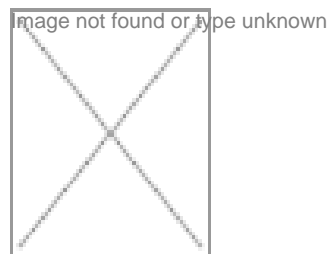
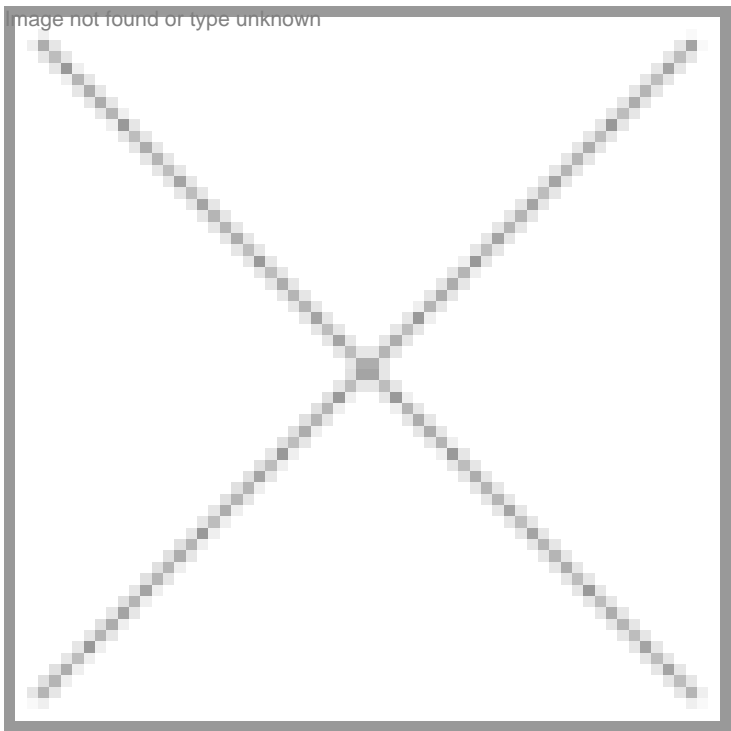


## 'We are scientific opportunists and not commercial opportunists'

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**Mr Deepak Kapur**  
Managing director, Indovax

Incorporated in 1986, Indovax is a leading manufacturer of biologics in India. With a strength of about 350 personnel, the company, headquartered in Gurgaon, is at the forefront of development, manufacturing and marketing of poultry vaccines in India. It has a modern state-of-the-art facility spread across 14 acres in a completely poultry-free zone. The product portfolio of the company consists of viral and inactivated vaccines, including the Newcastle vaccine (Ranikhet vaccine), Gumboro vaccine (IBD), Marek's vaccine, infectious bronchitis vaccine, fowl pox vaccine, fowl cholera vaccine and the infectious coryza vaccine.

In order to boost the supply of raw materials for vaccine production, the company is going to commission its new specific pathogen free (SPF) egg facility at Himachal Pradesh during the first week of November 2011, in a joint venture (JV) with a Dutch company, Gezondheidsdienst voor Dieren BV (GD). The JV called Immunetic Lifesciences will produce specific pathogen-free embryonated eggs and diagnostic reagents for customers in India and across the world.

In an interview with BioSpectrum, Mr Deepak Kapur, managing director, Indovax, spoke about the company's growth, operations, competition, regulations and much more.

**Q** With the commissioning of the new facility, do you expect to see an increase in the growth rate of the company?

**Mr Kapur:** From the very beginning, we have been looking at sustainable growth. Over the last four-to-five years, we have been strengthening the company. We can also increase our production and fast track everything, but the credit will also go up eventually. We don't want that to happen. We want to focus on working properly and make our customers happy. The poultry industry is disorganized and vaccines can't be sold for cash.

The most critical factor for the industry is the raw material in the form of SPF eggs. Therefore, to have a secure and unhindered supply, we will shortly commission a new SPF facility at Himachal Pradesh in a joint venture with a Dutch company, Gezondheidsdienst voor Dieren BV. By the end of the November 2011, the facility will be decontaminated, validated and subsequently launched for production. This project is being supported by the Dutch government.

**Q** How do you view competition in the veterinary vaccine market?

**Mr Kapur:** The other major player in the market includes Venkateshwara Hatcheries, which occupies 60 to 70 percent share of the market. The company has major advantages as they control 90 percent of poultry breeding and 60 percent of the broiler industry. However, notwithstanding the competition, we too have certain strong areas. We are strong in the eastern markets. We are unique in introducing small as well as long dosage packets of 100, 500 or 1,000. If somebody has a 500 chicken farm, then a dosage of 5,000 is less likely to be used in one go. Despite the fact that the small packets gobble up lot of space, we have decided to continue with the production, in order to benefit small-scale farmers.

In the mid 1990s, the country faced a new challenge in form of inflammatory bowel disease (IBD), which is a highly immunosuppressive disease. The disease in their sub-clinical form attack certain organs of the bird and weaken the immune system gradually. The resulting 60 to 70 percent mortality caused chaos. Everybody was trying to solve the problem and international companies were selling products in India. Imports were happening at international price. To tackle this, we went to identify the root cause. Our researchers went to the field, isolated the virus and attenuated it to develop a product for the market. The industry still recognizes our collaborative efforts in this direction.

Since the Indian government banned the import of specific pathogen-free, eggs which is a critical raw material, Indovax entered into a joint venture agreement with Gezondheidsdienst voor Dieren BV (GD), a Dutch entity, to establish in India a company called Immunetic Lifesciences in order to produce specific pathogen-free embryonated eggs and diagnostic reagents for customers in India and across the world.

**Q** What is the overall market size of poultry vaccines in India? What is your share and how does the company operate?

**Mr Kapur:** The size of the market is close to 150 to 160 crore. The market size depends on many conditions as there are no definite vaccines like in the case of humans. In India, the poultry vaccines are given on the basis of certain aspects such as challenging local conditions, and seasonal variations. Proper management also plays an important role. So, the requirements vary from time to time. Our company has an estimated overall national market share of over 25 percent and produces over four billion doses of vaccine annually, which cater to the needs of the domestic and international markets.

We consider ourselves not as commercial opportunists but scientific opportunists. This effort is supported by a team of qualified scientists, who are drawn from diverse disciplines that include virology, microbiology, immunology, biotechnology, pathology and epidemiology. We develop vaccines which are suitable not only for India but also for South Asia and Asia Pacific countries. Poultry vaccines are doing well in both the domestic and the international markets. Depending upon the feedback from our sales team, we tackle the issues, out of which 99 percent are generally related to management, chicken feed or cold chain. However, in case there are any specific issues, our technical services team investigates and in case intelligent answers are not found, R&D takes up the challenge to probe it further.

**Q** What about the regulations in veterinary vaccines? How are the comparisons drawn with human vaccines?

**Mr Kapur:** The regulatory regime for veterinary vaccines is certainly evolving. I don't say that there are major hassles but certainly there are few grey areas. Vaccine production and manufacturing require strict regulations because of the involvement of various FDAs including that of the US, Japan or Europe. Usually, the regulators follow the schedule M of cosmetics and drugs act for GMP in poultry vaccines on the lines of human vaccines. However, there are few major differences that come into picture when we compare the two industries.

For example the poultry vaccine is given in water, intra-nasal and through subcutaneous routes whereas in humans it is intramuscular. The dosage in case of poultry is 1,000 doses, 5,000 doses and 10,000 doses. The dosage and administration conditions in the two cases are different. Therefore, certain changes as far as regulations are concerned are definitely required. On many occasions, we have to identify these viruses themselves in order to attenuate them on field outbreak and convert them into vaccine candidate and conduct whatever tests are required for checking viability. The veterinary side is much advanced than the human side in a number of cases.

**Q** What are the emerging challenges faced by the poultry industry?

**Mr Kapur:** Chicken anemia is the significant problem faced by the industry. India is pretty much affected by it. It compromises the immune system and increases morbidity. Another big issue is the path type of infection of bronchitis. The avian influenza virus results in a good number of casualties. In high path avian influenza, the government has robust system and the birds are culled immediately but the real issue is with the low path strains, such as HPAI A (H5N1), which are more dangerous because of chances of getting into human workers. We can stop people but not the air. Avian influenza comes through migratory birds from Siberia and China that mix up with the local bird population.

Our agro-climatic conditions are different and the diaspora of viruses have different pathogenecity in field than the ones in the US and Europe. For example, the Ranikhet (New Castle) disease has mild strains in Europe, whereas in India it is considered an endemic disease. Overseas, people use mild but inactivated vaccine which is costly, whereas in India the live vaccine is used because it is cheaper and is at a low risk of spreading. Therefore, it has to be handled with care.

**Rahul Koul** in New Delhi