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Suven eyes discovery research

Monday One-on-One with Venkat Jasthi Venkat Jasthi, 53, is managing director of Suven Pharmaceuticals Ltd. Jasthi holds a Masters degree in Pharmacy from Andhra University and MS in Industrial Pharmacy from St John's University, New York, USA. He started his career as a production officer in Warner Hindustan Ltd and later migrated to USA where he established a chain of six community pharmacies.

He came back to India in 1989 and established Suven Pharmaceuticals Ltd, which specialises in providing Contract Research and Manufacturing Services. He is also the president of Bulk Drug Manufacturers' Association. He is also the chief architect for the formation of AP Chief Minister's task force on pharma industry.

Excerpts from an interview:

What is the out look for the pharma industry?

Pharmaceutical industry growth is very strong in a way. But there are lot of constrains. The companies which can survive the next two years will prosper. But for that, those companies will have to make lot of investments and change the mindset in two ways.

First, they have to upgrade their facilities to meet new global requirements. Secondly, they need to accept the intellectual property rights which are on our way to change the way we work. It will bring with it a lot of challenges and opportunities. We need to see the brighter side of it.

What are the challenges and opportunities for the industry in the post-2005 regime when IPRs will be stringent?

Post-2005 both product and process patent will be honoured. Product patent will be effective from January 1, 2005. Industry faces a lot of challenges in the regulatory requirements. For exporting drugs registration with every country will be mandatory. The regulatory requirements will be more stringent.

A common technical document will be used in the European Union which will be implemented from July 2003 itself. This will be as stringent as United State's Food and Drug Administration. They will also raise the bar on facilities which everybody needs to upgrade.

In India, the schedule F, which is a Good Manufacturing Practice document, will be made stringent by this year end. Once these requirements are met, the opportunities are immense in research, contract research, collaborative research, JV research, outsourcing the clinical trials.

India has a good ground for clinical trials as there are lot of people who have not taken any medication. There is a $10 billion opportunity in clinical research. We can also outsource generics and patented molecules into the country.

How are you gearing up to take advantage of contract research opportunity?
Suven is so far into chemistry-based contract research. This year we have upgraded our facility to offer complete analytical R&D solutions at a cost of Rs 8 crore. Now we are advancing into discovery contract research services like lead development, screening pharmacopia, bio-equivalence, bio-availability among others. This will give us a platform to learn new things while serving our clients.

Moreover, when we want to get into discovery research, this will give us critical mass in terms of technology, people, processes, systems and the money. That's the way we are planning.

What will be the growth of the company over the next two years?

The next two years will be a building stage for the company. In 2005-06 the real incremental growth will come in. By that time all the activities which we are doing as value-added services will be in place. By that time contract research-based product pipeline will increase. Hopefully, some of the products of innovators will get into commercialisation. That will give us the base loading of the activity. Some product manufacturing will be done day in and day out.

What are your key export markets and are you looking at any new markets?

Drug intermediaries are contract research based. These products are not developed in large quantities as they are R&D-based products. We are the only company in India doing contract research for the new chemical entities under development during chemical trials.

Other companies are also offering such activities as add-ons but for us this is a thrust area . We are advancing into discovery research also. The key markets for us are the United States and Europe. We will continue to focus on these two geographical areas.

Are there any products close to commercialisation?

That we will not be knowing until atleast one year. In 2004 we may see some indications but that is not a guarantee.
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