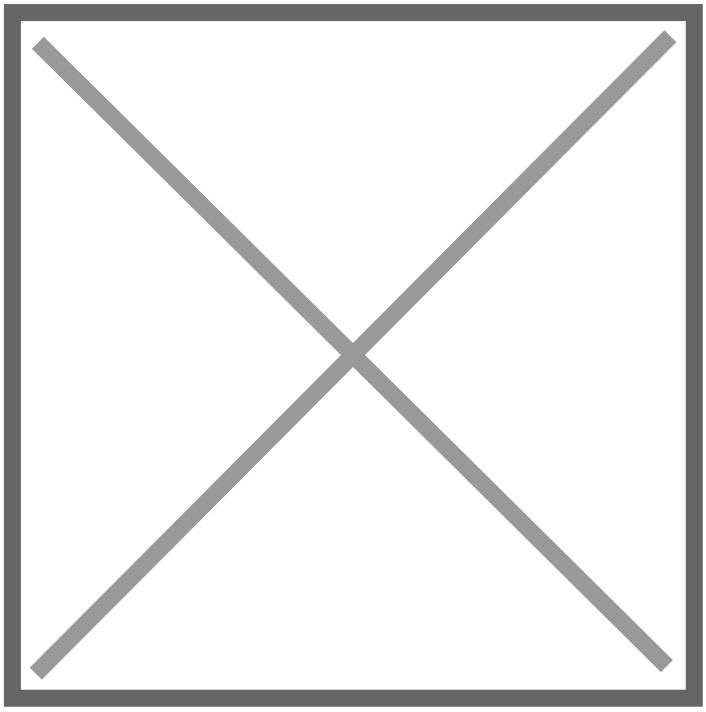
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A Bell Weather for Indian biotech segment

11 March 2004 | News



Biocon IPO

A Bell Weather for Indian biotech segment

Come 11 March 2004 and an important chapter in the Indian biotech industry would be written. Biocon Ltd, India's largest biotech company, will open its public issue on that date and close on 18 March 2004. It is a significant development because it is the largest and the most well known biotech company in the country, which is going public. Without any iota of doubt, the outcome of Biocon's issue will have a strong bearing on the fate and future of the biotech industry. Even Biocon knows this. Announcing the details of the IPO, Kiran Mazumdar-Shaw, chairman and managing director, Biocon said, "The IPO symbolizes the biggest milestone in our corporate mission. This is also important to the biotech sector. Biocon looks towards this with a deep sense of responsibility." The act of responsibility certainly is reflected in its issue. And Ms Mazumdar-Shaw is the first recipient of BioSpectrum Entrepreneur of the Year Award in 2003.

Biocon will be issuing 10 million shares, equivalent to 10 percent of its post-issue capital (Rs 1 billion) through 100 percent book building method. The price band has been fixed at Rs 270 to Rs 315 per equity share of face value of Rs 5. "It is an IPO in real sense," remarked Naina Kidwai, managing director and vice-chairman, HSBC Securities and Capital Markets (India) Pvt Ltd. This is the sale of company's existing stock but the first sale of stock to the public.

With over 1,100 employees Biocon and its two subsidiary companies, Syngene International and Clinigene International form a fully integrated biotechnology enterprise, specializing in biopharmaceuticals, custom research, clinical research and enzymes. Already a global leader in the enzyme sector, Biocon is fast consolidating its position in the world's statins segment. Statins are blood-clot fighting agents. With 20 patents on statins, its strategy of developing non-infringing manufacturing processes for statins that would help in their sale in the regulated markets once the products are off patent is paying off. The total revenues from the sale of four statins (Lovastatin, Simvastatin, Atorvastatin, Pravastatin) during the first nine months of 2004 was Rs 216.7 crore (67 percent of total biopharma sales) compared to Rs 120.20 crore in FY 2003. Presently it supplies statins to the US, EU countries and Japan.

Some of its other significant business strategies include introduction of branded formulations in the domestic market. It is coming out with recombinant human insulin before July 2004, the clinical trials for which are in the final phase. With this, Biocon will have the largest Insulin production facility in the Asia-Pacific Region. Focusing on new molecules and not generics, the company is expanding its capabilities in drug discovery and developing new proprietary technology and products This makes Biocon distinct from other Indian drug-makers that rely on chemical synthesis, mostly to make medicines that go off-patent. The company holds about 130 patents, six of them in insulin making. Presently it is developing a drug to combat head-and-neck cancer in collaboration with a Cuban institute and clinical trials are on. Working on the holistic approach of discovery, development and commercialization it plans to focus on developing APIs for high value drugs, leverage expertise

gained in one area to benefit its other business initiatives, expand capacity, develop new biologicals, and grow through strategic partnerships and M&A.

Working on this clearly chalked out multifaceted strategy, Biocon plans to utilize the proceeds of the public offering for enhancing its submerged fermentation and chemical synthesis capacity in order to effectively meet the growing demand for biopharma-ceutical products.

With a good business model in place, the company aims to grow at 30 percent a year, generating $1.0 billion(Rs 4,600 crore) in revenue within a decade. It expects solid growth in the next five years. And revenue figures posted by the company during the first nine months of this year substantiate this claim. The consolidated results for the 9-month period, ended 31 December 2003 showed a substantial increase in sales, operating profits and net profits as compared with the previous full-year period ended 31 March 2003. It has increased its total income for 9 months, at Rs 398.70 crore, a rise of 41 percent against the full-year income in fiscal 2003 of Rs 282.70 crore.

Looking at Biocon's track record it has a reputation to deliver! Its public offering augurs well not only for Biocon but the entire biotech industry. The investors, analysts and industry alike are looking at the first IPO of the Indian biotech industry with lots of hope and expectations.

Rolly Dureha

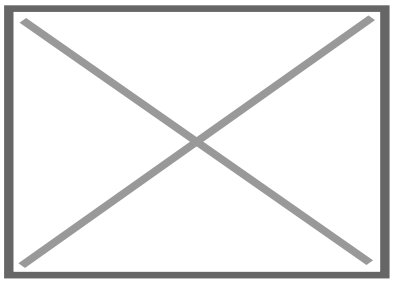
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Manju Sharma bids goodbye to DBT

Manju Sharma bids goodbye to DBT

After a 9-year stint, Dr Manju Sharma has retired as Secretary, Department of Biotechnology (DBT) paving the way for her successor Dr M K Bhan on March 1.

A galaxy of biotechnologists gathered at the National Institute of Immunology (NII), New Delhi to bid a formal farewell to her.



Her mentor and former S&T minister Prof. MGK Menon was all praise for the retired DBT chief. "Dr Manju Sharma, according to me, is among the very few people who nurtured Indian biology. Not so long ago, biology in India was like a newborn child that required nurturing. She gave it all that was needed. We can learn from these past few years, that science cannot happen incidentally, it requires deep roots. She is among the pioneers who pushed life sciences into DST (Department of Science and Technology). She is the one who worked rigorously for National Biotechnology Board. In 1982, that board came into existence that led to the formation of DBT in 1986. All these developments have occurred because of her unprecedented efforts. Now we see people considering biotechnology as a magical field, it is all because of her initiatives taken way back."

NII director Prof. SK Basu admired and appreciated Dr Sharma's management style. "The kind of affection shown by her for new biology was simply unmatchable. We can have leaders but it is really a pleasure for Indian biotechnology to have such leadership. Implementation of various orders with effectiveness, converting plans into reality, motivating the innovative workforce were some highlights of her tenure that touched me," gushed Prof Basu.

Expressing his thoughts Padam Bhushan Awardee, Prof. G Padmanabhan stated, "Dr Manju Sharma was among those limited people, who deserve and will continue to deserve many more recognitions in the years to come. I think biotechnology in India has achieved a lot during these past 10 years." Sharing some of his memories while working with her, he said, "Some time back, here in Delhi, not many of us knew that Dr Manju Sharma was not in good health and was hospitalized in AIIMS. But even from there, she called up some people to discuss the future strategy on DNA vaccines. That particular meeting made me understand that how effective and keen she is while at work."

Reflecting on her personal commitment and involvement for the people around her, Prof Asis Dutta of NCPGR, New Delhi recalled, " Recently I was hospitalized after an accident. By the time I got discharged from the hospital, it was Dr Manju Sharma who gave me 5Ã¢â?¬â??6 courtesy visits. At least for me, that memory will live in my heart. In other words, I will always remember Dr Sharma as a symbol of love and respect."

Being the grand daughter of famous writer cum freedom fighter, Late Madan Mohan Malviya, a dedicated working style, determined attitude and oodles of love and affection come naturally to Dr Manju Sharma. She learned to work for the betterment of India at a very young age.

"We can work further in the area of modern biology in India thanks to Dr Sharma who actually laid a strong foundation for the emerging biotechnology segment. I remember the time when we were talking about establishing a Center for Plant Genome. I was really confused and tensed how can it be worked out and then came her timely advice and help. In early eighties India got a center called the National Center for Plant Genome Research (NCPGR) in New Delhi. Interestingly such a center was needed not only by India, but Europe and the US were also interested in setting up something like this," added Prof Asis Dutta.

When asked about Dr Sharma's contribution, Prof. PL Tandon of AIIMS replied, "I personally think of Dr Sharma as a source to convert difficult dreams into reality. Setting up a center for brain research was one of my dreams. But I was in a negative frame of mind because of the long procedures and enormous paper work involved. Then I met Dr Sharma, and she carefully read all the details and replied, lets do it. We worked on that and now India is known all over for its initiatives taken in brain research."

Padma Shri awardee Prof M Vijiyan commented, "I am not only happy but also charmed to have a leader in science like Dr Sharma. India always requires such people with a high level of dedication and passion in science."

However, when Dr Sharma herself was asked about her impressions of the recognition/awards that she has received, she simply replied with a smile, "I had only done my duties and fulfilled my commitments." And when asked about her future plans, she told BioSpectrum, "I cannot think of myself without science or biotechnology, so in some way or the other I will try to contribute my services to Indian biotech community."

She may not fade into the sunset soon. There is a strong possibility of her coming back to the government as the advisor for biotechnology to the Prime Minister. This post is likely to be created for the first time in the government after the general elections in May.

Faiz Askari & N Suresh in New Delhi

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