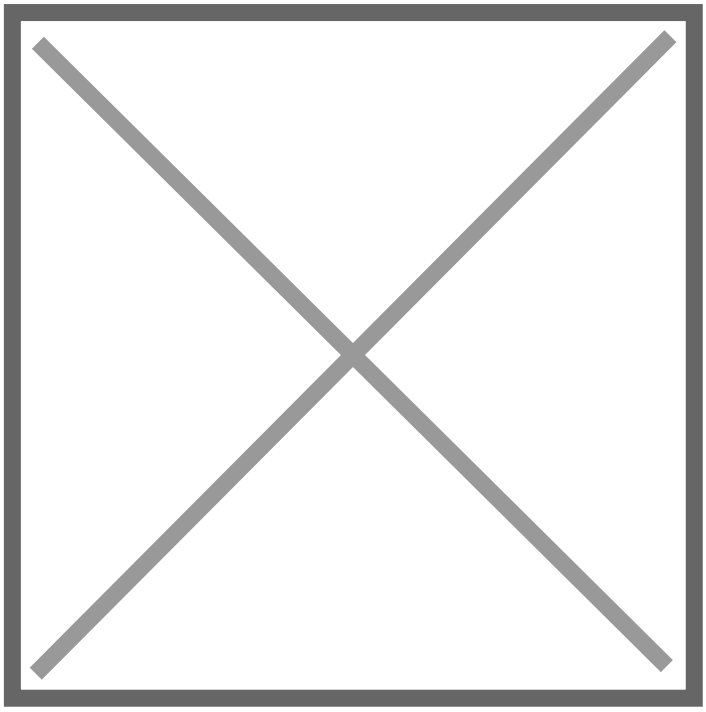


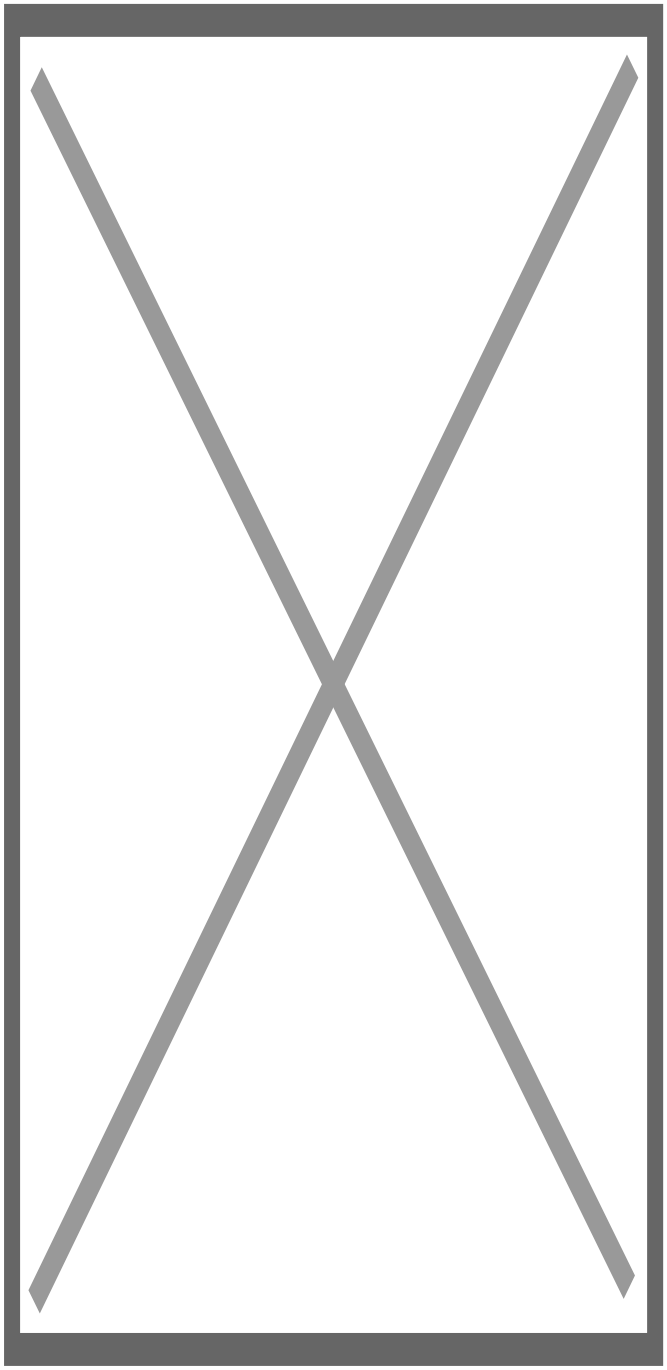
Indian biotech industry matures

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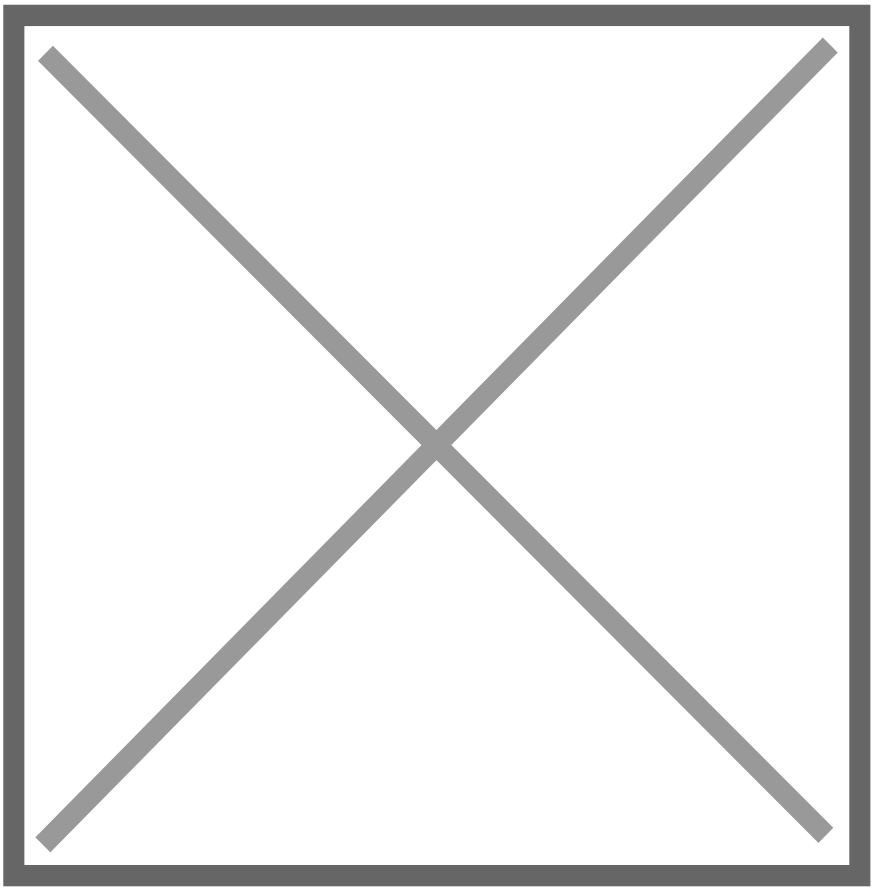


Indian biotech industry matures

BioSpectrum and ABLE have been tracking the biotech industry in India for the last five years. The industry has clearly matured and a new breed of entrepreneurs too has come up. The biotech industry in 2006-07 crossed the $2 billion (Rs 8,541 core) mark. Exports alone were in excess of $1.2 billion. The industry has recorded a CAGR of 30 percent during FY 2002-2007. And at that rate the industry in FY 2015-16 is predicted to touch Rs 30000 crore ($8 billion) in revenues. In the last two years, there has been a lot of action in the industry. The trend is towards globalization, alliances, investments, and product launches.

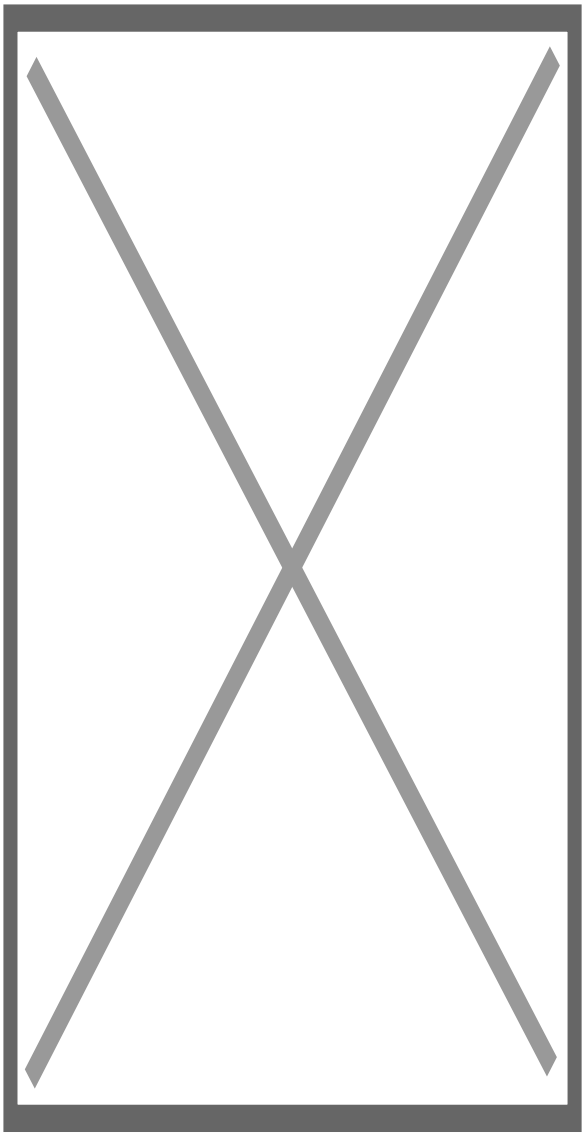


The biotech industry in India, comprising of five distinct segments--biopharma, bioagriculture, bioinformatics, bioindustrial and bioservices-has over 350 companies now. Nearly 40 percent of the companies operate in the biopharma sector, followed by the bioservices (21 percent), the bioagri (19 percent), bioinformatics (14 percent) and lastly the bioindustrial sector (5 percent).



The industry has been sustaining a 30 percent growth continuously for the last five years. Though one can argue that the base is small, the industry is confidant that it would continue to grow at this rate for the next five years. All this has happened when the investments were not forthcoming, there was no policy support, and there was lack of clarity on the regulatory issues. However, with the new National Biotech Development Strategy in place and with the government focusing on encouraging R&D and innovation, things are expected to change for the better.

The biopharma segment is the largest contributor to the industry figures. It accounts for over two-thirds of the industry. This segment alone recorded sales in excess of $1.45 billion (Rs 5,973 crore and also continues to register a growth in excess of 25 percent.



Exports account for over 55 percent share of the total biotech revenues. The biopharma sector generated over 60 percent of its revenues through exports, while the bioservices contributed to a fifth of the exports (Rs 1,102 crore). The bioservices sector registered 53 percent growth.

The bioagri sector too continues to boom. It is closer to the Rs 1000 crore mark now. The three top companies Rasi Seeds, Nuziveedu Seeds, and Mahyco Monsanto account for 80 percent share of this market. The bioindustrial has crossed Rs 400 crore in sales.

The investments (both in R&D and infrastructure) in the biotech industry has risen at a CAGR of 29 percent in the last five years and touched Rs 2,270 crore in 2006-07 (close to $500 million). The biotech industry employs over 20,000 scientists and is concentrated in six major clusters in Bangalore, Hyderabad, Chennai, Pune-Mumbai, Delhi and Ahmedabad-Vadodara.

Based on the current trends, the industry is estimated to have over 400 companies by 2010, of which nearly 10-15 biotech companies will go public, with about 100 biotech (domestic and imported) products in the market and have 50,000 scientists working in the biotech labs.

Another important aspect of the Indian biotech industry is that the Top 30 home grown companies account for $1.05 billion in revenues. This is a good sign as the industry is on the path to become larger. Three home grown companies--Serum, Biocon, and Panacea--have crossed the Rs 500 crore mark and are close to the Rs 1,000 crore mark. The top 30 home grown companies have a healthy mix of pharma and bioagri. In fact, Venkateshwara Hatcheries and Indian Immunologicals are two of the leading players in the poultry and animal health care area respectively. The list also contains industrial biotech companies, Advanced Enzyme Technologies and Rossari Biotech. While the biopharma, including animal health care

companies, and bioagri companies, have crossed the Rs 100 crore mark, the bioindustrial and bioindustrial companies will also breach this figure soon.