

DR REDDYS LABORATORIES LTD
Form 6-K
August 28, 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 June 30, 2015

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 [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): _____

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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 June 30, 2015

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 our 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.63.59, as published by Federal Reserve Board of Governors on June 30, 2015. 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		
		June 30, 2015	June 30, 2015	March 31, 2015
		<i>Convenience translation into U.S.\$ (See Note 2.(d))</i>		
ASSETS				
Current assets				
Cash and cash equivalents	5	U.S.\$99	Rs.6,296	Rs.5,394
Other investments	6	453	28,821	34,259
Trade and other receivables		661	42,030	40,755
Inventories	7	411	26,149	25,529
Derivative financial instruments	9	9	601	800
Current tax assets		9	596	1,819
Other current assets		180	11,436	11,282
Total current assets		U.S.\$1,823	Rs.115,929	Rs.119,838
Non-current assets				
Property, plant and equipment	10	U.S.\$777	Rs.49,386	Rs.48,090
Goodwill	11	59	3,773	3,380
Other intangible assets	12	320	20,333	13,050
Investment in equity accounted investees		17	1,097	1,033
Other investments non-current	6	60	3,832	2,817
Deferred tax assets		95	6,013	5,792
Other non-current assets		13	837	762
Total non-current assets		U.S.\$1,341	Rs.85,271	Rs.74,924
Total assets		U.S.\$3,164	Rs.201,200	Rs.194,762
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables		U.S.\$180	Rs.11,448	Rs.10,660
Derivative financial instruments	9	8	511	462
Current tax liabilities		36	2,294	2,506
Short-term borrowings	13	349	22,221	21,857
Long-term borrowings, current portion	13	112	7,096	6,962
Provisions		68	4,304	4,231
Other current liabilities		263	16,752	17,317
Total current liabilities		U.S.\$1,016	Rs.64,626	Rs.63,995
Non-current liabilities				
Long-term borrowings, excluding current portion	13	U.S.\$190	Rs.12,083	Rs.14,307

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Provisions non-current	1	58	53
Deferred tax liabilities	32	2,035	1,779
Other non-current liabilities	55	3,513	3,326
Total non-current liabilities	U.S.\$278	Rs.17,689	Rs.19,465
Total liabilities	U.S.\$1,294	Rs.82,315	Rs.83,460

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	As of		
		June 30, 2015 <i>Convenience translation into U.S.\$ (See Note 2.(d))</i>	June 30, 2015	March 31, 2015
Equity				
Share capital	16	U.S.\$13	Rs.853	Rs.852
Share premium		354	22,506	22,178
Share based payment reserve		13	851	1,081
Retained earnings		1,414	89,900	83,643
Other components of equity		75	4,775	3,548
Total equity		U.S.\$1,870	Rs.118,885	Rs.111,302
Total liabilities and equity		U.S.\$3,164	Rs.201,200	Rs.194,762

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	For the three months ended June 30,		
		2015	2015	2014
		<i>Convenience translation into U.S.\$</i>		
		<i>(See Note 2.(d))</i>		
Revenues		U.S.\$591	Rs.37,578	Rs.35,175
Cost of revenues		230	14,631	14,331
Gross profit		361	22,947	20,844
Selling, general and administrative expenses		173	10,973	10,679
Research and development expenses		69	4,387	3,875
Other (income)/expense, net	14	(2)	(125)	(185)
Total operating expenses		240	15,235	14,369
Results from operating activities		121	7,712	6,475
Finance income		9	585	753
Finance expense		(6)	(369)	(272)
Finance (expense)/income, net	15	3	216	481
Share of profit of equity accounted investees, net of tax		1	49	53
Profit before tax		125	7,977	7,009
Tax expense	19	27	1,720	1,505
Profit for the period		98	6,257	5,504
Attributable to:				
Equity holders of the Company		98	6,257	5,504
Non-controlling interest		-	-	-
Profit for the period		U.S.\$98	Rs.6,257	Rs.5,504
Earnings per share:				
Basic earnings per share of Rs.5/- each		U.S.\$0.58	Rs.36.71	Rs.32.34
Diluted earnings per share of Rs.5/- each		U.S.\$0.58	Rs.36.58	Rs.32.24

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	For the three months ended June 30,		
	2015	2015	2014
	<i>Convenience translation into U.S.\$</i>		
	<i>(See Note 2.(d))</i>		
Profit for the period	U.S.\$98	Rs.6,257	Rs.5,504
Other comprehensive income/(loss)			
<i>Items that will not be reclassified to profit or loss:</i>	-	-	-
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Changes in fair value of available for sale financial instruments	U.S.\$19	Rs.1,211	Rs.220
Foreign currency translation adjustments	3	206	57
Effective portion of changes in fair value of cash flow hedges, net	3	160	(119)
Tax on items that may be reclassified subsequently to profit or loss	(6)	(350)	(30)
Total items that may be reclassified subsequently to profit or loss	U.S.\$19	Rs.1,227	Rs.128
Other comprehensive income/(loss) for the period, net of tax	U.S.\$19	Rs.1,227	Rs.128
Total comprehensive income for the period	U.S.\$118	Rs.7,484	Rs.5,632
Attributable to:			
Equity holders of the Company	118	7,484	5,632
Non-controlling interests	-	-	-
Total comprehensive income for the period	U.S.\$118	Rs.7,484	Rs.5,632

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 CHANGES IN EQUITY**

(in millions, except share and per share data)

Particulars	Number of shares	Share capital	Share premium	Fair value reserve	Share based payment reserve
Balance as of April 1, 2015	170,381,174	Rs.852	Rs.22,178	Rs.1,141	Rs.1,081
Issue of equity shares on exercise of options	176,748	1	328	-	(328)
Share based payment expense	-	-	-	-	98
Profit for the period	-	-	-	-	-
Net change in fair value of available for sale financial instruments, net of tax expense of Rs.300	-	-	-	911	-
Foreign currency translation adjustments, net of tax benefit of Rs.5	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges, net of tax expense of Rs.55	-	-	-	-	-
Balance as of June 30, 2015	170,557,922	Rs.853	Rs.22,506	Rs.2,052	Rs.851
Convenience translation into U.S.\$ (See Note 2(d))		U.S.\$13	U.S.\$354	U.S.\$32	U.S.\$13
Balance as of April 1, 2014	170,108,868	Rs.851	Rs.21,553	Rs.78	Rs.1,008
Issue of equity shares on exercise of options	226,171	1	364	-	(364)
Share based payment expense	-	-	-	-	95
Profit for the period	-	-	-	-	-
Sale of equity shares held by controlled trust ⁽¹⁾	-	-	196	-	-
Net change in fair value of available for sale financial instruments, net of tax expense of Rs.65	-	-	-	155	-
Foreign currency translation adjustments, net of tax benefit of Rs.4	-	-	-	-	-