

Pharmaceutical companies in india business essay

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Indias emerging pharmaceutical industry has appeared as the universe leader in the fiction of standard generic drugs, of all time since the Patent Act 1970 permitted India to earnestly near and contributes in the pharmaceutical market worldwide. India is the preferable state for pharmaceutical coevals, with low charges for research and development every bit good as production of drugs. And the pharmaceutical companies in India have made full usage of the favourable environment offered by the state to do it large.

The work force and technological proficiency of pharmaceutical companies in India ensures the growing of the industry on a planetary graduated table every bit good as within India. The sector is predicted to value about \$ 3. 1 billion (USD) .

Growth of Indian Pharmaceutical marketIn the twelvemonth 2008, Indian pharmaceutical market was assessed at \$ 7, 743m which witnessed an augmentation of 4. 0 % over 2007. Business perceivers predict that the Indian pharmaceutical market will intensify at an increasing manner as compared to the planetary pharmaceutical market, at a CAGR of 13. 2 % during the financial old ages 2009-14 to make an overall worth of \$ 15, 490m in 2014.

India has besides appeared as the preferable location for the pharmaceutical companies of the universe because of its looming growing scenario furnished by aged population, change in disease profile, developing patent system and socio-economic fortunes. The competition in the Indian pharmaceutical market is fierce and the market is divided among the top 10 drug company

companies accounting for 36.1 % of the overall R & A ; H gross revenues in the financial twelvemonth 2008. India began to stay by the World Trade Organization ' s Trade Related Aspects of Intellectual Property Rights (WTO-TRIPS) understanding and acknowledged merchandise rights after the alteration of the Indian Patent Act in January 2005. Indian houses are putting out schemes to profit from the Nipponese authorities proposal to back generic drugs to minimise health care charges

Top 10 pharmaceutical companies in India (along with their 2007 turnover) : Ranbaxy Labs

By gross revenues India ' s largest drug company house with the returns touching Rs 4, 198. 96 crore (Rs 41.

989 billion) in 2007

Dr. Reddy ' s Labs

With a turnover of Rs 4, 162. 25 crore (Rs 41. 622 billion) in 2007, Dr Reddy ' s lab is 2nd largest drug house in India by gross revenues. Cipla

Cipla generated an one-year gross of Rs 3, 763.

72 crore (Rs 37. 637 billion) in 2007 doing itself the 3rd largest pharmaceutical houses. Sun Pharmaceuticals

Sun Pharma Industries had an overall net incomes of Rs 2, 463. 59 crore (Rs 24.

635 billion) in 2007. Lupin Labs:

Lupin Labs yielded entire net income of Rs 2, 215. 52 crore (Rs 22. 155 billion) in 2007.

Aurobindo Pharma

India ' s 6th largest drug company company by gross revenues, Aurobindo posted Rs 2, 080. 19 crore (Rs 20. 801 billion) one-year returns in 2007. GlaxoSmithKline

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With 2007 turnover touching Rs 1,

773.41 crore (Rs 17.734 billion, GSK is India ' s 7th largest pharma house. Cadila Healthcare Cadila ' s net incomes was Rs 1,613.

00 crore (Rs 16.13 billion) in the financial twelvemonth 2007, set uping itself as India ' s eight largest drug company. Aventis Pharma With an one-year gross of Rs 983.80 crore (Rs 9.838 billion) in 2007, Aventis Pharma has made a topographic point for itself in the top 10 drug company companies in India Ipca Labs Ipca is India ' s tenth largest drug company company by gross revenues and in 2007 it had a turnover of Rs 980.

44 crore (Rs 9.804 billion) Major issues refering the pharmaceutical companies in India Failure of the new patent system: Prerequisites associated with Sec 3 (vitamin D) of the Patent (Amendment) Act 2005 restrict the right of first publication of an bing drug. Furthermore, compulsory licensing licenses Indian companies to maintain bring forthng generics of right of first publication merchandises for abroad merchandising to developing states. Lack of proper substructure: Issues associated with regular power cuts and deficiency of suited conveyance substructure will slow the enlargement of the sector.

Inadequate finacess: Restricted support from FIs, venture capitalists and the authorities may slow the enlargement of biotechnology sector in India.

Regulative hindrances: Rise of due meticulousity and conformance with merchandise criterions leads to high costs and break in the launch of new merchandises. Severe competition: Low borders and restricted capital to help R & A ; D is the consequence of intense pricing competition among local manufacturers.

This competition will further intensify from the connection in of the large drug companies in the Indian market to command the cost benefit and big modesty beginnings.