

■ High demand for Absorica acne drug in India, US propels growth **Ranbaxy net loss narrows**

ENS ECONOMIC BUREAU
NEW DELHI, FEBRUARY 5

RANBAXY Laboratories on Wednesday reported a narrower net loss of Rs 159 crore during the October-December quarter, helped by ramped-up sales of acne drugs in the US.

The loss was significantly lower than the Rs 492 crore reported in the same quarter last year when the company incurred costs recalling the generic version of cholesterol-lowering drug Lipitor due to contamination by glass particles. The loss in December quarter was on account of inventory provision for Toansa and higher tax expenses.

Net sales during the period

rose 7 per cent to Rs 2,860 crore, the company said. The Ranbaxy scrip closed up 5.6 per cent at Rs 340.05.

After the USFDA prohibited Ranbaxy from manufacturing and distributing active pharmaceutical ingredients

(API) from its Toansa facility, the company made provisions for the financial impact, amounting to Rs 257.43 crore, during the quarter. Toansa was the fourth plant of the company to receive the FDA import alert after Mohali, Dewas

and Poanta Sahib.

While analysts estimate that Ranbaxy's earnings are likely to be pressured from January-March 2014 due to the FDA import ban on Toansa, the company maintained that only 10-12 per cent of its US business was dependent on that facility. "We are facing some major regulatory challenges and are disappointed with the developments," CEO and managing director Arun Sawhney said, adding the company is committed to resolving all issues as early as possible.

The December quarter loss was also narrower due to a foreign exchange gain of Rs 103.6 crore against a forex loss of Rs 179.9 crore in corresponding quarter of last fiscal. FE

Corruption