

NCR companies seek govt's attention for fueling their biotech aspirations

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In a much asked for initiative, BioSpectrum renewed its industry connect events from the first half of 2015. The first one was the CEO Conclave held in Delhi on March 10, 2015. The theme of the Round Table discussion attended by the representatives of all the major industry verticals was 'BUDGET 2015: Biotech Industry's Destiny Forward.'

In his opening remarks, Mr Narayanan Suresh, Group Editor, BioSpectrum welcomed the participants and asked them to voice their free opinions on the budget. He remarked that the potential in the industry is yet to be tapped as the government hasn't given any special attention to it so far. "Government should clarify on the broad allocations made in the budget," said Mr Suresh.

Present on the occasion, Mr Jagdish Patankar, managing director, MM Activ Sci-Tech Communications mentioned that the BioSpectrum has always been a watchdog for the industry and has supported its cause for the betterment of nation. "Industry should be forthcoming with its expectations," he added.

First to speak from industry, Dr Jitendra Verma, managing director, Life Care Innovations, opined, "Start-ups and MSMEs need higher level of financial support for both pre-clinical and clinical development of biopharma products. To encourage entrepreneurship, it would immensely help to create insurance schemes in case a young entrepreneur fails in their endeavour. Such insurance schemes can be created with adequate safeguard to minimise abuse."

As per Mr Pankaj Sharma, chief executive officer, LeadInvent, "Industry must introspect why the big companies are shutting their businesses in India. He added, "If the big boys are not doing it then let the innovation come from start ups." Raising the issue of lack of infrastructure, he also said that large animal studies difficult to do in India and also the radio chemistry studies are at a standstill due to unclear policy.

Voicing his opinion, Mr Sushant Bakhru, director, Biodigital, "Rather than depending on government, industry must bring innovative ideas before VCs for the funding." According to Mr Rupinder Singh, CEO, Biohouse Solutions, "Government has to understand the needs of industry. 'Make in India' is not only about innovation but the things at ground level have to change for it to happen."

Agreeing with him, Mr Dinesh Kumar, managing director, DesignInnova said that there is lack of translation of the ideas. "Budget lacked the actual thrust requires on the industry. The provisions for affordable infrastructure or transportation are missing," he added.

Raising an important point, Mr N Venkat, CEO, Vyome Biosciences said, "To push the number of startups, the incentives in form of huge tax benefits are needed. We spend Rs 20 crore on doing science outside India just because taxes are unbearable here."

Ms Guljit Chaudhary, CEO, BioInnovate "70 percent of the R&D in India is outsourced. Be it clinical trials or biosimilars, the focus has to be India centric. The requirement of DSIR certificate for funding has been a pre-requisite and I think we should change it. "Besides there is a need of social security for risk takers and some scheme must protect them," she added.

Dr Shirshendu Mukherjee, Senior Strategic Advisor -India, Wellcome Trust, mentioned that industry has to do introspection as there is absence of enough novel ideas. "The funding should be available for high risk projects as well as capacity building funds should be earmarked separately. Adding further he said, "There is a need of three sixty degree approaches for funding and its managers must be capable of handling such money. BIRAC is a great experiment but needs to be replicated at a greater scale."

In his frank opinion, Dr Anil Wali, MD, Foundation for Innovation and Technology (FITT) remarked, "If we are opening up innovation landscape, we have to provide the start ups a sustenance funding. There has to be a clear policy on biotech." He further added, "Now 1000 crore has been allocated for technology fund. But unfortunately most of the funds go for the academia centric research where conversion into commercial product is far lesser than industry. Shouldn't something be done about it?"

The participants also elaborately deliberated on the clinical trials issue. They felt that clinical research is moving to costly destinations like the US, Australia due to ease of business and urged government to extend funding to clinical research done at private facilities.

Dr Jitendra Verma made an interesting comment: "The biotech entrepreneurship is a wonderful journey only if you know where the destination is."

Missing in Budget:

- No specific measures to stimulate growth of SMEs

- Make in India should stimulate development of ancillary units around manufacturing hubs. Not just a centralized manufacturing unit for exports

- 25 percent preferential quota" for products made by SMEs in govt procurement required, particularly by premier institutions like AIIMS.

- Minimum turnover clause should be reduced drastically.

- Remove preference for "academic tieups" in extending public research funds

Suggestions:

- 175 percent Weighted Tax Deduction for in house R&D should be extended to outsourced research services

- Recognition for Tax Deduction should be extended to clinical research done in outside hospital for all companies. Now only hospital gets this facility

- Tax exemption for "reverse innovation" so that we have 1000s of new startups annually instead of 100s now

- "Withholding Tax" on tech transfers should be abolished. Respective countries should take care of the taxation part

- Under "Make in India" program, steps to manufacture key analytical and measurement equipment in the country.