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Top 20: Expansion stimulates Growth

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top-20-logoHyderabad-based Indian Immunologicals (IIL) continues to hold its numero uno position in the animal healthcare vaccine business, and third overall in the animal health market. Today, it is among the top five players in the human health vaccine business segment in the country. The company's total biotech revenues from both animal and human healthcare stood at Rs 442 crore in 2013-14. IIL registered 25.73 percent growth over FY 2013. This is the best ever growth for the company in the last three years.

The company's flagship products include Raksha FMD vaccine, Abhayrab rabies vaccine, Abhay TAG (DPT vaccine), and Abhay TOX (TT vaccine). Two of the brands, namely, Raksha Ovac (FMD vaccine) and Abhayrab (human rabies vaccine), have fuelled the strong growth this year. Its formulations business in the animal health market grew well in the last fiscal year, backed-up by the launch of Brucella Plus, a vaccine to control bovine brucellosis.

IIL had done much better than the industry because of its diverse portfolio and enhanced capacities. It may be pointed out that many players in this segment found the market conditions very difficult with the new Drug Prices Control Order (DPCO) 2013 in place, which affected sales and profitability. The new DPCO 2013 reduced prices of human vaccines and as a result, operating margins were hit in this part of the industry.

"Restoring profitability of these vaccines is a major challenge. The delays in new product approvals by the NDAC was another issue. Clinical trials of new products have also slowed due to new difficult regulatory directives," said Dr K Anand Kumar, deputy MD of the company.

However, industry veterans are optimistically opining that this phenomenon will exist for a shorter period of time and the industry should revert to its 12-15 percent growth scenario.

The outlook of the industry looks good since health is an under-served sector in India, and there are good opportunities for growth. In the animal vaccines market, IIL is hopeful of benefitting from its existing expansion, and from the new disease control programs of the Government of India.