



CURRENT PHARMA SCENARIO 2019

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GENERAL INTRODUCTION

The Indian pharmaceutical industry has been growing at compounded annual growth rate (CAGR) of more than 15% over the last five years^[3]. Globally Indian Pharmaceutical sector Industry supplies over 50%^[1] global demand for various vaccine, 40%^[1] of generic demand in the US and 25% of all medicine in UK. India enjoys an important position in the global pharmaceutical sector. The country also has a large pool of scientists and engineers who have potential to steer the industry ahead to even higher level. Presently over 80%^[4] of the antiretroviral drugs, used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian Pharmaceutical Firms. The world's largest industry is current pharmaceutical industry. It is due to worldwide revenues of approximately US\$2.8^[1] trillions. The major changes has seen in Pharmaceutical industry in recent years, that placed now demand on payers, provides and manufactures customers now demand the same choice and convenience from pharmaceutical industry that they find the other segment. Indian Pharmaceutical Industry is poised for high consistent growth over the next few years. Current top Indian companies like Ranbaxy, DRL, CIPLA, and DABUR have already established their presence. The pharmaceutical industries are heavily dependent on research and development for new product and growth. However basic research (Discovering new molecules) is a time consuming and expensive process and is thus dominated by large global multinational. The pharmaceutical industry came into existence in 1901, The first Pharmaceutical company was "Bengal chemical and pharmaceutical Works Ltd. is public sector undertaking, established in Kolkata, west Bengal, by "Prafulla Chandra Ray".^[2] In the next few decades, the pharmaceutical industry moving through several phases, largely in accordance with government policies, is commencing with repackaging and preparation of formulation from important bulk drugs. According to study of India's pharmaceutical exports, it stood at US\$17.27^[1] billions in 2017-18, in 2018-19 this export are expected to cross US\$19^[1] billion. Some of recent development/ investment in the Indian pharmaceutical sector are as follows: 1. In August 2018, the market grew by 8.7% year on year with sells of Rs 11,342 corer. 2. During April- June 2018 pharmaceutical sector in India witnessed private equity and venture capital investment of US\$396 million.

Current Pharma Market

The Indian pharmaceutical market is remains dominated by low priced domestically produced generics and it's highly competitive. In value terms India accounts for less than 2%^[1] of the world market and per capita expenditure on pharmaceuticals is relatively low. India has an established domestic pharmaceutical industry, responsible for around 8% of world pharmaceutical production. The industries are export oriented and the larger domestic companies are competition in the global

market for both generic and original product. The highly skilled domestic workforce offers good opportunity for outsourcing both research and production.

Top Indian Pharmaceutical companies and market value

The top 10 pharmaceutical companies in India are sorted by an average of their market capitalisation, revenues and the net profit of the 2017-18 and total assets. The listing is updated for 2018.

Sr. No.	Name of companies	Market Capitalisation-	Revenue	Net Profit	Total assets	CEO
1	SunPharma-	1,38,489.02 crores	7,947.60 crores	494.59 crores	26,548.60 crores	Dilip Shanghavi
2	Cipla	49,204.93 crores	11,444.81 crores	1,468.52 crores	14,287.95 crores	Umang Vohra
3	Aurobindo Pharma-	45,401.98 crores	10,303.15 crores	1,812.77 crores	13,636.41 crores	N. Govindarajan
4	Lupin-	38,609.53 crores	10,088.18 crores	1,344.66 crores	15,797.25 crores	Vinita D. Gupta
5	Dr.Reddys Labs	40,100.07 crores	9,359.30 crores	566.90 crores	14,396.60 crores	G.V. Prasad

Due to development and recent research in medical science, the ranking is changed in 2019. The top 10 best pharmaceutical companies in India in 2019 are as follows,^[5]

Sr. No.	Name of Company
1	Sun Pharmaceutical industries limited
2	Lupinlimite
3	Dr.Reddy's Lab
4	Cipla
5	Aurobindo Pharma
6	Cadila Healthcare
7	Glaxo smithkline
8	Glenmark Pharmaceuticals
9	Divi's laboratories
10	Torrent Pharmaceuticals

Generic market of India

India is the largest provider of generic of drugs globally. Generic drugs are bioequivalent versions of originator medicines. These drugs are cheaper and offer similar health benefits as those of branded counterparts. In India these drugs account for nearly 75%^[1] of pharma market. The government plans to allocate 70 million Dollars^[1] to local actors for the development of bio similarities. Furthermore the domestic market is expected to reach \$27.9 billion in 2020 and \$ billion in 2030.^[1] In the expiry of patent period, other companies launch generic of the innovator drug with just the pharmaceutical name at a hugely discounted price. So the only difference between a brand name drug and its generic version is the price. The Novel Drug Delivery System (NDDS) drugs are available in all category of drugs from ordinary mouth dissolving pink killer for quick result to complex diabetes drug that are released into the blood in a steady stream to ensure better blood sugar control with lesser chances of hyperglycemias, one of the dangerous complications of taking diabetes medicine. The government has launched 'Jan Aushadhi Scheme' to make available quality generic medicine at affordable prices to all especially the poor throughout the country through outlets known as Jan Aushadhi Stores (JAS) Under the Jan Aushadhi Scheme. The state government are required to provide space in government hospital premises or any other suitable locations for the running of the Jan Aushadhi Stores (JAS) Bureau of pharmaceutical PSUS of India (BPPI) is to provide one time assistance of Rs 2.50 lakhs as furnishing and establishment cost, start up cost for setting up a Jan Aushadhi Outlet. Any NGO/charitable society / institution self help group with experience of min 3 years to successful operation in welfare activities, can also open the Jan Aushadhi Store outside the hospital premises. A margin of 16%^[1] on the sale price is built in the MRP of each drug In addition, the JAS are eligible for incentive to sale of medicine @ 10%^[1] of monthly Rs 10,000 pm for a period of first 12 months. In case of stores opened in North Eastern state & other difficult areas / tribal areas etc. The rate of incentive is 15%(1) of monthly sale amount , subject to a selling of Rs,15,000[1 per month. At present more than 175 Jan Aushadhi Stores

have been opened across various state/UTS. JAS are opened on the location as requested by the entity intending to open.

Future Prospect

Pharmaceutical press in India report that local companies experienced growth of 7.1%^[6] in February, and multinational firms in the region grew at a rate of 9.2%^[6]. The report from pharmaceutical market research firm AIOCD AWACS breaks down growth by therapy area, identifying 17 areas^[6] with positive growth during the month, highest amongst which was the respiratory market with growth of 21%^[6]. Others strong performers include the gastroenterology market, which went up by 7.3%^[6] and the market for anti-diabetics, which moved by 9.1%^[6]. Looking at companies, Indian pharmaceutical major Lupin (BSE: 500257) reportedly had the highest growth at 15%^[6], followed by USA- based branded generics specialist. Judging by the total level of R&D investment, there are signs that the R&D intensity of the Indian Pharmaceutical Industry is growing. The presence of low cost production facilities and a large science base in India will help drive this trend over time. Although innovative R&D remains a long term ambition, in the near term, there is likely to be enhanced generic activity from Indian companies. This is because a number of high profile drugs have come off patent and this has opened up an opportunity for various Indian companies to develop generic versions for sale in the US and European markets. For examples, the share of Dr. Reddy's total revenue generated by exports rose from 36% during 1998 to 46% by 2001.^[4] The trend for Eurobond was more dramatic with export share increasing from 32% during 1998 to 55% by 2001.^[4] The work in the generic fields has positive implication for Indian Companies as they will gain further experience of operating in foreign market and in dealing with the regulatory agencies in these countries. Although generic will represent the majority of work over the next few year, innovative R&D is not simply an ambition. Several major Indian companies do have emerging new drug pipelines and new delivery technology, which are likely to be financed through the profits gained from the sale of generic products.

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