

INVESTING IN RESEARCH

Biocon opens biologics research centre in Bangalore

Biocon has opened an integrated R&D centre in Bangalore, which will pursue research on biologics to address unmet medical needs. Biologics is the science of making medicinal products from living organisms. The Rs. 200-crore Biocon Research Centre (BRC) is a first of its kind facility in South-east Asia, the company said. The research centre is equipped with multi-disciplinary capabilities in molecular biology, biologics process sciences, formulation research and preclinical & clinical development. The centre is also equipped with instrumentation for extensive molecular



and functional characterisation of biologics. Biocon will hire about 300 scientists within the next one year at the research centre. An equal number of scientists already work in the research facility, which was formally opened by Prof.

Kurt Wuthrich, who won the Nobel Prize for chemistry in 2002. Speaking at the occasion, Ms. Kiran Mazumdar-Shaw, Chairman and Managing Director, Biocon Group said, "We plan to pursue an innovation-led effort to develop advanced yet affordable solutions for several debilitating diseases through this research centre." She said

the company would pursue the goal of developing affordable medicines in the focus areas of diabetes, cancer and autoimmune diseases.

Good prospects in biosimilars

Prof. Wuthrich said biotech is the future for top quality drug development. "This is where innovative medicines will play a pivotal role. Development of biosimilars is being viewed as future growth path for pharma and biotech companies globally," he said. "The scene for development of biosimilars is not easy like the small molecule, but there is considerable science and technology which gives advantage for the development of biosimilars," he added.

CUSTOMER-CENTRIC APPROACH

'Pharma companies need to reinvent business models to be patient-centric'

With chronic diseases now accounting for three quarters of all healthcare spending in developed countries, life sciences companies will face increasing pressure to demonstrate that they are helping patients adopt healthier behaviour and manage their diseases more effectively. Pharma and healthcare companies will be required to fundamentally reinvent their business models to make them more patient-centric and better able to drive behavioural changes in consumers, according to Ernst & Young's latest annual report "Progressions 2012 - The third place: health care everywhere".

To bring down costs and improve health outcomes, patients and stakeholders of the healthcare system need to change their behaviour. And for this, the epicentre of healthcare – how it is produced, dispensed and consumed and

paid for – will move beyond the two traditional places it has been delivered, to where the patient is, the report said.

E&Y said with an increasing chronic disease burden and poor health indicators in India, there is a pressing need to influence patient behaviours to improve health outcomes. India is the world's diabetes capital with 61.3-mn diabetics in 2011 and projected to reach 101.2-mn by 2030. Coronary heart disease prevalence is projected to increase from 36-mn in 2005 to 62-mn by 2015. The new imperative for life sciences companies to better understand patient behaviour and influence positive changes is being accelerated by two key trends, it said. Given that India is amongst the world's fastest-growing "internet nations," with more than 100-mn internet subscribers and a smartphone market

to cross 80-mn units per year by 2015, this would be an important enabler to improve accessibility of healthcare to a large population in the country thereby making healthcare ubiquitous.

Mr. Hitesh Sharma, Partner & National Leader – Life Sciences, E&Y said, "Almost every life sciences company, regardless of their product or offering, will soon be expected to help change behaviours and deliver better health outcomes." In the Indian context, while technology based patient behaviour would yield good results for companies investing in these areas, it could also be interesting to see if a Public Private Partnership model would be considered by the government to enable reach to the large Below Poverty Line population from an educational/prevention perspective using behavioural analytics, Mr. Sharma said.

FORWARD INTEGRATION

Omkar Speciality enters API business with acquisition of Lasa Laboratory

Omkar Speciality Chemicals Ltd, a leading manufacturer of speciality chemicals, has entered the active pharmaceutical ingredient (API) business with the acquisition of Lasa Laboratory P. Ltd. located at Mahad in Raigad district. Lasa Laboratory is an established player in the anthelmintic/veterinary API segment.



used as anthelmintics/deworming agents for the veterinary sector.

Speaking at a press conference in Mumbai, Mr. Pravin Herlekar, Chairman & Managing Director, Omkar Speciality said, "There is a colossal demand in the API manufacturing

Rs. 15-crore in upgrading the facility and expanding capacities from the existing levels of about 100-tpa to 400-tpa. The upgraded facilities would conform to WHO-GMP norms, enabling enhanced exports to overseas markets.

"Our new API division is already in operations and will initially focus on continuing the existing API business of Lasa Lab, which has massive demand in India and abroad," informed Mr. Herlekar. "Currently, our product portfolio comprises 10 products in the veterinary/anthelmintics segment, mainly benzimidazoles and other APIs. This acquisition is strategic for the company in terms of opening up new verticals, as well as value addition. Now we can convert some of the intermediates that we manufacture into final APIs. We have a market for that, but unfortunately we never had any API facility for launching these products. So this is an opportunity for us to go ahead with that plan," he added.

Omkar Speciality is involved in manufacturing speciality chemicals like derivatives of selenium, iodine, molybdenum, cobalt and bismuth as well as pharma intermediates. The acquisition will enable the company to move from manufacturing intermediates for pharma industry to manufacturing APIs like albendazole EP, albendazole IP/USP, cyromazine, fenbendazole BP vet / EP, nitroxylnil BP vet, ricobendazole, toldimphos sodium and triclabendazole, company press note informed. The products are

space, and with Indian drug manufacturing sector gaining international prominence, the acquisition of Lasa Laboratory was the right move for our group to venture into the pharma business. It is also a part of our group's forward integration strategy."

Mr. Herlekar informed that the acquisition price was around Rs. 6-crore. He said the manufacturing facility of Lasa Lab had begun operations only a few months ago and the company had a turnover of close to Rs. 2-crore. Omkar Speciality plans to invest around

NEW DRUG R&D

Aanjaneya Lifecare debuts new fiscal with three global recognitions

Mumbai-based Aanjaneya Lifecare Ltd., a leading manufacturer of bulk drugs, has bagged three awards at the beginning of the new fiscal.

The company has been awarded the Certificate of Merit in Small Business Category of IMC Ramakrishna Bajaj Award 2012, one of the most prestigious

quality awards in India; and an award for 'Best Corporate Governance,' at the 3rd Annual India Leadership Conclave & Business Awards 2012.

In addition, its Vice Chairman & Managing Director, Dr. Kannan Vishwanath won the 'Business Leader of The Year' award, for spearheading

the strategic shift of Aanjaneya Lifecare from standalone API company to an integrated pharma company with global aspirations. He was also recognized for his leadership skills, which made Aanjaneya Lifecare the world's third largest manufacturer of quinine salts with a global footprint across 40 countries.

FUTURE OUTLOOK

'India nutraceutical market to grow to \$2.73-bn in 2016'

The nutraceutical market in India is estimated to grow to \$2.73-bn in 2016 at a CAGR of 13% driven mainly by increasing disposable income and standards of living, aggressive retail marketing, urbanisation of the mass population and increased awareness of functional benefits. Functional foods will be the quickest growing category till 2015, followed by dietary supplements. However, dietary supplements, specifically herbal and dietetic supplements, will form the greatest opportunity areas for nutraceutical manufacturers, driven by growing demand from an evolving consumer base, states a new report jointly released by Frost & Sullivan and the 7th Nutra India Summit Conference Secretariat. The Indian nutraceutical market is dominated by pharmaceutical and fast-moving consumer goods (FMCG) giants. While dietary supplements, such as vitamin and mineral supplements, have been captured by pharmaceutical companies, functional food and beverages are now being brought to the market by FMCG

companies. However, certain segments like dietetic supplements, are now being catered to by pure-play nutraceutical companies, apart from their pharmaceutical and FMCG counterparts.

"The Indian nutraceutical market was valued at \$1.48-bn in 2011. Dietary supplements were the largest category accounting for 64% of the market, driven primarily by the pharmaceutical sector in the form of vitamin and mineral supplements," the report revealed. "Functional foods (24%) and functional beverages (12%) are relatively nascent markets in India, primarily due to the existence and reliance on traditional wisdom and Ayurveda by a burgeoning middle class, which accounts for a huge chunk of the purchasing power in India. Further, the marketing of products such as sports and energy drinks, is primarily targeted at niche segments of the urban population, resulting in low penetration for these products, even amongst the urban population. Growth of the dietary

supplements will be spurred forward by the growing demand for dietetic supplements, due to an urban, fitness conscious, young population," informed Mr. Raghavendra Rao, Vice President, South Asia & Middle East, Chemicals, Materials and Foods, Frost & Sullivan.

Global scenario

The global nutraceutical market in 2011 was estimated to be \$149.5-bn, with US, Europe and Japan being the largest regional markets accounting for nearly 93% of the global demand. These markets are nearing maturing, with exceedingly high per capita spends on nutraceuticals products; while Japan has a per capita spend of \$51/person/year, US and Europe have \$40 and \$35 each, and the global average is only around \$21/person/year. This is forcing nutraceutical manufacturers to look at developing countries, such as India and China, which have considerably lower per capita spends on nutraceutical products, as key growth regions.

DISTRIBUTION ARRANGEMENT

Probi signs agreement with USV for probiotics

Sweden-based, Probi, a leading player in the probiotic research and the development of efficient and well-documented probiotics, has signed a distribution agreement with USV Ltd., a leading Pharmaceutical company. USV will launch *Vibact IBS* based on the probiotic formulation *Probi Digestis*, in Q4 2012 in the growing Indian market. The agreement reinforces and strengthens Probi's existing presence in the large Indian market. "USV is the best probiotic partner in the consumer healthcare sector in



Mr. Prashant Tewari

India. We are very pleased to partner with USV and to be able to launch our probiotic formulation *Probi Digestis* in a market with significant growth potential," says Mr. Michael Oredsson, CEO of Probi. Probi's capsules based on the *Lactobacillus plantarum* 299v strain will be launched under the *Vibact IBS* brand and will feature Probi's logo and ingredient prominently on the pack. USV offers a market leading probiotic prescription brand, *Vibact*, in India. *Vibact IBS* will specifically target IBS symptoms like bloating, flatulence

and pain. These are symptoms, which are common in the Indian population. USV will use its extensive field force to market the product across India.

"Probi's well-documented and effective IBS probiotic will be a unique addition to our range and will strengthen our market position. We are certain that the product will be well received in the market," says Mr. Prashant Tewari, Managing Director at USV. Probi's partner Institut Rosell's current distribution agreements in India covering Lp299v capsules with Aristo Pharmaceuticals and Ranbaxy will remain in force, but limited overlap is expected.

HELPING HAND

Special fund mooted to assist SMEs comply with exacting standards of regulated markets

If a proposal of the Department of Pharmaceuticals (DoP) gets through, as many as 250 select small and medium scale pharma companies will get special assistance to develop international competitiveness by upgrading to the standards of highly regulated markets.

The scheme, which aims to specially equip the companies to adopt international standards higher than WHO-GMP, envisages Rs. 2 crore each to 250 select units. The DoP is said to have submitted the proposal to the Planning Commission for approval.

The aim of the scheme is to extend special assistance to build competitiveness of very high standards and 'second line of internationally capable industry for high value pharma products for strong regulated but high value markets.' It will help them upgrade manufacturing facilities, including in the bio-pharma sector, to US Food and Drug

Administration (US FDA), European Directorate for the Quality of Medicines (EDQM), Therapeutic Goods Administration (TGA) of Australia and other international standards to enable global generic and biosimilar capabilities.

"The export of pharmaceutical products constitutes nearly 45% of turnover of Indian pharma industry. In view of the growing importance of generic medicines and the advent of biosimilars in high regulated world market, Indian pharma manufacturers need to build capacity for compliance to the stringent standards of high regulated yet high value market countries – US, West EU, Australia and South Africa. Therefore, it is proposed that 250 select units be provided assistance by 2017 to upgrade their facilities as per the requirement of these countries and other international standards," the proposal said.

NEWS IN BRIEF

Suven Life gets four product patents for NCEs

Hyderabad-based Suven Life Sciences has obtained four product patents, two each from China and Korea. These correspond to the new chemical entities (NCEs) for the treatment of disorders connected to the brain functions. The patents would be valid through 2025 and 2027, the company said in a press note. With these patents, Suven has a total of five granted patents from China and seven from Korea. The company is developing therapeutic agents, which would be useful in the treatment of diseases like Alzheimer's, Parkinsons, Schizophrenia and attention deficient hyperactivity disorder, the release said.

DIAGNOSTIC KIT

DRDO launches India's first swine flu detection kit

Dr. Vijay Kumar Saraswat, scientific advisor to Defence recently launched a kit developed by Defence Research & Development Organization (DRDO) to detect Swine Flu (H1N1) virus.



The detection kit is being manufactured by RAS Life-sciences, Hyderabad, following a licensing agreement with DRDO for transfer of technology under the DRDO-Federation of Indian Chambers of Commerce and Industry (FICCI)

Accelerated Technology Assessment & Commercialization (ATAC) programme.

The DRDO-FICCI ATAC programme is an initiative of DRDO and FICCI that aims for commercialisation of tech-

nologies developed by various labs of DRDO for civilian applications. Within a short span of 18 months, more than 25 DRDO technologies have been successfully commercialised under this programme.

Defence Research Development Establishment (DRDE), Gwalior, a constituent laboratory under DRDO had developed the diagnostic kit that can detect H1N1 virus in an hour. The kit does not need sophisticated instruments and can be used in villages where electricity is not available. It uses a simple technique called real-time loop amplification methodology (RT LAMP) to detect the virus. The assay is based on a simple isothermal gene amplification principle, using a specially designed primer that specifically amplify the H1 (hemagglutinin) gene of H1N1 virus only.