

India can't miss the opportunity

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The entrepreneurial ventures established by the first set of biotech entrepreneurs like Dr Kiran Mazumdar-Shaw, Dr Cyrus Poonawalla and Mr Soshil Kumar in the early 1980s to current set of entrepreneurs have pioneered several firsts and achieved significant milestones staying afloat in the harsh realities of non-availability of funds and wading through the rough waters with unique business models, creating their own niches. "We did not have a choice," said several of the early bio-tech entrepreneurs. Since there was no venture capital (VC), early start-ups had to focus on business revenues. They had to offer products and services. Then they set up manufacturing for today and set aside a sum of profits for tomorrow's products and services. Now they are considering to work on products for patients' today and tomorrow.

The rise in generic business has led to adoption of innovation and R&D in India. The second set of entrepreneurs like Dr Krishna Ella of Bharat Biotech, Mr Varaprasad Reddy of Shantha Biotechnics, Dr KK Narayanan of MetaHelix, Dr Vijay Chandru of Strand Life Sciences, and Dr Ravi Kumar of Xcyton reminisce that it was difficult to create an innovation culture or platform without sustainable revenues. Some of them now recommend or ask to put all the profits from products into innovation. "Do not put back all revenues in shareholder's hands but in R&D," they caution.

The current set of enterprises that have been launched in the last three-to-four years are working on innovation-driven platform technologies and most of these enterprises are coming through a VC generation. Investors have backed the model. They need to raise more rounds. And they believe that it's equally important to have government intervention. "In 2006, we had a choice to go for debt or VC. We chose to focus on revenue first through services," pointed out Mr Ajay Bharadwaj of Anthem Biosciences. The focus now is on partnerships with others to launch products. Sharing the costs and risks in novel therapeutics is beneficial with both.

VCs have not yet invested heavily in Indian biotech yet and there is lack of confidence in the investor community about the climate in India and the capabilities of the entrepreneurs in India. The reality is that India has done well and has a unique and interesting model that have proven to succeed. It is attractive because the start-ups here have taken low-medium risk and they already have products or revenues, and some of them are even profitable.

What is also very interesting is that the Indian government is seeding the ecosystem for biotech and multiple venture capital

firms through BIRAC in order to increase the levels of innovation, increase entrepreneurial zeal, industry- academia interface, and support funding and mentoring. This kind of an ecosystem is unparalleled in India. And it is time that the investors' confidence is restored with better awareness and meaningful discussions.

According to Mr Venkatadri Bobba, general partner, Ventureast Fund Advisors India, the best is yet to come for BioPharma as there are no clear drug products from the Human Genome Project as yet and there are no clear therapeutic path to individual genomic-based pharmacotherapy. The playbook for India will be to enhance skills, leverage global expertise through partnerships, focus on biosimilars, bio-betters, or validated targets and plan for success and failure.