

BioInvest 2011: Boosting Innovation

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This year, ABLE's annual event, BioInvest 2011 saw the who's who of biotech in India expressing a keen interest in capitalizing on innovation. BioInvest sought to address the two most critical barriers in the biotech industry today - funding and regulation - and ably provided a platform to bring together the industry, investors and government officials to discuss these issues and more.

BioInvest 2011

In a bid to accelerate biotech funding, industry body, Association of Biotech Led Enterprises (ABLE) organized BioInvest 2011 in Bangalore on December 20, 2011. The keynote address by Dr Sam Pitroda, chairman, National Knowledge Commission set the tone for thought-provoking discussions in the day-long conference. Dr Pitroda, widely regarded as the person responsible for the revolution in the telecommunications industry, spoke about the factors needed to bring about a similar one in the biotech sector in India.

No stranger to innovation, Dr Pitroda, via video conferencing said, "There is an urgent need to find innovative solutions for India-centric problems. The years 2010-20 have been declared as the decade of innovation and with the proposed billion-dollar innovation fund by the National Innovation Council created via private investors, we hope to promote inclusive growth by funding ingenious initiatives to improve healthcare and increase food production. Biotech holds tremendous promise in this regard and hence I urge everyone to not just look for quick fixes but to be a part of this exciting process."

The stage was now set for one of the most important events of the year for life sciences investors across all verticals in the biotechnology industry. Hoping to provide small and medium enterprises some advice, was the first session on the role of public and private incubators in mentoring start-ups. Ms Deepanwita Chattopadhyay, MD and CEO, IKP Knowledge park, Hyderabad; Dr Gayatri Saberwal, faculty scientist, Institute of Bioinformatics and Applied Biotechnology (IBAB), and Dr Taslimarif Saiyed, COO, Centre for Cellular Molecular Platforms, spoke about the factors which they thought led to the success of some of the start-ups incubated at their facility and the failure of some others. An important sentiment echoed by

all of them was the need for the entrepreneur to have a strong focus and to not lose sight of the goal.

Dr Gayatri Saberwal of IBAB, which has incubated seven start-ups till date, pointing out issues associated with having an incubator in an academic setting, said, "One of the advantages for incubating a company in an academic setting is that the students get tremendous exposure to the practical aspects of a biotech company, with some of them even getting placed in those companies. However, maintaining a balance between the academic responsibilities and those towards the company proves to be tough for some."

Lack of sufficient funding remains to be among the top grouses for most biotech companies and it was evident in subsequent discussions. Dr Renu Swarup, senior adviser, Department of Biotechnology, highlighted some of the avenues which people could utilize. She said, "Small Business Innovation Research Initiative (SBIRI) and Biotechnology Industry Partnership Programme (BIPP) are two excellent schemes that have been successful in aiding biotech professionals. One of the most exciting new initiatives is Biotechnology Industry Research and Development Assistance Council (BIRAC), which will be incorporated by April 1, 2012. BIRAC will not just be a funding agency but will provide a variety of services such as mentoring, intellectual property related support, connecting enablers to SMEs and much more, such that it acts as an industry arm of the DBT."

After crossing the first round of funding, many, however, face the proverbial 'Valley of Death' before they can have another round of raising funds. The general consensus was that one of the primary reasons is the inability to produce a product which can be commercialized successfully soon after the first round of funding. Most entrepreneurs gathered went so far as to call the time after the first round of funding as an 'abyss', which continues over a period of time, rather than a steep valley. Those who did successfully bridge this divide, however, said that despite the paucity of private investors willing to invest in life sciences, a strong marketable product in hand within a few years of funding can go a long way in gaining trust with investors.

Intelligent diagnostics

With three sessions already under way, any assumptions of the attention of the audience waning were dispelled by the exciting and enthusiastic presentations of young Indian entrepreneurs. From a microfluidics-based approach for diagnostics by Achira Labs to autologous stem cell therapy for osteoarthritis and autism by StemOne Biologicals, the sheer talent and determination on display were impressive.

Another company to watch out for was Biosense Technologies, which has developed a portable non-invasive method to detect anaemia. Mr Myshkin Ingawale, CEO, Biosense Technologies, said he hoped to make a contribution towards helping make diagnostics cheaper than drugs, as opposed to the current situation. Ms Anita Shet, CEO, pinkWhale Healthcare services, spoke about how by using state-of-the-art technology, her e-Health company aimed to offer integrated telephone and internet-based healthcare services.

Although the biotech industry has had a presence in India for two decades, there are fewer than 10 companies listed on the stock exchange. Exploring the reasons behind this phenomena, industry experts said, "The current stringent requirements for listing and the variable valuation of shares after listing were the major deterrents to the companies from going for an Initial Public Offering (IPO). Mr Ravi Tyagi, head, Small and Medium Enterprises (SME), National Stock Exchange, elaborating about an initiative which aimed to address the issue, said, "On the Prime Minister's recommendation the setting up of a dedicated exchange for SMEs was taken up. This exchange has only recently received approval from Securities and Exchange Board of India and we hope it will go a long way in aiding SMEs around the country."

Mr N Suresh, group editor, BioSpectrum provided an interesting perspective when he said, "The government should look at raising funds for public healthcare issues from the public itself, the same way it endeavored to do in the case of Konkan Railways or the Cochin airport. As healthcare products out of biotech can serve the large population, initiatives like these could provide new sources for capital as well."

ABLE chose to end the conference on a high note with the winners of Biotechnology Entrepreneurship Student Teams 2011 conducted earlier this year. The winners from SASTRA University, International Centre for Genetic Engineering and Biotechnology and IIT Bombay were allowed to pitch their ideas in front of the august gathering and were presented with cash prizes.