



Aditi Kare Panandikar

As a third generation businesswoman, most are likely to think that Aditi Kare Panandikar was to the manor born. However, this gutsy young lady, who recently took over the reins of Indoco Remedies from her father Suresh Kare (who was at the helm of affairs for five decades before stepping aside) has learnt things the hard way. Having joined the business about 20 years back, the Pharmacy Graduate who holds a Masters Degree in Pharmaceutical Administration and an MS in Pharmaceutical Science from Ohio State University, USA, has worked her way up the corporate ladder at Indoco. Here she opens up about her company, their achievements, aims and attitude towards work. She also shares her views on the future of the Goan pharma sector; a place she says will always be close to her heart.

You took over as MD of Indoco Remedies in February this year after joining in 1993 as Manager - Logistics. Describe your journey at Indoco

I have been in Indoco and in the pharmaceutical industry for the last 20 years. After working for almost a decade in the departments of Quality, R&D, Operations and Logistics, I then handled the HR and Business Development functions. Five years back, I was given the additional responsibility of managing the new API business independently and thereafter, the domestic formulations business in India.

Initially, the operations were at a very low scale and this structure was sufficient to manage things. However, over a period of time, we grew and felt the need to put in place management professionals and we did so gradually. Many in our senior management team have developed and risen from within the organization.

In 2004, after working for a decade in Indoco, I was elevated as the Executive

The future of the pharma sector in Goa looks bright

Says Aditi Kare Panandikar, of Indoco Remedies while talking about the future of her company and Goa's affinity with the pharma industry in a chat with RACHEL FERNANDES

Director with a position on the Board. Thereafter, I have had the opportunity to participate in strategic decisions driving the organisation. In 2005, Indoco was listed on the stock exchange and it has been an exciting period for me since then.

Each additional responsibility assigned to me has been a milestone in itself but my recent appointment as the Managing Director of the company is naturally the dearest.

You are a third generation MD of the company. Is there an added pressure of expectations and how do you deal with the same

The pharmaceutical industry is a highly technology driven industry. The business environment is very dynamic and there are continuous changes in regulatory requirements, quality requirements as well as government policies regarding price control, approvals, etc. Naturally, to exist and succeed, a pharmaceutical company needs to be able to have dynamic and evolving strategies with regards to innovation in product developments, awareness of regulatory requirements including protocols for clinical studies, bioequivalence studies etc. In the manufacturing area as well, we are constantly upgrading our technologies to reduce cost and improve product quality.

It is my father, Suresh G Kare's dream that Indoco be known as a research based pharmaceutical company with a global presence. It is my personal endeavor and objective to take Indoco to a position in the industry that it deserves. We are looking at a high growth phase of the company over the next few years. I am confident that with the support and hardwork of 4000 Indocoites, we will be able to achieve our goals and objectives.

Every generation has its own challenges and needs to make its own value addition to the business. Naturally, there is a lot expected from me and I have a huge accountability to my predecessors.

Can you elaborate on the company's growth plans to expand business and explore new ventures?

The company is progressing well in domestic as well as international business. On the domestic front, new product launches in all the marketing divisions, further penetrating in the market through extended geographical reach with intense product promotion campaigns and the launch of Indoco CND, a new marketing division with products for lifestyle and chronic segments, will ensure the desired growth.

In the international business, Indoco is preparing to launch a few products in the US through Watson and move up the value chain in the US and the European Union (EU) by registering our own dossiers. The company is expanding its base in the EU by adding new customers with special focus on our new ophthalmic range. Indoco is also progressing well on in-house development for new products slated to go off patent in the near future

Indoco's head office at Kalina, Mumbai





and has an impressive product pipeline for servicing generic companies across the globe.

The potential in emerging markets will be exploited by adopting a two pronged approach, i.e, partnership with Aspen in some select markets and brand building through the distributors in other emerging markets.

For the API business, we have recently tied up with DSM Pharmaceutical Products, Austria, a Euro 9 billion organization for marketing a few of our APIs.

Overall, the company is on track to achieve the intended growth in all the business segments that it operates today!

Research and development is one of the most important segments of any pharma company. Approximately how much is your annual budgetary allocation towards R&D?

Indoco's R&D activities are oriented towards the company's commitment of excellence through innovation. Our state-of-the-art R&D centre at Rabale near Navi Mumbai is spread over an area of over 1,00,000 sq.ft.

An initial investment of about \$ 8 million was made to set up the R&D

centre that has capabilities in synthetic chemistry, formulations development, analytical methods development, intellectual property rights and regulatory services. We have a team of 200 scientific who focus on building a large portfolio of products, optimizing existing processes and creating new technologies to offer a value added product to the customer, thus strengthening Indoco's position in the market place.

What percentage of the company's income comes from the foreign market and how much from the domestic market'?

Today, Indoco is at its growth trajectory having strong brand portfolio in the Indian pharma market, generating more than 50 million prescriptions annually from over 125000 doctors. Indoco has a sales turnover of 620 crore with 65 per cent coming from the domestic business and international business contributes to 35 per cent of the sales.



The facility manufacturing solid and liquid dosages, creams and ointments in Goa



Indoco has international tie-ups with the US based Watson, South Africa's Aspen and more recently, a Dutch group company DSM. How have these helped you'll make your presence in the international market?

On the international front, we have tied up with large companies like Watson-USA, ASPEN-South Africa, Perrigo-UK & DSM-Austria to name just a few. All our partners are well established and successful players. While Watson is the third largest generic company in US, Aspen is the largest pharma company in South Africa and DSM is a huge corporation. We believe these partners with their well established marketing networks will give Indoco an edge in getting market share.

Any more such tie-ups in the pipeline, in the future?

At Indoco we partner to complement our capabilities. With our strategy to file our own products in the regulated markets, we will certainly look at newer alliances for out-licensing these in various geographies.

Recently there were talks about Indoco undertaking Rs. 60 crores worth of expansion of manufacturing capacities. What all with this entail?

At this point we are well positioned with regards to manufacturing capacities for our formulations, however much needs to be done as far as APIs is concerned. We will need to invest in the API plants over the next two years to enhance our capacities.

The government recently announced plans to set up a venture capital fund with a corpus of Rs 2,000 crore aimed at strengthening research and development capabilities in the pharmaceutical sector. How will this help the sector?

Pharmaceutical research is very costly. A New Chemical Entity (NCE) research would need an investment of upside of \$300 million. This makes such research beyond the reach of most pharmaceutical companies in India. Any Government initiative towards research will certainly help and allow more companies to take advantage of the huge opportunities that lie therein.

You recently spoke at GCCI's Investment Forum where you spoke out about the many requirements of the pharmaceutical sector. What exactly do you feel Goa has to offer?

The pharmaceutical industry is a technology driven industry. Across the value chain, be it in research, manufacturing, marketing or distribution, technology plays a key role. People with high levels of education and skills are needed by the industry at all levels.

With the tax holiday, many pharmaceutical manufacturers came to Goa and over a period of time have expanded their presence here. Goa has one of the most ideal environments for the industry. It offers a small town environment with a good quality of life and as a result, most people are willing to relocate here. Additionally, the presence of Pharmacy and Science Colleges and an employable population that can speak good English are also a plus. The natural port at Goa is also a great advantage. Additionally, Goa has proximity to and good air connectivity with Mumbai, the financial capital of India.

Once further improvements are made in infrastructure, it can indeed become a haven for the pharmaceutical industry in India.

Goa was quite a hot destination for the pharma industry. However, many have shifted base to North India thanks to the many tax sops the government there offers. What is the future of the pharma sector in Goa?

While it is true that some pharmaceutical companies have expanded their facilities in Himachal Pradesh, Uttarakhand, J&K and Sikkim amongst others to take advantage of the tax sops offered there, many, including us at Indoco, have chosen to stay and expand our presence in Goa.

In order to attract fresh players to Goa, the Government might have to announce more incentives. For the majority players already present here, the speed with which infrastructure (water, power, public transport) is developed is likely to play a major role in their plans to

further expand base here. As such, the future of pharma in Goa looks bright.

The pharma sector in Goa employs quite a number of people. However, most of them are from outside the state. Comment on this...

Many people around Goa's boundary, adjacent to Maharashtra and Karnataka choose Goa as their career place. For them, Goa may be a convenient place as compared to Mumbai or Bangalore on the basis of the cost of living, working hours and distances between etc. However it is not true that most people employed in the industry are from outside Goa. In our facilities for example, majority of work force is of Goan origin.

The Indian pharma sector, though having shown quite a bit of resilience to the economic downturn is now showing signs of being affected by factors like the depreciating rupee and rising inflation. Is it resilient enough to withstand these factors?

The Indian Pharmaceutical sector is one of the most regulated and statutorily controlled industries. Over almost seven decades, the industry has weathered through various challenges and converted them into opportunities. I am confident that we will triumph over the huge economic and environmental challenges the business presents today as well.

What would one ideally find you doing when you are not busy with work?

Despite a busy professional and family life, I am an avid reader and make every effort to pursue my hobby in writing, interior designing, cooking, music and art.

How do you manage to strike a balance between your professional and your personal life

In a manner I live my life in compartments and I believe in giving a 100 per cent to every role, be it of a daughter, sister, wife, mother or MD. Giving 'quality time' is most essential. On a rare occasion, a board meeting and a 'parent teacher meet' will clash and one has to live with that. On a good day it is still possible to spend 'me' time over a morning walk, pack the kids school lunches, drop in for a morning coffee with my parents, attend a full eventful day at work, steal a quick lunch with my sister, cook dinner, help the children with their school projects in the evening and watch a movie with the better half at night. I am equally involved at work as well as at home. I think that is why I am able to do justice to both ■

The state-of-the-art R&D Centre at Rabale near Navi Mumbai

