

# Ranbaxy Laboratories betting big on R&D

Ranbaxy is a company that has never needed a prologue in the Indian pharma space. Having one of the most diversified revenue streams in the industry, Ranbaxy has always been at the forefront in delivering the India centric advantages to over 125 countries across the globe. It's the company's unrelenting focus on human capital that it can today boast of a strong global workforce comprising over 10,500 people representing more than 51 nationalities. In an interview with B&E, Ramesh Adige, Executive Director, Global Corporate Affairs & Communications, Ranbaxy, talks about the company's strategies to take advantage of the emerging opportunities in the global pharma space.

**Q: Can you elaborate on the major challenges characterising the Indian pharma industry? How do you plan to deal with these challenges?**

**Adige:** The new patent regime in India presents a challenge for the industry. Heightened competition will be evident as the re-emergence of large pharma MNCs will take place. Companies will have to focus on R&D as growth momentum through generics alone will not be sustainable in the long run due to thin margins. Ranbaxy, however,

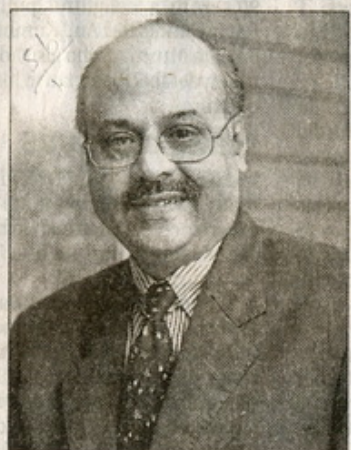
is well positioned to meet these challenges. Ranbaxy's mission to become a research-based international pharma company was well crafted a number of years ago on the belief that there would be a patent era in India. With a rich generics product pipeline, innovation capabilities, strong R&D, a global marketing set-up and a strong distribution network, Ranbaxy is geared to take advantage of the opportunities emerging in the global pharma space.

**Q: As pharma sector is witnessing a consolidation phase, globally, where do you see Ranbaxy in this scenario? How do you plan to leverage from these acquisitions?**

**Adige:** We anticipate strong organic growth to continue from our existing operations. In addition, our plan is to supplement this growth through acquisitions. Ranbaxy continues to evaluate various opportunities in the M&A space in the US, Europe, India and other emerging markets. We will however acquire companies only if they are a strategic fit, make economic sense, add value to our business and enhance shareholders value. Ranbaxy is presently ranked among the top 10 generic players in the world. With a combination of organic

and inorganic growth activities, we see Ranbaxy strengthening its

## B&E Hot Seat



Ramesh Adige, Executive Director (Global Corporate Affairs & Communications), Ranbaxy

presence around the world. By the year 2012, Ranbaxy aspires to achieve a turnover of \$5 billion and be amongst the top five global generic companies.

**Q: Where do you think the opportunity lies for Indian pharma in coming years?**

**Adige:** The Indian pharma industry has now taken center stage and is emerging strongly in

the global arena. The industry is now acknowledged the world over as a producer of high quality, cost-effective medicines. The industry can pitchfork itself as a global hub for the manufacture of Bulk Drugs, Dosage Forms, CRO's, CRAMS, R&D and the entire slew of upstream and downstream activities in the pharma business. The outlook for the global generic pharma industry is positive. It is expected that the years 2007-2010 will see a strong global generics market opportunity unfold with an estimated \$60-70 billion worth of branded products expected to go off patent. This provides significant opportunities to global generics companies like Ranbaxy, to offer world class generic drugs at comparatively lower price.

**Q: Till today there are very few India-researched drugs in the market? What according to you are the reasons for such a sluggish growth in this area?**

**Adige:** R&D is a high risk and complex area requiring sustained investments. It makes enormous demands on time and resources but remains unpredictable in its outcome. Discovering a new molecule is like finding a needle in a hay stack. Companies like Ranbaxy have a

strong R&D orientation. We have a heightened focus on Generics development, Novel Drug Delivery Systems and New Chemical Entities (Drug Discovery). Our innovation capabilities have led to the delivery of a robust product pipeline. We attract the best scientific talent. At Ranbaxy, there is also a clear focus on maximising the value from the R&D spend and increasing the efficiency and speed of discovery and commercialisation.

**Q: If you are asked about one significant requirement in the pharmaceutical industry that you want the government to address, what would it be?**

**Adige:** We would urge the government to fast-track the amendments to the Drugs & Cosmetics Act, that will place stricter deterrents to control the menace of counterfeit drugs, enable the establishment of a central autonomous body - Central Drug Authority of India to regulate all aspects of the Indian pharma industry and allow in-country Phase-I clinical trials to take place for compounds discovered outside India in-case an Indian company is in strategic partnership for discovery and development process with a foreign company. Equally important will be the early establishment of a Food Safety & Standards Authority