

# Dr Reddy's net surges 70% on new launches

TRUSHNA UDGIRKAR

Hyderabad

GENERIC drug maker Dr Reddy's on Tuesday posted a 70 per cent jump in its net profit at Rs 618.42 crore for the third quarter of the financial year against Rs 363.31 crore tapped in same period of the last financial year.

The total income for the company went up by around 23 per cent at Rs 3,553.76 crore. The total income was Rs 2,865.16 crore in the previous financial year for the Q3 period.

The growth was spurred by earlier launches and a business mix change. In this period, the US generics growth for Dr Reddy's is at 76 per cent where as 25 per cent in the emerging markets.

"An overall 41 per cent growth in global generics was driven by these two markets. In the US there was a significant traction in

## Good show

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■ The firm's Ebidta stood at 28 per cent of the sales because of better product and market mix

■ The impact of pricing policy was stretched through the third quarter for the drugmaker

market share of key products like metoprolol, ER, atrovastatin," Saumen Chakraborty chief financial officer of Dr Reddy's said.

The sluggishness in the pharmaceutical services and active ingredients (PSAI) sector has been a disappointment for Dr Reddy's, which witnessed a YoY decline of 29 per cent during the quarter. The de-growth is mainly because of a sharp decline in pricing,

no launches and some customers losing market share.

"We are taking several actions trying to get back. Although such actions take time, going forward, we expect to have a wider network of customers and more launches," said Ananthanarayanan president PSAI of Dr Reddy's.

The Indian market too underperformed growing only at 5 per cent. The impact of pricing policy was stretched through the complete quarter, but there could be a double digit growth in the next quarter.

Earnings before interest, taxes, depreciation and amortisation (Ebidta) stood at 28 per cent of the sales at Rs 1,000 crore, because of better product and market mix. On the R&D front, it looks to launch more differentiated products.

DRL/BSE Rs 2658.95 ▼

NSE Rs 2,660.45 ▼

trushnaudgirkar  
@mydigitalfc.com

Company