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â??IPSO expects the govt to help set up infrastructure dedicated to the Indian CRDMO industryâ?•

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Due to a lack of a clear and unified industry definition and slow progress, Indiaâ??s Contract Research, Development, and Manufacturing Organisation (CRDMO) industry leaders have joined hands and formed the Innovative Pharmaceutical Services Organization (IPSO), to create a strategic blueprint- a roadmap to define the CRDMO sector. IPSO, a dedicated industry body uniting 11 leading CRDMO companies, is all set to accelerate Indiaâ??s dominance in biopharma innovation, ensuring a stronger, more structured future for the sector. As one of the key members of IPSO, Manni Kantipudi, CEO, Aragen Life Sciences shared the future plans of the industry body during an interaction with BioSpectrum.



What are the key objectives of IPSO? Is there a timeline for achieving these objectives?

IPSO's key objective is to position India as a global hub for pharmaceutical innovation by advocating conducive policies, increasing sector awareness, and fostering a robust ecosystem through industry-government collaboration. To achieve this, IPSO will focus on creating a favourable regulatory landscape that recognises the unique needs of biopharmaceutical research; nurturing a talent pipeline through investments in Science, Technology, Engineering, and Mathematics (STEM) education and attracting global scientific expertise; securing incentives to fuel investment and innovation within the CRDMO sector; and strengthening the supply chain ecosystem to ensure the industry has the resources it needs to thrive. These are long term goals and objectives and require concerted efforts from multiple stakeholders.

What are the major challenges that are being addressed to strengthenâ¯the CRDMO sector in India?

In the last few years, the Central and State Governments have taken various measures to strengthen India's biopharmaceutical sector by introducing policies to promote research, development, and innovation. However, these policies do not focus on the specific requirements of the CRDMO sector. As service providers, we have a different operating and business model and cater to a more global customer segment compared to the overall biopharmaceutical sector. Despite this, the industry has shown strong growth prospects and plays a crucial role in exporting services to highly regulated markets such as the US, Europe, UK, Japan, and Australia. It is also increasingly contributing to foreign direct investments (FDIs) into the country. In the post COVID-era, India has emerged as a strong alternative to life sciences organisations looking at geo-diversifying operations beyond China. Building on this strong foundation, IPSO will work towards creating more awareness about the requirements of the sector, tackling regulatory and operational challenges, and streamlining the regulatory approval processes.

Would more members/companies be onboarding IPSO in the coming time? Please share details.

Absolutely. We are seeing keen interest from other Indian CRDMOs and have received additional membership requests. We expect the total membership count to cross 20 companies by the end of the calendar year.

What are the major expectations from the government to support IPSO and its goals?

One of the key expectations from the government, both State and Central, is to implement policies and regulations that meet the specific requirements of the CRDMO industry. Currently, there is a lack of adequate understanding of the sector's operating model which reflects in the prevailing policies and guidelines. For instance, some of the approvals are relevant for companies intending to sell their products within the country and not for CRDMOs focused on exporting their services outside India. Yet, we need to apply for these approvals which negatively impacts our delivery timelines and cause unnecessary delays. Secondly, we expect the government to help set up infrastructure dedicated to the CRDMO industry with all relevant support facilities and amenities. This will reduce our cost of operations and help leverage collective resources. Thirdly, facilitate the setting up of incubation centres that promote investment in developing scientific research. Initiatives from Biotechnology Industry Research Assistance Council (BIRAC) are already in this direction and we expect continued support in this direction.

Would IPSO be organising events/meetings in 2025 to spread out its message? Please share details.

Yes, in the coming months, IPSO will organise various events aimed at increasing interaction and engagement with the government, regulatory authorities, industry bodies and academic institutions. For instance, we recently organised the first Supply Chain Meet that had the supply chain heads of various CRDMOs come together to discuss and deliberate shared challenges and drive collective solutions towards creating a robust supply chain ecosystem in the country.

What are current trends shaping the future of the CRDMO sector in India, and how would IPSO leverage those opportunities?

The Indian CRDMO sector is seeing rapid growth and has demonstrated immense potential in the face of global disruptions and a volatile market. As mentioned in the BCG-IPSO report, the sector is currently valued at around $3 billion growing at 15 per cent CAGR between 2019 and 2024, double the global growth rate of 7-8 per cent, and has the potential to scale to $25 billion by 2035. Besides cost arbitrage, it offers scalable, innovative and technology-driven solutions to the global life sciences sector. It is also investing heavily in expanding capacity and capabilities across R&D and manufacturing solutions. This includes investments in new modalities such as cell and gene therapies, ADCs, peptides and oligonucleotides.

Companies such as Aragen have committed significant capital investments in the coming years to expand their service offerings. We have also adopted AI/ML based digital tools, data analytics, and automation that is significantly improving operational efficiency, ensures superior quality control and speed to market, positioning Indian CRDMOs as reliable partners in the global supply chain. However, there are few key barriers that will need to be overcome for the sector to leverage its full potential. These relate to quantity and quality of talent pool, implementing policies and regulations specifically focused on the CRDMO sector, creating a world-class tier 1 supplier ecosystem, facilitating access to capital for driving growth and driving sustainability. This is where IPSO will step in and help overcome these barriers and strengthen the sector’s overall position in the global marketplace. It will work closely with the industry and academia to develop relevant talent pool and with the government and regulatory authorities to frame conducive policies. It will also work towards strengthening the supply chain ecosystem to increase the competitive advantage of the sector.

How do you view the growth/inclusion of sustainability within the CRDMO sector in India? Are there any global lessons to be looked up to?

I think sustainability is becoming a core element of the overall life sciences industry, driving innovation and shaping business models. There is an increasing level of awareness, appreciation and a sense of urgency towards ensuring sustainable operations. This is a core topic of discussion during our conversations with all our customers. As the demand for environmentally friendly solutions grows, I believe that CRDMOs will increasingly focus on sustainable practices throughout their operations, from R&D to production. Driving sustainability initiatives at an industry level is also one of the focus areas of IPSO. Aragen is proactively investing in cutting-edge technologies and advanced processes that promote sustainability while delivering impactful solutions. We have made significant strides in utilising renewable energy sources within our operations, reducing our carbon footprint and energy consumption. Renewable energy accounts for more than 22 per cent of our total energy consumption. We've also focused on sustainable packaging and material sourcing, minimising environmental impact

across our product lifecycle.

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