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"We will continue to grow in double digits"

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"We will continue to grow in double digits"



Q:Please tell us about the major areas of operation for DSM in India?

DSM is a global science-based company active in health, nutrition and materials that creates value for its customers by providing effective and efficient solutions to the world's great challenges. By connecting its unique competences in Life Sciences and Materials Sciences, DSM is driving economic prosperity, environmental progress and social advances to create sustainable value for all stakeholders simultaneously.

DSM in India is headquartered at Gurgaon, Haryana and currently employs 900 + employees across nine locations in India including JVs. The company operates in the areas of Nutrition (DSM Nutritional Products and DSM Food Specialties); Pharmaceuticals (DSM Sinochem Pharmaceuticals and DPx Holdings B.V. joint ventures), Performance Materials (DSM Resins & Functional Materials, DSM Engineering Plastics, and DSM Dyneema), Polymer Intermediates (DSM Fibre Intermediates) and an India Innovation Center

DSM is the only company in the world that offers both yeast and enzyme solutions to accelerate the conversion of cellulosic (non-edible) biomass into biofuels.

Q:Is the pharma business in India really doing well? What are the bottlenecks and opportunities?

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DSM's pharma business unit known as DSM Sinochem Pharmaceuticals (DSP) has a state-of-the-art manufacturing facility at Toansa (Punjab) which produces beta-lactams using unique sustainable enzymatic process. DSP is the global market leader in active pharmaceutical ingredients (APIs) such as semi-synthetic penicillins and semi-synthetic cefalosporins (beta-lactams), and other active ingredients such as nystatin, which represent the biggest class of APIs in anti-infectives.

We see strong demand for our high quality beta-lactams and have recently added Puriclor TM (enzymnatic Cefaclor), a second generation SSC to our portfolio. We also see continuous growth in the Indian market and now with patent expiry also in the rest of the world for our Atorvastatin, the first non-beta lactam molecule manufactured using our unique enzymatic technology.

The most important challenge for India's pharmaceutical industry comes from adhering to consistent quality and good manufacturing practices; this is becoming no longer a differentiator but a requirement. In addition to this, Higher R&D costs, relatively dry pipeline for new drugs, drug quality, patent protection, clinical trial quality, increasing pressure from Governments for reduced healthcare costs and a host of other factors are some of the major challenges of pharmaceutical companies.

Increasing number of global acquisitions have been made in the recent past by Indian companies for strategic objectives like market entry, technological or manufacturing expertise and distribution facilities. The global market continues to offer these opportunities for domestic companies looking to expand their international presence. Strategic tie-ups with global companies offer several opportunities for Indian companies to create 'win-win' situations, particularly in R&D and distribution. The current environment is challenging, but at the same time it throws up several new opportunities for Indian pharma companies. What worked in the past may not necessarily hold them in good stead in the future. Companies which take advantage of the fundamental changes the industry is going through and rejig their strategies accordingly will be able to not only successfully navigate the future, but also rewrite the rules of the game.

Q: How big is the nutrition and health market in India? What are the latest trends and how do you plan to grow in the area?

Nutrition and Health in India continues to be an important market. Nutrition market in India is estimated around $4bn. India is home to 40% of the world's undernourished children, and the levels of stunting, wasting, and underweight children are among the highest globally. Significant domestic advances in India will have a profound impact on the total global burden, and will provide lessons and resources to be used in other parts of the world. Increasing food security concerns in India and need for additional nutrition leads the Government to fund vitamin fortification initiatives. Manufacturers, both global and domestic, are looking at the Indian industry in a big way, resulting in an increase in the number of product launches seen of late.

To combat malnutrition, DSM in India is looking for models to help reach the 600 million malnourished people. In nutrition by far, we are the market leaders. Our knowledge and R&D centers across the globe give us an edge over other market players. We have a long-standing collaboration with renowned organizations both in India and globally. Some of the prominent organizations we have partnered with worldwide include The Clinton Health Foundation, Vitamin Angel, United Nations World Food Program, Asian Football Confederation (AFC), Global Alliance for Improved Nutrition (GAIN) and Asian Football Development Project (AFCP). We have recently expanded our Human Nutrition & Health business with the launch of a FortitechÂ® Premix plant in Vadodara (Gujarat). We already have a local production facility for Animal Nutrition and Health (ANH) at Ambarnath, Mumbai. DSM ANH is providing Comprehensive Nutritional Solutions to wide variety of species - Dairy, Poultry & Aquaculture ensuring Optimum Health, productivity & welfare.

Q:Do you agree that there is a need for innovation in medical technologies to make these more affordable? What is your company doing in this area?

Over the past few years medical technologies have witnessed a massive change. Newer and advanced forms of treatment are offered thereby making recovery faster for patients. Further innovation in medical technologies will help make more affordable and accessible.

DSM is a leader in biomedical materials, with more than 500 patents in UHMWPE and the only company with a dedicated production facility for producing medical grade UHMWPE fibers. Our Dyneema PurityÂ® fibers offer medical device manufacturers freedom of design to meet challenges thanks to their high strength, low profile, superior abrasion resistance and flexibility. DSM sustains its leadership position through continuous innovation of new grades based on feedback from medical device designers. We offer three grades of Dyneema PurityÂ® fiber - Dyneema PurityÂ® SGX grade, Dyneema PurityÂ® TG grade and Dyneema PurityÂ® UG and VG grade.

Q:How much is DSM investing in research especially in nanotechnology? Any partnerships with private or public institutes?

As a science-based company that creates innovative products and services, DSM contributes to and benefits from new developments in science and technology. DSM sees nanotechnologies as a very promising development for our business.

With our strong know-how base and wide range of technological competences in both life sciences and materials sciences, we are well positioned to explore the potential of nanotechnologies in both these fields as well as at the highly promising

interface between the two.
Some DSM products make use of nanotechnologies. For instance, KhepriCoatÂ® is our unique anti-reflective coating technology for solar glass. The nanostructured single-layer coating results in an increased transmission of sunlight thus improving the efficiency of the solar panels.

Q: What has been the revenue of the company from India in the last fiscal year? What are the expectations in the current financial year?

DSM in India has been growing in double digits CAGR over last few years . We anticipate this to continue in the coming years also.

Globally Royal DSM's 24,500 employees deliver annual net sales of around Ã¢â??Â¬10 billion

Q: What is your future outlook for the company?

DSM has been continuously investing in India. We have made investments in Pharma, Nutrition, Engineering Plastics and in creating the Shared Services centre over the last 3-4 years. In addition to this by setting up our India Innovation center, we are working towards developing India based sustainable solutions in the areas of renewable energy & health. We have introduced and will continue to offer market relevant products. In addition, we will develop products and business models in 'India' for 'India' & in Ã??ndia for the world'.

We further aim to expand our support centre in Hyderabad.We are in the process of moving finance and accounting functions to the Hyderabad centre. We plan to increase the headcount from 75 last year to 250 by 2015 for these functions in Hyderabad.