



Indoco Remedies Divests Ophthalmic Division for ₹110 Crore to Sunways India

Indoco Remedies is selling its ophthalmic division to Sunways (India) for ₹110 crore to unlock capital and streamline its core pharmaceutical operations.

Sahi Markets

Published: 30 Apr 2026, 06:55 PM IST (4 days ago)

Last Updated: 30 Apr 2026, 06:55 PM IST (4 days ago)

2 min read | Reviewed by Arpit Seth

Market snapshot: Indoco Remedies (INDOCO) has finalized a slump sale agreement to divest its ophthalmic business segment to Sunways (India) Private Limited. The transaction, valued at ₹110 crore, marks a strategic move to optimize the company's portfolio and focus on higher-growth domestic and international formulations.

Summary: Indoco Remedies is selling its ophthalmic division to Sunways (India) for ₹110 crore to unlock capital and streamline its core pharmaceutical operations.

Data Snapshot

- Sale Consideration: ₹110 Crore
- Asset Type: Slump Sale of Ophthalmic Division
- Buyer: Sunways (India) Pvt Ltd
- Market Cap: ~₹3,200 Crore (INDOCO)

What's Changed

- Shift from integrated ophthalmology play to a leaner core formulations model.
- Inflow of ₹110 crore in liquidity for potential debt reduction or R&D reinvestment.
- Divestment of a specific therapeutic niche to a specialist player (Sunways).

Key Takeaways

- The ₹110 crore cash infusion will significantly strengthen Indoco's balance sheet.
- Sunways (India), a specialist in eye care, gains market share through this acquisition.
- Market reaction expected to be positive due to asset monetization and valuation benchmarks.

SAHI Perspective

The divestment at ₹110 crore suggests a strategic realignment. By exiting the ophthalmic segment, Indoco can deploy capital into its USFDA-compliant facilities and complex generics pipeline, which offer higher margin potential compared to the domestic ophthalmic retail business.

Market Implications

The deal provides a valuation benchmark for mid-sized therapeutic divisions in the Indian pharma space. Capital allocation is likely to shift toward Indoco's Goa and Baddi manufacturing expansions. Sector-wide, it reinforces the trend of consolidation where diversified firms divest niche units to specialist manufacturers.

Trading Signals

Market Bias: Bullish

Asset monetization of ₹110 crore provides immediate liquidity and valuation support for the stock, currently trading at moderate P/E levels compared to peers.

Overweight: Pharma, Specialty Chemicals

Underweight: Retail Healthcare

Trigger Factors:

- Completion of the slump sale within the stated timeline
- Utilization of proceeds for debt repayment
- Quarterly margin improvement post-divestment
- Time Horizon: Medium-term (3-12 months)

Industry Context

The Indian pharmaceutical market is witnessing a wave of 'portfolio pruning' where companies divest slow-growing or non-core domestic divisions to fund international growth or reduce leverage. Ophthalmology remains a high-entry-barrier niche, making it attractive for specialists like Sunways.

Key Risks to Watch

- Loss of revenue contribution from the ophthalmic division impacting immediate topline.
- Regulatory hurdles or delays in the transfer of marketing authorizations.
- Execution risk in redeploying the ₹110 crore for higher-margin projects.

Recent Developments

In February 2026, Indoco Remedies received USFDA approval for its Lacosamide Injection, targeting the epilepsy market. Earlier in Q4 FY25, the company reported a steady 8% growth in domestic formulations, though margins remained under pressure due to raw material costs.

Closing Insight

Indoco's decision to monetize its ophthalmic business at a ₹110 crore valuation is a disciplined move to prioritize operational efficiency over diversification, likely benefiting long-term shareholder value.