

## Daily Economic News Summary: 22 December 2016

### 1. Sun Pharmacy to acquire Novartis's cancer drug Odomzo for \$175 mn

Source: Live Mint ([Link](#))

India's largest drug maker Sun Pharmaceutical Industries Ltd has inked a pact with Switzerland-based Novartis AG to acquire the latter's branded cancer drug Odomzo for an upfront payment of \$175 million. Under the agreement, Sun Pharmacy will get global marketing rights for the product and Novartis will receive certain additional milestone payments. Odomzo is a hedgehog pathway inhibitor indicated for the treatment of advanced basal cell carcinoma (BCC) that recurs following a surgery or a radiation therapy, or for patients who are not candidates for surgery or radiation therapy. Non-melanoma skin cancer is the most common form of skin cancer globally. BCC accounts for approximately 80% of non-melanoma skin cancers, accounting for over 2 million cases in the US alone. BCC consists of abnormal, uncontrolled growths or lesions that arise in the skin's basal cells, which line the outermost layer of the skin. The agreement for Odomzo has been signed between subsidiaries of both the companies and the deal will be completed after getting clearance from the US antitrust agency and some other closing conditions, Sun Pharmacy said in a stock exchange filing on Thursday.

### 2. PE firm Advent International buys stake in ASK Group for \$130 mn

Source: Live Mint ([Link](#))

US-based private equity firm Advent International said on Wednesday it has acquired a minority stake in financial services firm ASK Group but did not give details of the deal. Founders of ASK Group, an investment and wealth management company, will retain a controlling stake and continue to lead the business. While Advent International did not mention the quantum of stake and deal amount, an official involved in the transaction on conditions of anonymity said that Advent has acquired a 40% stake in ASK group for around \$130 million. The deal is the first investment made by the PE firm from its new \$13 billion global private equity fund GPE VIII. In March, Advent International—which had \$29 billion worth of assets under management at the end of 2015—completed raising \$13 billion for its latest fund. It would also be its third investment in India in the last two years after it acquired stakes in Crompton Greaves Consumer Electricals Ltd and QuEST Global Services. “This partnership will enable ASK Group to scale up its existing business, and explore new business opportunities domestically and

internationally,” Sunil Rohokale, managing director and chief executive of ASK Group said. The group was looking to build an international franchise for Indian investment opportunities focusing on institutional investors and family offices, Rohokale added.

### **3. Discount app BlueBook raises funds in seed round**

**Source: Live Mint ([Link](#))**

Bluebook, a discount and deals app, on Tuesday said it has raised \$500,000 in a seed round led by Indian Angel Network (IAN). Lets Venture, a start-ups investment and discovery platform, and independent investors from Singapore and the US also participated in the round. IAN member Avinash Vashishta, who served as the chairman and country managing director at Accenture, and independent investor Srinubabu Gedela, the founder of publishing house OMICS International, will join the board of BlueBook. “The capital raised will be deployed in consolidating the merchant and user base in Hyderabad, Bangalore and Gurgaon, apart from investing on the product and technology to offer deep customer analytics, loyalty solutions for merchants and unique payment solutions. We aim to be present in all major metros in the next few quarters,” said Bluebook co-founder Varun Kumar Akula in a statement. Founded by Akula, Alok Medikepura Anil and Reetika G. in 2013, Bluebook provides discounts and deals that can be used at merchants. The venture was started as a discount voucher book in 2013 and transitioned into a mobile app in November 2015.

### **4. BigBasket to expand private labels, products in next three months**

**Source: Live Mint ([Link](#))**

Online grocer Big Basket plans to expand its private label offerings to non-food categories and offer more items under its existing private brands over the next three months, a move that is likely to help the company widen its lead over rivals. Private labels are brands owned by retailers. They are typically more profitable than dealing in other brands. In the case of groceries, the margins could go as high as 30-40%, at least double those on other brands. Big Basket will start selling a private brand for wet wipes, disposable bags and buckets among other items. It will also sell new food products such as noodles and pasta under its private brand Tasties and honey, cereals and flavored tea under Royal, said co-founder and chief executive Hari Menon. Earlier this month, Big Basket launched Lindberg, a private brand for chocolates. Big Basket, run by Supermarket Grocery Supplies Pvt. Ltd, is the best funded home-grown online grocer with \$220 million in funds from investors including Abraaj Group, Bessemer Venture Partners, Sands Capital and International Finance Corp. It owns brands such as Fresho for vegetables, fruits, meat, and bakery products; Royal for staples, tea and cereals; Tasties for

snacks; Fresho Signature for cookies, dehydrated fruits and exotic bakery range such as croissants and paninis; and HappyChef for gourmet products such as marmalade, pasta sauces, salad dressings and ready-to-eat products.

## **5. M&A activity at a record high of \$69.75 billion**

**Source: Live Mint ([Link](#))**

Indian merger and acquisition (M&A) activity rose to \$69.75 billion across 1,195 announced transactions in 2016, a record level fuelled by a wave of consolidation and rising confidence in the country's economic growth prospects. M&A activity in 2016 beat the previous record of \$66.96 billion seen in 2007, according to data compiled by Thomson Reuters. Activity in 2016 was almost double that of 2015, when 1,306 M&A deals worth \$36.68 billion were recorded, the data showed. The year witnessed major transactions such as the \$12.9 billion sale of Essar Oil Ltd, a \$4.8 billion merger of Reliance Communications Ltd and Aircel Ltd, and a \$3.2 billion acquisition of Max Financial Services Ltd's life insurance business by HDFC Standard Life Insurance. The increased M&A activity was driven by structural reforms that the government has announced in the past couple of years, according to industry experts. "The series of structural reforms undertaken by the government over the past 24 months has helped create an environment of greater confidence on long-term sustainable growth. This has paved the way for investors to take long-term investment decisions leading to a sharp pick-up in M&A activity," said Ashok Wadhwa, group chief executive officer at Ambit Pvt. Ltd.

By Shreya Chopra

