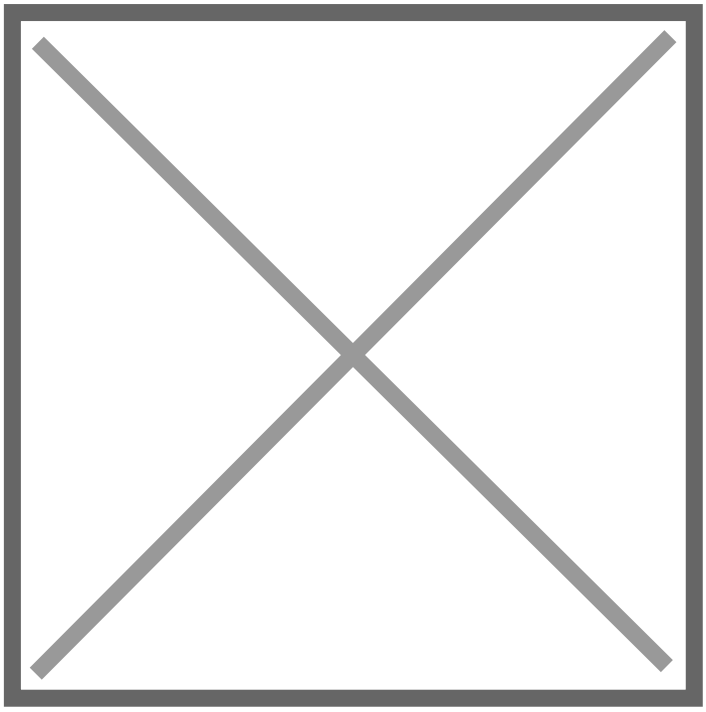
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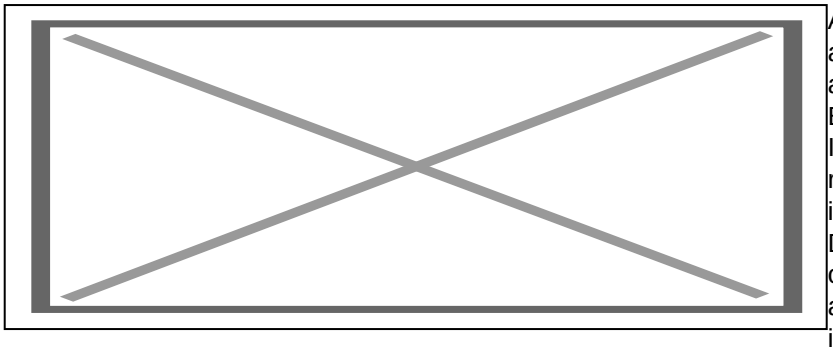
Affordable Immunity With Superior Technology

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Indian Immunologicals

From being a single-product vaccine manufacturer for Foot and Mouth Disease (FMD) to a larger biologicals manufacturer, Hyderabad-based Indian Immunologicals Ltd (IIL) has come a long way. With a quest for affordable immunity, its commitment towards world-class quality products at viable prices is evident enough.



A veterinary vaccine leader, IIL now provides a wide array of human and animal products. "Earning profits alone is not our performance criteria," says KV Balasubramaniam, managing director, Indian Immunologicals Ltd. The company believes in making reasonable profits and creating surpluses and fuelling it back for research purposes. Set up by National Dairy Development Board (NDDB) in 1983 with the objective of making FMD vaccines for farmers at very affordable prices, IIL today operates the largest plant in the world for veterinary vaccines. Its plant at Hyderabad has an installed production capacity of over 25 million quadrivalent doses of FMD vaccine. With total revenues of Rs 67 crore for the year ending 2003-04, IIL would easily be amongst the top 10 animal health companies in the world and the largest exporter of veterinary biologicals in Asia. The company's total exports in 2003-04 stood at Rs 5.14 crore.

It is believed to be the only veterinary biological unit in India to obtain both ISO 9002 & Good Manufacturing Practices (GMP) Certification as per World Health Organization (WHO) GMP guidelines. Following the successful introduction of FMD vaccine-Raksha, IIL later launched the tissue culture rabies vaccine "Raksharab" and Theileriosis vaccine Rakshavac-T in 1989. In fact, IIL is credited to be the first Indian company to make tissue culture rabies vaccine. Subsequently, it developed many biologicals through its own R&D work and launched several vaccines in the Indian market at affordable prices.

Expansion

"With a facility in Ooty to manufacture Vero Cell Culture Rabies Vaccine, IIL enabled the country to phase out the use of older and unsafe sheep brain vaccine (also termed as nerve tissue vaccineÃ¢â?¬â??NTV) and replace it with the modern tissue culture vaccine, Abhyarab," informed Balasubramaniam. It is the second company in the world to launch the Purified Vero Cell Rabies Vaccine (PVRV). Priced at Rs 200 per dose, this is sold through its network of 1500 "Abhay Clinics" and is claimed to be about 35 percent cheaper than the brands marketed by multinational companies.

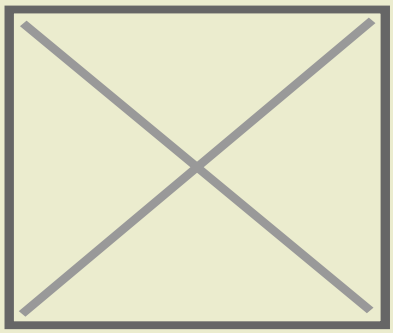
IIL recently has set up a new human vaccine facility in Hyderabad for manufacturing pediatric vaccines such as HepatitisÃ¢â?¬â??B, measles, MMR and DPT. The facility attempts to meet not only the domestic requirements but also the increased demand projected by UNICEF under the Global Alliance Vaccine Initiative (GAVI) program to meet the child immunization vaccine needs of poor countries.

Further, IIL's R&D efforts are directed at new technologies in biologicals. IIL in collaboration with the Indian Institute of Science, Bangalore, is developing the world's first DNA Rabies vaccine under the Prime Minister's "Jai Vigyan Programme".

It is not only a vaccine manufacturer, but also a vaccination service provider. While its Pratirodh Centers cater to the immunization needs of the farmers, Abhay Clinics offer vaccination services to humans. Its mission is to make immunity affordable to living beings. And in the process, it is creating a vibrant biotechnology base in the country and a leadership position in the international arena.

IIL is keen on developing vaccines for various tropical diseases that are not of interest to the western countries but are extremely relevant for a country like India. Also its developmental work on human monoclonal antibodies for passive immunization against rabies is higly commended. All in all, it pursues a strategy of both in-house research and development and scientific collaboration with other research establishments to make an impact and grow.

"Our Plan Is to Move into the Human Vaccines Market."



"Innovation is the key in this business. And in India, we are innovative in imitating others. That's the talent we have got," admits KV Balasubramaniam, managing director, Indian Immunologicals. Running one of the top 10 animal health companies in the world, he strongly believes that there's a huge talent pool of researchers and genetic engineers who can do a lot better for the community. And once explored, India would surely become more prominent and there would be a huge demand in the field of biotechnology, he confirms. Good manufacturing practices have to be strictly adhered to during production and products should conform to the standards laid. Citing few other key points, he spoke to Sunitha Natti of CyberMedia News about IIL's expansion and future plans.

Indian Immunologicals is the largest manufacturer of FMD vaccines. How did you manage to become one?

IIL has emerged as the largest manufacturer of Foot and Mouth Disease (FMD) vaccine in the world on account of a strong domestic base (we have a market share of 80 percent of the large Indian FMDV market) and because of our emphasis on exports. This has been helped, in good measure, by our ability to give quality vaccines at a very affordable price, apart from constant upgradation of technology. IIL is also the largest supplier of the FMD vaccine to Food and Agriculture Organization (FAO).

A leader in the animal health care products, how have things changed for IIL?

When we started in 1983, National Dairy Development Board (NDDB) felt the need to serve the farmers ambit and launched the products at a very low cost. We were able to bring down the cost of the vaccines to as low as Rs 3.50.

The company remained a one-product company till it set up its plant in Hyderabad in 1989-90. We realized that we needed to work on other vaccines. In 1994-95, we expanded on the vaccines portfolio. Apart from that, we also saw the need to tune to the changing markets as in this knowledge-based industry, we have to value people for the contribution that they make. Today, we are more performance-driven and innovative, besides being result-oriented. We believe in constant research and coming out with new products.

What has been your experience in India and globally? Has the world begun to recognize IIL as a great vaccines manufacturer? What is next on your agenda?

The world has slowly begun to recognize the Indian vaccine manufacturers as the ones who have the ability to fill the gap left by multinational companies who no longer find the mass market of pediatric vaccines profitable to operate. In IIL's case, it is certainly being recognized as a competent veterinary vaccine manufacturer. However, one must understand that the veterinary vaccine market is quite limited, unlike the human vaccine market, accounting for only $2 billion out of the $10 billion vaccine market. IIL has been recognized as a research-driven technologically competent manufacturer with the ability to respond to large requirements in a short duration.

Our plan is to move into the human vaccines market. We would like to bring better value to the market with our proven ability of manufacturing technologically superior vaccines at affordable prices. We already operate the "Abhay Clinics" on franchisee basis and we will build on this successful business model.

What is the standing of the Indian animal health care companies in the global scenario?

As mentioned earlier, the human and veterinary vaccines market is around $10 billion. This comprises of $2 billion in animal health, growing at 4 percent per annum and $8 billion in human health growing at 9 percent per annum. The Indian market is very diminutive. The developed countries account for 85 percent of the total pharma industry and the Indian market is about $150 million, with the veterinary segment accounting for $20 million.

There's no comparison in terms of market share but when assessed in volumes we have reasonable numbers. But prices in the developed countries are much higher and that's what makes the difference.

In the vaccine industry, there are four companies that are dominating the global market. They operate in high-innovation driven, high-price markets. But we operate in a totally different paradigm. We are not innovators but imitators. However, we are now getting good on the innovation side too. We develop vaccines, which are already in the market and at affordable prices. Thus, although the volumes are high, because of low prices the value of the market gets limited.

Can India become the vaccines hub of the world? Are there any bottlenecks? What are the issues and concerns and how should India position itself?

India can become a major vaccine producer of the world provided it is able to effectively tap the growing human vaccines market, especially for the pediatric segment, such as Hepatitis B, Hib and influenza and focus on the now emerging Asian markets.

In my view, the bottlenecks are only in terms of regulatory barriers in different markets and not so much in our scientific