

Interview: Yogesh Agrawal - Managing Director, Ajanta Pharma, India



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06.11.2017

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As a young pathbreaking transformer in the Indian pharmaceutical landscape, Yogesh Agrawal, managing director of Ajanta Pharma Ltd., shares his desire to accelerate the company's expansion in the US. Out of the total revenues of USD 308 million for FY17, the USA accounted for 28 million. He talks about the importance of having ground-breaking products that comply with international efficacy, safety and quality standards in order to build their trust and reputation and consolidate their presence in other emerging markets

Mr. Agrawal, when thinking of India and the Indian pharmaceutical landscape, our global readers are used to names such as Lupin, Ranbaxy, Cadilla, Cipla etc. Yet, Ajanta is one of the biggest success stories of the past 15 years. Could you present the company to our international readers?

When me and my younger brother started to head the company, Ajanta Pharma was relatively small with a sales revenue of ₹700 million. We knew from the very beginning that the only way to improve and be successful, we had to differentiate ourselves. The only way you can do so is by having great products. To this purpose, we largely invested in Research and Development, where we managed to go from 40 scientists to the current of over 800 in 15 years. We used to have 3000 square feet of area, now we have 100 000 at our disposal. The importance of R&D is something that we laid early on in order to identify and launch new products and in which we currently invest

about USD25 million. The Indian operations, which is headed by my brother, has a portfolio of 200+ products in the three specialty segments: cardiology, ophthalmology and dermatology.

The 65 percent of the products within our portfolio is made up of products that were not present in India and we were the first ones to bring them to the Indian market. From the onset, we focused on identifying the market gaps and get the R&D to develop those products, we sought regulatory approval and successfully commercialized it to the market. Equally, as part of our internationalization strategy, we picked some unique emerging markets like Iraq for instance where we invested during the UN sanctions. In Iraq we participated in the Oil-for-Food Program, which was a UN resolution established to allow Iraq to sell oil on the world market in exchange for food and medicines. When the market opened up, we saw that there were many opportunities and, as a matter of fact, we are the sixth largest private pharma company in the country.

Similarly, we have been ranking as the fifth fastest growing company in the Philippine market. In Africa, we have a large footprint as we are present in most countries except for South Africa, and this is where 40 percent of the global revenues come from. Furthermore, we supply to The Global Fund some antimalarial products. We were the first generic companies to get WHO prequalification approval ahead of big names that produce antimalarial drugs in India and worldwide. This is self-explanatory of our commitment and of our R&D capabilities.

A spontaneous question for you would be then, what are you doing to showcase Ajanta's success?

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The reason why some other Indian names are more prominent than ours is because we are much more focused on getting things done rather than talking about it. However, I feel that recognitions are coming. For instance, the biggest was receiving an award from Prime Minister Modi for 'Young Maker of the Year'. Fortune Magazine listed us in Fortune 500 companies of India, . We made it three years in a row to the Forbes Super 50 companies of India. , so we are seeing the recognition and visibility of the work done by us.

You mentioned that your anti-malarial drug is performing well. Any other exciting upcoming product launches that you would like to share with our international readers?

Our R&D scientists are constantly busy. So far, we have launched about 15 products in the US market and planning to file 12-15 Abbreviated New Drug Applications (ANDA) every year. More focus is given to complex specialty therapeutic areas rather than vanilla generics.

Indian drug-makers have seen a bit of a backlash in recent times due to regulatory issues. How has that affected the perception of companies like Ajanta within the US market?

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I must admit that brand India as such was impacted due to compliance concerns.. As a matter of fact, it was a very expensive lesson to learn which perhaps could have been avoided by proactive meeting the regulatory requirements. I believe the lesson now is well learnt and that there is the willingness to understand the seriousness to comply with US standards, not only at GMP level but also in terms of data integrity. As I am sure you are aware, 35 percent of generics volume is supplied by Indian companies, hence Indian companies play an important role in the US generic space., so I am very optimistic.

Mr. D. G. Shah from the Indian Pharmaceutical Association (IPA) noted that it is getting extremely complicated for new Indian companies to enter the US. What strategies have you implemented to be where you are today?

In fact, all we do is keeping our ears to the ground and understanding the ground reality in the best possible way. We are one of the few companies that invested in quality much before other players in the country. I think that when you are small and you have the feeling you are not doing enough, it strongly works in your favor – it spurs you to do better and achieve good standards. Also, another good decision we made was to optimize and softwarize as much as possible. All softwares, for instance, are third party softwares. These are just a few examples of things that have worked well in our favor.

How do you communicate to stakeholders in the US that your products conform to safety and quality standards?

At the start this was obviously a big apprehension. We would ask ourselves whether they could trust us and whether we could supply quality. We started off by supply few products to various customers and proved ourselves with them in terms of quality, service and on-time delivery. Our performance lead to increase our business with all the big, major and small customers in US. Today, our fill rates are over 99%. e. Subsequently we engaged in getting the customers to our facilities, as a matter of fact, shortly, a large customer is coming to visit our facilities all the way from the US. This is precisely what we are doing – engaging with our customers more and more asking them to come here and see our facilities. So far, we had no back orders, no supply disruptions and no regulatory issues whatsoever.

Given that you operate in more than 30 emerging countries across Africa, the Middle East and South-East Asia how do you identify the areas that need innovation and commit yourselves to finding a solution?

This is the exciting part of the job. My brother and I spend most of the time researching and scanning the market and identify where the gaps are. Coming back to what I mentioned earlier, we believe that products make the company and if doctors see that there is great value behind the product that you bring to the market in terms of safety, efficacy and compliance there is no reason for them not to trust us and prescribe it accordingly. In short, we identify the gaps, we get our R&D lab to develop the product and get it into the market.

What key initiatives and partnerships have you launched recently to further enhance and strengthen the presence of Ajanta internationally?

We believe that India and the US are going to be future markets for us, because as the economy grows there will be more spend power and to this purpose we stay very committed. We are open to any partnerships for companies that would like to come to India and have very complex products that are not reproduceable. At times, for a new player the Indian market looks complex – and it is complex! We are essentially many different countries in one nation.

We believe we understand the Indian market very well in terms of patients, doctors, political and healthcare regulatory environment so we can offer all this on the table. Furthermore, we operate on high corporate governance – recently we were ranked among the top three listed next 100 companies in the India Disclosure Index 2017. If there is anyone willing to divest their ANDAs for the US market, we would like to acquire them as we would like to accelerate our size and expand into the US market. At the moment our USA business is relatively small – last year our revenues were about USD 28 million and we would like to reach a few hundred millions as soon as possible.

What would you like the readers of Pharmaceutical Executives to think when they hear the name ‘Ajanta Pharma’?

I want them to think of reliability and quality. I always tell my employees ‘manufacture the product thinking that it can be taken by your father, mother, wife or son. . This is the only way to ensure quality.

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