

MINT, Delhi

Tuesday 7th October 2014, Page: 10

Width: 19.52 cms, Height: 15.79 cms, a4r, Ref: pm.in.2014-10-07.56.42

EXPANDING FOOTPRINT

Mankind to focus on exports, healthcare OTC products

By LOHIT JAGWANI
lohit.j@liumint.com

NEW DELHI

Mankind Pharma Ltd, India's eighth largest pharmaceutical company by revenue, according to global healthcare information provider IMS Health, is planning to grow its nutraceuticals business, sell overseas and focus on health-related over-the-counter (OTC) products, chief executive and chairman R.C. Juneja said.

"We are working on drug development and new delivery systems in our research and development facility. To our pipeline of chronic cardiovascular diseases and diabetic management (drugs), we are adding nutraceuticals, which we will increase from ₹300 crore to ₹500 crore by the end of this year," he said.

Mankind, which was focused on formulations, recently set up an active pharmaceutical ingredients unit. Juneja said this would help affordable pricing while maintaining quality. He plans to raise the share of exports in the company's revenue

Mankind, which was focused on formulations, recently set up an active pharmaceutical ingredients unit

from the current 1% to 3%, or around ₹100 crore, in two years.

Till it started exporting to African markets last year, the ChrysCapital-backed Mankind has remained a purely domestic firm. "We have started selling drugs in countries like Tanzania, Kenya, Zambia, Uganda and Ethiopia. In other countries, we have started the process of getting our products registered. We will enter European markets in two years," Juneja said.

Indian pharmaceutical firms understand African markets, said Sagar Pawar, associate director, pharma life sciences,

PricewaterhouseCoopers Pvt. Ltd (PwC), a consulting firm. "Earlier, their focus was on East Africa, but now opportunities in south and French-speaking west and North Africa—like Algeria—are coming up. In these markets, chronic ailments like cardiac diseases, diabetes and respiratory problems are rising, which Indian companies could cater to," Pawar added.

Started by Juneja and his younger brother Rajeev Juneja senior director, marketing, at Mankind, with ₹50 lakh in 1995, Mankind clocked ₹2,900 crore in sales in 2013-14. It is targeting sales of ₹3,400 crore in 2014-15.

The firm started with affordable drugs sold in small towns and villages, later expanding its network across the country. In 2007, it launched its OTC brands and products centred around sexual health such as Manforce condoms, emergency contraceptive Unwanted 72 and pregnancy test kit Prega News, which bring 8% of overall revenue.

Mankind, which also makes other OTC products like Adic-

tion and Kustody deodorants, has now decided to focus on healthcare-related OTC products.

"We launched products which were not related to healthcare and that was a mistake, which we have corrected. Our focus now will be OTC products related to healthcare like Prega News, Manforce and Unwanted 72," Juneja said.

Consumption of so-called nutraceuticals is increasing as these are often combined with other drugs as co-therapy, PwC's Pawar said.

In April, Mankind sold its 75% stake in aerosol cans subsidiary Casablanca Industries Pvt. Ltd to US-based Exal Corp. and Indicans Holdings BV for ₹52 crore. Mankind had invested ₹29 crore in Casablanca in 2011. The balance 25% is held by Indian aerosol manufacturer Stella Industries Ltd.

"By 2015-16, we plan to launch 100 products and hire 1,000 people, which will make our total number (workforce) reach 10,000. We invest ₹200-300 crore each year to grow our business," Juneja said.

ChrysCapital invested \$24 million (around ₹150 crore today) in the company for a minority stake in 2007. The private equity player has made significant investments in pharmaceutical firms like Eris Lifesciences, Ipca Labs, Torrent Pharma and Intas Pharma.

Company