

Phytogen develops a range of modified dosage nutraceuticals, scouts for marketing partner

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Phytogen Pharma (India) Pvt Ltd a subsidiary of Phytotech Extracts Pvt Ltd, has now entered into nutraceutical space with a range of modified dosage forms and value-added plant extract concentrates for the domestic and export markets. The company is aggressively scouting for a marketing partner with the network muscle and expertise to handle high-value products for the Indian market.

The company has also commenced R&D and contract manufacture for international companies in this space. In this regard it has already signed an agreement with a French company for the production of herbal concentrates.

India is a virgin market for nutraceutical dosage forms especially in the modified forms. Globally, there are opportunities for niche products and therefore despite the general slump in exports of nutraceutical ingredients Phytotech has been able to survive by focusing certain niche products and specific emerging markets.

"We are ready with our initial range of dosage forms and now need an effective marketing plan to launch new dosage forms of nutraceuticals soon. Although there have been several nutraceuticals launched in the country the issue has been marketing and distribution. We need to lay our hands on the right partner who can scale up our businesses. This kind of marketing is cash-intensive and needs to be backed by scientifically proven literature. Around Rs. 5 crore is earmarked for this to start with," V Hariharan, director, Phytogen Pharma (India) Pvt. Ltd. told Pharmabiz.

The modified dosage nutraceutical formulations for disease prevention are manufactured as tablets, capsules, lozenges, chewable tablets, cookies, drinks and milk based shakes. These are easy-to-use and ideal for anytime consumption. It will address general wellness and women's health to begin with. Human trials for efficacy and safety are on for an immuno stimulant / energy herbal drink which is a first of its kind in the world containing energy boosters and antioxidants. All the products have gone in for trademark clearances.

In the last 12 months, the company has taken over a facility on lease to commence its research and production at Singasandra Industrial Area in Bangalore. Positive about the nutraceutical success in the market, plans are underway to invest in its own facility at Malur in Kolar district. It will slate an investment of Rs 7 crore raised through internal accruals and banks for which construction will commence in a year.

Markets of US and EU have seen shut down for India with scores of conventional botanical extracts and nutraceuticals. It is difficult for Indian exporters to survive in a scenario where international customers demand long credit terms, lower price and best quality. It has been impossible for Phytotech to continue with many such customers. "Therefore, we are looking at dependable, consistent orders and payment terms. In addition to US and Europe which requires cautious selection of customers, we will focus on emerging markets," said Hariharan.

The market size of nutraceutical ingredients is around Rs 2,000 crore growing at over 15 percent annually. Leading players of Nutraceuticals include Nicholas Piramal, Zydus Cadila, Himalaya Drug Company, Dabur group, Amway and so on. India is a price sensitive market and Phytogen is working on an affordable consumer price.

There is need for intelligent marketing skill backed by solid consumer education to sell nutraceuticals. In India nutraceuticals have not been marketed effectively and seriously like the companies in North America, Japan or Korea, because of lack of distribution net work, wrong pricing and ineffective consumer education with proven data.