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The drug CRUSADER



The Rs 7,470-crore, NYSE-listed Dr Reddy's was the first company to begin drug discovery research in India in 1993 and has led the industry in turning from 'copycats' into innovators. Its founder-chairman K Anji Reddy's appetite for intelligent risk-taking and the ability to think big has put the Hyderabad-based pharmaceutical company on a high-growth trajectory. Driven by a distinctive generics product portfolio and its own yet-to-be-discovered medicines, he tells **Sudhir Chowdhary & BV Mahalakshmi** that Dr Reddy's will become one of the best innovation engines from this part of the world

**S**IXTY MINUTES with Kallam Anji Reddy can be quite enthralling. For, the founder-chairman of the Rs 7,470-crore, Hyderabad-based Dr Reddy's Laboratories not only provides a glimpse of his clarity of thought, speed of execution, creativity and transparency in running his drug business, he displays business acumen that comes with a heady mix of wit and humour. For instance, quiz him on what's immediate on his agenda and he is quick to respond with an amusing reply: "At present, I am on the lookout for 150 mice with specific traits for clinical trials on my new drug." It might seem strange for the chief patron of a New York Stock Exchange (NYSE) listed company—the first Asia-Pacific pharmaceutical company outside Japan to list on NYSE in 2001—to be involved in such mundane tasks, but Reddy has always led by example and "drug discovery has always been my passion", he admits.

Prod the 72-year-old entrepreneur-scientist further on how he laid the foundation of a long future and he gets philosophical. "For people of my generation, John F Kennedy was a hero! When his seemingly impossible mission of landing a man on the moon was actually happening, I woke up from my sleep (July 20, 1969) to hear Neil Armstrong say on radio: "That's one small step for man, one giant leap for mankind". This single event, says Reddy, changed his life forever: "I started dreaming of creating my own pharmaceutical company that would one day stand proud and tall. I resigned from Indian Drugs and Pharmaceutical Ltd (IDPL) in 1975 to give shape to this new dream," he reminisces. And the rest, as they say, is history.

Here's a quick snapshot of what Reddy has achieved in the past 27 years since he established Dr Reddy's in 1984. Under Anji Reddy's leadership, Dr Reddy's has become a pioneer and a trendsetter in the Indian pharmaceutical industry. It turned the Indian bulk drug industry from import-dependent in the mid-'80s to self-reliant in the mid-'90s and, finally, into the export-oriented industry that it is today. Dr Reddy's was the first company to begin drug discovery research in India in 1993 and has led the industry in turning from 'copycats' into innovators. It is among the top 12 generic companies in the US, rank fifth in Germany, seventh largest generic pharmaceutical company in Russia and among the largest pharmaceutical companies in India. Its products are marketed globally, with a focus on India, US, Europe and Russia. The company conducts new chemical entity (NCE) research in the areas of metabolic disorders, cardiovascular indications, anti-infectives and inflammation.

A bachelor's of science in pharmaceuticals and fine chemicals from Bombay University, and a Ph.D in chemical engineering from the National Chemical Laboratory, Pune, Reddy served in the state-owned IDPL from 1969 to 1975, was founder-managing director of Uniloids from 1976 to 1980 and Standard Organics from 1980 to 1984, before he founded Dr Reddy's in 1984. "IDPL gave me unique professional experience. The establishment of the state-owned drug company was a major step in bringing a large range of bulk drug technologies in the country. Hundreds of tonnes of sulfamoxole was being imported. I was involved in the making of sulfamoxole at IDPL, and it was profitable. When we stopped imports of sulfamoxole, we made profits and also saved foreign exchange," he says.

From the time Reddy turned entrepreneur, his whole life was his company and he simply followed his dream. Take for instance, the early days of Dr Reddy's in drug discovery in 1993. "During those initial years, I used to sit like a scientist and observe drug data of one particular product that reduced blood sugar, as well as lipids. We found that it was the first dual PPAR alpha gamma and we licensed it to Novo

Nordisk and they named it as Ragaglitazar. Raga stood for Reddy, alpha, gamma because I invented it first. We were on par with the best in the world," he says.

Reddy says the global pharmaceutical industry views Indian drug companies according to their abilities. "We (Dr Reddy's) are treated with respect even though we haven't discovered a drug in the market. We are treated as a discovery company because of what we have done during the past 15 years. The previous CEO of Merck, Raymond Gilmartin, said openly in Singapore that Dr Reddy's is the role model for Asia. I don't think any other company has achieved that status."

"It's been 27 years, and we've accomplished a lot. Despite having pioneered several things and having done a lot of innova-

PROFILE

**KALLAM ANJI REDDY**  
Chairman, Dr Reddy's Laboratories

**BIRTHDAY**  
January 2, 1939

**FAMILY**  
◆ Married, with two children

**EDUCATION**  
◆ Bachelor of science in pharmaceuticals & fine chemicals from Bombay University  
◆ Ph.D in chemical engineering from the National Chemical Laboratory, Pune

**AWARDS**  
◆ Padma Shri in 2001  
◆ Sir PC Ray award by the Indian Chemical Manufacturers' Association in 1984 & 1992  
◆ Federation of Asian Pharmaceutical Associations' (FAPA) FAPA-Ishidate Award for pharmaceutical research in 1998

**MEMBER AND CHAIRMAN OF**  
◆ Prime Minister's Council on Trade and Industry  
◆ Member of the Board of Governors of the Institute of Chemical Technology, University of Mumbai  
◆ Chairman of the Institute of Life Sciences, University of Hyderabad

tion in the past and built a great company with great products, I think we still have a very large purpose in terms of what the company can do in the next phase. Even though I have failed during the past 15 years, I would like to see Dr Reddy's transition from a generics company to a discovery-led company," he says.

Of course, Dr Reddy's has faced problems in the past. "There were instances when people left the company with technologies. They were stealing my assets. The only alternative left for me was to rely on my own people," he says. He turned to his son-in-law GV Prasad, who is now the vice-chairman and CEO, and leads the core team that drives the growth and performance and has played a key role in the evolution of Dr Reddy's from a mid-sized pharmaceutical company into a globally respected pharmaceutical major.

Reddy has also roped in his son Satish Reddy as the company's MD and chief operating officer. Satish Reddy has spearheaded the transition of the company from an advanced pharmaceutical ingredient (API) focused player to a branded pharmaceutical company. "They were tough circumstances under which both Prasad and Satish came to Dr Reddy's and they have performed. Along with me, they have safeguarded the company's interests," says Reddy.

Nowadays, Reddy says his job is simply to sustain the high levels of innovation at the company. "We are very ambitious," he says, adding that with his people's ability to think big, appetite for intelligent risk taking and "pursuit of excellence in whatever we think, say or do", Dr Reddy's will become one of the best innovation engines from this part of the world.