

For a permanent remedy

Venus Remedies is set to grow significantly on the back of its expansion plans, introduction of new products and major tie-ups on the anvil

CHANDIGARH-BASED Venus Remedies is set to announce a major tie-up with a US-based pharma MNC in the coming days. The company is also filing for patents for three products early next month, which should provide a major boost to its fortunes. It has drawn up a major expansion programme starting off with a new research and development (R&D) facility, which will be in place during calendar 2005.

A recent revamp of Venus Remedies by Ernst & Young has lent renewed vigor to this compa-

ny - both at the corporate as well as the investor perception level. The company is firmly on the road to growth and therefore, we take a look at the unfolding story.

mines, third & fourth generation cephalosporins and oncology drugs, the company also markets cardiovascular drugs, anti-diabetic medications and anti-allergic medicines. Besides Dabur, Venus Remedies is the only company in the North to have a completely separate anti-cancer filling section approved by the state and central drug authorities.

The company enjoys a major share of the glass bottle IV market in seven states of North India. It also supplies to various state government such as Kerala, Karnataka and Haryana on a signifi-

Year	Mar 2004 12 mths	Sep 2003 6 mths	Sep 2004 6 mths
Income	24.05	11.16	14.22
Net Sales	23.95	11.07	14.19
Other Income	0.10	0.09	0.03
Expenditure	21.45	9.95	12.04
Profits/Losses			
PBDIT	2.60	1.21	2.18
Interest	0.71	0.40	0.40
PBDT	1.89	0.81	1.78
Depreciation	0.47	0.20	0.31
PBT	1.42	0.61	1.47
Tax	0.14	0.05	0.11
Deferred Tax	0.00	0.00	0.00
PAT	1.28	0.56	1.36

VENUS REMEDIES



cant scale. Besides, it also exports its products to Nepal, Yemen, Estonia and Ukraine. To these markets, it exports modern, anti neoplastic range of drugs. Venus also has tie-ups with multinational companies for indirect exports to CIS countries. Over 21 products are currently registered in Ukraine, of which eight belong to the high-value oncology segment. The company also does contract manufacturing for domestic biggies like IPCA Labs and Elder Pharmaceuticals.

Operations

VENUS Remedies has come a long way since starting off in the year 1991 as a manufacturer of intravenous (IV) fluids. Currently, it has presence in antibiotics, anti-histamines, third & fourth generation Cephalosporins, oncology, cardiovascular and anti-diabetic drugs. It has operations both in the domestic and global markets.

Over the years, it has constantly increased its product portfolio of cost-effective drugs through in-house R&D efforts. It is a major player in Liquid Vials, Ampoules and Dry Powder injectables. Its plant is WHO-GMP accredited. Besides manufacturing various drugs in antibiotics, anti-hista-

mines, third & fourth generation cephalosporins and oncology drugs, the company also markets cardiovascular drugs, anti-diabetic medications and anti-allergic medicines. Besides Dabur, Venus Remedies is the only company in the North to have a completely separate anti-cancer filling section approved by the state and central drug authorities.

Financials

VENUS recorded a topline of Rs 24.05 crore for the year ended March 2004 compared to Rs 21.04 crore in March 2003. Profit before interest, depreciation and tax (PBDIT) for March 2004 was Rs 2.6 crore, up from Rs 2.16 crore in 2003. This is a rise of 21.5%. Interest was down from

Cornora

THOMAS P ABRAHAM

Rs 1.25 crore in 2003 to Rs 0.71 crore in 2004. Profit before depreciation (PBT) for 2004 was Rs 1.89 crore, up 107% from Rs 0.91 crore in 2003. Profit after tax (PAT) for 2004 was Rs 1.28 crore, up sharply from Rs 0.52 crore in 2003. This is a rise of 146%.

For the half-year ended September 2004, the topline was Rs 14.22 crore, up from Rs 11.16 crore in the corresponding period previous year. This is a healthy rise of 27.41%. PBDIT in 2004 was Rs 2.18 crore, up sharply from Rs 1.18 crore in September 2003. PBDT in September 2004 was Rs 1.78 crore, up sharply from Rs 0.81 crore in the corresponding period previous year. PBT too was up at Rs 1.47 crore in September 2004 from Rs 0.61 crore in 2003. PAT too recorded a steep rise of 142% from Rs 0.56 crore in September 2003 to Rs 1.36 crore in September 2004.

Outlook

VENUS Remedies is on the path to significant growth. The company is already a leader in the IV fluids segment. Its presence in the various other segments mentioned above is increasing quarter over quarter. Besides the filing for patents of three formulations in December, the company is set to announce at least three patent filings every quarter.

The management says it expects to close the year with a turnover of Rs 35 crore, up from Rs 24.05 crore in March 2004. Bottomline should touch at least Rs 4 crore, up from Rs 1.28 crore in March 2004, says the management. On a capital base of Rs 6.41 crore, this would translate into an EPS of Rs 6.25. On current price of Rs 78, the PE would work out to about 12.4. Considering the expansion plans in pipeline, continuous introduction of new products and major tie-ups on the anvil, valuations appear reasonable.

Venus to set up Rs 50 cr plant

KOMAL AMIT GERA
Chandigarh, 2 March

Chandigarh-based Venus Remedies Ltd, a mid-sized pharmaceutical company, has decided to invest Rs 50 crore in a new plant at Baddi in Himachal Pradesh.

It will be a plant certified by the United States Food and Drug Authority (USFDA), manufacturing super-specialty segments of latest-generation cephalosporins and anti-cancer formulations. The plant will come up in an area of five acres (one acre is 4,840 square yards) in three phases, to be completed in two years. The first phase of the plant will be through by September. The plant will have an operational capacity of 100,000 vials per day.

Venus Remedies has WHO-certified manufacturing facilities, with international benchmarks. According to a company spokesperson, the company's focus is on developing formulations. The intellectual property rights department of the company has filed its first

patent application for the new formulation "non-aqueous liquid parenteral aceclofenac formulation". This drug is used for treating tumours, including those carcinogenic.

Venus, being a research-oriented company, has a number of formulations in various stages of development, for which the patents will be filed shortly.

A budget of Rs 4.5 crore was allocated for R&D in 2004-05. It may be increased.

He said the company was set to foray into the global market, taking advantage of the new patent regime. The firm's products will go to the markets of the US and Europe in two years. Two years, because product registration with the USFDA takes that long, according to him.

The company is concentrating on innovative, high-value, low-cost formulations to increase its market share.

The official said Venus was optimistic of the future of R&D. Only 1 per cent of the pharmaceutical molecules were available in India for R&D before 2005.

Venus Remedies launches Ronem

EPP News Bureau

Chandigarh

THE Chandigarh-based Venus Remedies Limited engaged in the manufacture of highly sophisticated oncology formulations and latest generation cephalosporin injectables, has launched its brand Ronem, a premium antibacterial for critical care.

According to a press release, the constant endeavour of the company to stay ahead on all fronts has made it possible for the company to launch this premium brand under its parenteral specialty sales division. Venus is the only company in India to manufacture and market this Meropenem Injection, it added.

This latest formulation of the Carbapenem group, provides a sure shot remedy for any kind of bacterial infection as it is a broad spectrum antibiotic, effective against both gram negative and

gram positive bacteria including nosocomial isolates resistant to ceftazidime, cefotaxime, ceftriaxone and piperacillin and gentamycin. It is most useful in case of bacterial septicaemia, bacterial meningitis, cystic fibrosis, febrile neutropenia, nosocomial pneumonia, the release explained.

The new formulation, according to the release,

The new formulation is a latest generation carbapenem, a sub-group under the largest segment of antibiotics

is a latest generation carbapenem, a sub-group under the largest segment of antibiotics ie. the anti-infective segment, with a market worth US \$18.7 billion in the world. The new formulation is targeted at the niche market of the top 1000 surgeons of the country who will have access to this critical care remedy for

the patients undergoing surgery and kept under observation in ICU.

This is a very high value formulation with sure shot results under emergency situations and is likely to build up a market of nearly Rs 60 million in its launch year i.e. 2005. *

Unperturbed By Taxes, Venus Keeps Focus On Bull's Eyes

MADHVI SALLY
Chandigarh, Jan 21

In times where most of the regional pharmaceutical manufacturing companies are in trouble following new excise levies and newly emerged Baddi factor, Panchkula-based Venus Remedies Limited seems to be unperturbed by the air of anxiety around and aims at surging ahead by targeting the anti-cancer drugs market.

Pawan Chaudhary, Managing Director, Venus Remedies Limited, said, "We have a full-fledged plan ready and a share in the Rs 400-crore anti-cancer drugs market is the segment we are targeting. The company has a special portfolio of anti-cancer, oncology and lately third and fourth generation Cephalosporins

The company expects to attain Rs 35 crore annual

turnover this fiscal. In the export segment, it is focusing on Ukraine, Nepal and Philippines. "The exports generated Rs 5 crore last year, but this time I am confident of



touching a figure of Rs 15 crore. There is a lot of potential and space for new entrants in the market," he added. The domestic market accounts 30 per cent and gradually by March 2007, Venus Remedies aims at touching Rs 100 crore. Cardiovascular drugs, anti-diabetic and anti-allergic medicines are being successfully marketed by the com-

pany. Commenting on the expansion drive to meet the Rs 100 crore target, Choudhary said an investment of Rs 50 crore has been made in setting a unit in Baddi, which would be operational by 2007. "To meet the growing demand, we are going in for expansion. We expect to do Rs 70-Rs 75 crore business in the first year," he added on.

With the pharmaceutical companies venturing into contract research segment, Choudhary stated, "I know it is an important segment and that is why with an investment of Rs 4 crore, we are coming up with an R&D section in a few months, which will have 3 scientists."

Venus Remedies has filed papers for its second product patent for another new formulation developed by its research and development wing. ♦