

Ranbaxy execs scurry to regulator

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New Delhi, 28 January

A day after getting a show-cause notice from the Indian regulator, senior executives from Ranbaxy Laboratories approached the drug controller's office on Tuesday afternoon, it was learnt. The executives spent about an hour there, explaining measures taken by the company to address issues raised by international regulators. Ranbaxy has been issued a warning that further failure to comply with norms might result in a ban in the domestic market.

The company did not respond to a questionnaire sent by *Business Standard* on the matter.

Last week, the US Food and Drug Administration had issued a notice to the company's Toansa (Punjab) plant due to lapses at the facility.

On Tuesday, Ranbaxy Executive Vice-President and head of global quality Dale Adkinsson, its President (research and development) Sudarshan Arora and Vice-president and head of global

regulatory affairs Rajiv Mathur met Drugs Controller General of India G N Singh, a senior government official privy to developments, told *Business Standard*.

Adkinsson is also part of the company's executive team.

"The company has been given a strict warning and has been asked to comply with the norms and standards. The officials were told if further lapses were found, the company might even be barred from the Indian market," said the government official.

The latest developments and enforcements are significant for Ranbaxy, as these pose a threat to its revenue, as well as its reputation in the domestic and international markets. Analysts have predicted an impact of three-four per cent on the company's current gross margin of nine per cent, owing to the regulatory hurdles.

The official said Ranbaxy had been given seven days to respond to the show-cause notice served to it on Monday, adding its representatives had been asked to inform DCGI about corrective measures.

Regulatory / Company