



**PHARMACEUTICALS EXPORT PROMOTION COUNCIL**

(Set up by Ministry of Commerce, Govt. of India)

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**DRL sees end of troubles from Betapharm**

**B Krishna Mohan | 2010-07-23 01:40:00**

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Betapharm, the German subsidiary which has been a drag for Dr Reddy's Laboratories after the latter bought it for \$560 million in 2006, is finally on a path leading to profitability.

During the quarter ended June 30, it saved \$3.5 million in sales and general administration (S&GA) expenses. This quarter, it spent only \$1.5 million (Rs 1 crore) from the \$5 million (Rs 23.5 crore) earlier, according to its chief financial officer, Umang Vohra.

Germany contributed Rs 132 crore revenue during the June quarter from Rs 161 crore during the same period last year. Though this is an 18 per cent fall, profitability increased as the company saved on S&GA expenses.

"The balance sheet has been effectively cleansed of intangibles and goodwill on account of betapharm. Cost and organisational rationalisations are being carried out in Germany," said Chairman K Anji Reddy in the annual report.