

# KKR-backed JB Chemicals scouts for acquisitions, plans to revamp business

BS [business-standard.com/article/companies/kkr-backed-jb-chemicals-scouts-for-acquisitions-plans-to-revamp-business-121020701000\\_1.html](https://business-standard.com/article/companies/kkr-backed-jb-chemicals-scouts-for-acquisitions-plans-to-revamp-business-121020701000_1.html)

February 8, 2021

## With the former Cipla head at the helm, JB Chemicals now plans to diversify into paediatrics and respiratory

Sohini Das | New Delhi Last Updated at February 8, 2021 06:10 IST



JB Chemicals now wants to focus on cardio-metabolic disorders, a chronic portfolio, which has shown resilience even during the pandemic

KKR-backed JB Chemicals, the owner of marquee brands such as Rantac and Metrogyl, is scouting for acquisitions — of a portfolio of brands, or a company altogether.



After the Mody family sold the company to private equity player KKR last year, the new management is trying to revamp the business. With the former Cipla head at the helm, JB Chemicals now plans to diversify into paediatrics and respiratory.

Speaking to *Business Standard*, Nikhil Chopra, CEO and whole-time director of JB Chemicals, said: “We are looking for acquisitions — of a portfolio of brands or a small firm — that would fit in with our plans. We plan to scale up our research and development and product development work, to get into a more progressive portfolio.”

Besides, the company will continue to focus on its contract manufacturing work and the lozenges making facility it has in South Gujarat.

He added that it was a work-in-progress, and was leveraging KKR’s strengths in finding the right fit. “I do not want to put a number to it. It can a \$100-200-million brand portfolio, but all depends on what it brings on the table,” said Chopra.

Chopra said that they are trying to reduce dependence on the legacy portfolio they have. “These brands continue to grow in market share. We will try to see what best we can extract from these legacy brands and what life-cycle management we can do for brands like Metrogyl, Rantac etc,” Chopra added.

JB Chemicals now wants to focus on cardio-metabolic disorders, a chronic portfolio, which has shown resilience even during the pandemic. It already has presence in cardiac therapy segment through a brand called Nicardia. In the last few months, JB Chemicals has launched a couple of brands in the cardio-metabolic or cardio-diabetic segment. The firm has launched two diabetic products already — vildagliptin and a combination product of that.



**PLAN OF ACTION**

- Looking to acquire brands or a company to expand presence
- Seeks to reduce dependency on its legacy brands; entry into paediatrics and respiratory segments tops agenda
- Company had launched a diabetes drug last year
- Eyeing expansion into the cardio-metabolic segment

At present, the chronic portfolio contributes 50 percent to its revenues, and the rest comes from acute therapy products. Chopra admitted that the pandemic has forced them to rethink how they operate, and how to make the best of the resources we have.

Besides, JB Chemicals is planning to get into a new division — paediatrics and respiratory. “The plan was to get into a paediatrics division in 2020. However, it got delayed. We want to have the entire range of products in paediatrics including cough

syrops, etc,” Chopra said. In respiratory it would be mostly be oral solid products.

JB Chemicals performed better than the overall domestic market in 2020, growing 14.3 per cent during the year. In FY20, the firm had posted turnover of Rs 1,640 crore. The firm’s key product groups — Cilacar with Rs 249.02 crore, Rantac with sales of Rs 175 crore, Nicardia with sales of Rs 69.8 crore, and Metrogyl with sales of Rs 115 crore — continued to grow in FY20.

About 50 per cent revenues come from India and the rest from US, Russia and others, and contract manufacturing and bulk drugs businesses. Last July, KKR picked up a controlling stake in JB Chemicals in a deal size estimated to be around Rs 3,750 crore.

**[Read our full coverage on KKR](#)**

First Published: Mon, February 08 2021. 06:10 IST