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Sun Pharma reports Q4 profit at ₹888 cr

Price erosion for products in US, Ranbaxy merger drag

New Delhi, May 29

> We are pledged to being 100% cGMP compliant and are fully responsible towards our customers and patients across the world
>
> **DILIP SHANGHVI,**
> Sun Pharma managing director

SUN PHARMACEUTICAL Industries on Friday posted a consolidated net profit of Rs 888.05 crore for the fourth quarter ended March 31, mainly due to Ranbaxy merger impact and price erosion in some products in the US.

The company had posted a net profit of Rs 1,587.12 crore in the same period of the previous fiscal. Net profit was adversely impacted by professional charges, harmonisation of policies of erstwhile Ranbaxy with the company, Sun Pharma said in a statement.

"The impact of these items appearing above EBITDA was approximately 10% of net sales and on items appearing below EBITDA was around 7% of net sales," it added.

Net sales of the company stood at Rs 6,144.90 crore for the fourth quarter, while the same was Rs 4,043.57 crore in the previous year, it said.

For the year ended March 31, the company posted a net profit of Rs 4,540.60 crore, while the same stood at Rs 3,141.47 crore in the previous year.

Net sales of the company stood at Rs 27,286.50 crore for the entire fiscal. The same stood at Rs 16,004.39 crore in 2013-14.

The financials for fourth quarter of 2014-15 and full year include the impact of the merger of Ranbaxy into Sun Pharma, and hence are not strictly comparable with the same period last year, the company said.

Almost a year after announcing a $4 billion deal, Sun Pharma in March this year completed the merger of Ranbaxy with itself. In April 2014, Sun Pharma had announced the acquisition of troubled rival Ranbaxy in an all-stock transaction worth $4 billion that includes $800 million debt.

Commenting on the results, Sun Pharma managing director Dilip Shanghvi said that post the completion of the merger, the company has commenced the integration of Ranbaxy.

"Our performance has been impacted due to various one-time charges, mainly on account of the Ranbaxy merger as well as due to price erosion for some of our products in the US," he added.

It also reflects the impact of supply constraints related to the on-going remediation efforts at some of the company's facilities, he added.

"We are pledged to being 100% cGMP compliant and are fully responsible towards our customers and patients across the world who rely on us for quality products," Shanghvi said.

Recently, some of the company's plants have come under the US health regulator's scanner for alleged violation of good manufacturing practices.

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