Rapid Mathur/ Times

News monitored for: Dr. Reddys

The deal was being finalized. The acquisition helped the company scale up and access new areas where it did not have a strong presence—vitamin supplements. The focus was on key regions like Russia (which was a white market) and secured the company’s presence in newer markets like China and Venezuela, and expanded to a host of smaller countries.

Though the company did not adopt the extensive range of growth within India, it did acquire small companies like Group Pharma and Dolphin Labs—which had a strategic fit—and also brands (Cemp and Bifera).

What about the company’s progress in launching a new drug (new chemical entity or NCE), which has always been the holy grail for research-based companies? “Way back in 1996, my father laid the foundation of research, and within five years we became the first company to license an Indian-discovered drug list to a bio-molecular (biological) company. It was historical.”

In fact, the second discovery, Ramgopal, which followed in 2006-2007, was even more significant as it was a first-in-class molecule for diabetes, but was disapproved at the last stage because the entire team came under a cloud globally. “This also shows the uncertainty to NCEs,” Satish says, adding that is why the company’s model has evolved to search in areas with lesser risk, predictable outcomes and which involve low funds.

It is now pursuing research in proprietary products that Satish feels “will add significant value in the medium term”. These are not new discoveries, but are developed either on a different delivery form or indication for already existing products. There are avoid differentiation formulations under development, with the first one expected in 2016. “We had been very aggressive in spending on research earlier but it was proving unviable. So the budget was trimmed,” he adds.

Growth will also be driven by the US business—one of the biggest markets for the company—and through branded generics and lifestyle products, which are complex products that the company wants to manufacture. The US market has been a happy one for Satish, he says, which was worth $3 billion three years ago, and $600 million last year. The company hopes to more than double it to $1 billion over the next two years.

Biologics, the next big opportunity in the pharma space, is now another focus area for the group. Dr. Reddy’s has launched the first biosimilar monoclonal antibody globally, in 2015: “Biologics will become a significant revenue generator once Europe and the US markets open up.”

A few challenges lie in the building capabilities for the future, having them in serve various markets and to continue to be a low cost provider of medicines. “Providing affordable and innovative medicines continues to be our focus even now,” Satish says. And that’s also something he is proud of: Pentagon professor Dr. Reddy’s vision of transforming the company into a manufacturer of affordable and innovative medicines.