

NEXT INC : SHOWCASING ENTREPRENEURSHIP

Nourished by the out of ordinary

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Akkshay G Mehta, 43, who believes in 'daring more, and dreaming more', has acquired a series of degrees that would put a lesser man to shame. A Chartered Accountant and an MBA from IIM Ahmedabad, Mehta never had a problem with matters cerebral. He did the two courses simultaneously. Just like he's juggling pharmaceuticals and nutraceuticals now. But the call to pills—and the impressive Rs 170-crore turnover last year, came after trying his hands at several things. His latest passion is nutraceutical.

Mehta graduated from Sydenham college in Mumbai in 1984 with a bachelors' in commerce and went on to do his MBA from IIM Ahmedabad in 1987. Soon after he also acquired his CA degree. Amazingly, he was studying for his chartered accountancy exam while doing his MBA. Obviously, with him, cerebral gray matter has never been an issue.

The first port of call for this Sydenham College, Mumbai, alumnus was 20th Century Finance Corp Ltd, a leasing firm, which was also into hire purchase of assets, finance and investments.

"Straight out of IIM-A, I joined the firm in September 1987 at a salary of Rs 5,000 per month." He quit the firm in 1989 and joined friends who were into international trading, essentially export of agrochemicals. The firm was called Rutmarg Commercials Pvt Ltd. "We had a profit-sharing arrangement. By 1991, we had become the country's largest exporters of agrochemicals, which included pesticides and fungicides. We were exporting to Europe and the US. The company's turnover in 1990-91 was Rs 35 crore."

But then Mehta was a bit of a gambler and loved risk-taking. He was impatient to get on to his next project. He had learnt what he had to from Rutmarg, anyway.

Mehta left the company in December 1991. With Rs 10 lakh in hand, he went into manufacturing and export of chemicals. It did not work too well and he lost his savings in the venture. He quickly discarded the business, and in July 1992, got into the family business of pharmaceuticals and drug exports. "I had my own ideas. I made drug formulations—antibiotics, pain killers and the like." He preferred to have a company of his own. Thus was born a sole-proprietorship company, on a Rs 2-lakh loan from the family and registered as Ax International.

Ax made finished formulations and strived for export orders, especially from East Africa. He began exporting to Uganda and Tanzania. In 1992-93, the company clocked a turnover of Rs 70 lakh. "I started the business with one or two people. By 1994, I managed to hire eight persons." Today, he employs 450 people and exports to Africa, CIS, Far East and Latin America.

"We got into manufacturing of drugs from 1996 and actively exported close to 350 products. We farm out manufacturing to drug manufacturers in Gujarat, who follow stringent safety standards. We now have a new contract manufacturer in Indore."

For all this, Mehta is indebted to his higher studies, which gave him the confidence to take risks, understand the market better and make moves in the direction that he wanted.

In 2006-07, the turnover of his company was Rs 115 crore and in 2007-08, it went up to Rs 170 crore.

“Early 2007, I started nutraceuticals. So it has been one-and-a half years since I got into the business. I feel that the nutraceutical market has a much higher growth potential than pure pharmaceutical formulations.”

Nutraceutical is a term coined by Stephen DeFelice, renowned global medical expert, in 1989, for food, or a part of food, that provides medical or health benefits, including in prevention and treatment of diseases. Nutraceuticals include health foods, dietary supplements and medical foods.

The nutraceutical project had been in his mind for some time before he registered a separate firm, Mission Vivacare Pvt Ltd, for that in 1994 with a seed capital of Rs 5 lakh. He got his first order from East Africa in 1993, before he registered his company, for an oral nutraceutical formulation. He is investing Rs 40 crores this year in the nutraceutical business.

The global market for dietary supplements is huge, estimated at \$68 billion in 2006 by the Nutrition Business Journal, USA. The global per capita consumption of dietary supplements comes to \$11 per annum, while it is more than \$75 in Japan, Europe and the US.

The global dietary supplement market has the potential to reach \$200 billion in a decade. The World Health Organisation (WHO) has predicted that the dietary supplements market will reach \$5 trillion by 2050, if the market grows at 11% every year. A dietary supplement is a capsule, tablet, liquid or powder having medicinal or health benefits taken orally. Examples are vitamins, minerals, essential oils and herbal products.

“Right now, the Indian marketshare in the global dietary supplement market is miniscule. Even if Indian companies could control a marketshare of 5% in 10 years, the potential is tremendous,” says Mehta. He has plans to take nutraceutical exports to the Far East, Latin America, Europe and the US within three years. He is setting up a Rs 40-crore plant to manufacture nutraceutical in India.

Mehta, married in 1990 and father of two sons, likes reading, travelling and music. The secret of his health: “Eat light, sleep well, laugh more, wake up early and keep fit.”

His success formula: “The key to success in any field is understanding the customers.”

Fact File:

Name: Akkshay G Mehta
Title: Managing director
Company: Mission Vivacare
Education: CA and MBA (IIM, Ahmedabad, 1987)
Business: Began with manufacture and export of chemicals and moved on to pharmaceuticals and drug exports. Later, got into nutraceutical and started a company called Mission Vivacare Pvt Ltd
Started In: 1992
Employees: 450
Turnover: Rs 170 crore (2007-08)
Expansion: Has plans to take nutraceutical exports to the Far East, Latin America, Europe and US within three years. He is also setting up Rs 40-crore plant to manufacture nutraceutical in India

Success Mantra: The key to success in any field is understanding the customers...