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Torrent to buy Unichem domestic biz

03 November 2017 | News

This upcoming transaction is one of the significant consolidation moves in the domestic pharma industry after Sun Pharma's acquisition of Ranbaxy from Japan's Daiichi Sankyo for $3.2 billion in an all-stock deal in 2015.



Torrent Pharmaceuticals is all out to acquire the domestic formulations business of Unichem Laboratories in a deal estimated at about Rs 3,500 crore. A formal announcement on the slump sale of Unichem's division to Torrent is expected in the coming few days.

This deal would eventually Torrent strengthen its footprint in the domestic market, especially in the cardiac, neuro and gastro-intestinal segments where Unichem has a significant presence. Global giant Abbott and domestic rivals Lupin and Dr Reddy's had evaluated buying the Unichem business before Sudhir Mehta- spearheaded Torrent closed in.

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The seven-decade-old, Prakash Mody-led Unichem will retain its international formulations business, which had a Rs 509-crore turnover last year.

Unichem's biggest brand is cardiovascular drug Losar with Rs 200-crore sales followed by anti-infective Ampoxin with Rs 85 crore. Other significant brands are Telsar (Rs 60 crore), Unienzyme (Rs 60 crore) and Vizylac (Rs 40 crore). Unichem figures in the top-25 list of drug makers with a 0.87% share in the domestic market.

Torrent Pharma has an India business of around Rs 2,600 crore with 2.3% share. The Rs 5,800-crore company is growing at a strong double-digit.