

Daily Economic News Summary: 29 December 2016

1. Cadila Healthcare arm acquires six brands from MSD Pharma

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

Cadila Healthcare on Wednesday said its subsidiary Zydus Healthcare Ltd has bought six brands from MSD Pharmaceuticals India Pvt. Ltd, the local arm of US-based Merck & Co. Inc., for distribution in the Indian market. The value of acquisition was not disclosed. The brands—Deca-Durabolin, Durabolin, Sustanon, Multiload, Sicastat and Axeten—belong to therapeutic areas of men’s health, women’s health, wound management and cardiovascular diseases and had combined sales of Rs84 crore in 2015, Cadila Healthcare said in a stock exchange filing. MSD Pharma has transferred distribution and commercialization rights and assigned trademarks of all the six brands to Zydus Healthcare for the India market, the statement said. The company has also got distribution rights of Deca-Durabolin and Durabolin for Nepal. “We have a longstanding association with MSD in India. The brands with their strong equity are a perfect addition and complement our core business and brands. We look at this as a great opportunity to strengthen our core offerings to create value and growth,” Sharvil Patel, chairman of Zydus Healthcare was quoted as saying in the stock exchange filing.

2. HealthifyMe raises \$1 million from Dubai-based NB Ventures

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

Mobile health and fitness start-up HealthifyMe, run by Caeruz Ventures Pvt. Ltd, said on Wednesday that it has received \$1 million in funding from Dubai-based venture capital fund, NB Ventures. This is an additional investment to the \$6 million in Series A funding that the company raised in May from IDG Ventures India, Inventus Capital and Blume Ventures. The company will use the fresh round of funds for expanding its team and on product development. Founded in 2012 by Tushar Vashisht, Sachin Shenoy and Mathew Cherian, HealthifyMe is a fitness mobile application that uses technology and human services to target weight-loss and claims that its programmes are effective in the prevention of lifestyle diseases such as diabetes and hypertension. The company monetizes its business by offering weight-loss programs—in which users can connect with over 150 nutritionists and fitness coaches for online consultations. The company claims to have registered one million downloads on Google Play Store as of Tuesday. HealthifyMe aims to have 10 million downloads in the next 18 months, said Vashisht.

3. Government launches IVRS platform to tackle call drops

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

In a bid to tackle the call drop menace, government has launched an Integrated Voice Response System (IVRS) system at multiple locations including Delhi and Mumbai to obtain direct feedback from subscribers on call quality. The feedback will be shared with operators so they can take corrective steps in the problem areas and address the issue of call drops. The IVRS system will be extended to the entire country shortly, an official release said. “In order to obtain direct feedback from subscribers and use that feedback to solve the problem of call drops, Department of telecommunications (DoT) launched an IVRS system in Delhi, Mumbai, Punjab, Uttar Pradesh, Uttarakhand, Maharashtra and Goa on 23 December 2016,” the release said. Subscribers will receive an IVRS call from the short code 1955 and will be asked a questions such as whether they are facing or not (facing) call drops in their area. “They can also send a toll-free SMS to the same short code 1955, containing the location of city/town/village, where they might be facing the problem of frequent call drops,” it added. Commenting on the initiative, communications minister Manoj Sinha said, “the platform is a channel to capture direct feedback from the consumers and this voice of the customer can be used to improve services that are being offered to them.” Initially, the platform will be utilised for call drops and subsequently it will be extended to capture consumer feedback in other areas as well.

4. RIL starts first phase of para-xylene plant at Jamnagar

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

Reliance Industries Ltd (RIL) Thursday said it has commissioned the first phase of its para-xylene (PX) plant at Jamnagar in Gujarat. The 2.2 million metric tonnes per annum plant is built with technology from BP, its partner in the D6 block of the Krishna Godavari basin on the east coast. “Commissioning of the new PX plant marks beginning of the culmination of a series of projects including the refinery off-gas cracker, ethane import project and petcoke gasification. These projects are part of the largest contemporary investment, in excess of Rs. 100,000 crore, in refining and petrochemicals sector anywhere in the world,” said Mukesh Ambani, chairman and managing director, RIL. The new PX capacity takes RIL a step closer to being among the top 10 petrochemical players globally, added Ambani. The new PX capacity will add value to the output from refineries and is expected to improve the profitability of the Jamnagar complex. PX is the building block for the entire polyester chain. The new capacity will

complete the integration within Reliance's polyester value chain, leading to improved margins and also strengthen its position in polyester industry globally.

5. Specialty drugs to remain focus of pharmacy deals in 2017

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

A few years ago, Indian companies made acquisitions to expand manufacturing capabilities and increase their portfolio of generic drugs, which are copycat versions of branded medicines. However, in the past couple of years, the emphasis has shifted to buying companies, assets or products in the specialty, complex generics or branded space as these acquisitions have the potential for much higher returns. "Big Indian pharmacy companies are giving more and more focus on developed markets and specialty portfolios. That trend is going to continue next year as they look to strengthen their business. The US will remain the key market for such acquisitions," said Amit Mookim, general manager, South Asia, QuintilesIMS, a healthcare research and services company. Leading Indian drug makers are trying to build a pipeline of differentiated high-value and high-margin products in the specialty and complex generics space by increasing investments in research and development and through acquisitions, as the growth rate in the bread-and-butter generic drugs business is slowing due to pricing pressure in the US, the biggest market for most companies.

By Shreya Chopra

