

Dr. Reddy's profit margin drops in Q2 FY13

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Mumbai: Dr. Reddy's Laboratories announced its unaudited consolidated financial results for the quarter ended September 30, 2012 under International Financial Reporting Standards (IFRS).

The firm's gross profit margin dropped by 0.7 percent to reach at 53.1 percent in Q2 FY13. Gross profit margin for Global Generics and PSAI business segments were at 59.4 percent and 35.8 percent respectively. Selling, General and Administration (SG&A) expenses including amortization at \$8 billion increased YoY by 11 percent.

The company recorded R&D expenses of \$1.8 billion, at six percent of revenues, and reported non-recurring and non-cash impairment charge of \$688 million pertaining to product intangibles in generics portfolio and a goodwill charge with respect to Italian operations.

While the net finance income was \$371 million, the net incremental forex gain was \$187 million. Net interest income of Dr. Reddy's was \$33 million and the firm's EBITDA for Q2 FY13 was \$7.7 billion. Profit after Tax stood at \$4.1 billion and diluted earnings per share was \$23.9. Capital expenditure for Q2 FY13 was \$1.8 billion.