

Avesthagen's Testy Toast

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Innovation is the key to success in the biotech industry and having one's own intellectual property rights (IPR) will determine the progress of companies in this emerging segment. Dozens of entrepreneurs, who have entered the segment in the last six-seven years, are investing considerable time and energy to remain competitive through innovation. This spirit is best exemplified by Bangalore-based Avesthagen, founded by Dr Villoo Morawala-Patell. Starting from a small lab inside the National Center for Biological Sciences (NCBS), in Bangalore, Avesthagen has been on a patent filing spree in the last few years.

By the latest count, Villoo's Avesthagen has filed over 160 patent applications and many more are in the works. The company is now poised to reap the benefits of the IPR it created so far and some two dozen products are expected to come out of the Avesthagen stable in the next two-three years. When she pulls off, what she has been talking about so far, it is certainly going to make many of her peers to sit up and take more than a cursory notice.

It is the Budget time in the country and the biotech industry too has a set of demands to be addressed by the Finance Minister. The industry has been regularly seeking tax exemption for the expenses incurred in filing international patents. One hopes Mr P Chidambaram will fulfill this long pending demand of the IPR-driven biotech industry.

There are a few other demands such as providing 150 percent weighted tax deduction to all research based companies registered with relevant government agencies, service tax exemption to all research-based companies and those involved in

pre-clinical studies of drugs, "priority sector" tag for lending by banks to biotech companies, exemption from withholding tax for technology licensing by biotech companies, and removal of customs duty on import of key raw materials required to manufacture diagnostic kits to detect various infectious diseases.

Another major demand relates to setting up a Biotech Innovation fund. Finance Minister should consider this seriously. BioSpectrum has calculated that the nation's bulging foreign exchange reserve, which exceeds \$270 billion, could be invested efficiently and could easily fetch annual interest amounts exceeding \$10 billion. The government can consider allocating at least \$1 billion to set up an Innovation Fund in order to support the industry to take up high-risk research efforts.

As indicated in January, the results of the second part of the 4th BioSpectrum Top 20 BT Schools survey are appearing in this issue. In the private category, the relatively new Sastra University, based in Thanjavur in Tamil Nadu has emerged as the No.1 institution, relegating the leaders of recent surveys to lower ranks. The No.2 slot too has been taken up by another institution from the state, the SRM University, based in Chennai. Both these institutions have benefited from significant investments made in recent years in upgrading their research infrastructure through various research projects. Almost all the other institutions that figure in the Top 20 list have made large scale investments in boosting their infrastructure, laboratory facilities and linking up with the biotech industry in a big way. They are all reaping the benefits of these investments now.

The National Biotech Policy is now moving into the implementation stage. BioSpectrum is planning to organize a day-long interaction between the industry and the DBT-team led by Dr MK Bhan in Bangalore on February 19, 2008 to discuss the way forward. Other details will be conveyed to you in early February.

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