

Press Release

Strong Domestic market growth Profit up 34%, Sales up 26%

Mumbai, July 30th

Sun Pharmaceutical Industries Ltd., the speciality pharmaceutical company reported net profit up 34%, sales up 23% for the quarter ended 30th June 2001, over the first quarter last year.

For the quarter, the company reported sales of 167.27cr (Q1 2000-2001 Rs. 132.66cr) and PAT of Rs. 41.52cr (Q1 2000-2001 Rs. 31.06 cr) Domestic formulation sales at Rs.111.08cr (Q1 2000-2001 Rs. 91.39cr) was up by 22%.

Exports at Rs.29.43cr (Rs. 27.50cr including Sun Pharma Exports Ltd. on a consolidated basis) was up by 7%. Bulk active exports were Rs.24.19cr up by 25% (Rs 19.35 cr on a consolidated basis).

These unaudited results were taken on record at a board meeting held in Mumbai today.

The Board noted that the AGM is likely to take some more time since the sanction of BIFR for the merger of Pradeep Drug Company is awaited. The board therefore declared an interim dividend of 50% for the year ended 31st March, 2001 as against 100% for the year ended 31 March, 2000 on a pre-bonus equity. (In February last year, the board of directors had recommended a bonus of 2 (two) shares for every 1 (one) held, subsequent to which the equity capital had increased from Rs15.42cr pre bonus to Rs.46.26cr post bonus.) Total dividend in absolute terms is 50% more than in the previous year. The Board would recommend to the shareholders to confirm this interim dividend as the final dividend.

11 new products across 8 divisions were launched this quarter; key among these were: the type 2 oral antidiabetic Rebose (acarbose), the antiplatelet Clopilet (clopidogrel), the antiparkinson adjunct Topirol (topiramate), Hyflex, intrarticular prefilled injections for arthritis (sodium hyaluronate). Milmet's range was enhanced with the addition of Ocudin (ofloxacin eye drops). Several new products offered greater patient convenience through the use of a drug delivery system : Oleanz rapitabs (rapidly dissolving tablets using melt technology), ODphyllin (once a day theophylline).

Reflecting the renewed focus, the erstwhile TDPL division was renamed Spectra. Inspired by the success last year of the parallel division targeting psychiatrists - Symbiosis, a new 148 representative strong division targeting cardiologists/physicians and diabetologists was recently launched, called Arian. This will complement the efforts of the Aztec division, which enjoys a long-standing franchise with these specialists.

Operating profit was up by 30% over the corresponding quarter, driven by focus on speciality therapy areas.

During the quarter, the bulk drug plant at Panoli received ISO 9002 certification, while the Ahmednagar plant received USFDA approval for pentoxifylline. These plants are expected to be largely used for exports of high value add bulk actives to the regulated markets. Bulk active production for the domestic market will shortly be shifted to Pradeep Drugs' plant at Chennai. (Sun Pharma earlier this year had announced the acquisition of Pradeep Drug company, with a stock swap of 1:500. This proposal is underway with the BIFR.)

According to Dilip Shanghvi, the Chairman and Managing Director of the company, "Long term stable relationships with core customers has helped us reach a leadership position in speciality therapy areas. This confidence is helping us set the foundation for creating an international, research based pharma company."

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