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## INTERVIEW | ARUN SAWHNEY



# NICHE PRODUCTS WILL PLAY AN IMPORTANT ROLE

**AMBAYI Laboratories:** US business, which accounts for 40% of revenues, has been hit by an import ban imposed by the US Food and Drug Administration on medicines made at its Indian factories. The drugmaker, owned by Japan's Daiichi Sankyo, is also facing intense competition on the domestic front. The company's CEO & managing director Arun Sawhney is, however, optimistic that Ranbaxy will only emerge stronger from these impediments and the next growth for the company will come from niche products, he tells FE's Jayath Ghose in an interview. Edited excerpts:

**With Ranbaxy's four plants – Mohali, Pooneri Salhi, Deoria and even Tuzoos – hit by the FDA import ban, what is the impact on your US sales? How does this affect new launches planned by Ranbaxy, including Deoria, for the US market?**

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**WE ARE WORKING CLOSELY WITH THE US FDA ON THE TERMS OF THE CONSENT DECREE AND TAKING NECESSARY STEPS TO KEEP OUR FACILITIES COMPLIANT WITH ALL REGULATIONS.**

**What has been the progress in meeting regulatory compliance issues as indicated by the FDA? We are working closely with the US FDA on the terms of the consent decree and are taking**

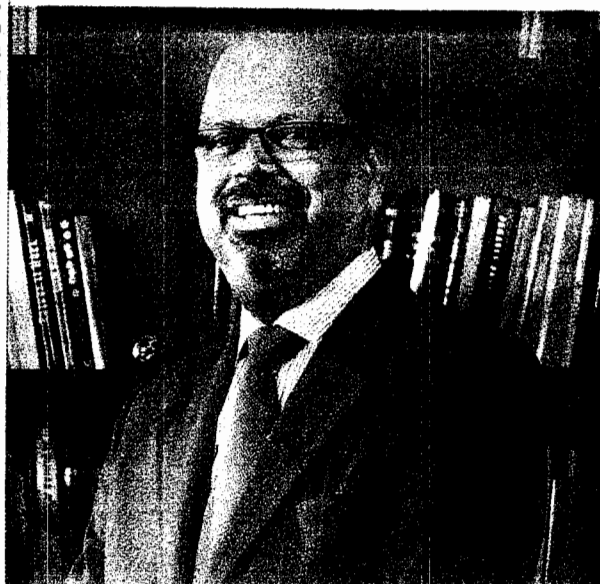
all necessary measures to keep our facilities in compliance with all regulations. We are confident that these efforts will enable us to emerge stronger.

**Are you scouting for any FDA-approved plant in India now that four of your plants are banned from exporting products to the US?**

Ranbaxy as part of its business strategy continues to scan the environment for both organic and inorganic growth opportunities from time to time and take decisions based on the best value that can be derived in the interest of the company and thereby its stakeholders. Manufacturing is an integral part of our overall growth strategy and we will leverage it as a strategic advantage. We will continue to make investments in our manufacturing infrastructure around the world.

*Confidential*

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**What is the way ahead for Ranbaxy in the Indian domestic formulations market, which contributes 20% to the company's revenues, given the increasing competition?**

India continues to be one of the key focus markets for Ranbaxy and the company is committed to invest and drive growth in this region. We will serve the market based on India's key disease profile. To differentiate ourselves we will focus on expanding our presence in 'chronic' therapies while consolidating the existing 'acute' business. There will be a strong thrust on building 'big brands' and on innovative formulations towards targeted patient profile.

**Limited competition products and niche drugs are expected to drive growth for Indian pharma players in the coming quarters. What is your take on this trend and is Ranbaxy also focusing on niche products?**

In Ranbaxy's business plan, niche products will have an important role to play. We also believe that it is the disease profile of India which will drive the growth such as hypertension, diabetes, oncology, urology, cosmetology and intensive therapy. These are the key drivers of the industry. Ranbaxy will

align itself to the therapeutic needs of its customers. We will continue to spot opportunities and deliver products to serve niche gaps. Ranbaxy will also continue to develop innovative products. A case in point is our innovative product, Synriam<sup>TM</sup> in India for the treatment of malaria, filling the specific therapeutic need and gap.

**Ranbaxy had planned to supply medicines to Japan from its Indian facilities. What is the progress in that area and would you be focusing on any specific therapy areas for the Japanese market?**

We will introduce generic products in Japan, through Daiichi Sankyo Espha. Work has been initiated and a joint team has been set up for development, sales and distribution of products in Japan. The product selection procedure for launch in Japan has been finalised. Certain product candidates have been identified for joint development.

**How does the hybrid model help Ranbaxy enter newer markets and generate growth? Which new markets will you get access to through this model?**

Under the hybrid business model both Ranbaxy and Daiichi Sankyo strengthen and enhance their respective business and create synergies. Both companies have forged multiple partnerships in the front-end and back-end areas across the value chain. Under the model, Ranbaxy focuses on driving business and growth in both developed and emerging countries where Ranbaxy is a stronger player. In markets where Daiichi Sankyo is stronger, it will take the lead to promote both its own innovator products and Ranbaxy's generic products.

**Has Ranbaxy formulated a new business strategy where it focuses on certain markets like Asia-Pacific, Africa, etc, while withdrawing from smaller regions like Peru, Nepal, Hong Kong, etc? If so, what is the rationale behind such a strategy?**

Ranbaxy's overall strategy is to secure leadership in select therapeutic areas and emerge as a leading company in certain key markets that we have identified. This will be attained through differentiated product strategy, cost optimisation, improvement in productivity, effective utilisation of distribution network and superior manufacturing capability.

Contd.