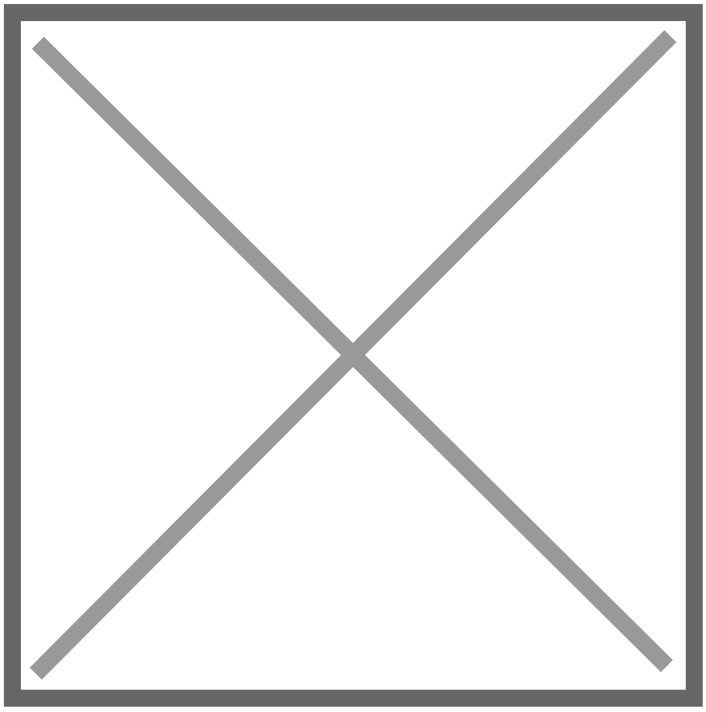


BioServices on Fast Track

13 June 2005 | News



- Bioservices segment records 54 percent growth.
- Lotus Lab acquired in Rs 120 crore deal.
- Sygene is the largest CRO with Rs 66 crore in revenues.
- Bill to regulate clinical trials to be introduced.

The most talked about biotech today is the bioservices sector. India is being touted as one of the most important destinations for clinical trials, contract research, and contract manufacturing. Developments in the passing year certainly put India on high radar. One of the most important developments was the acquisition of Lotus Labs by Actavis Group, a European generic drug manufacturer in $25.52 million (Rs 120 crore) deal, in February. This was a landmark development as it was the largest and the first ever such deal in the Indian CRO business. This deal is being seen as the forerunner to decide valuations in the CRO business. Lotus Labs, which has conducted over 500 biostudies, recorded close to 120 percent growth in its revenues. Its business in 2004-05 was Rs 27.55 crore. The valuation is almost four-and-a-half times the total size of its revenues. With this, Actavis has expanded its presence in the Indian pharmaceutical market.

Another important development in the year has been Quintiles Transnational's opening of a data management center in Bangalore. It currently has a staff strength of 187 in data management and is moving all its global data management activities to this center. Today several other leading players like GSK, Pfizer and Wyeth have their clinical data management centers in India. These trends clearly demonstrate India as an important destination for outsourcing business.

The total bioservices sector in India witnessed 54.54 percent growth in revenues over that in 2003-04. The total bioservices business was Rs 425 crore in FY 2004-05. Biocon subsidiary, Sygene was the leading services company with revenues from its custom and clinical research growing by 71.6 percent to Rs 66.6 crore from Rs 39 crore in 2003-04. Quintiles was the next big player with total revenues of Rs 64.55 crore. Hyderabad-based Vimta Labs was the third largest company with a total business of Rs 52.19 crore. Vimta Labs is followed by Lotus Labs and Lambda Therapeutic. Lambda registered 56.25 percent growth in 2004-05 and the ended the year at Rs 25 crore.

Another Indian company to watch out for is SIRO Clinpharm, a full service Contract Clinical Research Organization conducting clinical trials in various therapeutic areas. SIRO's revenue figures were unavailable for the year. Nonetheless, the company increased its head count from 62 in 2003-04 to 152 in 2004-05 with 12 PhDs and 91 postgraduates. The company is estimated to have revenues in excess of Rs 60 crore. SIRO, which offers services from clinical development to management of clinical project, has been working with several clients from Europe, Japan and the US. It has entered into marketing alliance with Covance Inc. and Spacelabs Medical Data.

Pfizer's services revenues grew to Rs 20.92 crore of business; Synchron Research Services business doubled to Rs 10 crore; and Wellquest's services revenues was up by 50 percent to Rs 10 crore. The government wants to give a fillip to this sector by

introducing a bill to regulate the clinical trials environment keeping in mind ethical issues remove hurdles for scientists conducting quality research. n

Top 5 BioService Players				
Rank	Company	Revenues (Rs Crore) 2003-04	Revenues (Rs Crore) 2004-05	% Growth
1	Syngene	38.48	66.06	
2	Quintiles India	62.55	64.55	
3	Vimta Labs	35.11	52.19	
4	Lotus Labs	12.54	27.55	
5	Lambda Therapeuitic	16	25	
6	Others	110.4	189.75	
Total BioServices		**275.08**	**425.1**	