

Glivec Patent Battle Loss Behind Us: Novartis' Shahani

Novartis India vice-chairman & managing director says company now focuses on new products & biz growth

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Just a year after Swiss drugmaker Novartis lost the patent battle for its anti-cancer drug Glivec, the company has said it has "moved on" with a focus on new product launches and growing its India business, a strategy that reinforces the importance of Indian market for multinational drug makers despite regulatory challenges.

Novartis India has over the past year launched three successful patented drugs and over 12 generic drugs that have helped it expand its presence in the country.

"Glivec is behind us. Strategically all products which are in Novartis pipeline and also make commercial case will be launched in India," said Ranjit Shahani, vice chairman and managing director of Novartis India.

The largest company in the world by sales, Novartis has launched products like Galvus for diabetes which has monthly sales of over ₹30 crore, according to trade data, followed by anti-cancer drug Tasigna and Onbrez, an asthma drug. All these drugs have been successful in India, Shahani said.

In April, Novartis acquired the cancer drug business of UK drugmaker Glaxo

Smithkline for \$16 billion and sold its animal health business to Eli Lilly for \$5.4 billion as part of its global restructuring. GSK and Novartis plan to float a joint venture to sell their over-the-counter drugs. Novartis may also launch some of

GSK's products in India. "Effectively, any product where there is unmet medical need and regulatory approval is given, we will launch," Shahani said.

Novartis' expansion comes after a two-year lull in the domestic market, which was hit by economic slowdown and stringent regulatory issues. Multinational drugmakers remained busy in battling the intellectual property cases and restrictions to foreign investment in the sector, with some also threatening to abandon India if the regulatory climate did not improve.

Though Novartis has maintained that it will not indulge in full-fledged pharma research in India, it has invested in building a global centre in Hyderabad to cater to drug development of its parent firm. The company is also on a hiring spree.

"We are hiring across the board - development, marketing, finance, across all divisions given the high growth trajectory. Our staffing people are on their toes," Shahani said.

Even as the Swiss company is optimistic about India and its demographic advantage, it remains sceptical about the pricing pressure that pharma companies are facing. India is by far the lowest priced country in the world for medicines, but psychologically pharma industry remains the favourite whipping boy, Shahani said, adding, "We need to look at price cuts logically and dispassionately. My question is: why should the rich pay the same price for a drug that poor pay? There should be cross-subsidy between the rich and the poor."

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