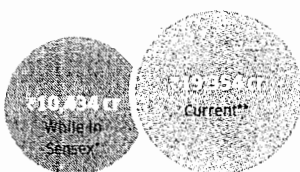


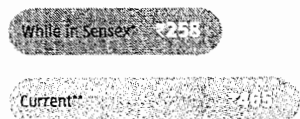
## Ranbaxy Laboratories

Knocked off the Sensex in:  
**June 2009**

### MARKET CAP



### STOCK PRICE



2009, 2011

16/18

Daiichi Sankyo's takeover of Ranbaxy Laboratories for \$4.6 billion in 2009 is the biggest deal in the Indian pharma sector to date. But little did the market know at the time that Ranbaxy was heading towards a stormy battle with the US Food and Drug Administration over manufacturing practices at the company's factories in Ponta Sahib, Dewas and Ohm labs in New York. The facilities were the main suppliers to the company's largest market—the United States. As expected, Ranbaxy's stock was battered on the bourses. The stock that peaked at ₹598 in June 2008 was down 56% by June 2009, after which it was expelled from the Sensex.

Ranbaxy did not comment for the story. But since its termination, Ranbaxy's stock has performed well. The stock crossed ₹600, the highest in the company's history, in November 2009 (it is currently trading at around ₹453). And like Sun Pharma, Ran-

baxy has outdone the Sensex after leaving it, rising by three quarters since June 2009. The Sensex, in comparison, has risen around 22%.

Analysts say Ranbaxy is getting its act together. The Japanese are finally taking charge, say Ranbaxy officials. The company has seen some high-profile exits. Chief executive Atul Sobti quit last year followed by chief financial officer Omesh Sethi earlier this year. But analysts say management changes aren't enough.

"Ranbaxy has to resolve its USFDA issue, to get back in the game," says Kapadia. For the

company, 2011 will be critical. Ranbaxy owns the first licence to launch Pfizer's blockbuster anti-cholesterol drug Lipitor, which has the potential to generate revenues of nearly \$10 billion. If Lipitor succeeds for Ranbaxy, according to analysts, the stock is likely to become a long-term performer.

Like Sun Pharma, Ranbaxy Labs has outdone the Sensex after leaving it

Industry