



OTC Drug Market - India

September 2011

Executive Summary

Market

- India currently ranks eleventh in the global Over-the-counter (OTC) drug market
- OTC drug market in India is valued at INR X bn in 20--
- The market is expected to grow at a CAGR of y% from 20-----

Drivers and Challenges

Drivers:

- Rising consumer confidence in OTC products
- Increasing number of shifts from prescription to OTC drugs
- Increasing focus on brand building
- Booming retail growth
- Changing demographics
- Lower price control

Challenges:

- Low penetration in rural areas
- Preference of home remedies
- Competitive market
- Time consuming clinical trial procedures

Competition

- Highly fragmented market with large number of players
- Major foreign players in the market include Company 1, Company 2, Company 3
- Major domestic companies include Company 4, Company 5, Company 6

Strategic recommendations

- Increased penetration into the rural market
- Alternative distribution channels
- Brand Creation
- Expansion into several OTC segments

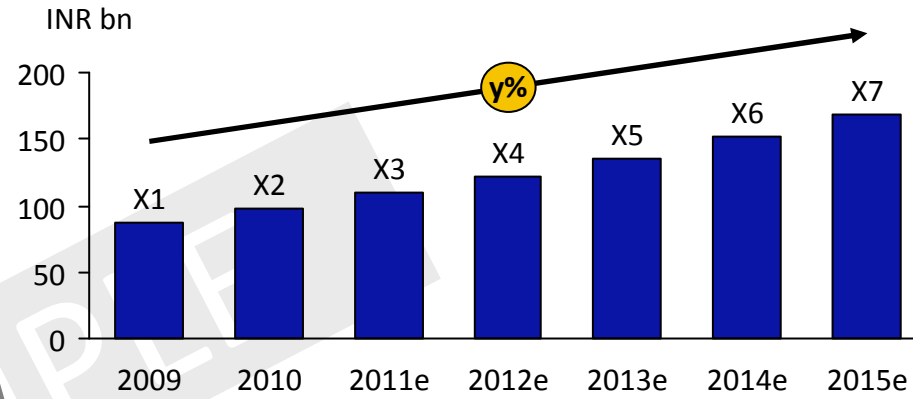


Increasing amount of consumer confidence in OTC products is driving the Indian market

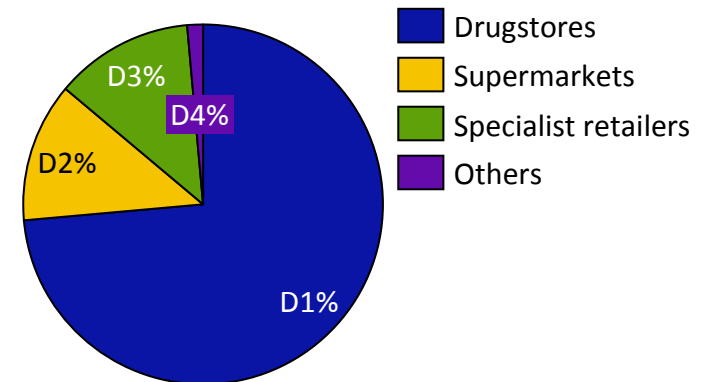
Indian Market – Overview

- Over-the-counter drug market in India has a huge potential
- Indian OTC market had a size of INR X bn in 20-- and is expected to grow at a CAGR of y% from 20-- to 20--
- India currently ranks eleventh in the global OTC market and it is estimated that it will reach ninth position within next five years
- Sales channels for OTC drugs are extensive, as they do not require a drug license and can be sold by non chemists as well
- Vitamins and minerals segments are the most popular segments, with a share of around Y%

Market Size and Growth



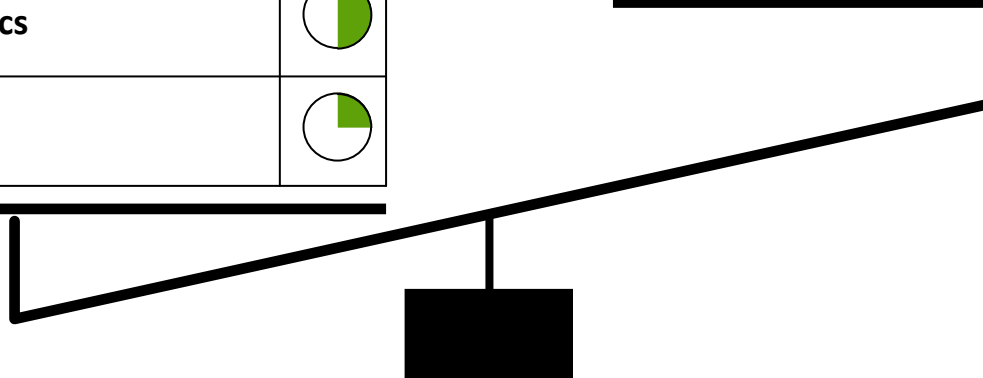
OTC Drug Distribution – 20--



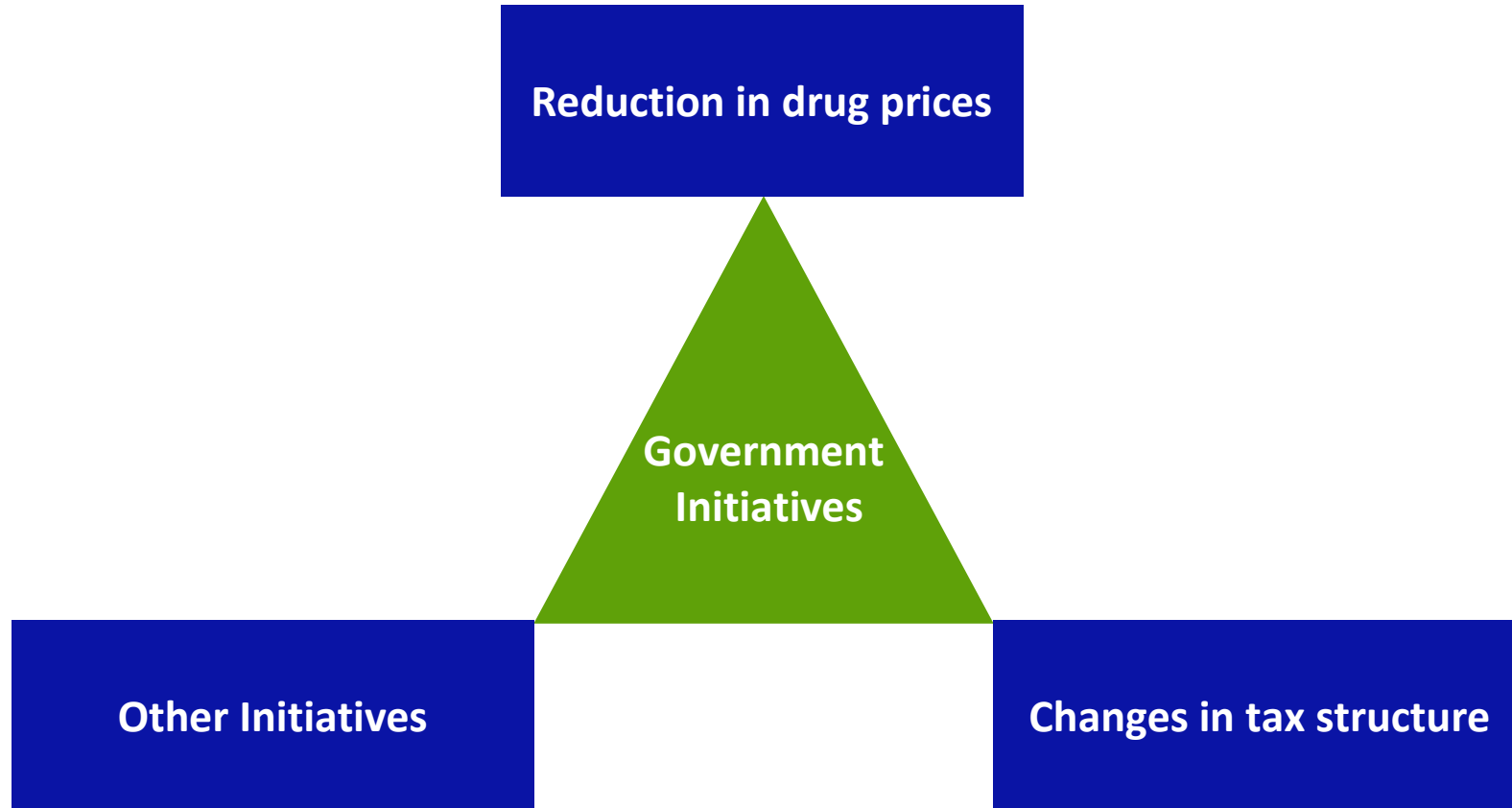
Drivers & Challenges – Summary

Drivers	
Rising consumer confidence in OTC products	●
Increasing number of shifts from prescription to OTC drugs	◐
Booming retail growth	◐
Increasing focus on brand building	◐
Changing demographics	◐
Low price control	◐

Challenges	
Low penetration in rural areas	◐
Preference of home remedies	◐
Competitive market	◐
Time consuming clinical trial procedures	◐



Government Initiatives – Summary



Other Initiatives

Reduction in drug prices

**Government
Initiatives**

Changes in tax structure



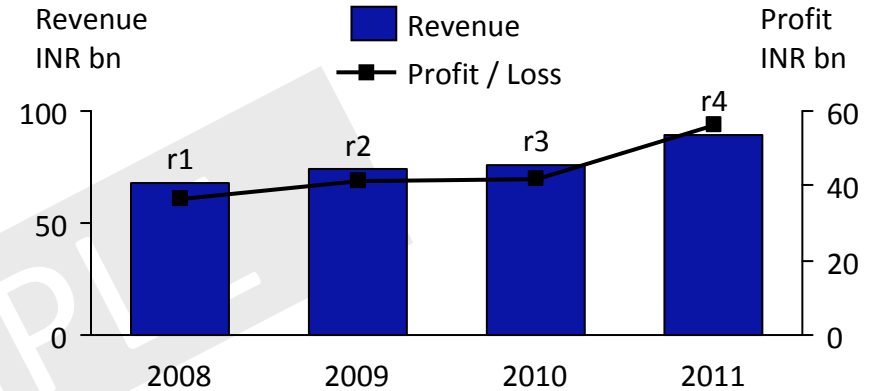
Major domestic players in the market (1/6)

Company Snapshot: Company 1

Corporate Information

Headquarters	City 1, State 1
Founded	19--
Products	Product 1, Product 2
Key People	Person X

Financial Performance



Business Highlights

- Employing around n people, Company 1 is India's largest pharmaceutical company, having manufacturing facilities in x countries and serving customers in over y countries
- In 20--, the company entered the OTC business through a separate business division with four products, Product 1, Product 2, Product 3, Product 4, all of which were prescription turned OTC products
- Presently, the division has m products in its basket, including Product 5, product 6 among others
- In 20--, Product 6 was the sixth largest product in the Indian pharmaceuticals market
- On Aug 20--, the company launched Product 7, for chronic back and joint pains

Source:

