

DR REDDYS LABORATORIES LTD

Form 6-K

February 17, 2015

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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 Quarter Ended December 31, 2014

Commission File Number 1-15182

DR. REDDY S LABORATORIES LIMITED

(Translation of registrant s name into English)

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

Hyderabad, Telangana 500 034, India

+91-40-49002900

(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-_____ .

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QUARTERLY REPORT

Quarter Ended December 31, 2014

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 unaudited condensed consolidated interim financial statements are presented in Indian rupees and are prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (IAS 34). Convenience translation into U.S. dollars with respect to the unaudited condensed consolidated interim 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 Depositary Shares. All references to IAS are to the International Accounting Standards, to IASB are to the International Accounting Standards Board, to IFRS are to International Financial Reporting Standards, to SIC are to Standing Interpretations Committee and to IFRIC are to the International Financial Reporting Interpretations Committee.

References to U.S. FDA are to the United States Food and Drug Administration, to NDAs are to New Drug Applications, and to ANDAs are to Abbreviated New Drug Applications.

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 Company are to 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, unless otherwise specified. Market share data is based on information provided by IMS Health Inc. and its affiliates (IMS Health), a provider of market research to the pharmaceutical industry, unless otherwise stated.

Except as otherwise stated in this report, all convenience translations from Indian rupees to U.S. dollars are at the certified foreign exchange rate of U.S.\$1.00 = Rs.63.04, as published by Federal Reserve Board of Governors on December 31, 2014. 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 WITH AND/OR FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION (SEC) FROM TIME TO TIME.

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ITEM 1. FINANCIAL STATEMENTS

DR. REDDY S LABORATORIES LIMITED**UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

(in millions, except share and per share data)

Particulars	Note	As of		
		December 31, 2014	December 31, 2014	March 31, 2014
		<i>Convenience translation into U.S.\$ (See Note 2.(d))</i>		
ASSETS				
Current assets				
Cash and cash equivalents	4	U.S.\$ 100	Rs.6,278	Rs.8,451
Other investments	5	356	22,458	25,083
Trade and other receivables		638	40,224	33,037
Inventories	6	461	29,038	23,992
Derivative financial instruments	8	18	1,133	554
Current tax assets		14	901	1,298
Other current assets		185	11,668	11,332
Total current assets		U.S.\$ 1,772	Rs. 111,700	Rs. 103,747
Non-current assets				
Property, plant and equipment	9	U.S.\$ 760	Rs.47,887	Rs.44,424
Goodwill	10	56	3,538	3,428
Other intangible assets	11	227	14,282	11,269
Investment in equity accounted investees		16	995	806
Other investments non-current	5	0	11	
Deferred tax assets		82	5,188	6,054
Other non-current assets		13	798	495
Total non-current assets		U.S.\$ 1,153	Rs. 72,699	Rs. 66,476
Total assets		U.S.\$ 2,925	Rs. 184,399	Rs. 170,223
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables		U.S.\$ 196	Rs. 12,333	Rs. 10,503
Derivative financial instruments	8	11	678	305
Current tax liabilities		37	2,334	1,192
Short-term borrowings	12	257	16,172	20,607
Long-term borrowings, current portion	12	112	7,053	3,395

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Provisions		54		3,385		2,819
Other current liabilities		262		16,526		15,242
Total current liabilities		U.S.\$ 928	Rs.	58,481	Rs.	54,063
Non-current liabilities						
Long-term borrowings, excluding current portion	12	U.S.\$ 261	Rs.	16,431	Rs.	20,740
Provisions non-current		1		57		92
Deferred tax liabilities		40		2,495		2,744
Other non-current liabilities		29		1,828		1,783
Total non-current liabilities		U.S.\$ 330	Rs.	20,811	Rs.	25,359
Total liabilities		U.S.\$ 1,258	Rs.	79,292	Rs.	79,422

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Table of Contents**DR. REDDY S LABORATORIES LIMITED****UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION****(in millions, except share and per share data)**

Particulars	Note	December 31,		As of	
		2014	14	December 31, 2014	March 31, 2014
		<i>Convenience translation into U.S.\$ (See Note 2.(d))</i>			
Equity					
Share capital	15	U.S.\$	Rs.	852	Rs. 851
Equity shares held by controlled trust					(5)
Share premium		352		22,161	21,553
Share based payment reserve		15		962	1,008
Retained earnings		1,245		78,454	65,051
Other components of equity		42		2,678	2,343
Total equity		U.S.\$ 1,667	Rs.	105,107	Rs. 90,801
Total liabilities and equity		U.S.\$ 2,925	Rs.	184,399	Rs. 170,223

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Table of Contents**DR. REDDY S LABORATORIES LIMITED****UNAUDITED CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT**

(in millions, except share and per share data)

Particulars	Note	Nine months ended December 31,		Three months ended December 31,		
		2014	2014	2013	2014	2013
		<i>Convenience translation into U.S.\$ (See Note 2.(d))</i>				
Revenues		U.S.\$ 1,737	Rs. 109,485	Rs. 97,361	Rs. 38,431	Rs. 35,338
Cost of revenues		719	45,303	41,482	16,079	13,947
Gross profit		1,018	64,182	55,879	22,352	21,391
Selling, general and administrative expenses		516	32,503	28,476	11,151	9,945
Research and development expenses		195	12,304	8,417	4,316	2,979
Other (income)/expense, net	13	(13)	(791)	(1,189)	(341)	(177)
Total operating expenses		698	44,016	35,704	15,126	12,747
Results from operating activities		320	20,166	20,175	7,226	8,644
Finance income		43	2,712	1,169	1,264	330
Finance expense		(13)	(797)	(933)	(251)	(315)
Finance (expense)/income, net	14	30	1,915	236	1,013	15
Share of profit of equity accounted investees, net of tax		2	151	126	47	46
Profit before tax		353	22,232	20,537	8,286	8,705
Tax expense	18	83	5,242	3,841	2,541	2,521
Profit for the period		270	16,990	16,696	5,745	6,184
Attributable to:						
Equity holders of the Company		270	16,990	16,699	5,745	6,185
Non-controlling interest				(3)		(1)
Profit for the period		U.S.\$ 270	Rs. 16,990	Rs. 16,696	Rs. 5,745	Rs. 6,184
Earnings per share:						
		U.S.\$ 1.58	Rs. 99.77	Rs. 98.21	Rs. 33.72	Rs. 36.36

Basic earnings per share of Rs.5/-
each

Diluted earnings per share of

Rs.5/- each

U.S.\$ 1.58 Rs. 99.42 Rs. 97.85 Rs. 33.61 Rs. 36.25

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Table of Contents**DR. REDDY S LABORATORIES LIMITED****UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

(in millions, except share and per share data)

Particulars	Nine months ended December 31,			Three months ended December 31,	
	2014	2014	2013	2014	2013
	<i>Convenience translation into U.S.\$ (See Note 2.(d))</i>				
Profit for the period	U.S.\$ 270	Rs. 16,990	Rs. 16,696	Rs. 5,745	Rs. 6,184
Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss:					
Items that may be reclassified subsequently to profit or loss:					
Changes in fair value of available for sale financial instruments	U.S.\$ 4	Rs. 283	Rs. (33)	Rs. 46	Rs. 33
Foreign currency translation adjustments	1	67	705	(87)	(75)
Effective portion of changes in fair value of cash flow hedges, net	1	58	(2,661)	343	1,209
Tax on items that may be reclassified subsequently to profit or loss	(1)	(73)	343	(79)	(367)
Total items that may be reclassified subsequently to profit or loss	U.S.\$ 5	Rs. 335			