

## BioSpecial

# Industry wants R&D incentives

In the past, life sciences industry has not been given the due attention it deserves; the industry, however, hopes to get importance in this year's budget

"The Budget 2011 will benefit pharmaceutical companies and allows them to expand on their product portfolio by providing cost-effective healthcare options. Previous budgets have not provided tangible benefits to the CRO industry and we expect that trend to continue in next budget as well."

— **Mr SK Mukherjee**,  
director, CliniRx Research

"The budget proposals should equip India to become competitive with other countries in the world in genomics by providing exemptions on imports and building infrastructure."

— **Ms Anuradha Acharya**,  
CEO, Ocimum Biosolutions

"Currently, the only tax benefit available for R&D activities is in the form of weighted deduction for in-house R&D. Benefits should be provided for units engaged in R&D and contract manufacturing by reducing profits linked to investments. Benefits in the form of research tax credits which can be used to offset future tax liability, similar to those given in developed economies can be introduced."

— **Mr Tapan Ray**, DG, Organization of Pharmaceutical Producers of India

"I expect the Union Budget 2011 to expand the support to biotechnology-driven healthcare needs. There will be budgetary and fiscal policy support to domains such as vaccines for public health programs, molecular diagnostics for public health testing and drug products that either enable lower costs of therapies or address unmet medical needs."

— **Mr KV Subramaniam**,  
president & CEO, Reliance Life Sciences

"Granting infrastructure status to the healthcare industry has been a long pending issue, which needs to be addressed by the government. Further reduction of taxes is needed to incentivize pharmaceutical companies to invest more in R&D programs for developing new drugs."

— **Dr Manu Jaggi**,  
CEO, Dabur Research Foundation

"R&D must be encouraged for the next 10 years to make India the next destination for biotech. This is indeed a 'knowledge industry' and industrial biotechnology backed with agriculture can help India proceed at same or even faster pace of growth."

— **Mr C L Rathi**,  
MD, Advanced Enzymes

"India with its tremendous know-how and industrious human capital has become a leader in generic drug production and R&D. The government needs to make deliberate attempts to foster innovation in biologics to address unmet medical needs and to unleash full potential of this promising sector."

— **Dr Alpna Seth**,  
CMD, Biogen Idec

"The focus should be on increasing the incentives provided in previous year's budget. More tax concessions both in corporate as well as R&D will spur innovation. The budget for science and technology, especially in biotechnology, should increase. Importantly, increased access to early stage funding for biotech/pharma firms is crucial for maintaining growth and innovation."

— **Dr Satya Dash**, COO, Association of Biotechnology Led Entrepreneurs

"Our biggest challenge is the complex regulatory mechanism. We hope the government will simplify it and introduce a single window mechanism for biotech/pharma industry to enhance development activities and time to market."

— **Dr Krishna M Ella**,  
CMD, Bharat Biotech

## CoverStory

DuPont receiving GEAC approval for field trials of its Bt rice. Tata Chemicals' subsidiary, Rallis India acquiring majority stake of 53.5 percent in Metahelix for over \$20 million (₹99.5 crore) is seen as another important event in this sector.

There is no holding back for Bioindustrial companies too. While keeping their focus on developing new products, these companies are also majorly looking at exports. Diagnostic companies will look to leverage the breadth of their portfolios to bring quality in vitro diagnostics into the market. Industry associations like the CII, ABLE, FICCI and ASSOCHAM are also looking forward to further catalyze the growth of biotech industry by bringing together different stakeholders for deliberation.

Even the Government of India is keen on supporting R&D activities for developing novel molecules. In this regard it is planning to set up a new venture fund to promote drug discovery in India, with a start up capital of close to \$45 million (₹200 crore). This could bolster drug discovery activities which till date, has been reeling under paucity of funds and capital. Further, the Department of Biotechnology (DBT), has been spending around \$300 million-a-year (₹1,300 crore) to support research, development and innovation. India plans to spend over \$150 mn (₹700 crore) in the next two years to boost production at biopharmaceutical firms, even as the local industry gears up for a global boom. The government will focus on developing infrastructure in the sector that makes drugs using biotechnology on increased demand for funding. DBT for the year 2010-11, had allocated an amount of about \$260 mn (₹1,200 crore) as plan expenditure and \$5 mn (₹22 crore) as non-plan expenditure.

Experts across all segments unanimously agree that the regulatory environment in India, come 2011, would become all the more stringent and well-defined. This would be applicable in avenues like biosimilars, stem cell therapies, clinical trials and pharmaceuticals. This will be a big boost for India because in the past, global heads of many MNCs were hesitant to invest in the country due to lack of a well defined regulatory structure. Clearly, experts are optimistic that it will be the pharma, biopharmaceutical and bioservices sectors, which will be the primary driving forces for industry growth. Companies are fully aware of the roadblocks that have been hindering the progress of the sectors so far, and are confident about consolidating their positions. Hence, 2011 will truly be a year of consolidation and collaboration!

In the ensuing pages, *BioSpectrum* brings you some interesting insights from the industry observers and leaders for the year 2011.

## Fast Forward 2011



### Biosimilars to drive growth

More and more biosimilars would be launched in India, thereby strengthening the country's position in the global market. The regulatory environment in India would get progressively stringent on quality of biosimilars.

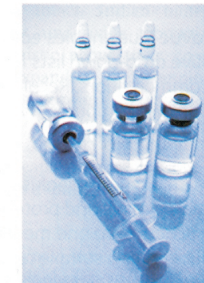
Indian regulators can also be expected to subject imported biosimilars to the same level of scrutiny and approval as with biosimilars developed and manufactured in India.

2011 can witness more partnerships between Indian biotech and pharma companies. There would be more stem cell therapies and tissue engineered products in the Indian market.

Regulations for stem cell therapies would get better defined. India would begin to make a mark in developing novel biotherapeutics as well.

**Company Outlook:** Reliance Life Sciences (RLS) would continue to focus on developing and bringing in a range of biosimilars, including several monoclonal antibodies, to the Indian market as well as take them to other semi-regulated markets. RLS would be progressing its pipeline of specialty pharma products in oncology, steroids, hormones and peptides range. We are also looking to commercialize stem cell therapies and tissue engineered products in India.

— **Mr KV Subramaniam**  
president, Reliance Life Sciences



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