

GROSS PROFIT MARGIN AT 49.9%

# Dr Reddy's doubles Net Profit to ₹1,188 cr in Q1

Our Bureau

Mumbai: Drug maker Dr Reddy's on Thursday reported two-year-on-year (YoY) increase in net profit to ₹1,188 crore in Q1FY23, aided by non-recurring income related to the divestment of certain brands. The company posted ₹571 crore net profit in the corresponding period of the previous year.

Revenues rose 6% YoY to ₹5,215.4 crore during Q1FY23, compared to ₹4,919.4 crore in Q1FY22. The earnings before interest, tax, depreciation, amortisation (EBITDA) rose 75% YoY to ₹1,779 crore. The Ebitda margin stood at 34.1%.

The gross profit margin was at 49.9% in Q1FY23, declined by 200 basis points over previous year and by 300 basis sequentially. On account of higher commodity prices, adverse leverage on manufacturing overheads, price erosion and forex related impact, which was partially benefited from brand divestment income.

The company spent ₹450 crore on R&D and ₹330 crore on capital expenditure in Q1FY23.

Sales from North America, which is primarily US, that constitutes over one-third of Dr Reddy's revenues, grew 2% YoY to ₹1,781 crore, driven by launch of new products and favorable forex rates, which was offset by price erosion in some of our key molecules. However, on quarter-on-quarter (QoQ) basis revenues declined 11% primarily on account of price erosion and decline in volumes for few products due to incremental competition.

India which constitutes little over one-fourth of Dr Reddy's revenues grew 26% YoY to ₹1,234 crore driven by divestment of a few non-core brands, revenue contribution from the products in-censed from Novartis, growth in base business and new products contribution. However, the growth was partially offset due to covid product sales in Q1FY22 which was not there in the current quarter.

Revenues from Russia saw decline of 9% YoY to ₹10 crore primarily due to channel inventory normalization post stocking up in Q4FY22. Pharmaceutical services and active ingredients (PS&I) business saw 6% drop to ₹706 crore. "Our underlying business revenues adjusted for covid products contribution during last year have grown well," said V Prasad, co-chairman & MD of Dr Reddy's. "The profits were aided by a few non-recurring incomes, offsetting the near term headwinds. We continue to improve the health of our core businesses through productivity improvement and robust product pipelines," Prasad added.

REVENUE SPEND

The company spent 8.3% of its revenues or ₹430 crore on R&D and ₹330 crore on capital expenditure in Q1FY23



At the end of the period, adverse leverage on manufacturing overheads, price erosion and forex related impact, which was partially benefited from brand divestment income. The company spent ₹450 crore on R&D and ₹330 crore on capital expenditure in Q1FY23.

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## Nestle Announces Purina Purchase, Reports 4.3% Dip in Profit at ₹515 cr

Our Bureau

New Delhi: Packaged foods company Nestle India announced the acquisition of pet food maker Purina Petcare for ₹235 crore, and the launch of Isigol child nutrition brand Gerber on Thursday. Purina is a pet food brand owned by Nestle globally. The acquisition was launched in India in 2017 as a separate entity.

The company, which also announced its June quarter earnings, reported a decline of 4.3% in net profit at ₹515.3 crore for the quarter ended June 2022. The maker of Maggi noodles and Nescafe coffee, which follows the January-December financial year, had reported a net profit of ₹588.6 crore in the corresponding period a year ago, its last in a regulatory filing.

However, Nestle India's net sales were up 15.72% to ₹1,006.9 crore during the period under review, including the ₹1,000-crore mark. "The growth is broad-based and while being primarily driven by organic sales, has a healthy underlying volume and mix evolution," Suresh Narayanan, chairman of Nestle India, said in a statement. He said "out of the new space got back to accelerated growth in channels like hotels, education centres and workplaces."

Nestle said it is witnessing early signs of softening of commodities. "Fresh milk, fuels, grains and green coffee costs are expected to remain firm with continued increase in demand and volatility," Nestle said in a regulatory filing.

## PARLIAMENT WATCH

### ₹688.898 crore Projects Awarded Under Bharatmala

Projects comprising a length of 22,302 km with cost of ₹688.898 crore have been awarded under Bharatmala Pariyojana and 9,548 km project length has been completed, road, transport and highways minister Nitin Gadkari informed the Parliament.

He also said that 28 ring roads as well as 191 choke or congestion points have been identified for development under the scheme.

Work on ring roads for Delhi-NCR, Ranchi, Kota and Jaipur were completed. Work for construction of ring roads for Amritsar, Ludhiana, Jammu, Patna, Gurugram, Srinagar, Bengaluru, Nagpur, Jodhpur, Madurai, Chennai, Varanasi and Lucknow are in progress.

### Study of 5,280 km of NH for Road Monetisation

The transport ministry has undertaken technical due diligence and traffic survey study of about 5,280 kilometres of National Highway stretches with the intent of monetising them. Responding to a query in the Lok Sabha, road, transport and highways minister Nitin Gadkari said this has been done to determine the upfront price and capital cost involved. But these shall be taken for asset monetisation depending upon viability and market appetite.

Madhya Pradesh, Odisha, and Andhra Pradesh with 635.85 km, 568.32 km, and 490.38 km respectively are the top three states where this survey has been conducted.

## Negotiations on SSAs with US, UK

New Delhi: India is negotiating social security agreements (SSAs) with the US and the UK to avoid duplication of such schemes, Union Labour and Employment Minister Bhupendra Yadav said on Thursday.

SSAs with these countries ensure that employers are saved from making double social security contributions for the same set of employees (posted in other countries) under social security schemes.

Besides, the employees would be saved from making double social security contributions. "Negotiations with the US and UK for the signing of SSAs for Indian workers are ongoing," Yadav said addressing a two-day consultation on labour migration organised by the International Labour Organisation (ILO), which began on Thursday in India.

Switzerland, Germany, Sweden, France, Denmark, Korea, the Netherlands, Finland, Norway, Czech Republic, Norway, Austria, Canada, Australia, Japan and Portugal. -PTI

## Agricultural Census 2021-22 Launched

New Delhi: Agriculture minister Narendra Singh Tomar on Thursday launched the eleventh agricultural census to collect data on various parameters, including operational holdings. For the first time, the data will be collected through smartphones and tablets.

The fieldwork of the Eleventh Agricultural Census (2021-22) will start in August 2022, the agriculture ministry said in a statement.

Agriculture Census is conducted every 5 years, which is being undertaken now after a delay due to corona pandemic. "It added, the ministry is implementing an agriculture census scheme from 1971-71. The tenth edition of the census was conducted with the reference year 2015-16. The agricultural census is the main source of information on a variety of parameters, such as the number and area of operational holdings, their size, class-wise distribution, etc. The ministry said this is the first time that data collection for the agricultural census will be conducted on smartphones and tablets so that data is available in time. -PTI

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## SCHAEFFLER

### STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS PERIOD ENDED JUNE 30, 2022

(Amount in ₹ million except per share data)

Sr. No.	Particulars	Quarter Ended			Year to Date		Year Ended
		Jun 30, 2022	Mar 31, 2022	Jun 30, 2021	Jun 30, 2021	Dec 31, 2021	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Income</b>						
	(a) Revenue from operations	17,488.3	15,675.1	12,328.9	33,163.4	25,497.1	55,651.5
	(b) Other income	162.0	200.5	129.6	342.5	348.4	723.8
	<b>Total Income</b>	<b>17,650.3</b>	<b>15,875.6</b>	<b>12,458.5</b>	<b>33,525.9</b>	<b>25,845.5</b>	<b>56,375.3</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	2,187.4	6,527.2	5,457.7	13,744.8	10,754.4	22,754.4
	(b) Purchases of stock-in-trade	3,893.3	3,822.8	3,672.7	7,712.3	6,126.1	14,200.2
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(85.8)	(826.5)	(1,479.2)	(912.3)	(1,640.2)	(2,331.7)
	(d) Employees benefits expense	1,089.4	1,087.7	982.1	2,133.1	1,965.5	3,952.2
	(e) Finance costs	9.3	8.4	9.0	12.7	18.1	34.7
	(f) Depreciation and amortisation expense	512.7	594.9	484.6	1,017.6	963.3	1,971.1
	(g) Other expenses	2,189.7	2,024.0	1,692.5	2,312.7	3,319.9	7,313.6
	<b>Total Expenses</b>	<b>14,793.0</b>	<b>13,103.7</b>	<b>10,795.9</b>	<b>27,896.7</b>	<b>22,779.2</b>	<b>47,879.5</b>
3	<b>Profit before exceptional items and tax (1-2)</b>	<b>2,857.3</b>	<b>2,771.9</b>	<b>1,706.6</b>	<b>5,629.2</b>	<b>3,566.3</b>	<b>8,495.8</b>
4	<b>Exceptional items (refer note 3)</b>	14.8	-	-	149.8	-	-
5	<b>Profit before tax (3+4)</b>	<b>3,007.1</b>	<b>2,771.9</b>	<b>1,706.6</b>	<b>5,779.0</b>	<b>3,566.3</b>	<b>8,495.8</b>
6	<b>Tax expense</b>						
	(i) Current tax	790.3	688.1	460.7	1,438.4	922.7	2,187.0
	(ii) Deferred tax charge / (credit)	(20.7)	12.4	(15.6)	(8.1)	23.9	(46.8)
7	<b>Profit for the period (5-6)</b>	<b>2,237.5</b>	<b>2,071.2</b>	<b>1,281.3</b>	<b>4,332.7</b>	<b>2,677.6</b>	<b>6,291.2</b>
8	<b>Other comprehensive income</b>						
	(i) Items that will not be reclassified to profit or loss	7.8	45.5	1.0	53.3	20.7	(31.9)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.0)	(11.4)	(0.2)	(10.4)	(5.2)	8.0
9	<b>Total comprehensive income for the period (comprising profit and Other comprehensive income for the period) (7+8)</b>	<b>2,263.3</b>	<b>2,105.3</b>	<b>1,282.1</b>	<b>4,388.6</b>	<b>2,692.2</b>	<b>6,267.3</b>
10	Paid-up equity share capital (face value of ₹2 per share)	312.6	312.6	312.6	312.6	312.6	312.6
11	Other equity	-	-	-	-	-	36,224.1
12	Earnings per equity share of ₹2 each (not annualised) refer Note 2						
	(a) Basic (₹/₹)	14.4	13.3	8.2	27.7	17.1	40.3
	(b) Diluted (₹/₹)	14.4	13.3	8.2	27.7	17.1	40.3

### BALANCE SHEET

Sr. No.	Particulars	As at		Sr. No.	Particulars	As at	
		Jun 30, 2022	Dec 31, 2021			Jun 30, 2022	Dec 31, 2021
		Unaudited	Audited			Unaudited	Audited
A)	<b>ASSETS</b>			B)	<b>EQUITY AND LIABILITIES</b>		
1	<b>Non-current assets</b>			1	<b>Equity</b>		
	(a) Property, plant and equipment	9,811.8	9,840.0		Equity share capital	312.6	312.6
	(b) Right of use assets	689.8	724.8		Other equity	38,917.7	36,224.1
	(c) Capital work-in-progress	1,471.8	892.3		<b>Total Equity</b>	<b>38,405.3</b>	<b>36,536.7</b>
	(d) Other intangible assets	3.61	12.2	2	<b>Liabilities</b>		
	(e) Financial assets	1.285	1,251.8	a)	<b>Non-current liabilities</b>		
	(f) Other financial assets	1.285	1,251.8		Financial liabilities		
	(g) Deferred tax assets (net)	394.5	399.8		(i) Lease liabilities	485.4	519.0
	(h) Non-current income tax assets (net)	1,051.1	912.1		(ii) Other financial liabilities	18.9	21.1
	(i) Other non-current assets	1,385.4	656.4		Provisions	14.1	11.7
	<b>Total Non-current assets</b>	<b>14,963.0</b>	<b>14,804.5</b>		<b>Total Non-current liabilities</b>	<b>518.4</b>	<b>553.8</b>
2	<b>Current assets</b>			a)	<b>Current liabilities</b>		
	(a) Financial assets	12,607.0	10,864.9		Financial liabilities		
	(b) Trade receivables	1,047.9	8,462.7		(i) Lease liabilities	96.1	88.0
	(c) Cash and cash equivalents	2,235.8	2,070.0		(ii) Trade payables	1,452.7	1,241.4
	(d) Bank balances other than (c) above	1,046.3	12,086.1		a) Total outstanding dues of micro enterprises and small enterprises	10,145.2	8,383.5
	(e) Other financial assets	342.1	161.9		(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,011.4	955.6
	(f) Other current assets	518.3	512.0		b) Other current liabilities	287.5	313.2
	<b>Total Current assets</b>	<b>37,911.4</b>	<b>34,558.2</b>		(c) Provisions	59.8	66.9
	<b>TOTAL ASSETS</b>	<b>52,874.4</b>	<b>49,362.7</b>		(d) Current tax liabilities (net)	345.3	204.4
					<b>Total Current liabilities</b>	<b>13,950.7</b>	<b>11,872.1</b>
					<b>Total Liabilities</b>	<b>14,469.1</b>	<b>12,426.0</b>
					<b>TOTAL EQUITY AND LIABILITIES</b>	<b>52,874.4</b>	<b>49,362.7</b>

### Cash Flow Statement

Particulars	Six months period ended		Sr. No.	Particulars	Six months period ended		
	Jun 30, 2022	Jun 30, 2021			Jun 30, 2022	Jun 30, 2021	
		Unaudited	Unaudited			Unaudited	Unaudited
<b>Cash flows from operating activities</b>				<b>A. Net cash from operating activities</b>	<b>2,350.7</b>	<b>986.0</b>	
Net profit before tax		5,779.0	3,566.3	<b>Cash flows from investing activities</b>			
Adjustments:				Purchase of property, plant and equipment (tangible and intangible, capital work-in-progress, capital advances and capital orders)	(2,144.6)	(849.3)	
Depreciation and amortisation	1,017.6	963.3	(18.1)	Proceeds from sale of property, plant and equipment	7.7	8.1	
Finance costs	17.7	(21.7)	(8.1)	Proceeds from sale of chain drive business (refer Note 3)	294.2	-	
Interest income	(984.1)	(8.1)	(1.6)	Proceeds from / (investment in) bank deposits (with original maturity of more than 1 month and remaining maturity of less than 12 months)	2,076.4	(249.1)	
(Profit) or sale of assets (net)	(7.7)	4.5	1.3	Interest received	145.4	228.9	
Provisions no longer required written back	-	-	(14.6)	<b>Net cash generated / (used) in investing activities</b>	<b>359.1</b>	<b>(663.4)</b>	
Unrealised exchange loss (net)	17.9	8.3	-	<b>Cash flows from financing activities</b>			
Bad debts written off	(119.8)	-	-	Finance costs paid	(21.1)	(31.1)	
		596.1	654.5	Payment of lease liability	(4.0)	(1.2)	
<b>Operating cash flow before changes in working capital</b>	<b>6,375.1</b>	<b>4,261.7</b>		Dividends paid to equity shareholders	(2,500.0)	(1,189.9)	
(Increase) in inventories	(1,966.3)	(3,218.3)	(1.1)	<b>C. Net cash used in financing activities</b>	<b>(2,544.0)</b>	<b>(1,230.2)</b>	
(Increase) in trade and other receivables	(1,030.3)	(1,026.1)	(0.1)	<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>165.8</b>	<b>(1,097.6)</b>	
Increase in trade and other payable	1,922.2	1,483.3	84.7	Cash and cash equivalents at the beginning of period	2,070.0	2,108.0	
Increase in provisions	32.4	94.7	0.6)	Cash and cash equivalents at the end of period	2,235.8	1,010.4	
		(2,381.9)	(2,698.6)			(1,097.6)	
<b>Cash generated from operating activities</b>	<b>3,292.7</b>	<b>1,653.3</b>					
Income tax paid (net of refunds)	(1,442.0)	(1,641.3)					

The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS 7 - Statement of Cash Flows notified pursuant to Section 133 of the Companies Act, 2013 (the "Act").

### Segmentwise revenues, results, assets and liabilities.

The Company has reported segment information under two segments i.e. 1) Mobility components and related solutions and 2) Others.

Sr. No.	Particulars	Quarter Ended			Year to Date		Year Ended
		Jun 30, 2022	Mar 31, 2022	Jun 30, 2021	Jun 30, 2021	Dec 31, 2021	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A	<b>Segment Revenue (Net revenue / income)</b>						
	(a) Mobility components and related solutions						
	Automotive Technologies	6,749.9	6,994.2	4,845.2	12,889.1	10,382.1	21,865.0
	Automotive Aftermarket	1,492.5	1,246.7	946.8	2,739.2	2,446.6	5,018.7
	Industrial	3,133.0	2,859.7	2,350.2	4,912.7	4,912.7	13,236.6
	Exports & Others <sup>1</sup>	1,662.1	1,				

