

# Ranbaxy provisions for settlement with US



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Ranbaxy Laboratories, undergoing an import ban imposed by America's drug regulator on the company's four Indian factories, has made a one-time provision in its April-June financial earnings for a settlement with the US government.

The Gurgaon-headquartered drug maker, set to be acquired by another leading domestic company, Sun Pharmaceutical Industries, reported a consolidated net loss of ₹186 crore for the quarter ended June. It had posted a net loss of ₹524 crore during the corresponding period of the previous financial year.

The earnings were impacted by the provision made for a settlement with US government authorities pertaining to some litigation Ranbaxy was fighting, president and chief financial officer Indrajit Banerjee told investors in a post-earnings conference call on Tuesday. The management declined to divulge details of the provision or the settlement. "We have only made provisioning. We will be able to disclose details as and when the settlement is done," Banerjee said.

Ranbaxy paid a \$500 million fine in the US in May 2013 after it pleaded guilty to fraud and felony charges. Currently, supplies from Ranbaxy's three formulation manufacturing facilities in Paonta Sahib (Himachal Pradesh), Dewas (Madhya Pradesh) and Mohali (Punjab), and one active pharmaceutical ingredient (API) or raw material plant in Toansa (Punjab) are barred in the US, its most important revenue market.

In April, an administrative summons was also issued to the Toansa



## MEDICATION REQUIRED

**₹186 crore:** Consolidated net loss for the quarter ended June

**₹2,372.24 crore:** Ranbaxy's consolidated net sales in April-June against ₹2,584 crore in the period a year before

factory, triggered by a probe into alleged fraud and violation of manufacturing norms. Ranbaxy's consolidated net sales in April-June were ₹2,372 crore, as against ₹2,584 crore in the period a year before.

Sales from the North American market dipped 11 per cent over a year to ₹760 crore. Of this, the US market contributed ₹700 crore, mainly driven by sales from Absorica, with a market share of 20 per cent, the company stated.

The management said sales for the quarter were impacted mainly by voluntary suspension of API shipments from Dewas and Toansa. The company recently resumed supplies from both to select markets.

Company