

Aditya Birla May Partner Intas in BT

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Intas Pharmaceuticals, a well-integrated pharmaceutical enterprise based out of Ahmedabad and entering an expansion mode, is negotiating with the Aditya Birla Group for a strategic partnership.

Intas Pharmaceuticals Ltd, one of the fastest growing pharmaceutical companies in India (CAGR 25 percent) is looking at expanding its biotechnology division both R&D activities and manufacturing facilities. For this, Intas Pharmaceuticals with sales revenue of over Rs 400 crore is looking for partners.

Already Aditya Birla Group, a \$7.59-billion conglomerate, with a market capitalization of \$7 billion, and anchored by a force of 72,000 employees belonging to over 20 different nationalities that is considering foray into biotechnology space through acquisition, has approached Intas Pharmaceuticals. Dr Kumar Mangalam Birla, the chairman of the Aditya Birla Group has also observed that the group is interested to make an investment of Rs 100 crore in biotech space, which is growing at over 35 percent.

In addition to the Aditya Birla Group, a dominant player in different sectors such as viscose staple fibre, non-ferrous metals, cement, viscose filament yarn, branded apparel, carbon black, chemicals, fertilisers, sponge iron, insulators and financial services, Reliance Industries, Tata Group and Wadia Group are already into the biotechnology space. Even Godrej has entered into this niche and growing business by entering a partnership with Avesthagen, a Bangalore-based technology driven biotech company.

Confirming the developments, Mani Iyer, senior vice president, corporate communication and finance, Intas Pharmaceuticals informed, "Discussions are on with Aditya Birla Group. We are looking for partners for our biotech expansions for both R&D and manufacturing activities." He continued, "We are looking at various options i.e. raising money either internally or from external sources. It is the Birla Group that has approached us. Things are at preliminary stages and nothing has been finalized yet." However, one can see some developments in this regard in next 6-8 months.

Intas made a strategic entry into the biotechnology arena in 2001 with the setting up of Indus Biotherapeutics Ltd, a research and technology driven company, dedicated to the R&D of recombinant DNA (protein-based) biotherapeutics. It has a state-of-the-art R&D laboratory and a cGMP-compliant multi-product manufacturing facility for bulk and finished product. Starting with biogenerics, the progression is structured to the development of proprietary and innovative recombinant biopharmaceuticals.

The team at Indus consists of 35 young researchers educated in premier institutes and having doctoral or postdoctoral experience in India, the US, Europe and Japan. Various groups in Indus are focusing on areas of fermentation, protein purification, protein characterization, process and analytical development including development of invitro bioassays. Indus Biotherapeutics also has a dedicated team for development of specialized formulations for biopharmaceuticals.

Indus has successfully developed from lab scale-to-commercial scale technologies for manufacturing and testing of recombinant biotech products. Indus also provides contract research services to companies and groups seeking to develop recombinant products. Intas has invested about Rs 2 crore in R&D and infrastructure development in the last couple of years in Indus Biotherapeutics. Indus was able to generate revenue of Rs 2.06 crore for the year 2004-05 and expected to increase this during the current financial year.

Meanwhile, Dr Dhananjay Patankar, head - biotechnology, Intas Pharmaceuticals said, "We have received the first installment amount of Rs 2 crore of approved Rs 3.5 crore from the Pharma Fund of Department of Science and Technology, Government of India for its three-year biotech R&D project. In the second and third year, it will receive Rs one crore and Rs 50 lakh respectively. The amount will be used for novel formulations and drug research activities."

Intas has launched its first indigenously developed biotechnology product - NEUKINE (G-CSF) in June 2004. NEUKINE has achieved a market share of 20 percent and aims to achieve market leadership in the next two years' time. "Before the end of July we are launching our second biotechnology product " Erythropoietin alpha as a pre-filled syringe in four strengths. This product will be promoted to both nephrologists and oncologists," said R Chandrasekaran, vice president- marketing (biotechnology /oncology). He further said, "We will also be launching one more biotech product - Interferon Alpha 2b in November."

Considering Intas approach into biotechnology and its R&D activities, it will be a preferred choice of partnership. Only time will tell how the negotiations/ discussions between the Aditya Birla Group and Intas Pharma will work ultimately resulting in the growth of the biotechnology industry.

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