

GSK Pharma net declines 15% as open offer begins

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AS THE UK-based Glaxo-SmithKline, the parent of Indian pharma arm Glaxo-SmithKline Pharmaceuticals, begins to buy local shares under the proposed Rs 6,390 crore voluntary open offer, its Indian arm reported 15.61 per cent YoY drop in standalone net profit to Rs 116.88 crore, on the back of lower revenues and higher expenses.

Net sales slipped 4 per cent to Rs 630.6 crore while total expenses jumped 11.67 per cent to Rs 524.78 crore compared with same quarter last year. The company follows calendar year as a financial year.

For the year 2013, net profit declined 14 per cent to Rs 481.7 crore and revenue was down 3.16 per cent to Rs 2,538.33 crore compared with previous year. The healthcare company has recommended a dividend of Rs 50 per share for the year ended 2013.

Meanwhile, on Tuesday, the British parent firm made voluntary open offer to the shareholders of its Indian subsidiary Glaxo-SmithKline Pharmaceuticals. The offer will end on March 5. The global healthcare major aims to acquire 2.06 crore shares of GSK Pharma at Rs 3,100 per share, a 26 per cent premium to the closing price before the open offer was announced. It also plans to invest Rs 6,390 crore to raise its stake in the subsidiary to 75 per cent from the existing 50.67 per cent.

GLAXOPHARMA/BSE Rs 3,016.95 ▲

NSE Rs 3,017.60 ▲

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