

Sun Pharma Beats Estimates with ₹1,391-Cr Profit in June Quarter

Says US growth was primarily driven by dollar fluctuations and a 'one time sale'

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Sun Pharmaceutical Industries, India's biggest drug maker, beat Street expectations by reporting a net profit of ₹1,391 crore in the quarter to June as against a loss of ₹1,276 crore in the year-ago period when it had to make provision for settling a patent infringement suit with Pfizer.

Net sales rose 14.5% year-on-year to ₹3,927 crore, the company said on Wednesday. Shares of Sun Pharma gained following the announcement of results, closing 2.09% up at ₹800.25 on the Bombay Stock Exchange.

The drugmaker's US business, which contributes over half of its revenues, posted strong growth at ₹2,323 crore (\$389 million) compared with ₹2,031 crore in the corresponding quarter of the previous fiscal. This surprised analysts as the profit at Taro Pharma, Sun's US subsidiary, fell 22% in the quarter owing to a \$55-million price protection charge taken by the company.

Sun said the US growth was primarily driven by dollar fluctuations and a

"one time sale". It did not specify what that one time sale was.

"The dollar rate this year was better than last year, so these numbers might not be sustainable," said Sudhir Valia, executive director at Sun Pharma.

The drugmaker continues to enjoy dominance with anti-cancer drug Doxil of Johnson and Johnson, which the US Food and Drug Administration had asked it to supply in the US market. According to analysts, Sun enjoys 80% market share for Doxil.

On the domestic front, the company reported a 17% rise in sales at ₹992 crore. These numbers do not include sales from Ranbaxy Laboratories, which Sun acquired in April in a \$3.2-billion all-stock transaction.

Dilip Shanghvi, managing director at Sun Pharma, said the company is awaiting approval for the deal from the Competition Commission of India and the US Federal Trade Commission.

Company