



## Sigachi Industries Private Limited

RP Sinha, Chairman

### **Please share with us the journey and growth of Sigachi Industries Private Limited.**

Sigachi was incorporated in the year 1989. All these years, we have continued to expand in Pharmaceutical Excipients, primarily, Microcrystalline Cellulose (MCC). We have been steadily growing and adding in new facilities to cater to the expanding pharma market. Currently, Sigachi continues the growth story, with a Pharma Excipient industry best of 34% for the FY16, with more than 50% accounted for by exports. This growth story has been brought out by three manufacturing facilities, with independent teams to cater to needs of the market. The three facilities, backed by desired regulatory approvals of WHO GMP, cGMP, EDQM, ISO 9001, 22000, KOSHER and HALAL Certifications have helped us penetrate across all major regulatory markets. Additionally, the fact that Sigachi has received three National Awards from the Ministry of MSME, Govt. of India confirms that we have no parallel in the Indian Pharma Excipient Space.

### **What kind of products and services does your company offer?**

Sigachi, as on date, is the largest manufacturer and seller of MCC in India. We offer more than 35 different grades of MCC, catering to all needs of the pharma formulators. We also service our clients on costs optimization to bring down their production costs, by bringing out the best combination of excipients. Well, that's Quality by Design. This is possible due to our Full Scale Excipient Application lab, where we carry out all necessary trials and tests that a formulator would need to move ahead.

### **What is the company's strategy with respect to expansion, both in the short term as well as the long term?**

Traditionally, Sigachi has always believed in organic growth. However, the current market situations demand consolidation in our principal product and other complimentary products. We are looking to grow organically, and in parallel keep a lookout for acquisition possibilities which offer good valuation, topped with synergistic and complimentary products.

In the long term, we are looking at products and capabilities to move up the value chain in the pharma industry. It could be adding up another excipient product or building capabilities for that "niche product" through either joint ventures or acquisitions. We see Sigachi as a BSE-listed company with annual revenues of ₹ 1,000 crore by the year 2025.

### **Which sectors and markets is the company planning to venture into in the near future?**

The pharma industry has been our primary market, accounting for nearly 70% of our revenue. The food industry accounts for about 10% and the balance is shared by the chemical industry. Currently, we are underway to launch our products in the cosmetic industry across the globe. The product dossier preparations are nearing completion. In another two years, we expect the cosmetics industry to contribute to 5% of our total sales. US and Europe are our focus markets. We have been working out strategic partnerships with companies and distributors to penetrate deeper into these markets. We are actively looking at opportunities in the African market for furthering our sales.

### **How do you think India is currently placed in terms of becoming a major hub for innovation and R&D in the pharmaceuticals space? What are the factors that can help propel India's position in this regard?**

I would say India is very well placed in terms of becoming a major R & D and innovation hub. The very fact that Big Indian Pharma companies have been spending close to 7% of their sales on R&D speaks volumes about the thrust being given to innovation. This is in line with what global generic pharma companies spend. However, with affordability a major issue, the Indian pharma company business model usually revolves around generics versions of branded drugs, when the patent expires. Globally, the best companies spend most of their R&D on NCE (New Chemical Entities), which is limited in the case of India. Our spends are mostly on development of generic equivalents and filings of ANDAs. The single biggest factor that could propel India as a major hub for innovation and R&D is improving our educational institutes and pushing for more industry-driven research by research institutes. I don't say they are not good, but a lot more can be done on that front.