 |
| | Less: (i) Interest | 295 | 50 | 405 | 345 | 1,090 |
| | (ii) Other un-allocable Expenditure/(Income) | 1,790 | 1,804 | 1,014 | 3,594 | 13,925 |
| | Total Profit before tax | 31,451 | 11,665 | 11,076 | 43,116 | 47,077 |
| 3 | Capital Employed: | | | | | |
| | a) Active Pharmaceutical Ingredients and Intermediates | 40,275 | 40,254 | 42,657 | 40,254 | 42,657 |
| | b) Formulations | 30,391 | 29,911 | 30,179 | 29,911 | 30,179 |
| | c) Generics | 17,661 | 25,485 | 18,866 | 25,485 | 18,866 |
| | d) Diagnostics, Critical Care and Biotechnology | 4,706 | 4,089 | 4,663 | 4,089 | 4,663 |
| | e) Drug Discovery | 938 | 662 | 322 | 662 | 322 |
| | f) Others | 83,435 | 80,781 | 53,015 | 80,781 | 53,015 |
| | Total | 177,406 | 181,182 | 149,702 | 181,182 | 149,702 |

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Notes:

- 1 In terms of the Accounting Standard (AS) 17- Segment Reporting issued by the Institute of Chartered Accountants of India (ICAI), the revenue, results and capital employed have been given business segment wise. Although certain assets and liabilities of the Company were used / contracted interchangeably, the Company has classified them to the segments to the extent that are identified and the balance of assets and liabilities were considered as others.
- 2 Revenue for the quarter and year ended March 31, 2003 includes Rs.4,291 lakhs, Rs. 11,863 lakhs respectively (Quarter and year ended March 31,2002 Rs.6,536 lakhs, Rs.32,857 lakhs respectively) from sale of Fluoxetine Finished 40 mg Dosages in US.
- 3 Income from licence fees which is a part of income from operations for the current periods is Nil. (year ended March 31, 2002 : Rs.3436 lakhs).
- 4 Directors have recommended dividend of Rs. 5/- per share subject to approval of shareholders.
- 5 On April 11, 2002, the Company acquired the entire share capital of Dr. Reddy s Laboratories (EU) Ltd. (formerly BMS Laboratories Ltd.) and its consolidated subsidiary, Dr. Reddy s Laboratories (UK) Ltd. (formerly Meridian Healthcare Ltd.), for a total consideration of Rs.644,413,000 (GBP 9.16 Mn.).
- 6 The figures for the previous periods have been re-grouped, wherever necessary.
- 7 The above results have been taken on record by the Board of Directors of the Company at its meeting held on May 30, 2003.

For Dr. Reddy s Laboratories Limited
/s/ Satish Reddy
Satish Reddy
Managing Director & Chief Operating Officer

Place: New York, USA
Date: May 30, 2003

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Dr. Reddy s Laboratories Ltd.
NYSE:RDY
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FY 03 USGAAP

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Q4 FY 03 USGAAP

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All figures in millions, except EPS
All dollar figures based on convenience translation rate of 1USD = Rs 47.53

AUDITED INCOME STATEMENT

| Particulars | FY03 | | | FY02 | | | Growth % |
|--|-------------|---------------|------------|-------------|---------------|------------|-------------|
| | (\$) | (Rs.) | % | (\$) | (Rs.) | % | |
| Net Product Revenues | 380 | 18,070 | 100 | 345 | 16,409 | 99 | 10 |
| License Fees | 0 | 0 | 0 | 3 | 125 | 1 | (100) |
| Services | 0 | 0 | 0 | 2 | 89 | 0 | (100) |
| Total Revenues | 380 | 18,070 | 100 | 350 | 16,623 | 100 | 9 |
| Cost of revenues | 165 | 7,839 | 43 | 145 | 6,869 | 41 | 14 |
| Gross profit | 215 | 10,231 | 57 | 205 | 9,754 | 59 | 5 |
| Selling, General & Administrative Expenses | 106 | 5,020 | 28 | 77 | 3,668 | 22 | 37 |
| R&D Expenses | 29 | 1,375 | 8 | 16 | 742 | 4 | 85 |
| Amortization Expenses | 9 | 419 | 2 | 10 | 488 | 3 | (14) |
| Forex loss/ (gains) | 1 | 70 | 0 | (4) | (209) | (1) | (134) |
| Total operating expenses | 145 | 6,885 | 38 | 99 | 4,688 | 28 | 47 |
| Operating income | 70 | 3,346 | 19 | 107 | 5,066 | 30 | (34) |
| Equity in loss of affiliates | 2 | 92 | 1 | 3 | 131 | 1 | (29) |
| Other expenses/(income) net | (14) | (683) | (4) | (3) | (154) | (1) | 342 |
| Income before income taxes and minority interest | 83 | 3,937 | 22 | 107 | 5,090 | 31 | (23) |
| Income tax (benefit)/expense | 8 | 398 | 2 | 3 | 154 | 1 | 159 |
| Minority interest | 0 | 7 | 0 | 0 | 15 | 0 | (55) |
| Net income | 74 | 3,532 | 20 | 104 | 4,921 | 30 | (28) |
| DEPS | 0.97 | 46.16 | | 1.36 | 64.62 | | |
| Exchange rate | 47.53 | | | 47.53 | | | |
| Key Balance Sheet Items | | | | | | | |
| Cash and cash equivalents | 153 | 7,273 | | 107 | 5,109 | | |
| Accounts receivable, net of allowances | 76 | 3,620 | | 80 | 3,812 | | |
| Inventories | 59 | 2,781 | | 46 | 2,194 | | |
| Property, plant and equipment, net | 102 | 4,830 | | 80 | 3,799 | | |

Table of Contents**Revenue Mix by Segment***(Figures in million)*

| | FY03, \$ | FY03, INR | as a % | FY02, \$ | FY02, INR | as a % | Growth % |
|---------------------------------|---------------------|----------------------|-------------------|---------------------|----------------------|-------------------|---------------------|
| APIs | 133 | 6,341 | 35 | 110 | 5,237 | 31 | 21 |
| India | 36 | 1,749 | 28 | 35 | 1,648 | 31 | 6 |
| International | 97 | 4,592 | 72 | 75 | 3,589 | 69 | 28 |
| Branded Formulations | 144 | 6,860 | 38 | 127 | 6,035 | 36 | 14 |
| India | 90 | 4,303 | 63 | 84 | 3,993 | 66 | 8 |
| International | 54 | 2,557 | 37 | 43 | 2,042 | 34 | 25 |
| Generics | 90 | 4,284 | 24 | 95 | 4,527 | 27 | (5) |
| Emerging Business | 9 | 428 | 2 | 9 | 429 | 3 | 0 |
| Custom Chemical Business | 2 | 69 | 0 | 4 | 175 | 1 | (61) |
| Drug Discovery | 0 | 0 | 0 | 3 | 125 | 1 | (100) |
| Others | 2 | 88 | 0 | 2 | 95 | 1 | (7) |
| Total | 380 | 18,070 | 100 | 350 | 16,623 | 100 | 9 |

Revenue Mix by Geography*(Figures in million)*

| | FY03, \$ | FY03, INR | as a % | FY02, \$ | FY02, INR | as a % | Growth % |
|---------------|---------------------|----------------------|-------------------|---------------------|----------------------|-------------------|---------------------|
| India | 137 | 6,489 | 36 | 127 | 6,052 | 36 | 7 |
| North America | 123 | 5,853 | 32 | 127 | 6,037 | 36 | (3) |
| Russia | 35 | 1,676 | 9 | 28 | 1,312 | 8 | 28 |
| Europe | 29 | 1,401 | 8 | 16 | 781 | 5 | 79 |
| Others | 56 | 2,651 | 15 | 52 | 2,441 | 15 | 9 |
| TOTAL | 380 | 18,070 | 100 | 350 | 16,623 | 100 | 9 |

Business Highlights

Revenues at Rs 18 billion as against Rs 17 billion in FY02. YoY growth of 9%.

Fluoxetine capsules 40mg revenues at Rs 1.9 billion as against Rs 3.7 billion in FY 02, which included one-time marketing exclusivity revenues. Adjusting for fluoxetine in both the years, growth in overall revenues at 25% over FY02.

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Revenues outside India at Rs 11.6 billion as against Rs 10.6 billion in FY02. YoY growth of 10%.

Revenues in North America at Rs 5.8 billion as against Rs 6 billion in FY02, a marginal decline of 3%. Growth in APIs by 54% and contribution from generic Tizanidine launched in July 2002 offset the decline in revenues from fluoxetine, post expiry of one-time marketing exclusivity in January 2002.

Revenues in Europe at Rs 1.4 billion as against Rs 781 million in FY02; YoY growth of 79%. This growth has been primarily driven by the acquisition of BMS and Meridian in the UK, presently known as DRL, EU and DRL, UK respectively. Combined revenues were at Rs 759 million in FY03.

Revenues in Russia at 1.7 billion as against Rs 1.3 billion in FY02. YoY growth of 28% driven by growth in key products of Omez, Enam, Cipro & Keterol.

Active Pharmaceutical Ingredients (APIs)

Revenues at Rs 6.3 billion as against Rs 5.2 billion in FY02. YoY growth of 21%.

Revenues outside India at Rs 4.6 billion as against Rs 3.6 billion in FY02. YoY growth of 28%; Contributes 72% to the segment s revenues as against 69% in FY02.

North America contributed 38% of total revenues as against 30% in FY02. Revenues grew by 54% driven by Nizatidine, which contributed Rs 563 million in revenues.

The Company filed 14 US DMFs during the year taking the total filings to 40.

Revenues in India at Rs 1.7 billion as against Rs 1.6 billion in FY02. YoY growth of 6% led by volume growth in key products.

API - Geographic Mix

(Figures in million)

| | FY03, \$ | FY03, INR | As a % | FY02, \$ | FY02, INR | as a % | Growth % |
|---------------|---------------------|----------------------|-------------------|---------------------|----------------------|-------------------|---------------------|
| North America | 50 | 2,398 | 38 | 33 | 1,560 | 30 | 54 |
| India | 37 | 1,749 | 28 | 35 | 1,648 | 31 | 6 |
| Europe | 10 | 466 | 7 | 8 | 405 | 8 | 15 |
| ROW | 36 | 1,728 | 27 | 34 | 1,624 | 31 | 6 |
| TOTAL | 133 | 6,341 | 100 | 110 | 5,237 | 100 | 21 |

Generic Formulations

Revenues in this segment at Rs 4.3 billion as against Rs 4.5 billion in FY02.

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North America contributed 80% to the total revenues and Europe contributed 19%.

Fluoxetine capsules 40mg revenues at Rs 1.9 billion as against Rs 3.7 billion in FY 02, which included one-time marketing exclusivity revenues.

Tizanidine tablets 2 & 4 mg, launched in the US in July 2002, contributed Rs 778 million to the revenues in North America.

Revenues in Europe at Rs 814 million as against Rs 12 million in FY02. This growth has been primarily driven by our acquisition of BMS and Meridian in the UK, presently known as DRL, EU and DRL, UK respectively. Combined revenues were at Rs 759 million in FY03.

Omeprazole capsules launched in UK in October 2002, was the key contributor, with revenues of Rs 283 million for FY03.

During the year, the Company filed 14 ANDAs of which 3 are pending acceptance by the FDA. Of the 14 filings, 10 are Para IV certifications. This takes the total ANDAs pending at the USFDA to 23.

Branded Formulations - International

Revenues at Rs 2.6 billion, an increase of 25% over FY02. The growth was primarily driven by the performance of the CIS markets.

Revenues in Russia at 1.7 billion as against Rs 1.3 billion in FY02. YoY growth of 27% driven by growth in key products of Omez, Enam, Cipro & Keterol.

Revenues in other CIS markets at Rs 430 million as against Rs 307 million in FY02. YoY growth of 40% with growth coming in from all markets.

Geographic Mix

(Figures in million)

| Country | FY03, \$ | FY03, INR | as a % | FY02, \$ | FY02, INR | as a % | Growth % |
|--------------|-------------|--------------|------------|-------------|--------------|------------|-------------|
| Russia | 35 | 1,662 | 65 | 28 | 1,312 | 64 | 27 |
| Ukraine | 3 | 157 | 6 | 2 | 111 | 5 | 42 |
| Kazakhstan | 3 | 145 | 6 | 2 | 96 | 5 | 52 |
| Belarus | 2 | 107 | 4 | 1 | 63 | 3 | 71 |
| Vietnam | 1 | 62 | 2 | 1 | 67 | 3 | (7) |
| Others | 9 | 424 | 17 | 8 | 394 | 20 | 7 |
| Total | 54 | 2,557 | 100 | 43 | 2,042 | 100 | 25 |

Table of Contents**Branded Formulations - India**

Revenues at Rs 4.3 billion, an increase of 8% over FY02. The growth has been lower than expected primarily on account of an overall decline in industry growth rate and lower off-take by trade following uncertainty over introduction of Value Added Tax system announced by the Government of India in the month of March.

As per March ORG MARG, the Company grew at a MAT of 16.3% as against the industry average of 5.7%.

Revenues by Therapies*(Figures in million)*

| Therapeutic Segment | FY03, \$ | FY03, INR | as a % | FY02, \$ | FY02, INR | as a % | Growth % |
|---------------------|-------------|--------------|------------|-------------|--------------|------------|-------------|
| Gastro Intestinal | 17 | 778 | 18 | 15 | 735 | 18 | 6 |
| Pain Management | 17 | 818 | 19 | 16 | 781 | 20 | 5 |
| Cardiovascular | 15 | 706 | 16 | 14 | 642 | 16 | 10 |
| Anti Infectives | 10 | 491 | 11 | 10 | 496 | 12 | (1) |
| Natural | 11 | 527 | 12 | 12 | 561 | 14 | (6) |
| Women s Health Care | 5 | 208 | 5 | 5 | 214 | 5 | (3) |
| Diabetic Care | 3 | 162 | 4 | 3 | 146 | 4 | 11 |
| Dermatology | 3 | 157 | 4 | 3 | 125 | 3 | 26 |
| Specialty | 7 | 326 | 8 | 6 | 270 | 7 | 21 |
| Dental | 3 | 131 | 3 | 0 | 23 | 1 | 464 |
| Total | 91 | 4,303 | 100 | 84 | 3,993 | 100 | 8 |

Revenues by Key brands*(Figures in million)*

| Brand | FY03, \$ | FY03, INR | as a % | FY02, \$ | FY02, INR | as a % | Growth % |
|-------------|-------------|--------------|-----------|-------------|--------------|-----------|-------------|
| Nise | 14 | 655 | 15 | 12 | 585 | 15 | 12 |
| Omez | 10 | 467 | 11 | 10 | 461 | 12 | 1 |
| Stamlo | 5 | 254 | 6 | 5 | 243 | 6 | 4 |
| Ciprolet | 4 | 169 | 4 | 5 | 218 | 5 | (22) |
| Stamlo Beta | 3 | 154 | 4 | 3 | 128 | 3 | 20 |
| Enam | 3 | 145 | 3 | 3 | 142 | 4 | 2 |
| Antoxid | 2 | 100 | 2 | 2 | 109 | 3 | (9) |

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| Brand | FY03, \$ | FY03, INR | as a % | FY02, \$ | FY02, INR | as a % | Growth % |
|--------------|---------------------|----------------------|-------------------|---------------------|----------------------|-------------------|---------------------|
| Reclide | 2 | 85 | 2 | 2 | 87 | 2 | (2) |
| Clamp | 2 | 83 | 2 | 1 | 53 | 1 | 59 |
| Gaity | 2 | 81 | 2 | 0 | 22 | 1 | 274 |
| Others | 44 | 2,110 | 49 | 41 | 1,946 | 48 | 8 |
| Total | 91 | 4,303 | 100 | 84 | 3,993 | 100 | 8 |

Other Businesses

Revenues in the diagnostics, critical care & biotechnology segment remain unchanged at Rs 428 million.

Revenues in the Custom Chemical Services declined to Rs 69 million from Rs 175 million in FY02.

Income Statement Highlights

Gross Margins on total revenues at 57% driven by improved business mix. This compares with gross margins of 59% in FY02 driven by fluoxetine one-time marketing exclusivity revenues.

R&D expenditure increased by 85% to Rs 1.4 billion from Rs 742 million in FY02. As a %, R&D expenditure is at 7.6% of total revenues as against 4.5% in FY02. The full year R&D spend is in line with our earlier guidance of 8% of total revenues. The increase in R&D expenditure is primarily on account of higher number of bio-studies in Generics, higher development activity in APIs and CCS.

Selling, General & Administration (SG&A) expenses increased by Rs 1.3 billion to Rs 5 billion. As a %, SG&A expenses is at 28% of total revenues as against 22% in FY02. This increase is primarily on account of increase in legal & professional charges, increase in manpower cost and increase in marketing expenses.

During the year, the Indian Rupee, the functional currency of the Company, strengthened against the US Dollar resulting in a foreign exchange loss of Rs 70 million compared with a foreign exchange gain of Rs 209 million in FY02.

Other income (net) increased to Rs 683 million from Rs 154 million in FY02. This increase is primarily on account of the increase in interest income on fixed deposit by Rs 239 million.

Depreciation for the year is at Rs 598 million as against Rs 459 million for FY02.

Net income at Rs 3.5 billion (20% of total revenues) as against Rs 4.9 billion (30% of total revenues) in FY02. This translates to a diluted EPS of Rs 46.16 as against Rs 64.62 in FY02.

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During the year, the company made the following major investments

Rs 592 million in Aurigene Discovery Technologies, bringing the total investments to Rs 703 million,

Rs 567 million for the acquisition of BMS and its subsidiary Meridian in the UK.

During the year, the Company incurred a normal capital expenditure of Rs 1.5 billion.

As at March 31, 2003, the cash and cash equivalents were at Rs 7.3 billion or \$ 153 million. On the Receivables front, there has been an improvement in the number of days of sales outstanding to 73 days from 84 as at the end of March 2002.

Inventory Turnover in days of revenues increased to 56 days from 48 as at the end of March 2002.

All figures in millions, except EPS

All dollar figures based on convenience translation rate of 1USD = Rs 47.53

Q4 FY03 Financial Snapshot

| | Q4 FY03 | | | Q4 FY02 | | | Growth % |
|---|-----------|--------------|------------|-----------|--------------|------------|-------------|
| | (\$) | (Rs.) | % | (\$) | (Rs.) | % | |
| Net Product Revenues | 90 | 4,262 | 100 | 81 | 3,841 | 98 | 11 |
| Services | 0 | 0 | 0 | 2 | 89 | 2 | (100) |
| Total Revenues | 90 | 4,262 | 100 | 83 | 3,930 | 100 | 8 |
| Cost of revenues | 33 | 1,557 | 37 | 35 | 1,668 | 42 | (7) |
| Gross profit | 57 | 2,705 | 63 | 48 | 2,262 | 58 | 20 |
| Selling, General & Administrative Expenses | 33 | 1,566 | 37 | 21 | 990 | 25 | 58 |
| R&D Expenses | 10 | 485 | 11 | 6 | 284 | 7 | 71 |
| Amortization Expenses | 2 | 94 | 2 | 3 | 155 | 4 | (39) |
| Total operating expenses | 45 | 2,145 | 50 | 30 | 1,429 | 36 | 50 |
| Operating income | 12 | 560 | 13 | 18 | 833 | 22 | (33) |
| Equity in loss of affiliates | 0 | 10 | 0 | 0 | 15 | 0 | (33) |
| Other expenses/(income) net | (4) | (176) | (4) | (3) | (123) | (3) | 43 |
| Income before income taxes and minority interest | 15 | 726 | 17 | 20 | 941 | 25 | (23) |
| Income tax (benefit)/expense | 1 | 48 | 1 | (2) | (99) | (2) | NA |
| Minority interest | 0 | 3 | 0 | 0 | 0 | 0 | |
| Net income | 14 | 675 | 16 | 22 | 1,040 | 26 | (35) |
| Exchange rate | | 47.53 | | | 47.53 | | |

Table of Contents**Revenue Mix by Geography***(Figures in millions)*

| | Q4 FY03, \$ | Q4 FY03, INR | as a % | Q4 FY02, \$ | Q4 FY02, INR | as a % | Growth % |
|----------------------|----------------------------|-----------------------------|---------------|----------------------------|-----------------------------|---------------|---------------------|
| India | 28 | 1,316 | 31 | 31 | 1,453 | 37 | (9) |
| North America | 27 | 1,291 | 30 | 28 | 1,330 | 34 | (3) |
| Europe | 10 | 458 | 11 | 9 | 419 | 11 | 9 |
| Russia | 9 | 447 | 10 | 7 | 322 | 8 | 39 |
| Others | 16 | 750 | 18 | 8 | 406 | 10 | 85 |
| TOTAL | 90 | 4,262 | 100 | 83 | 3,930 | 100 | 8 |

{Revenue Mix by Geography*(Figures in millions)*

| | Q4 FY03, \$ | Q4 FY03, INR | as a % | Q4 FY02, \$ | Q4 FY02, INR | as a % | Growth % |
|-----------------------------|----------------------------|-----------------------------|---------------|----------------------------|-----------------------------|---------------|---------------------|
| APIs | 29 | 1,375 | 32 | 25 | 1,187 | 30 | 16 |
| India | 7 | 333 | 24 | 7 | 319 | 27 | 4 |
| International | 22 | 1,042 | 76 | 18 | 868 | 73 | 20 |
| Branded Formulations | 33 | 1,555 | 36 | 32 | 1,503 | 38 | 3 |
| India | 19 | 878 | 56 | 22 | 1,019 | 68 | (14) |
| International | 14 | 677 | 44 | 10 | 484 | 32 | 40 |
| Generics | 25 | 1,196 | 28 | 21 | 994 | 25 | 20 |
| Emerging Business | 2 | 90 | 3 | 2 | 116 | 3 | (23) |
| Others | 1 | 46 | 1 | 3 | 130 | 4 | (64) |
| Total | 90 | 4,262 | 100 | 83 | 3,930 | 100 | 8 |

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Q4 FY03 - Business Highlights

Revenues at Rs 4.3 billion as against Rs 3.9 billion in Q4 FY02. YoY growth of 8%.

Fluoxetine capsules 40mg revenues at Rs 434 million as against Rs 790 million in Q4 FY02, which included one-time marketing exclusivity revenues. Adjusting for fluoxetine in both the quarters, growth in overall revenues at 22% over Q4 FY02.

Revenues outside India at Rs 2.9 billion as against Rs 2.5 billion in Q4 FY02. YoY growth of 19%, contributes 69% to total revenues as against 63% in Q4 FY02.

Revenues in North America were at Rs 1.3 billion, a marginal decline of 3% over Q4 FY02. Growth in APIs by 29% and contribution from generic Tizanidine, launched in July 2002 offset the decline in revenues from fluoxetine over Q4 FY02.

In Generics, Tizanidine tablets 2 & 4 mg, sustained its market share, contributing Rs 218 million to the revenues in North America. In the UK market, Omeprazole capsules continued to perform well, contributing Rs 179 million to the revenues.

In Branded Formulations, revenues outside India were at Rs 677 million, an increase of 40% over FY02. The growth was primarily driven by the performance of the CIS markets. Revenues in Russia grew by 37% to Rs 441 million.

In Branded Formulations, revenues in India were at Rs 878 million, a decline of 14% over Q4 FY02. During the quarter, the growth was impacted on account of lower off take by the trade due to the uncertainty over implementation of Value Added Tax system announced by the Government of India in the month of March.

R&D spend at Rs 485 million or 11% of total revenues was exceptionally high primarily on account of bunching up of bio-study expenses.

SG&A expenses were at Rs 1,566 million or 37% of total revenues. On a sequential basis, the expenses were higher on account of year-end employee cost related provision of Rs 102 million and increase in legal and consultancy expenses of Rs 67 million.

For further queries, please contact the IR team at:

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Signatures

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: June 9, 2003

By: /s/ Santosh Kumar Nair

(Signature)*

Santosh Kumar Nair
Company Secretary

* Print the name and title of the signing officer under his signature.