

Drugs & Pharmaceuticals

The lack of clarity on the implementation of the value added tax regime, along with the nationwide indefinite strike called by truckers in April, became a source of worry to the pharmaceutical industry. According to Dilip Mehta, President of the All India Organisation of Chemists and Druggists, drug offtake was very low, particularly in March, as the industry was unsure of the implications of the VAT regime.

Pharma exports continue to fare extremely well, recording growth of 29.1 per cent during April–November 2002 compared to growth of 20.4 per cent in the same period of the previous year.

Shasun Chemicals & Drugs, Suven Pharmaceuticals and Innovasynth Technologies entered into a strategic partnership to provide a range of services to pharmaceutical companies. The US-based Austin Chemicals Inc. will be the logistics and marketing arm of this alliance. The alliance will offer a range of products and services in drug discovery and early stage development, discovery support services, development of new chemical entities for clinical studies. It would also conduct pre-clinical and clinical trials leading to the manufacture, supply and distribution of drugs. The alliance will focus on technology-based small pharmaceutical and biopharma firms in Europe and the US to help them accelerate their drug development efforts through cost effective services.

Morepen Laboratories entered into an agreement with the National Institute of Pharmaceutical Education and Research for a collaborative research programme on monoclonal antibodies and bio-pharmaceuticals. The programme would focus on research in the fields of medicinal chemistry, lead identification, lead validation and lead optimisation, besides research & development in the areas of new chemical entities.

Early results of four companies for the March 2003 quarter reflect a decline in profits by each of them. The two significant companies of these four, Abbott India and Merck India, reported a PAT decline of 26.9 per cent and 22.9 per cent respectively. Their profit margins were also lower than in the March 2002 quarter. The performance of these companies is no indication of the performance of the industry as a whole.

The industry fared quite well in the December 2002 quarter when aggregate PAT growth was over 50 per cent. Sales growth at 8.4 per cent was however lower than the 13–15 per cent growth of the preceding four quarters.

Pharma Exports: Apr–Nov

Value	Rs.crore	% change
2001–02	3310.75	20.43
2002–03	4275.72	29.15