

## Satish Reddy appointed Chairman of DRL

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Pharma major Dr Reddy's Laboratory (DRL) on Tuesday announced that its board has decided to have separate roles for the company's Chairman and the Managing Director and CEO. Consequently Satish Reddy has been appointed as Chairman of the Board, while G V Prasad would continue as the CEO.

Prasad has also been appointed as the Co-Chairman and Managing Director. Earlier, Satish Reddy was Vice Chairman and Managing Director.

"By re-organising our roles, we would be able to focus more on distinct activities while simultaneously providing space for internal growth to our talented senior management team," Reddy said.

A company statement quoting Prasad said, "in his new role, Satish can contribute significantly to shaping the direction and course of action on these fronts, in addition to being a custodian of the corporate brand and driving governance processes and agenda of the Board."

"It is an honour to be nominated as Chairman of the Board," Satish was quoted as saying by the DRL statement.

Meanwhile the company's net profit fell by nearly 16 per cent to ₹ 481.60 crore for the quarter ended March 31, 2014, due to higher research and development (R&D) expenditure.

The company had posted a net profit of ₹570.89 crore for the January-March quarter of 2012-13. During Q4 2013-14, net sales of the company grew by 4 per cent to ₹3,480.90 crore, from ₹3,339.94 crore in the year-ago period, DRL President, CFO and Global Head of HR, Saumen Chakraborty said, adding the R&D expenditure for the current fiscal would be in the range of 10 to 11 per cent.

"The profit margin is down due to increased R&D spending on an year-on-year basis. Last year, we spent only 6.6 per cent (during the fourth quarter) and this quarter's R&D spending was 11.4 per cent. This is the reason why net profit has come down," Chakraborty said at a press conference after announcing the company's results.

R&D expenses rose to ₹398.48 crore for the quarter, from ₹ 232.61 crore in Q4 2012-13, the DRL official said, adding that as much as 60 per cent of the total R&D spend would go into global generics.

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