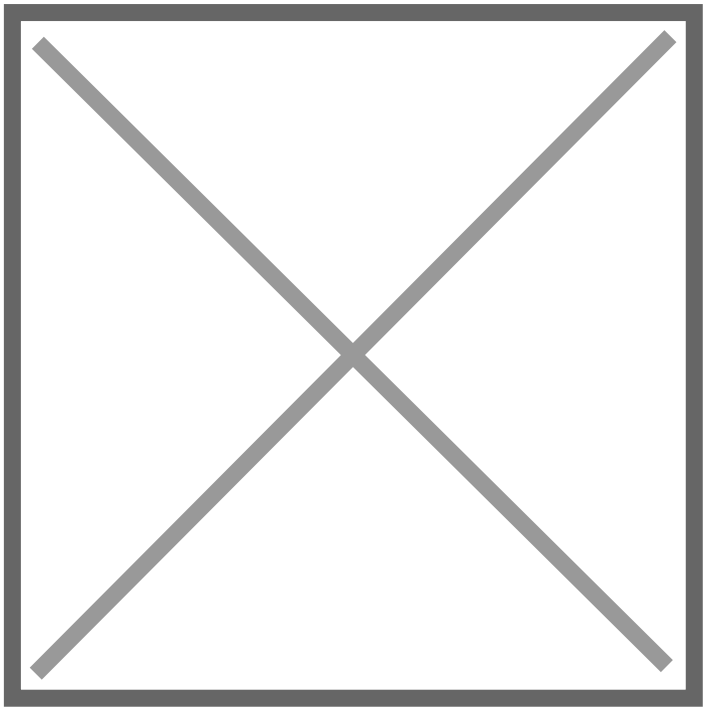


Indian CROs thinking big

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The presence of global CROs has helped Indian CROs understand the business and the strategy they have adopted in the country to build the business in this fast growing market. It has also encouraged them to look beyond India so as to expand their operations to become global players.

On April 26, 2007, Reliance Clinical Research Services (RCRS), a subsidiary of Reliance Life Sciences, announced the incorporation of its US entity. The global leadership team for clinical research and molecular diagnostics services is headquartered in Newtown, Pennsylvania, with the mission of developing opportunities for efficient development of drug candidates.

Also the partnership between MPM Capital, a US-based global investment management firm, focused solely on healthcare investing, and Reliance Life Sciences (RLS), will also help the latter to grow its clinical research group globally. RLS has invested about $ 40-50 million in the BioVentures IV fund ($ 650 million fund) floated by MPM Capital to become a strategic partner in this fund.

Indian CROs in the global market

- Synchron sets up facility in Thailand (2007)
- Reliance Clinical Research opens of fice in the US (2007)
- Jubilant acquires US-based Target (2005)
- Veeda Clinical Research acquires DICE, Belgium (2006)
- iGATE acquires site management organization in the USA (late 1990s)

Earlier during the month of April, Synchron Research Services announced its operations in Bangkok with a 30-bedded clinical research facility with analytical capability by joining hands with local investors. The Bangkok facility is called Bio-Innova-Synchron. This is the first CRO in Thailand, which will provide services to clients wishing to register their products in Thailand.

On the contrary, Veeda Clinical Research has entered the European market through acquisition. It announced the acquisition of DICE, a CRO based in Brussels, Belgium in December 2006. The acquisition of DICE, a CRO with 15 years of experience in data management, biostatistics, statistical analysis and medical writing for clinical trials enables Veeda CR to offer the biopharmaceutical market a greater depth of scientific expertise, delivered from sites in the UK, mainland Europe and the Indian subcontinent.

These announcements reveal that Indian CROs are now keen to leverage the existing expertise in the global CRO space to become global players. Some CROs have looked at direct entry while others have opted for inorganic model. There are a few others who wish to depend on alliance partners to do business with the companies in the developed regions like the US and Europe.

Lets take a look at the background of these organizations and the services they have been offering that has been encouraging them to invest for global presence in this outsourcing business opportunity.

Veeda CR is an Anglo Indian CRO with a state-of-the-art phase I facilities in Plymouth in the UK, Ahmedabad in India and GÃ?Â¶rlitz in Germany, having fully accredited GLP laboratories. An established biometrics team in Belgium and India and a respected pre-clinical partner, Veeda CR can take the compound from pre-clinical development to proof of concept in the most timely, cost effective manner. For those clients unfamiliar with the benefits of outsourcing to India, or for those who choose to strategically spread their programs of work between the two continents, Veeda CR can deliver significant cost savings combined with the complete reassurance of a UK project management service.

Synchron Research, which recently acquired a local CRO to emerge as one of the largest Asian CROs, provides a broad range of phase I-IV clinical research services, including quality assurance, statistical analysis and data management capabilities, in compliance with global guidelines. Synchron is expanding in futuristic business areas in dermatology, in vitro technologies and high throughput screening. It also entered into a joint venture agreement with Parexel International.

RCRS is a full-service, clinical research services organization offering preclinical to phase IV services to pharmaceutical, biotechnology and medical device companies all over the world. Services include preclinical studies, BA/BE studies, phase I studies, phase II to IV studies, project management, clinical operations, data management, biostatistics, regulatory affairs, quality assurance, training, medical writing, protocol review, pharmacovigilance, medical consultancy, and clinical trials supplies management. RCRS expects to grow this entity substantially over the next few years, with acquisitions in new regions, new services and improved scientific and technology platforms.

Besides there are a few organizations which are doing very well through organic and inorganic way of growth. iGATE Corporation has acquired a site services company in the US in the late 1990s. And has been using it as its contracting and communication support. iGATE Clinical Research provides clients a complete range of phase II to IV clinical trial support

services.

In 2005, Jubilant Organosys, an integrated pharmaceuticals company, has acquired Target Research Associates, a US-based full service CRO. This is the first ever acquisition of a US CRO by an Indian company, and it represents a major initiative supporting Jubilant's plan to expand its CRO services globally. This acquisition makes Jubilant the largest Indian CRO having operations in India and the US. Jubilant has acquired a 100 percent equity stake in Target for a payment of $ 33.5 million in cash. The acquisition provided an established and robust business platform for the rapid growth and development of Jubilant's clinical research business.

However, the leading and early entrants in this business like SIRO ClinPharm has entered into alliances with Covance in 2003 to offer the India advantage to global pharmaceutical companies for their drug development programs, while providing Indian companies with global expertise. Similarly in February 2006, it entered into a partnership with GCPSiro, an US-based CRO, to offer immediate clinical development solutions from India to pharmaceutical and biotechnology companies operating in that country. GVK Biosciences too entered into a 50:50 joint venture with INC Research to form INC GVK BIO. The joint venture provides an opportunity for GVK BIO to gain access to INC Research's global reach while leveraging on its India-based clinical research capabilities".

Like the global CROs, Indian players are not lagging behind in making their presence felt in the global CRO market through direct entry with acquisition or through alliance to gain knowledge and expertise. And this helps them grow substantially.