

'We're taking measures to ensure compliance'

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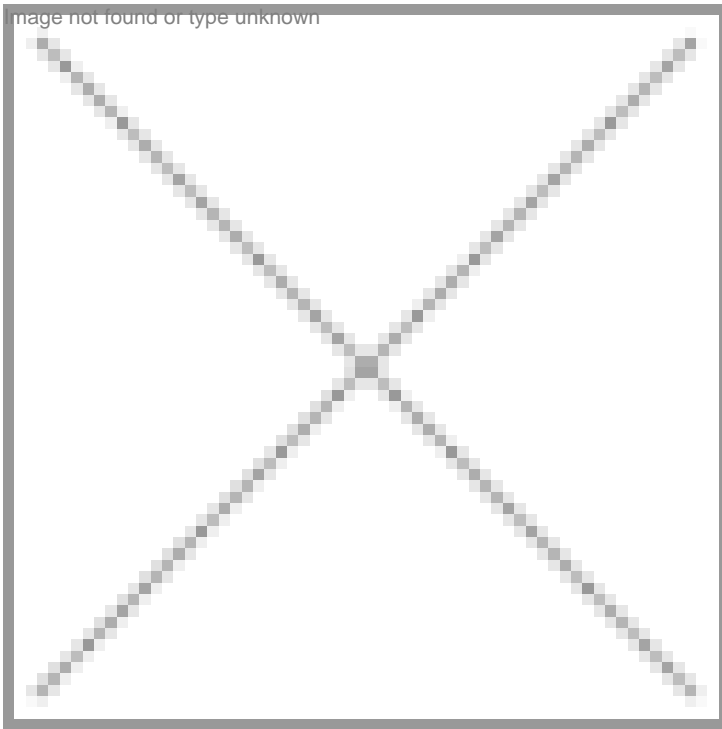
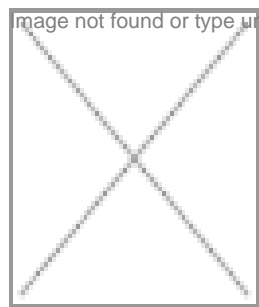


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Dr Rajesh Jain,

JMD, Panacea Biotech

Panacea Biotech, set up as Panacea Drugs in 1984, was listed as a public company in 1995. Ranked India's third largest biotechnology company in the BioSpectrum-ABLE annual survey, the company has made significant progress in the recent years in terms of expanding its horizons and new product launches. Also, one of the company's product, PacliALL, won Product of the Year at the BioSpectrum Awards 2011. Dr Rajesh Jain, joint managing director, Panacea Biotech, talks about major milestones achieved by the company, the vaccine industry in India and future strategy of the company among others things.

What were the turning points for Panacea Biotech that paved the way for it to become a successful vaccine company?

Q Dr Jain: In 1983, my elder brother Mr Ravinder Jain articulated a strategy that it was time to tap opportunities in biologics. He realized that a lot of children were affected by polio and it made him decide that the company should think differently rather than follow others' footsteps. From there, came a commitment to make novel and innovative medicines

affordable to the masses and a dream of healthy India. We initiated a collaboration with an Italian company for manufacturing and marketing oral vaccines and I am happy that we have been a part of the polio eradication program.

Without differential thinking and technological back-up, it would have been difficult to survive in an industry as competitive as the vaccine industry. This need gave rise to the first R&D center in New Delhi and a larger novel drug delivery systems (NDDS) facility in 1995 at Lalru, Punjab. In the same year, the company decided to go public and 18 crore was raised through initial public offering. The company entered into several collaborations and put in place all the facilities. Since then, there has been no looking back.

Will Panacea Biotec continue to see the kind of growth (32 percent) recorded last fiscal? What is your future outlook?

Q Dr Jain: So far, we have shown consistent growth but due to certain setbacks, we unfortunately could not grow in this financial year. There have been certain disruptions, but I am confident that we will bounce back in 2013. Our performance has been affected by the delisting of pentavalent vaccine from the WHO's list of prequalified vaccines, following a routine site audit by a WHO team in July 2011. We have initiated corrective and preventive measures to ensure compliance with the WHO pre-qualification guidelines and are in touch with WHO in this respect. We are confident that with these corrective and preventive measures, we will be able to get re-listing of our pentavalent vaccine in the list of WHO prequalified vaccines.

Our products such as Easy Five and HPV Vaccine are the growth drivers. Also, we are expecting 50 percent increase in the business of branded generics in emerging markets. Our focus is on branded generics, biosimilars and vaccines. We are working on new chemical entities in central nervous system, diabetes, and anti-infectives. Also, we are looking for new biological entities in diabetes and rheumatoid arthritis.

Presently, our hands are full but with continuous churning within the company, we may start innovating in other areas as well. Now, we have also ventured into healthcare delivery. We are about to launch a new multi-specialty hospital with 200 beds in Gurgaon, Haryana. Our major focus areas will be organ transplant, cancer, hip replacement and cardiology.

What is the idea behind Panacea's Vision for 2020 and the 'Think India, Think Medicine' campaign?

Q Dr Jain: Somewhere around 2007, when we were having brainstorming sessions on our future line of action, we had a vision to be the largest biotech company by 2020. The vision is built in our core areas of customer, finance, innovation, people and internal process.

The foundation was laid by asking 800 executives of the company about the key result areas for realizing this vision. 'Think, do and deliver' became our long-term human resource policy. We made data more accessible to everyone, available with the click of the mouse.

The values are not imbibed once the company has been built, but is incorporated during the early stages. We, at Panacea, had the core motto as integrity, humanity and innovation. The missing thing was country. While it is important to build a company, it is equally important to build a nation. That is the idea behind 'Think India, Think Medicine' campaign.

How has the progress been for the vaccine industry in India?

Q Dr Jain: The vaccine industry in India is in a very good situation today, thanks to work done by Serum Institute of India, Pune, that has established us globally. Well-known international agencies, such as the World Health Organization and the United Nations Children's Fund, have utilized services from India.

During the last five years, the Global Alliance for Vaccines and Immunization and the Bill & Melinda Gates Foundation have done great work in India. All these have put the vaccine industry in India on top as our mission has been to bring out good, affordable and quality vaccines.

This industry has set an example where all the companies are coming together to protect 100 million children from developing countries against diseases. My belief is that it would be a shame if people died of diseases even in this modern age.

I believe that the vaccine industry in India has learnt to work collaboratively with all stakeholders. It has overcome the challenge of producing new vaccines in large capacity and built a strong value chain management over the period of time. I think with all these ingredients, we are set to continue to grow and contribute globally. This is very satisfying.

What kind of growth has the biotech industry registered so far?

Q Dr Jain: Like any other industry in India, biotechnology too has done well. Government agencies in the last two-to-three years have tried to help budding entrepreneurs through various schemes. I really appreciate the good work done by the Department of Biotechnology, especially through the Small Business Innovation Research Initiative and the Biotechnology

Industry Partnership Programme schemes.

Many small companies that have been established in recent years are also doing well. I am sure we will be able to see the results in the next 10 years, when they start maturing. It is a very good beginning and it is really great to see the way the industry is coming along.

What is your take on the regulatory hiccups?

Q Dr Jain: There certainly are issues in terms of speed and a lot requires to be done in order to minimize the time lines for approvals. However, criticizing doesn't always help. If one thinks about a nation, competition and clients alike, there is nothing that can stop growth.

One stops growing when one stops looking at competition objectively and is not able to see the value created by it. We don't believe in criticizing the government because it doesn't actually help. We are all part of the same process and I believe that we must have frequent interactions to resolve issues.

Rahul Koul in NewDelhi