

“More needs to be done to provide a conducive ecosystem for API manufacturing in India”

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New Delhi-based contract drug manufacturing company Akums Drugs & Pharmaceuticals is all set to expand its presence and enhance its product range as it looks to more than double its turnover to Rs 10,000 crore by 2028, from the current level of Rs 4,000 crore. With 12 manufacturing plants and 3 API plants, the company is responsible for manufacturing approximately 12.5 per cent of all drugs consumed in India. Sanjeev Jain, Jt. Managing Director, Akums Drugs & Pharmaceuticals spoke in detail with BioSpectrum about the new initiatives being taken by the company.

What were the key highlights at Akums Drugs & Pharmaceuticals during FY 22-23?

FY22-23 marked yet another year for Akums to consolidate its presence in the Indian pharmaceuticals contract manufacturing space. Akums increased its wallet share with leading Indian pharma companies; and added 250+ pharmaceutical and wellness companies to its clientele. The cosmetics and nutraceuticals space is attracting positive interest from consumers who are making considered choices on what they eat and how they look.

During the fiscal, Akums received 74 new product approvals from the Drugs Controller General of India (DCGI) and 135 approvals from the Food Safety and Standards Authority of India (FSSAI). With this, as of March 31, 2023, the total DCGI product approvals with Akums stood at 929 and 696 FSSAI approvals.

Akums invested significantly in growth capex during the year, including an oral liquid facility, a new penam block, and gummies. However, the highlight of the year was the receipt of EU-GMP for two of Akums facilities – oral solids (Plant 1) and sterile (Plant 3). Akums is now prepared to leverage its strengths by expanding into regulated markets.

2022 marked multiple collaborations with research institutions and industry partners across drugs, nutraceuticals, and cosmetics. The year also marked the first full year of operations for the API division. The vertical has taken off well and we expect to continue the momentum.

Further, we undertook contract research projects for leading global players in regulated markets.

Akums won several accolades including “Excellence in Operations – Manufacturing” at India Pharma Awards, Excellence in Formulations by Economic Times, and Excellence in Nutraceutical Category by IHW amongst others.

What major plans are in store for 2023? What new initiatives are being taken by the company for its growth & expansion? Which new areas or verticals are you exploring? How much growth is expected this year?

2023 is an exciting year for us. The growth capex we did last fiscal will get operational this year. In addition, we will have an expansion of our exports and API business. Currently we are evaluating new opportunities and will do capex accordingly. We further aspire to consolidate our presence in the Indian contract development and manufacturing organisation (CDMO) space across dosage forms and therapeutic areas. We've expanded our business for oral liquids, gummies and penam.

Are you planning new partnerships & investments this year, both domestic and international?

The opportunity in the Indian contract manufacturing space is immense. With the enforcement of stricter quality and pharmacovigilance norms by the government., the sector is expected to witness rapid growth. We already did significant capex in the last 18 months and plan to do more in the next 1-2 years as well.

Additionally, we are looking to expand in areas we are currently not present, including lyophilised injectables, and further working on upcoming delivery formats in nutraceuticals and expansion capacities in production of injectables, oral solids, and liquids.

At Akums, quality is the core of its operations. Armed with our highly skilled R&D team, we are constantly innovating and adopting international standards to stay relevant in the competitive market. The goal is to continually exceed quality expectations to remain a trusted brand in

the industry. We are open to global and domestic partnerships across product development, product tech licensing and manufacturing.

What are the challenges facing the contract research and manufacturing space in the pharma sector? How is Akums helping to address those?

The contract manufacturing industry for pharma in the industry has gone through several challenges in the last three years. Supply and price volatility, margin pressures, and increased manufacturing costs have impacted the profitability of the industry. While Production Linked Incentive (PLI) schemes by the government are a welcome move, the industry expects more initiatives on research and development (R&D) and large-scale manufacturing of APIs.

What are your views on harnessing India's API potential and reducing API dependency? Are you satisfied with the government's initiatives in this situation, for instance with new bulk drug parks coming up?

India has enormous potential for active pharmaceutical ingredients (APIs) and key starting materials (KSMs) manufacturing to support domestic formulation manufacturing as well as for exports. It will help reduce the dependency on imports and bring in robustness to the supply chain. With the government's "Make in India" initiative, PLI schemes, and the focus on setting up new bulk drug parks, we see encouraging steps toward achieving self-sufficiency in the pharmaceutical industry.

While we appreciate the government's efforts, we believe that more needs to be done to provide a conducive ecosystem for API manufacturing. The establishment of more supportive policies, funding, and infrastructure development is critical to enable API manufacturing to reach its full potential. We are committed to supporting the government's initiatives in this regard and look forward to contributing to the growth of the Indian pharmaceutical industry.

How is Akums exploring new technologies like robotics, AI, cloud to enhance the company's operations? Is there enough skilled labour for this digital transformation in India?

Digitalisation in manufacturing operations in Indian pharma is still in the nascent stages. We have taken steps forward to digitalise our Sales and Operations Planning (S&OP) across various functions. The industry is fast realising the benefits of new-age technologies with several service providers providing innovative solutions, catering to specifics of the pharmaceutical industry. The next 5 years would be interesting in this domain which will help in better production output, quality monitoring, cost-optimisation, and management decision-making.

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