BioSpectrum the business of Bio & Health Sciences

"We propose an export zone for project approvals from the government, enabling rapid manufacture of chemicals and products for global companies"

01 August 2023 | Views

Hyderabad-based Aragen Life Sciences, a leading R&D and manufacturing solutions provider to the global life sciences industries, is strengthening its 'concept to commercialisation' strategy with new expansion and investment plans. Recording a revenue of Rs 1750 crore in the last fiscal, Aragen is working to bridge the innovation gap in the pharmaceutical industry with its range of solutions across the drug development continuum. In conversation with BioSpectrum, Manni Kantipudi, Chief Executive Officer, Aragen Life Sciences, talks about the company's growth plans and the challenges facing the bioservices sector in India.

What were the key highlights at Aragen Life Sciences in FY 2022-23?

We are currently working on several projects supporting our customers from 'concept to commercialisation' in small molecules while assisting in their journey from gene to the clinic in biologics. The acquisition of Intox Private Ltd has expanded Aragen's end-to-end integrated discovery and development platform for the pharmaceuticals, biotechnology, animal health and agrochemicals industries. We can, now, rapidly and seamlessly advance promising molecules for our customers, from early discovery to Investigational New Drug (IND) submissions, making Aragen one of the few global contract research, development and manufacturing (CRDMOs) that can advance programmes from 'concept- to- clinic'.

Another key highlight was our plan to operationalise a state-of-the-art formulation manufacturing facility in the Mallapur campus in Hyderabad. The new facility is currently under validation and will strengthen our ability to deliver clinical supplies to

customers through integrated drug substance and drug product development and manufacturing.

We have also made significant investments in strengthening our Discovery Services business by upgrading the reagent generation infrastructure, setting up a new vivarium in Bangalore for added capacity, scaling up peptide chemistry capability and adding new capabilities such as oligonucleotides and photochemistry.

Digitisation is another key aspect that we are working on with over 120 organisation-wide projects under various stages of implementation. Digital transformation is paving the way for improved efficiency and efficacy in the pharmaceutical industry. With the changing global business environment and shortage of resource dexterities —automation and digitisation have become key drivers for business growth, sustainability, and competitive differentiation. Over the years, we have implemented electronic lab notebooks (eLNB), electronic quality management systems (eQMS), Laboratory Information Management System (LIMS) and Chemwatch to improve operational efficiencies in the labs. Besides improving productivity and efficiency, our digitisation initiatives also ensure that there is no leakage of confidential information or intellectual property.

What are the major plans in store for the Indian and global market in the coming years?

Our long-term vision is to become a partner of choice from ‘concept to commercialisation’. For this, Aragen is investing in expanding capacities, extending capabilities and widening its geographic footprint to meet the needs of the global bio-pharma industry.

We are already into commercial-scale drug substance manufacturing for small molecules. Now, we plan to have clinical-scale formulation manufacturing capacity as well with the commissioning of our new formulations manufacturing facility later this year.

We are also building a biologics manufacturing plant in Bengaluru which should be ready in the next 15 months. This will be Aragen’s first biologics manufacturing facility. Our biologics business will have a unique proposition. The early-stage discovery work can be done in our R&D labs in the US, closer to most clients, and when the molecule transitions into manufacturing, we can do that here in India, thereby offering the benefit of cost arbitrage to the customers.

Also, as drug companies reassess their reliance on China-based services companies, there is a shift to a 'China-plus-one' strategy, where India is looked at as the plus-one. This shift has brought a lot of work to Aragen.

What are the current trends & challenges facing the bioservices sector in India? How can this sector contribute towards pharma innovation?

The contract research, development and manufacturing services sector of the pharma industry in India is developed around a similar model as the IT sector, with access to infrastructure and scientific talent in cutting edge technology to drive innovation. However, there are few challenges associated with the bioservices sector. Firstly, we make chemicals or products for global companies that require sourcing raw materials from within India and the international markets and shipping the final output to the clients. So, there are challenges around logistics and supply chain management. Aragen, for instance, works with around 1500 suppliers across the globe for all our projects and has close association with most global logistics service providers.

Funding is another challenge. Investors are relatively shy when it comes to funding biotechs given the higher risks and longer project durations. So, there is a need to improve the funding environment for this industry.

To address these challenges, our sector is coming up with an association to be able to discuss the pain points with the state and central government and find solutions that will make this sector competitive globally. For instance, when we receive an order from any US-based company to manufacture a chemical, we need to wait for the Indian government’s approval for a few weeks, even though the product is not being launched in the Indian market. We propose the establishment of an export zone for such project approvals from the government, so that we can rapidly manufacture chemicals and products for the global companies and turn their long-term investment towards India, by offering them high speed and talent.

As far as pharma innovation is concerned, a shift in the mindset is required from generics to innovative drug discovery. We, as the bioservices sector, can help accelerate the Indian pharma industry's transition to being innovators, based on our R&D experiences with the global companies. In terms of the market size, we add up to only $1.3 billion, as compared to $50 billion worth of the Indian pharmaceutical industry. Our number is quite small compared to the pharma players, but collaboration can make a huge difference.

How is Aragen enhancing industry-academia relation and upskilling workforce to strengthen the innovation & Make-in-India concept?

India is well positioned to play a bigger role in the global R&D and manufacturing space which will require access to a larger pool of qualified and trained talent. This requires strong industry-academia collaboration. We have recently partnered with the Indian Institute of Chemical Technology (CSIR-IICT), and Kewaunee Labway India to develop a finishing school for chemists. Senior scientists at Aragen have rich global experience and exposure, and we will leverage their knowledge in developing the course curriculum and providing teaching assistance to chemists and make them industry-ready. India has historically been a major hub for the chemistry talent pool. It is estimated that in the past decade, there has been about 80 per cent growth in demand for chemistry graduates and around 37 per cent for post-graduates driven by the growth in key sectors such as pharma, biotech and other life sciences and allied industries.

We are also in the early discussion phase with the University of Hyderabad to develop a similar school for the biology students. There is an urgent need to bridge the skill gap in youth and aid rural talent get integrated into India's pharma growth story.

Dr Manbeena Chawla

(manbeena.chawla@mmactiv.com)