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"Struggle for long-term biotech capital persists due to a lack of assured domestic markets"

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Much of the recent discourse on Indiaâ??s life sciences, ranging from high-level optimism to regulatory concerns, has focused on isolated aspects of the ecosystem. While conversations around â??biotech sovereigntyâ? and AI remain important, they often overlook the broader, interconnected shifts taking place on the ground. From Endiya Partnersâ?? vantage point as physician-investors, Dr Vedha Sampath and the team believe that India is approaching a â??clinical inflection pointâ? that requires a more holistic lens. Endiya's portfolioâ??s recent progress with Eyestem Research (Phase 2 for regenerative therapy) proves this isn't just a theoretical potential, itâ??s a functioning innovation-to-delivery pipeline. During a recent conversation with BioSpectrum, Dr Vedha Sampath, Partner, Endiya Partners, talks about how India is well positioned to address the global R&D productivity crisis.



How do you see India positioning itself in the global R&D value chain? Is it a cost-efficient hub or a source of breakthrough innovation?

I see India positioning itself as the global source for cost-effective breakthrough innovation. India is currently at a critical inflection point. For decades, we were recognised as the 'Pharmacy of the World', a title earned through manufacturing excellence and volume. Today, we are evolving into a Global Innovation Harbour.

This shift is driven by what I call our 'Structural Alpha'. This includes 'Recruitment Alpha'—the ability to enroll specialized patient cohorts up to 10x faster than Western peers—and at least a 3-4x cost advantage. In practical terms, this means reaching Clinical Proof of Concept for <$50 million compared to $150 million+ in the West. This allows for 3-4x more 'shots on goal' for the same capital outlay.

While gaps in consistent breakthrough generation remain, recent milestones like the IGI-AbbVie deal and the clinical progress of ImmunoAct and Eyestem are definitive proof of what our ecosystem is capable of achieving.

How should we interpret initiatives like Biopharma SHAKTI beyond funding? Are they de-risking the clinical and regulatory ecosystem?

Absolutely. We expect that Biopharma Shakti will create the necessary launchpad for the ecosystem. It signals a maturation of policy because it invests in the infrastructure of innovation rather than just the startups themselves. It structurally de-risks the ecosystem through three pillars:

1. Industrial Intelligence: By upgrading NIPERs, we should convert raw talent into industry-ready experts in high-deficit skills like bioprocess scale-up and viral vector engineering.
2. High-Velocity Clinical Networks: Establishing 1,000+ accredited clinical trial sites via ICMR standardises 'Velocity as a Mandate'. This shifts the primary bottleneck from patient access to scientific execution.
3. Dynamic Regulatory Architecture: Reinforcing the CDSCO with a specialised scientific review cadre for cell and gene therapies and aiming for a 45-day statutory clock decouples innovation from administrative friction.

Why does India still struggle with long-term biotech capital, and how is this impacting early-stage innovation?

Despite our scientific prowess, the struggle for long-term capital persists due to a lack of 'assured domestic markets' and visible exit horizons. For a VC, the potential for follow-on capital and an eventual exit is as important as the science. Biotech timelines (15+ years) often exceed standard fund lives (~10 years).

Furthermore, Indian pharma has historically been cautious about novel drug R&D. However, we are seeing a shift. Sun Pharma's global bids, Wockhardt's antibiotic developments, and the IGI-AbbVie deal are creating the precedents needed to break this cycle. As these successes accumulate, they create the exit liquidity necessary to recycle capital back into early-stage innovation.

What structural changes are needed to retain both capital and innovation within India?

To retain our best talent and capital, we must synchronise the Triple Helix of government, academia, and industry and implement several structural changes:

- Regulatory Velocity: Moving toward rolling reviews and pre-IND consultations.
- Exit Opportunities: Enabling pre-revenue listing pathways for biotech companies (similar to the Nasdaq Biotech Index).
- Translational Training: Bridging the gap between pure science and entrepreneurship.
- Sovereign Demand: Considering government-led procurement guarantees to solve the absence of an ‘assured domestic market’.
- Plug-and-Play Infrastructure: Eliminating the ‘idle asset paradox’ by building shared cGMP pilot plants so startups don't have to sink capital into heavy machinery early on.

With companies like Eyestem advancing to Phase II, how close is India to a scalable innovation-to-commercialisation pipeline?

While gaps remain, the IGI-AbbVie deal and the clinical success of pioneers like ImmunoAct and Eyestem are no longer just theoretical proof points; they are clinical validations that Indian-origin IP is now a peer-level asset to the world’s premier biotech clusters.

In my view, we are currently in the most exciting decade of India’s biopharma journey. Successes like Eyestem—which is developing what is arguably the world’s strongest iPSC-derived candidate for macular degeneration—show that our ‘0-to-1’ journey is validated. The next ten years will be about scaling that into a high-velocity engine. We are very close.

As physician-investors, how does Endiya Partners’ approach differ when evaluating complex therapies?

Our investment approach at Endiya Partners differs fundamentally from traditional VC models. While traditional VC often manages financial risk, physician-led VC manages scientific and clinical truth.

- Biological ‘Why’ vs. Financial ‘What’: We don't just look at market size; we start with the mechanism of action. We evaluate if the science addresses the underlying pathophysiology. This allows us to back frontier science like Eyestem before it becomes a consensus trend.
- Clinical Utility: A therapy can pass a trial but fail in a hospital. We evaluate assets through the lens of a practitioner: Will this change the standard of care? How does it fit into a doctor's workflow?
- De-risking Execution: Our medical DNA allows for ‘insider’ diligence on safety thresholds and trial feasibility.

We speak the language of the lab, the regulator, and the hospital, helping our founders navigate the complex journey from bench to bedside.