Interview: Janmejay Vyas – Chairman, Dishman Group, India



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Janmejay Vyas, chairman of the Dishman Group, shares the story of his success in establishing a trustworthy relationship with the strictest drug regulator in the world, the US FDA.

Mr Vyas, since the very beginning your focus has been on research and developing various in-house technologies for quaternary ammonium compounds and APIs. Can you tell our international readers about the main trends occurring in the Indian Contract Research and Manufacturing (CRAM) market?

In India the generic industry is very predominant and is still a high priority. This is mainly due to the fact that for Indian companies researching a large number of molecules, starting from basic molecules to the late stage of clinical trials, is too expensive. The only option is, therefore, to look at existing drugs and develop the API. In India, we do not have a developed clinical trials scene, so we rather conduct bioequivalence studies, which are aimed at studying whether the generic drug behaves in the same manner as the innovator drug.

Looking at your financial report, I see that most of the sales are within your CRAM business. What is your target for next year in terms of growth, and what do you see will be your main growth drivers?

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As a specialty chemical company, Dishman started by producing quaternary ammonium compounds (quats). Almost up to 1998, we were calling Dishman ‘the quats company’. We could make any and every quats which customers required. This was essentially our punchline. However, another segment we are doing well in is ‘disinfectant’ which is our major application and for which we received both FDA and MHRA approval. We will soon be supplying our newly launched products to chemists, doctors and hospitals.

The US FDA has recently granted approval for Tesaro’s cancer drug which will generate revenues of 2 billion over the course of 3-4 years and which you will produce at Unit 9 of the Bavla facility. Has the FDA carried out the mandatory audits yet?

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When the clinical trials of this drug were happening Dishman was the API supplier alongside being a key supplier to Tesaro. Now that this cancer drug has been approved the volume will jump significantly. Given the relationship and the trust that we have established over the years with the US FDA they allowed us to start the supply of APIs to Tesaro already. Last year, they came for a general audit which was successfully completed at our Bavla site. Before this cancer drug Dishman was awarded a license agreement from Janssen to produce the Active Pharmaceutical Ingredient that is used in the treatment of Multi-Resistant Tuberculosis.

India has long been renowned as a manufacturing powerhouse, today we see many leading companies investing in R&D. In 2008 you set up a very large R&D center which served as a door-opener to further growth. How is it doing today?

The R&D center is doing very well, it is located 30km from Ahmedabad and it was FDA inspected in 2006. The main major change since then is essentially my consolidated presence as a supervisor of the facility. Back then, I decided that once I turn 65 years old I would take the reins of the R&D center. We have many projects at different stages of development and their commercial returns seem to be very promising. At the end of the day, I am a research chemist, so I take care of the recruitment of the talents working in the lab. For the time being, 200 scientists are focused on process development and industrialization, working in continuous 3 shifts across 6 days for R&D operations.

How do you assess Indian capabilities in the R&D landscape?

Historically, R&D centers were concentrated within the developed world as companies restricted high-end R&D activities to their home country and within the physical boundaries of the corporate

firm. However, some of the multinationals decided to look into more emerging markets and establish local R&D centers. When I went to Switzerland to close the operations for the purchase of Carbogen Amcis, I saw that more than 400 Swiss German PhDs were working in their R&D lab. This ultimately spurred me to go ahead with the acquisition.

While the market size renders India an attractive location for large foreign companies seeking to expand operations, and set up their R&D centers, I believe that the lack of standardization of training across the country plays an important role in preventing companies to do so. For instance, in the Carbogen Amcis offices everyone is PhD educated, commercially savvy and create the right link of customer to operations.

What is your internationalization strategy?

From the very beginning I realized that Western customers would not consider India as their ‘go-to’ address to develop new chemical entities or make any other type of investments and this is the very reason why I decided to purchase a company based in Manchester, UK. I understood that to attract Western customers, especially from the US, I would need a Western, high-tech, high-quality front-end to my business. After establishing a relationship with customers, this front-end then could support the growing needs of Western pharmaceutical companies by connecting them with the back-end of the business in India, where they could provide large scale manufacturing at competitive costs and with a robust quality assurance system. This is how I came to buy Carbogen Amcis.

You are an advocate for inorganic growth. Can you comment on the implications of such growth?

I could best comment with two words: consolidation and knowledge. Partnerships are money related, whereas acquisitions teach you how to consolidate a business. Right from the day I started my career I had promised myself I will not work in partnerships. One has to have risk appetite, which I have. Carbogen Amcis is three times bigger than Dishman. Nobody is ready to share your risk, this is why I do not believe in partnerships.

After more than 38 years with Dishman, what has been your proudest achievement?

I would say that by far my greatest achievement has been my 3000 happy employees all over the world, with 500 of them being outside India, notably in China and Switzerland. Over time, I was able to build a ‘Dishman family’ which is crucial to the long-term success of a business.

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