

DR REDDYS LABORATORIES LTD

Form 6-K

November 22, 2013

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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 September 30, 2013**

**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, Andhra Pradesh 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 September 30, 2013**

**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. 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 translations from Indian rupees to U.S. dollars are at the certified foreign exchange rate of U.S.\$1= Rs.62.58, as published by Federal Reserve Board of Governors on September 30, 2013. 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](http://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		March 31, 2013 Restated*
		September 30, 2013 <i>Unreviewed convenience translation into U.S.\$ (See Note 2.(d))</i>	September 30, 2013	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	5	U.S.\$ 184	Rs. 11,521	Rs. 5,136
Other investments	6	251	15,681	16,963
Trade receivables		532	33,291	31,972
Inventories	7	381	23,874	21,600
Derivative financial instruments	9	7	453	546
Current tax assets		17	1,036	513
Other current assets		181	11,309	8,984
<b>Total current assets</b>		<b>U.S.\$ 1,553</b>	<b>Rs. 97,165</b>	<b>Rs. 85,714</b>
<b>Non-current assets</b>				
Property, plant and equipment	10	U.S.\$ 679	Rs. 42,477	Rs. 37,814
Goodwill	11	55	3,466	3,193
Intangible assets	12	189	11,808	10,828
Investment in equity accounted investee		12	746	472
Other investment non-current				209
Deferred tax assets		78	4,908	3,652
Other non-current assets		9	576	487
<b>Total non-current assets</b>		<b>U.S.\$ 1,022</b>	<b>Rs. 63,981</b>	<b>Rs. 56,655</b>
<b>Total assets</b>		<b>U.S.\$ 2,575</b>	<b>Rs. 161,146</b>	<b>Rs. 142,369</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade payables		U.S.\$ 173	Rs. 10,828	Rs. 11,862
Derivative financial instruments	9	37	2,296	95
Current tax liabilities		19	1,217	997

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Bank overdraft	5	0	24	82
Short-term borrowings	13	303	18,963	18,914
Long-term borrowings, current portion	13	82	5,143	5,139
Provisions		41	2,563	2,288
Other current liabilities		223	13,979	14,714
<b>Total current liabilities</b>		<b>U.S.\$ 879</b>	<b>Rs. 55,013</b>	<b>Rs. 54,091</b>
<b>Non-current liabilities</b>				
Long-term loans and borrowings, excluding current portion	13	U.S.\$ 401	Rs. 25,094	Rs. 12,625
Provisions non-current		1	58	47
Deferred tax liabilities		29	1,811	1,838
Other non-current liabilities		17	1,084	963
<b>Total non-current liabilities</b>		<b>U.S.\$ 448</b>	<b>Rs. 28,047</b>	<b>Rs. 15,473</b>
<b>Total liabilities</b>		<b>U.S.\$ 1,327</b>	<b>Rs. 83,060</b>	<b>Rs. 69,564</b>

\* See Note 2(b)(vi).

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		March 31, 2013 Restated*
		September 30, 2013	September 30, 2013	
		<i>Unreviewed convenience translation into U.S.\$ (See Note 2.(d))</i>		
<b>Equity</b>				
Share capital	16	U.S.\$ 14	Rs. 850	Rs. 849
Equity shares held by controlled trust		(0)	(5)	(5)
Share premium		344	21,541	21,214
Share based payment reserve		13	788	911
Retained earnings		830	51,919	44,815
Debenture redemption reserve		34	2,135	1,711
Other components of equity		13	841	3,290
<b>Equity attributable to equity holders of the Company</b>		<b>U.S.\$ 1,248</b>	<b>Rs. 78,069</b>	<b>Rs. 72,785</b>
<b>Non-controlling interest</b>		<b>0</b>	<b>17</b>	<b>20</b>
<b>Total Equity</b>		<b>U.S.\$ 1,248</b>	<b>Rs. 78,086</b>	<b>Rs. 72,805</b>
<b>Total liabilities and equity</b>		<b>U.S.\$ 2,575</b>	<b>Rs. 161,146</b>	<b>Rs. 142,369</b>

\* See Note 2(b)(vi).

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	Six months ended September 30,			Three months ended September 30,	
		2013	2013	2012	2013	2012
		<i>Unreviewed convenience translation into U.S.\$ (See Note 2.(d))</i>				
Revenues		U.S\$ 991	Rs. 62,024	Rs. 54,215	Rs. 33,575	Rs. 28,809
Cost of revenues		440	27,536	25,573	14,106	13,708
<b>Gross profit</b>		<b>U.S\$ 551</b>	<b>Rs. 34,488</b>	<b>Rs. 28,642</b>	<b>Rs. 19,469</b>	<b>Rs. 15,101</b>
Selling, general and administrative expenses		296	18,530	16,291	9,736	8,013
Research and development expenses		87	5,438	3,322	3,009	1,759
Impairment loss on intangible assets	12			507		507
Impairment loss on goodwill	11			181		181
Other (income)/expense, net	14	(16)	(1,012)	(615)	(636)	(397)
<b>Total operating expenses, net</b>		<b>U.S\$ 367</b>	<b>Rs. 22,956</b>	<b>Rs. 19,686</b>	<b>Rs. 12,109</b>	<b>Rs. 10,063</b>
<b>Results from operating activities</b>		<b>U.S\$ 184</b>	<b>Rs. 11,532</b>	<b>Rs. 8,956</b>	<b>Rs. 7,360</b>	<b>Rs. 5,038</b>
Finance income		13	839	685	663	616
Finance expense		(10)	(618)	(526)	(372)	(245)
<b>Finance (expense)/income, net</b>	15	<b>U.S\$ 4</b>	<b>Rs. 221</b>	<b>Rs. 159</b>	<b>Rs. 291</b>	<b>Rs. 371</b>
Share of profit of equity accounted investees, net of tax		1	79	47	44	28
<b>Profit before income tax</b>		<b>U.S\$ 189</b>	<b>Rs. 11,832</b>	<b>Rs. 9,162</b>	<b>Rs. 7,695</b>	<b>Rs. 5,437</b>
Tax expense	20	(21)	(1,320)	(1,877)	(792)	(1,512)
<b>Profit for the period</b>		<b>U.S\$ 168</b>	<b>Rs. 10,512</b>	<b>Rs. 7,285</b>	<b>Rs. 6,903</b>	<b>Rs. 3,925</b>
<b>Attributable to:</b>						
Equity holders of the Company		168	10,513	7,285	6,904	3,925
Non-controlling interest		(0)	(1)		(1)	

<b>Profit for the period</b>		<b>U.S\$ 168</b>	<b>Rs. 10,512</b>	<b>Rs. 7,285</b>	<b>Rs. 6,903</b>	<b>Rs. 3,925</b>
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**Earnings per share**

Basic earnings per share of Rs.5/- each	17	U.S\$ 0.99	Rs. 61.85	Rs. 42.93	Rs. 40.59	Rs. 23.12
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Diluted earnings per share of Rs.5/- each	17	U.S\$ 0.98	Rs. 61.62	Rs. 42.77	Rs. 40.47	Rs. 23.06
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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	Six months ended September 30,			Three months ended September 30,	
	2013	2013	2012	2013	2012
	<i>Unreviewed convenience translation into U.S.\$ (See Note 2.(d))</i>				
<b>Profit for the period</b>	<b>U.S.\$ 168</b>	<b>Rs. 10,512</b>	<b>Rs. 7,285</b>	<b>Rs. 6,903</b>	<b>Rs. 3,925</b>
<b>Other comprehensive income/(loss)</b>					
<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.\$ (1)	Rs. (66)	Rs. 50	Rs. (159)	Rs. 29
Foreign currency translation adjustments	12	780	224	282	(141)
Effective portion of changes in fair value of cash flow hedges, net	(62)	(3,870)	1,216	(1,433)	3,076
Tax on items that may be reclassified subsequently to profit or loss	11	710	(482)	310	(740)
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>U.S.\$ (39)</b>	<b>Rs. (2,446)</b>	<b>Rs. 1,008</b>	<b>Rs. (1,000)</b>	<b>Rs. 2,224</b>
<b>Other comprehensive income/(loss) for the period, net of income tax</b>	<b>U.S.\$ (39)</b>	<b>Rs. (2,446)</b>	<b>Rs. 1,008</b>	<b>Rs. (1,000)</b>	<b>Rs. 2,224</b>
<b>Total comprehensive income for the period</b>	<b>U.S.\$ 129</b>	<b>Rs. 8,066</b>	<b>Rs. 8,293</b>	<b>Rs. 5,903</b>	<b>Rs. 6,149</b>
<b>Attributable to:</b>					
Equity holders of the Company	129	8,064	8,293	5,902	6,149
Non-controlling interest	0	2		1	
<b>Total comprehensive income for the period</b>	<b>U.S.\$ 129</b>	<b>Rs. 8,066</b>	<b>Rs. 8,293</b>	<b>Rs. 5,903</b>	<b>Rs. 6,149</b>

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)

<b>Particulars</b>	<b>Number of shares</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Fair value reserve</b>	<b>Foreign currency translation reserve</b>	<b>Hedging reserve</b>
<b>Balance as of April 1, 2013, as previously reported</b>	<b>169,836,475</b>	<b>Rs. 849</b>	<b>Rs. 21,214</b>	<b>Rs. 52</b>	<b>Rs. 3,928</b>	<b>Rs. (390)</b>
Impact of changes in accounting policies (See Note 2(b)(vi))						
<b>Restated balance as of April 1, 2013</b>	<b>169,836,475</b>	<b>Rs. 849</b>	<b>Rs. 21,214</b>	<b>Rs. 52</b>	<b>Rs. 3,928</b>	<b>Rs. (390)</b>
Issue of equity shares on exercise of options	263,260	1	327			
Share based payment expense						
Profit for the period						
Dividend paid (including corporate dividend tax)						
Debenture redemption reserve						
Net change in fair value of available for sale financial instruments, net of tax benefit of Rs.21				(45)		
Foreign currency translation differences, net of tax expense of Rs.4					773	
Effective portion of changes in fair value of cash flow hedges, net of tax benefit of Rs.693						(3,177)
Acquisition of non-controlling interest						
<b>Balance as of September 30, 2013</b>	<b>170,099,735</b>	<b>Rs. 850</b>	<b>Rs. 21,541</b>	<b>Rs. 7</b>	<b>Rs. 4,701</b>	<b>Rs. (3,567)</b>
		<b>U.S.\$ 14</b>	<b>U.S.\$ 344</b>	<b>U.S.\$ 0</b>	<b>U.S.\$ 75</b>	<b>U.S.\$ (57)</b>

**Unreviewed convenience translation into U.S.\$ (See Note 2(d))**

<b>Balance as of April 1, 2012, as previously reported</b>	<b>169,560,346</b>	<b>Rs.</b>	<b>848</b>	<b>Rs.</b>	<b>20,934</b>	<b>Rs.</b>	<b>30</b>	<b>Rs.</b>	<b>3,737</b>	<b>Rs.</b>	<b>(1,365)</b>
Impact of changes in accounting policies (See Note 2(b)(vi))											
<b>Restated balance as of April 1, 2012</b>	<b>169,560,346</b>	<b>Rs.</b>	<b>848</b>	<b>Rs.</b>	<b>20,934</b>	<b>Rs.</b>	<b>30</b>	<b>Rs.</b>	<b>3,737</b>	<b>Rs.</b>	<b>(1,365)</b>
Issue of equity shares on exercise of options	273,649		1		276						
Share based payment expense											
Profit for the period											
Dividend paid (including corporate dividend tax)											
Debenture redemption reserve											
Net change in fair value of available for sale financial instruments, net of tax expense of Rs.16							34				
Foreign currency translation differences, net of tax expense of Rs.8									216		
Effective portion of changes in fair value of cash flow hedges, net of tax expense of Rs.458											758
Acquisition of non-controlling interest											
<b>Balance as of September 30, 2012</b>	<b>169,833,995</b>	<b>Rs.</b>	<b>849</b>	<b>Rs.</b>	<b>21,210</b>	<b>Rs.</b>	<b>64</b>	<b>Rs.</b>	<b>3,953</b>	<b>Rs.</b>	<b>(607)</b>

[Continued on next page]

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)

[Continued from above table, first column repeated]

<b>Particulars</b>	<b>Share based payment reserve</b>	<b>Equity shares held by a controlled trust</b>	<b>Retained earnings</b>	<b>Debenture redemption reserve</b>	<b>Non-controlling interests</b>	<b>Actuarial gains / (losses)</b>	<b>Total</b>
<b>Balance as of April 1, 2013, as previously reported</b>	<b>Rs. 911</b>	<b>Rs. (5)</b>	<b>Rs. 44,815</b>	<b>Rs. 1,711</b>	<b>Rs. 20</b>	<b>Rs.</b>	<b>Rs. 73,105</b>
Impact of changes in accounting policies (See Note 2(b)(vi))						(300)	(300)
<b>Restated balance as of April 1, 2013</b>	<b>Rs. 911</b>	<b>Rs. (5)</b>	<b>Rs. 44,815</b>	<b>Rs. 1,711</b>	<b>Rs. 20</b>	<b>Rs. (300)</b>	<b>Rs. 72,805</b>
Issue of equity shares on exercise of options	(327)						1
Share based payment expense	204						204
Profit for the period			10,513		(1)		10,512
Dividend paid (including corporate dividend tax)			(2,985)				(2,985)
Debenture redemption reserve			(424)	424			
Net change in fair value of available for sale financial instruments, net of tax benefit of Rs.21							(45)
Foreign currency translation differences, net of tax expense of Rs.4						3	776
							(3,177)

Effective portion of changes in fair value of cash flow hedges, net of tax benefit of Rs.693														
Acquisition of non-controlling interest				(0)				(5)			(5)			
<b>Balance as of September 30, 2013</b>	<b>Rs.</b>	<b>788</b>	<b>Rs.</b>	<b>(5)</b>	<b>Rs.</b>	<b>51,919</b>	<b>Rs.</b>	<b>2,135</b>	<b>Rs.</b>	<b>17</b>	<b>Rs.</b>	<b>(300)</b>	<b>Rs.</b>	<b>78,086</b>
<b>Unreviewed convenience translation into U.S.\$</b>														
(See Note 2(d))	U.S.\$	13	U.S.\$	(0)	U.S.\$	830	U.S.\$	34	U.S.\$	0	U.S.\$	(5)	U.S.\$	1,248
<b>Balance as of April 1, 2012, as previously reported</b>	<b>Rs.</b>	<b>801</b>	<b>Rs.</b>	<b>(5)</b>	<b>Rs.</b>	<b>31,599</b>	<b>Rs.</b>	<b>865</b>	<b>Rs.</b>		<b>Rs.</b>		<b>Rs.</b>	<b>57,444</b>
Impact of changes in accounting policies (See Note 2(b)(vi))											(157)		(157)	
<b>Restated balance as of April 1, 2012</b>	<b>Rs.</b>	<b>801</b>	<b>Rs.</b>	<b>(5)</b>	<b>Rs.</b>	<b>31,599</b>	<b>Rs.</b>	<b>865</b>	<b>Rs.</b>		<b>Rs.</b>	<b>(157)</b>	<b>Rs.</b>	<b>57,287</b>
Issue of equity shares on exercise of options		(276)												1
Share based payment expense		181												181
Profit for the period						7,285								7,285
Dividend paid (including corporate dividend tax)						(2,714)								(2,714)
Debenture redemption reserve						(424)		424						
Net change in fair value of available for sale financial instruments, net of tax expense of Rs.16														34
Foreign currency translation differences, net of tax expense of Rs.8														216
Effective portion of changes in fair value of cash flow hedges,														758



net of tax expense of  
Rs.458

Acquisition of  
non-controlling  
interest

**Balance as of**

**September 30, 2012 Rs. 706 Rs. (5) Rs. 35,746 Rs. 1,289 Rs. Rs. (157) Rs. 63,048**

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

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