



**VIKRAM PUNIA:
THE RISING STAR OF RUSSIAN
PHARMACEUTICAL INDUSTRY**
THE FOUNDER OF ONE OF RUSSIA’S LARGEST DRUG MAKERS, PHARMASYNTEZ, SAYS COVID-19
HIGHLIGHTED BOTH THE WEAKNESS AND STRENGTH OF THE PHARMA INDUSTRY GLOBALLY AND
FOCUSING ON FUNDAMENTAL SCIENCES AND R&D IS THE KEY TO PREPARE FOR THE FUTURE
PANDEMIC

Founded in 1997, Pharmasynitez Group of Companies is now one of the largest and fastest-growing pharmaceutical companies in Russia. The company’s five plants produce more than 170 types of medicines, including those for the treatment of COVID-19. In autumn, the company plans to launch production of Sputnik Light coronavirus vaccines at its facilities. In an interview with Russia Digest, the founder and president of Pharmasynitez, Vikram Punia spoke about the challenges for the industry in light of the coronavirus pandemic and shared his vision for expanding cooperation between Russia and India in the pharmaceutical sector.

In the 1990s, you started a business in Russia from scratch. Now, Pharmasynitez is one of the largest Russian pharmaceutical companies. What is the secret of your personal success and the success of your brain-child?

I will try to put it very briefly. Perhaps the whole success lies in the fact that my team and I have accurate, positive and original ideas. This is the first thing. The second is that we are not afraid to implement them. We don’t fear that something may not work out or there might be some failures along the way. We work hard. I am working 12-14 hours a day. And, of course, the combination of these factors is what makes us successful.

In these difficult times, when the world is battling the COVID-19 pandemic, what are the major challenges that you, as a founder and president of a large pharma company, are facing?

During the pandemic, the main challenge turned out to be the increased level of responsibility. On the one hand, COVID-19 has become a problem for the entire country and for our facilities specifically: people started getting sick. At the same time, we have a huge responsibility to provide the whole country with medicines. During the pandemic, we have increased the production of antiviral drugs

tenfold, and the production of antibiotics has also increased by several times.

Let’s take a simple thing like injectable paracetamol. It turned out that we were the only company in Russia to produce this solution during the pandemic. When a person gets infected and cannot take pills, paracetamol can only be administered intravenously, and if it was not for the Pharmasynitez Group of Companies, I do not know how it would be possible for Russia to make it through without paracetamol.

Not to mention the crucial therapeutic medicines against COVID-19. We have done a lot of work on clinical trials of Favipiravir and Remdesivir. I can say that we are probably the only pharmaceutical company in the country that has such a robust portfolio of these kinds of drugs.

You also went ahead with a compulsory licensing of Remdesivir?

Yes, we realised that it would be very difficult to treat COVID-19 patients without this particular drug, and we took the risk—we conducted clinical trials of this drug, and spent, from my mind, about 200 million roubles (\$2.7 mln). We understood that the drug was under a patent protection, but we also realised that people would definitely need it. And it turned out to be true: there was no original drug. We are the only ones who

conducted clinical trials, and we are the only ones who could provide the country with the right amount of the right drug at the right time. We submitted our proposal to the government, and the Administration of the President, the government supported us, and before the new year we received a compulsory licence for Remdesivir. As you can see, the country has enough supply of this medicine at the moment. In other words, we have provided the entire country with enough medicine. By the way, during the last wave of the pandemic in India, the government has requested us to produce quite a large amount of this drug and help India. We have shipped a large amount of this medicine as humanitarian aid which was comparable to the volume of American aid to India. We have supplied 4.5 lakh packages.

Incidents of mucormycosis, a fungal infection, are being increasingly reported in India. As far as we know, Pharmasynitez also makes antifungal drugs. Can they be used to treat this disease, and is the possibility of supplying these drugs to India being discussed?

Of course, we can supply these medicines, and our production volumes are also large. Pharmasynitez is now a powerful company not only only in Russia. It also ranks among the 500 largest pharmaceutical companies in the world. If the government asks us to do so, we will certainly produce the required amount of the drug quickly.

The Russian government?

The Russian government first of all, but we can also supply directly to the Indian government upon their request. There are no problems with patents or other formalities. We can work directly with both the Indian government and private customers.

Last year, you were confidently saying that several vaccines will be created globally by fall, including in Russia. Fortunately, your predictions were correct. Moreover, your company will produce the Sputnik Light vaccine at your facility in St. Petersburg. Where did your confidence in the Russian vaccine come from?

Firstly, I have been working in the healthcare and pharmaceutical industry for 25 years. Therefore, what I said was not based on just intuition, but on the trials that were being conducted at that time. Secondly, we have already produced three batches, started the production process, and already filed these samples and documentation to the N. F. Gamaleya National Research Center for registration. At the same time, we are beginning to work on the industrial batches at the moment. I think that by the end of the third quarter, or by the fourth quarter at the latest, we will start industrial deliveries of Sputnik Light not only for the Russian market, but also for the global markets.

Are you planning to supply Sputnik Light to India, or will it be produced there?

For us, India is the same country as any other where there will be a need for a vaccine. I will be very happy to supply Sputnik Light to India, maybe even before any other country, to meet the demand of the Indian market.

Are you vaccinated yourself?

Yes, I got vaccinated last August with Sputnik V.

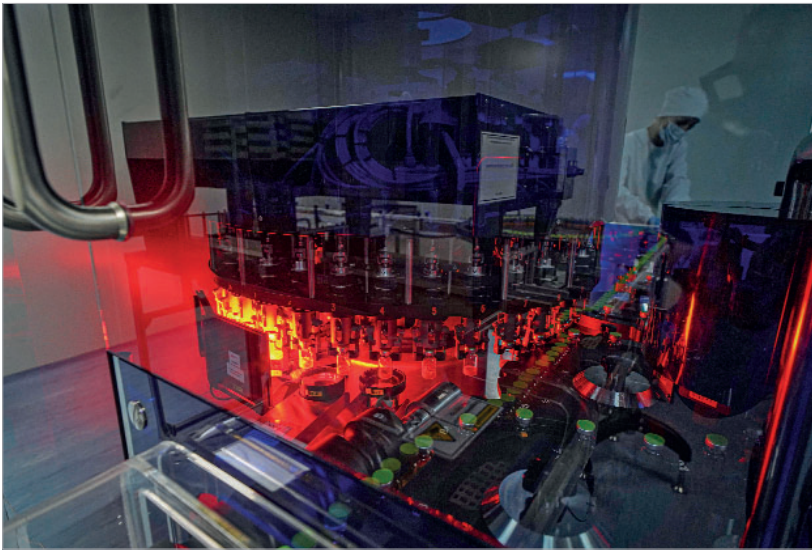
That is, immediately after the registration of the vaccine?

Yes, immediately after registration, among the first ones. But time passed, and in April, I no longer had any antibodies, so I was revaccinated with the “KoviVak” vaccine developed by Chumakov Federal Research and Development Center for Immunobiological Drugs.

Do you have any plans to manufacture the Chumakov Center vaccine or a vaccine by the “Vector” State Scientific Center for Virology and Biotechnology?

We’ll wait and see. It’s hard to talk about it now. I think we could talk about this in the fourth quarter.

You know that there are a lot of anti-



vaccination skeptics in Russia, as well as in India, and this is largely one of the reasons why the pandemic is still not slowing down. Would you encourage them to get vaccinated?

Absolutely. The vaccine has now been tested in terms of effectiveness and safety, and quite a lot of time has passed. Terrible things happen in hospitals to the people who start getting sick or are already sick. And if now these people who are against vaccination were asked this question, they would agree to be vaccinated a hundred times and a hundred times regret why they did not do it in advance. After all, all the possibilities there were, and it was possible not to bring themselves to such a state. It is just horrible when people do not fully understand and decide for themselves that it is harmful, that there might be some adverse side effects at some point. But vaccination was there all my life, the vaccine by the Gamaleya Center, or the one by Chumakov Center are both proven technologies, a platform. Therefore, if anyone is willing to listen to me, I would like to say with conviction: get vaccinated, friends and colleagues. This is salvation.

The WHO warned about the possibility of a pandemic earlier, but the world was still not ready for it. And now experts are talking about the possibility of a new pandemic in the near future. Do you think it is possible to prepare for the next pandemic?

Now it seems impossible for me to make any predictions regarding the new pandemic. There are different forecasts of scientists and doctors, including those by WHO. As for whether we can be ready—Alexander Ginzburg, director of Gamaleya Center, said that if a new strain appears, we will be ready to come up with a new vaccine in a 3-to-4-month time frame. So, in that sense we can prepare. I don’t know how else to prepare. If you mean to buy and stock a huge amount of flour—this is completely unnecessary and useless. I believe that we need to prepare mostly by making progress in fundamental sciences, so that if something new appears, we are able to develop a response to this infection fairly quickly.

Recently, the idea that the COVID-19 is of artificial origin has been circulating in the public space. What do you think about it?

It is very difficult to say whether this is true or not. I think a real investigation is needed. If the coronavirus is indeed of laboratory origin, then it seems to me that the problem is bigger and scarier than we currently think. Therefore, it is necessary, of course, to wait for the results of the investigation that is underway. In any case, everything will fall into place sooner or later, and we will understand how everything truly happened. But then again, there is avian flu and swine flu—they also did not exist before. If you look

in this direction, it is also some kind of an evolutionary process, and the virus appeared as part of this evolutionary process. On the other hand, the coronavirus, of course, is not like anything else, although it is also an RNA virus of the same family, but it works very differently from all the viruses that we have encountered before.

Most of the drugs produced by Pharmasintez are generics. I myself have repeatedly encountered situations where doctors told me during an appointment: “Don’t take Russian-made generics, they are ineffective, buy a foreign original drug.” How competent are such judgments? Is there a problem of effective and ineffective generics, and how does one understand when to take the original drug and when to use a generic?

I believe that such an approach is completely wrong. It is not true that a Russian-made generic drug is ineffective. It is the same drug as the imported analog. There are cases, when drugs from small manufacturers that do not meet certain requirements, appear on the shelves. In this case, of course, I believe that people should contact the relevant authorities. But such things are happening less and less often now, control over drugs being sold in the market has become tougher. At the same time, the belief that imported

products are better is not true, it does not match reality.

I, for example, do not see any difference between the original drugs and the drugs of Pharmasintez company. When I or my children are ill, we always use medicines of our own production, and not an original drug, because I sincerely trust the quality of my drugs. Moreover, if doctors persuade you to purchase an imported drug, they refer you to a specific manufacturer. This is a certain scheme, which, by the way, hinders the development of the Russian pharmaceutical industry.

You said that your dream is to produce original drugs. What kind of innovative drugs are you manufacturing already, or planning to?

First of all, oncological diseases. We have several drugs. One drug, PF-114, is already in the third phase of clinical trials. We are also developing a drug in the field of surgery, which is undergoing the third phase in Russia, and we have now submitted it to the Food and Drug Administration of the United States to obtain approval for the first phase of clinical trials. It is also, by the way, a unique, and very crucial drug for preventing postoperative lesions.

We currently have several drugs that are candidates for becoming the next generation of antiretroviral drugs. And, of course, we are working on an antiviral



drug. Soon I think we will enter the first phase of clinical trials. I really expect that we will get good results; we have a candidate drug that exceeds the effectiveness of Remdesivir against COVID-19 by ten times. By the way, I haven’t mentioned the anti-diabetes drug in our innovative drugs portfolio yet, because we are, in my opinion, the only company that has an innovative drug in ours—‘Saterex’ (gozogliptin). We are now registering it in other countries too. It got included in the Vital and essential drug’s list (VED) in Russia. We also produce an antituberculosis drug ‘Perkhlozon’.

Today, innovation is the main priority for Pharmasintez. And we invest much more in new developments than in expanding the generics portfolio, because now there are a lot of small companies, working in the generics segment in the country, and they are doing a good job in this. I am sure that big companies should now take a course towards innovations.

How do you assess the cooperation between Russia and India in the pharmaceutical industry, and has the pandemic provided an additional strength to this cooperation?

As for cooperation in the pharmaceutical industry, the situation in Russia and India has changed a lot over the past 15 years. Previously, the model of cooperation used to be supplying generics. That is, traditionally, India has supplied a huge number of generic drugs to Russia. Now the Russian industry has taken a huge step forward, and today, Russia itself can produce any generic drug. Over the past ten years, a quarter of a trillion roubles have been invested in the pharmaceutical industry. About 50 new plants have been built, and the same number of plants have been modernised. And in general, the competence of the Russian pharmaceutical industry has risen very strongly.

Therefore, it is now important to change the model of cooperation and leave the old model in the past. A new kind of cooperation, in my opinion, should be based around original ideas and original products that India is very much capable to offer. It is important for Indian companies to offer Russia new ideas, new drugs or those drugs that are needed in

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Russia, those technologies, that Russia is lacking and in which Indian companies have an edge. This model will work. Not everyone is aware of this today, but this is the right strategy.

What are the most demanded medicines in Russia at the moment? And what are the technologies and innovations that India would be in the position to offer?

I think that the Indian pharmaceutical industry and pharmaceutical enterprises need to analyse the Russian market. India is very strong in substances. It would be possible to develop the fundamental production of pharmaceutical substances. In five years, there will also be no niche for the production of pharmaceutical substances, because the Russian pharmaceutical industry is moving forward very quickly.

Are you planning to localise your production in India?

I do not have such plans at the moment, because we currently have a number of working projects that need to be completed. But with the transition to an innovative business model, I do not rule out localising our manufacturing in India. Take, for example, the innovative drug, Serogard, for the prevention of postoperative lesions developed together with the Irkutsk Institute of Surgery. The drug must be produced in huge volumes. And I don't rule out localising the production of this drug in India.

Do you intend to implement joint R&D with Indian pharmaceutical companies, as India positions itself as the “pharmacy of the world”?

Such developments already exist. For example, we are now working very closely with Emcure. They have a very strong R&D. They localise and transfer their technologies and we implement them. There is a younger but very advanced Indian company, BDR. They are also thinking about investing in innovative drugs. We also have a very good agreement with Hetero. In order to become innovative, you need to start working in this direction. We are also



cooperating with Indian companies, especially in the field of pharmaceutical substances production.

At the Bratsk plant, we have implemented quite a lot of technologies adopted from India, but these are not simple generics, these are pharmaceutical substances that Russia needs.

Is there a problem with human resources in the Russian pharmaceutical industry?

A huge one.

Do your businesses employ Indians? How much promise do you see in the idea of attracting Indian specialists to Russia?

We do get help from Indian specialists from time to time, mainly when we implement technology transfer project with our Indian partners, but Indian citizens do not work for us on a permanent basis. Specialists trained in India may be in demand in Russia—they can bring knowledge and experience, and train local personnel here.

In Russia, there is the following problem: a person gets specialised training, becomes a pharmacist, and goes to work in a pharmacy. Not everyone thinks that the pharmaceutical faculty is also about pharmaceutical industry and pharmaceutical production. However, the mentality is changing now, and, for example, we are training students specifically for pharmaceutical production. This

year, six students will receive special education in St. Petersburg and Irkutsk and will start working in Pharmasyntez company.

To answer your question, there are prospects for attracting Indian talents, and we are indeed attracting them. I think that it is important to bring specialists who already have at least ten years of experience in the pharmaceutical industry.

You are a member of the Board of the Business Council for Cooperation with India. The issue of not being familiar with markets of each other is one of the key issues in Russian-Indian economic relations. Could you brief us on what efforts the Council is making and what, in your opinion, needs to be done to radically change this.

To be honest, because of COVID-19, we had to stop meeting and communicating as actively as before. But we need to change the mentality, in general, not only in the pharmaceutical industry, but also in other areas, such as: mechanical engineering, textiles, information technology. Russia is not the same country as it used to be many years ago. And in order to cooperate with Russia, Indian entrepreneurs need to introduce something new and original, which is currently not available in Russia. Of course, supplies of tea, coffee, and textiles are needed, but this will not help in building a large business enterprise. Also, one needs to enter the market with

a kind of business idea or product that Russia has a demand for.

As for Russian investment in India, I think there are lots of opportunities, especially in the field of metallurgy, fertilisers, and energy. India has a very large domestic market, unlike Russia. And Russian enterprises could meet their needs in many ways, including localising their production in India. I hope that the present scenario will change, and Russian companies will also come to India. In any case, we will operate within the framework of our Business Council.

What should an Indian businessman who enters the Russian market be prepared for? What obstacles and challenges can he or she face?

There are some issues, of course, starting with such tiny things like: obtaining long-term visas, to the issues related to the transparency of rules and norms. Russia doesn't have any special economic zone established for Indian companies specifically, where special conditions would be created for them. But basically, I don't see any particular obstacles for those who intend to do business in Russia. People should be positive and firm.

Secondly—you need to do the business that Russia needs. Bright ideas are needed. After all, one can even approach me, I'll be happy to share ideas. Although it is not my job, but as a member of the Business Council, I can tell Indian businesses what areas could be explored. In the pharmaceutical industry, one can produce substances. In many areas, even the Chinese companies cannot compete with Indian technologies. India has really progressed a lot. And of course, you can bring in your own technologies in the right format and localise them in Russia. All required support will be provided.

There is a fairly large Indian diaspora in Russia and you are one of its outstanding representatives. However, unlike in the US, where the success of some of the members of Indian diaspora is well-known, take the example of Kamala Harris, in Russia this is very different. What is the reason for this and what can be done?

Perhaps, it is because Indian businessmen came to the USA, Canada, Great Britain long time ago and with quite firm intentions. When Indian businesses went there, the rules were clearer, more transparent, and there was no language barrier, which was a great thing. In Russia, of course, it is relatively difficult to establish yourself just because of the language barrier.

I don't think Indian diaspora in Russia is very strong in general. But given the fact that I have gone very deep into the pharmaceutical industry and I have a 12-14 hour long working day, I really don't have time to deal with the development of business relations between the two countries.

Establishment: 1997, Irkutsk

Number of employees: Over 3,500

Scope of business: Development and production of antiTB, antineoplastic, ARV drugs, and hospital antibiotics

Product Portfolio: 200+ products (tablets, capsules, granules, tubes (gels, ointments, creams), suppositories, pre-filled syringes, cartridges, ampoules, vials (solutions, concentrates, emulsions, lyophilized products, powders), and drug substances

Manufacturing facilities: 5 factories in 5 Russian cities (Irkutsk, Ussuriysk, St. Petersburg, Bratsk, and Tyumen)

Revenue: \$510 mln (increased by 5.5 times from 2013 to 2020)

Ranks 5th on Forbes list of TOP-20 pharmaceutical companies in Russia

Ranks among TOP-10 leading pharmaceutical manufacturers in terms of state procurement (DSM Group: Ranking in the hospital segment, 2020)

Ranks among TOP-5 manufacturers in the hospital segment in value terms (Alfa Research & Marketing: Ranking of pharmaceutical companies in the state procurement segment, 2020)

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The diaspora should have a good leader who represents Indian entrepreneurs in the Russian government and in Russian business circles. I wish that such a person would appear. For my part, I am ready to support the development of business relations between the two countries, because the opportunities are huge, and it is a shame that sometimes they are not fully used. And if they still get to being implemented, it is in the wrong direction. Of course, if I can, I will always contribute to the development of relations between the two countries. Because these are two great countries that should cooperate and use their cooperation for their people. I think that new times will come and there will also be a strong Indian diaspora in Russia. Times will change, and businesses will adapt to the new conditions.

What do you get your inspiration from, besides your work?

There are many things—I can especially highlight my family. I have two boys, one 26 years old, the other 21 years old and a little six-year-old girl. The boys are very interested in the business that I have established. One, however, has completely gone into IT, the older one is very interested in the future development of pharmaceutical industry. I am very happy that he sees things the same way I do, thinks the same way. That's why my family inspires me, of course. My wife was a great doctor, and she enjoyed being a doctor, but she started helping me design and build new factories and became Vice President of Design and Construction of Pharmasyntez. In November, we have launched a new factory in the city of Bratsk. The president of Russia has participated in the opening ceremony via telecom, the Minister of Industry and Trade, the governor and other dignitaries were also present. This is a rare example of a pharmaceutical substance manufacturing plant in the country, and it was completely designed by my wife.

Do you feel you're an Indian or a Russian?

I feel like an ethnic Indian and at the same time, a person who has become a Russian in terms of culture and thinking. I try to preserve the best of both cultures.

Interviewed by Leyla Turayanova