

Dadha Pharma to launch online pharmacy Net-Meds in Chennai

21 May 2015 | News | By BioSpectrum Bureau

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A hundred-year-old pharma distribution company in Chennai has decided to enter the ecommerce space. Dadha & Company, a name that is said to be synonymous with pharmacy distribution throughout the south of India will now reduce its destination barriers by capitalizing on the internet's vast potential to reach out to a larger pool of people.

Last week, Bengaluru-based investment bank MAPE Advisory Group, which advises on private equity funds and M&A deals, announced its plans to invest in a yet-to-be launched online pharma chain Net-Meds Marketplace Private Ltd. MAPE Advisory along with Dadha Pharma's founder Pradeep Dadha will initially invest Rs 30 crore in Net-Meds, with a further commitment to increase it to Rs 60 crore.

Headquartered in Chennai, Dadha Pharma Private Limited was founded in 1914 by Mohanchand Dadha's forefathers. Since its inception, the company's profile speaks as a trusted source for pharmaceutical supplies. The company's Senior Director, S Mohanchand Dadha is a third generation entrepreneur with vast industry and financial experience and is a long-standing member of the Board of Directors of Sun Pharmaceutical Industries Ltd.

The online pharmacy Netmeds.com, is owned and operated by Netmeds Marketplace, Ltd. a licensed pharmacy. Netmeds is an ecommerce portal where consumers with valid prescriptions can upload their prescriptions, via scan or pic, by email or Whatsapp, and once the prescription is validated by Netmeds pharmacists, consumers can shop for their medicine, both branded and low-cost generic variants, for all chronic conditions like diabetes, high cholesterol, blood pressure, and cardiovascular diseases. The company has collaborated with Indian Post to ship the medicines to the consumers within 2 to 4 days across India.

Netmeds plans to launch its website later this month and is putting final touches to its marketing campaign, which it plans to launch simultaneously. It will sell prescription and over-the-counter (OTC) drugs, supplying over 15,000 stock keeping units (SKUs) across India from its warehouse in Chennai.

Commenting on the launch, Net-Meds' co-promoter Bruce Schwack explained, "We know that this new modality through NetMeds is going to make it more convenient for people to take care of themselves, and more so, to enable caretakers to conveniently access the medicine their parents and grandparents need, make sure they don't run out, avoid all the hassle of going to the pharmacy, traffic, parking, monsoons, stock issues, and many more difficulties will be eliminated."

He further added, ""Also, think of the 2nd- and 3rd-tier cities and the even more agrarian, or rural locales, where some medicines may not be readily available. Now, as long as there is a smart phone and postal service, they will get their medicines through NetMeds online pharmacy service."

Net-Meds' launch comes close on the heels with MedPlus launching its online pharmacy service in Chennai. In April 2015, MedPlus, one of India's leading pharmacy retail chain, launched its online service - 'Click, Pick & Save' in Chennai. MedPlus aims to double its market share in Tamil Nadu by expanding its footprint of over 250 stores to around 500, and also aims to combine it with online service to harness the benefits of e-commerce.

Recently, in April this year, HealthKartPlus an online pharmacy managed to secure Rs 32 crore in a fresh round of funding. The funding was led by MakeMyTrip founder Deep Kalra along with other investors such as Sequoia Capital, Omidyar Network, Intel Capital and Kae Capital. The funds were raised with a focus to scale up the business and expand its reach to cities like Mumbai, Hyderabad, Chennai, Pune and Chandigarh by the end of 2015. Currently, HealthKartPlus is operational in Delhi-NCR only.

Earlier in March, former Igate CEO Phaneesh Murthy floated a new online pharmacy venture, PM Health and Life Care that aims to connect multiple providers of healthcare services to consumers in Bengaluru. The family fund of Phaneesh Murthy has led the seed round of \$3.2 million. In the venture, Phaneesh is going to actively play the role as Executive Chairman. The venture plans to raise its first round of capital shortly bringing the total invested amount in the company to about \$8- \$10 million. In the near future, the company will set out its plan to expand into other metros.

It is now evident that the online pharmacy distribution trend in India has been set. With experienced pharmacy retailers adopting ecommerce, a variety of value-added-services are being incorporated by the organized players in the sector to attract a larger market share. There is plenty of room for the newcomers and existing players like Apollo Pharmacy's online distribution to grow. The success of each of these players will be closely watched.