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Remdesivir production boosted our June quarter growth strongly: Syngene CEO

Yatti Soni Bengaluru | Updated on July 22, 2021



‘In FY22, we will invest in expanding our biologics plant, research facilities’

Syngene International Ltd, one of the seven Indian companies that were given the licence for manufacturing Remdesivir drug, reported a ₹77.3-crore profit in Q1 FY22. *BusinessLine* spoke to the company’s Managing Director and CEO, Jonathan Hunt, about how the company fared last year and its future plans for growth. Excerpts:

In the last year and now, amidst the pandemic, which segment is driving business for the company?

Syngene’s operations can be broadly classified into four segments — discovery services, development services, manufacturing services and dedicated R&D centres. While all four segments are delivering growth, the discovery services business is witnessing increased traction because of our focus on delivering

Integrated Drug Discovery (IDD) projects. We also signed a strategic five-year collaboration with Deerfield Discovery and Development(3DC) to advance therapeutic discovery projects, from target validation to pharmacological proof of concept and pre-clinical evaluation. Besides continuing progress across all our business divisions, growth for the quarter was strongly boosted by the manufacturing of Covid-19 treatment drug, Remdesivir, as we increased production to meet the needs of the second wave in India. We also made headway with the expansion of our dedicated R&D centre for Bristol Myers Squibb following the contract extension announced last quarter.

What has been the company's capex and talent expansion plans?

Syngene's overall capex currently stands at ₹35,36.40 crore of which ₹466.90 crore was invested during FY21. In FY22, we will be investing in expanding our Biologics plant and will also continue to expand our research facilities in Bengaluru and Hyderabad. Our talent expansion plan will follow our investment plan, and we will be expanding the headcount in our research facilities as well as our biologics business, in addition to our annual recruitments. With the ongoing expansion of capacity in Hyderabad, we have laid a strong foundation by growing our laboratory footprint beyond Bengaluru. Last financial year, we expanded the facility and added capacity for 90 scientists. We have now launched phase-III of the expansion, which will allow us to build additional capacity for 300 scientists in addition to the 300 scientists who are already working there.

What are the innovative solutions the company has developed in the past year?

We currently have 10 clients working with us on IDD and our scientists support them in bringing new therapies to the market. We played a critical role in the success of Odevixibat, a lead drug for specialist biopharmaceutical client, Albireo Pharma. This drug, which treats genetic liver disease, achieved its two primary endpoints in phase III clinical trials. During FY2020-21, we have also carried out some pioneering projects in animal health. For example, the formulations and analytical development teams developed a multidrug combination product for companion animals like dogs for the global markets.

How far have you progressed in operationalising the new microbial manufacturing facility?

The new microbial facility is now fully operational and equipped with two stainless steel fermenters (200L and 500L capacity). In addition, a 2000L single-use bioreactor was added to our USFDA and EMA compliant mammalian manufacturing plant. The investment has increased our production capabilities for bulk drug substances.

How is the company planning to utilise the API manufacturing plant at Mangaluru?

The API facility in Mangalore will help us offer clients considerable benefits in terms of ease of technology transfer and speed to market as well as provide high quality, cost-competitive manufacturing. The plant has completed its qualification activities and has been awarded GMP certification by the Indian regulatory authority. We are now working on a multi-pronged approach to obtain global regulatory approvals for the plant.

What is the outlook for the company for the next one to two years?

During this year, we plan to make further investments in new capabilities, infrastructure and capacity expansion to support our strategy for long-term growth. We will continue our digitalisation and automation journey to benefit from shorter innovation cycles and improved operational efficiency. We also plan to expand our global sales team to take Syngene's services to clients at a time when they cannot come to us.

How has the Covid-19 shaped the company's business? How is the company preparing to face the impact of the pandemic?

During the initial phase of the lockdown last year, we chose to temporarily suspend operations to implement various safety protocols on our campuses. But we were able to resume operations soon and were operating at near-normal levels by the end of the first quarter of FY21.

We have made changes to our operating rhythm and introduced shift working, and implemented Covid-19 safety protocols on campuses. We also adopted innovative practices like virtual audits, digital client engagements, and the use

of operational tools like Lean, Six Sigma and Kaizens. We believe our operations are now stabilized in the 'new normal' and employees are well accustomed to operating in the new environment.

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