

THE HINDU Business Line

Pharma's free radical

Anji Reddy's commitment to research and affordable medicine was extraordinary.



The Indian Drugs and Pharmaceuticals Limited (IDPL) is considered the 'mother' of all drug companies in Hyderabad. The public-sector company, with its impressive facilities in the 1960s, was a springboard for entrepreneurs. Among them, the *numero uno* was Kallam Anji Reddy.

He joined IDPL in 1967, after a stint at the National Chemical Laboratory. The research experience at IDPL, with Raja Rao and his band of researchers who were engaged in developing chemical compounds, stood him in good stead. However, the burning desire to start his own enterprise, and replicate a Pfizer-like facility in Hyderabad, motivated Reddy to launch Uniloids (1976), and later Standard Organics Limited (SOL) with a few friends in 1980.

This private company nurtured the entrepreneurial instincts of several persons. Anji Reddy emerged as a giant in the Indian pharma scene, even as he established a global brand.

In his death on Friday at the age of 72, the Indian pharma sector has perhaps lost its boldest and most passionate researcher, who dreamt of putting an India-developed drug into the global market.

If IDPL had spawned the first generation of entrepreneurs from Hyderabad, Dr Reddy's Laboratories inspired an entire generation of entrepreneurs in the private sector. He was also instrumental in turning Hyderabad into the bulk drug capital of India.

Entrepreneurs who have made a mark inspired by Anji Reddy include P.V. Ramprasad Reddy of Aurobindo Pharma (\$ 1 billion revenue), B. Pardhasaradhi Reddi of Hetero Drugs (Rs 1500 crore), Venkat Reddy of Lee Pharma (Rs 300 crore), Chigurupati Krishnaprasad, Granules India and Raghavendra Rao of Orchid Pharma, to name a few.

A.V. Rama Rao, Chairman, AVRA Laboratories (and a former Director of the Indian Institute of Chemical Technology or IICT, Hyderabad), who knew Anji Reddy over 50 years, said: "You name any pharma company in Hyderabad and you will find an imprint of his generosity and guidance that allowed them to grow. In several ways he helped them, including indirectly buying products."

making drugs affordable

Anji Reddy was a crusader, who brought down the prices of drugs in India.

He followed a twin track strategy -- developing 'copy cat', generic versions of drugs going off patent, and putting money into the search for new molecules through a drug discovery programme.

The company employed 'reverse engineering' to develop generic drugs, and launched several affordable versions of 'block buster' drugs. Dr Reddy's along with Ranbaxy, Cipla, Lupin, Wockhardt, Sun Pharma and Aurobindo, dramatically changed the scenario of availability and affordability of modern medicines.

Today, Indian pharma companies are hot candidates for acquisitions from MNCs. Dr Reddy's raised the bar for Indian pharma with global designs. It established a presence in US and Europe and were among the first to enter China, besides acquiring Germany's Betapharm. Ranbaxy, Matrix, Wockhardt, Aurobindo and many others followed with big ticket acquisitions in the last decade. Anji Reddy's commitment to innovation and basic research was high, something that was lacking in the domestic pharma sector.

"In drug research, the appetite for risk-taking is important and Reddy had enough of it", recalled R.A. Mashelkar, former Director General, CSIR, a board member of Dr Reddy's during the 1990s. Mashelkar -- who along with Mukesh Ambani, M.M. Sharma and Anji Reddy are alumni

of University Department Of Chemical Technology (UDCT), Mumbai -- aptly described Reddy as a pioneer among the new breed of 'Technopreneurs' in the country.

With research budgets of 7-10 per cent of revenues, Dr Reddy's got some breakthroughs in diabetic research with promising molecules -- Ragaglitazone and Balaglitazone.

It was a case of so close yet so far, when, the candidate drug reached the final stage of trials with Novo Nordisk, but failed. This setback did not deter Anji Reddy.

He recalled in a recent interview to *Business Line*, "We are doggedly pursuing the diabetes molecule, if things go well, the drug will reach the market in a couple of years. It would be a dream fulfilled."

At the global level, he associated with Merck, GSK, Novartis and Novo Nordisk. At the domestic level, he had a healthy relationship with the IICT (a good example of public-private research).

He set up the Institute of Life Sciences in the same mode at the University of Hyderabad. In recent years, he engaged with bio-similars and spent lot of time at the company's discovery research lab, Aurigene, in Bangalore.

Dr Reddy's had its share of controversies. Initially, there was criticism that the company was copying intellectual property from MNCs and that it was being favoured with technology from public sector research institutes. But, over the years, sheer achievements and high quality research and production silenced the critics.

Giving back to Society

One of the little known gestures of Anji Reddy's generosity relates to the L.V. Prasad Eye Institute, to which he donated liberally. A decade ago, Makineni Subba Rao a US-based NRI, announced a donation of over Rs 1 crore with a rider that a matching grant should come from someone in Hyderabad. Anji Reddy did not take much time to write out a cheque for Gollapalli N. Rao, the promoter of the Eye Hospital, which has earned global repute.

Similarly, he was instrumental in creating the NICE Foundation (first neo-natal intensive care and emergencies for new-borns in the country) and motivated the GMR Group to participate.

He started in a small way, and built a foundation for the Indian pharma companies to break into the global arena.