

Sun to Sell Some Ranbaxy Brands

These are drugs which are low priority for the pharma co in domestic market or may overlap with its products

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Mumbai: Drug maker Sun Pharmaceuticals has put on the block a bundle of Ranbaxy brands which are low priority in its domestic market strategy or which may overlap with its own products, top industry executives said.

The country's largest drug maker completed acquisition of Ranbaxy last year from its Japanese owner, Daiichi Sankyo, as part of a \$4 billion all-stock deal. The Ranbaxy brands that Sun is looking to sell rake in about ₹115 crore in annual sales and the company is expecting a valuation of about 2.5x or ₹250-270 crore for them, they said.

Sun declined to comment on the matter. The persons quoted earlier said the deal has been in the market for over two months but the response has been lukewarm as some drugs on offer are seeing declining sales.

But the bigger hurdle to the deal being attractive, according to them, is that the products belong to a wide range of segments—from orthopedics, anti-infect-

Slow Off The Mark

₹115 crore Worth of Ranbaxy brands Sun is looking to sell

No Takers

► Deal has been in the market for over 2 months

► Slow response from buyers due to declining sales of some drugs

► Products range from segments such as orthopaedics, urology & dermatology

► This makes it tough for a single buyer to take a consolidated marketing approach

Segment-wise Sales Figure in ₹

- Cardiovascular & diabetes 21 crore
- Orthopaedic 52 crore
- Respiratory 19 crore
- Oncology 9 crore
- Urology 9 crore
- Dermatology 3.5 crore

Key Brands on sale
Fortwin, Romilast, Mobiswift, Insucare, Pioglar

ve, urology, oncology, respiratory, anti-diabetes and dermatology. A broad product basket makes it tough for a single buyer to take a consolidated marketing approach, they said.

Among the products on Sun's sale list is Fortwin, a narcotic-based drug used to treat severe pain conditions. The drug generated ₹35 crore revenue last year, down 30% from the previous

year, industry executives said.

The government has tightened regulations on sale of drugs in this category, making it difficult for the distribution chain to store and maintain records, which is one of the reasons cited for the shrinking sales of the product. However, a few other brands that form part of the offer are showing strong growth. For instance, Romi-

last, which is used in respiratory conditions, and Mobiswift, a drug used to relieve muscle spasm, are showing an upturn, executives said.

Sun has also put up for sale Insucare, one of the many insulins in the market, according to one executive who said, "Insulin is heavily dominated by big multinationals and the product is fetching low margins."

Broadly, Ranbaxy's brands in the cardiovascular and diabetes segment saw sales of ₹21 crore last year, while orthopedic drugs brought in ₹52 crore. Sale of drugs in the respiratory, urology, oncology and dermatology segments stood at ₹19 crore, ₹8 crore, ₹9 crore and ₹3.5 crore, respectively.

Last week, the Competition Commission of India cleared Strides Shasun's ₹165-crore deal to acquire two divisions of Sun Pharma that deal in neurology products.

According to market research agency AIOCD shows, the market size of India's pharmaceutical industry on the basis of 12-month moving annual total (MAT) was nearly ₹97,000 crore at the end of 2015. Sun topped the list of drug makers with sales of ₹8,472 crore, or market share of 9.2%, followed by Abbott and Cipla.

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