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NEWS MAKER / DILIP SHANGHVI

## Sun Pharma's behind-the-scenes chief

LAST WEEK, the Indian pharmaceutical industry was abuzz with tales of a certain billionaire who is the antithesis of everything that the corporate world represents. He is an introvert, likes to keep a low-profile and is rarely seen on the front pages of newspapers. Yet the third-richest Indian with

assets worth \$14 billion, Dilip Shanghvi has managed to keep his company, Sun Pharma, at the forefront of business with record profits and growth.

From a pharmaceutical start-up with sales of \$0.02 million in 1983, Sun Pharma has grown to become the largest drug manufacturer in the country with market capitalisation of \$19.5 billion in the last 30 years.

Now with the acquisition of Ranbaxy, Shanghvi intends to take Sun Pharma to an even stronger position. It was a surprising move as four of Ranbaxy's India plants are barred by the US Food and Drug Administration from selling medicines in that country because of concerns over quality issues.

But those who know Shanghvi say that he has been right so often that nobody doubts his decisions. He acquired a loss-making US company, Caraco Pharma in 1997 and Israel's Taro

Pharma in 2007 with the aim of expanding Sun Pharma's reach in the US and turned them around in no time. Both the deals have paid off; the US now accounts for 60 per cent of Sun Pharma's revenue. In addition, Shanghvi is also credited with single-handedly steering Sun Pharma to the fifth spot globally in the generic drugs market.

However, despite an enviable track record, Shanghvi has always been modest about his achievements. In contrast to other pharmaceutical companies in the country which disclose details of leadership in its world markets, Sun Pharma has always shied from revealing such information even for markets like the US, which accounts for a bulk of the company's revenue.

Shanghvi's success at Sun Pharma comes down to his ability to delegate work and tap the

company's talent for the right job. "I look at myself as a manager, there is a lot to learn from everybody," he was quoted as saying in an interview to a newspaper recently. He knows that not everyone can be good at everything, a reason why he had no qualms about giving up his position as chairman of the company in 2012 in favour of Israel Makov, former president and chief executive officer of Teva Pharmaceutical. "The idea was to tap Makov's international experience and hasten our growth in global markets. His presence will help us emerge a truly global pharma company," Shanghvi had said after Makov's appointment.

Many say it was Makov who first saw the scope for global expansion through the acquisition of Ranbaxy even as everyone believed Ranbaxy was spent force. The idea was in sync with Shanghvi's ambitions for Sun Pharma. "Our objective has always been to find ways to grow faster than peers in the markets we are present. In India, we are now the second-largest player in terms of prescription share but the potential market is much bigger," Shanghvi had said before the acquisition.

Along with bringing in new talent from outside, Shanghvi is also developing a strong base for his son's future growth. Aashok

Shanghvi, who is general manager at Sun's international business, is expected to be given a bigger role at the company after the merger with Ranbaxy.

REKHU BALAKRISHNAN



GRONETH MATHRA

Shanghvi believes not everyone can be good at everything

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