

Dr Reddy's June quarter profit of 7%

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Dr Reddy's Laboratories Ltd (NYSE: RDY), posted a 7% increase in consolidated net profit for the June quarter, well below analysts' outlooks.

Net profit for India's largest drug maker by sales increased to Rs.335.98 crore in the fiscal first quarter from Rs.360.93 crore in the same period a year earlier. Sales rose by 12% to Rs.2,844.92 crore.

According to a Reuters report, analysts on an average had expected net profit at Rs.429 crore on net sales of Rs.3,116 crore.

According to Mahida, the company's sales growth was below par at 12% year-on- year, as the company posted lower than expected growth across geographies. "The 7.7% growth in Russia and 0.3% growth in domestic formulations business performance was most disappointing," he said in the report. Dr. Reddy's Laboratories Ltd. is an integrated global pharmaceutical company, working to provide affordable and innovative medicines for healthier lives. Through its three businesses - Pharmaceutical Services and Active Ingredients, Global Generics and Proprietary Products.

Gross profit margin for Q1 FY14 stood at 52.8%, marginal drop of 50 basis points compared to Q1 FY13. Corresponding values for Global Generics and PSAI segments for the year are at 61.6% and 19% respectively. GG gross margin improved primarily on account of higher contribution from new product launches in North America Generics, where as PSAI gross margin declined, primarily on the back of lower number of launch molecules to our customers and relatively higher overheads during the quarter.