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'We need right people at the right place': Industry

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The event witnessed more than 35 participants from various top organizations and positions including CEOs, budding startup entrepreneurs, investors, policy makers and directors.

In the back drop of the recent budget execution by Finance Minister Arun Jaitley in February 2015, the conclave opened wide doors for an engaging and stimulating discussion on the impact of the budget on the industry.

Hosted by Mr Narayanan Suresh, group editor, BioSpectrum India & Asia, the forum offered a open setting for participants to express their view point, expectations, concerns and issues impacting the industry.

Issues relating to tax payments and incentives, SME growth, innovation insurance, funding, government-industry collaboration, and clinical research dominated the discussion forum.

Dr Mahadevappa, director, JSS Rural Development Foundation, opined, "It is a critical time that the government should come forward and exploit the potential. There are opportunities where without spending money farmers can derive benefits."

Ecron Acunova's chairman, Mr D A Prasanna pointed that one of the major hurdles to 'Make in India' is the unsynchronized coordination between the Department of Pharmaceuticals, Department of Biotechnology and Department of Health.

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"Each department is trying to optimize their own objective instead of coming together and solving issues," he added.

He suggested that a group or a forum between the secretaries of Pharmaceuticals, Biotechnology and Healthcare should ensure that issues are taken forward especially in clinical research.

"Research has to be conducted in hospitals. Drug approvals take prolonged timeline and then there are issues of drug pricing. The faster we are able to bring together multiple departments, the more positive effects will be seen in bringing new drugs and innovations to the market," he explained.

Mr Prasanna was seen to be optimistic about the speed of application processing by regulators. "What is very positive is that the speed of processing applications by the regulators has seen a major improvement, and the changes made by the new government is very encouraging. We welcome this move and will see to it that it continues," he shared.

"In terms of schemes and opportunities, they are available in plenty," commented Mr Naveen Kulkarni, CEO and founder, Polyclone Bioservice.

He felt that there is a missing link between different departments. "A group, division or a department, especially the state government, can take the lead and say that here is the scheme and this is how we will go about it. From the funding point of view, we have a lot. Execution and implementation takes time. The question is, having the right people at the right place. The government should now start thinking in terms of people," Mr Kulkarni held.

Dr B V Ravi Kumar, founder and CMD, XCyton Diagnostics, said that one of the biggest hurdles in research is making it academic centric.

"We need to have right people at the right place. At times there are schemes people don't understand or how it works. As a nation the general public is not for innovation. It is only willing to judge innovative companies versus non-innovative companies. I'm not even dreaming about innovation insurance. We should not be pushed through mechanisms that are not well understood," he expressed.

Dr Ravi also said that the government doesn't want to know the industry's problems.

"Budget only gives you a framework. What is hurting is that there was no mention about what is happening in the science and technology (S&T) area. Budget cuts on S&T will have a devastating effect on the industry. We should first innovate in India and then make it in India," he concluded.

Mr R Raghu, VP, SchrÃ?Â¶dinger, spoke in terms of investing in R&D in India. "In our country, there are many MNC pharma companies selling products and making millions. How much are they investing back in R&D in India? How many are setting up their R&D centres in our country? Sadly, they are vanishing. If this continues, in a few years from now India will not have any R&D happening," he lamented.

"If biopharmaceutical MNC companies are selling products in India, and if their turnover is about $100 million, then they should spend at least $5 million towards R&D in India, which should be exempted from all taxes," he recommended.

"Secondly, the government including DBT and CSIR are cutting finances in academics. On one hand innovation has to be developed, and on the other we have to spend money to innovate in R&D," said Mr Raghu.

In China, R&D spend has increased and they are pumping more, he pointed. "In India, higher education and research has to be developed. When an academic institute is offered funding beyond Rs 5 crore, then it should be in collaboration with the industry, because there are big lacunae between them. It is crucial to bring in the industrial partners," he highlighted.

Bangalore-based entrepreneur, Ms Monisha Hajra, founder, ScientiaBio, noted, "We generate more income from Singapore and Malaysia than from India. Most of our clients there hail from the government sector. All it takes is just one email to get the job done. It is easy for service companies to leverage on startup space, but what about diagnostics and project-based companies?"

Many participants also emphasized on the funding woes faced while presenting the research proposal to committees.

"The timing of the funding is significant. The bottleneck is that we don't have the right people in the right place. We need someone who understands commercialization and scaling up process. If we want innovation to happen, then the timing of the funding is very important. Also there is lack of clarity. Startups need a clarity on how regulations and funding work. This would help them get their funding at the right time. We need to address this if we are going to make the 'Make in India' campaign a stunning success," remarked Ms Ezhil Subbian, CTO, String Bio, another Bangalore-based startup.

Mr Pradeep Karatgi, cofounder and director, IDRS Labs, said that getting the right license is an extremely time consuming process.

"In Europe and the US, for example, there is always a streamlined process having specific timeline. In India marketing authorization takes 3 to 4 months, and at times even 30 months," he expressed.

Mr B N Manohar, MD, Stempeutics, mentioned in terms of tax holidays and PM's support towards stemcells.

"The government is willing to work with the industry to form a regulatory frame work. They are moving away from paper-based system to electronic system. In the last one year, I see a positive change in the speed with which things are processed. Whether it is about clinical trial approval or funding, if you have your proposal, they will act much faster. Another positive aspect is the supporting of innovation. Soon they are planning to adopt the Japanese framework. Over all, it is happening and there is a feel-good factor. The government should focus on tax reforms and nurture innovation. The 100 percent FDI for medical devices is commendable," he explained.

Mr Manjunath Devaramani, R&D head, Denovo Biolabs, a new startup at IBAB, commented on product pricing and competency.

"We have our own challenges. We develop our products and compete with major players inside and outside India. To be competent we need to be competent in quality at lower prices. But we have to pay sales and services taxes and corporate taxes. How do we keep the costs lower when taxes are so high? There must be a system, at least for startups, offering benefits like tax slabs," he said.

Mr Bhavik Kumar, cofounder of the four-month old Bangalore startup, Medibox, supported the PM Modi's Swach Bharat, Make in India and Digital India campaigns.

"Investments are going to be huge in digital healthcare in accordance with our PM's campaign, and it can run well on it," he revealed.

Dr Arumugam Muruganandam, founder, MD & CSO, Affigenix, suggested that the government should operate like VCs when it comes to funding.

"The VCs have consulting in every field. The government, on similar lines, has consulted experts in the industry in certain cases while dealing with bigger grants. It has to continue this by operating like VCs, where they approach experts, evaluate and manage the money," he advised.

Dr Jagadish Mittur, head, Biotechnology Facilitation Cell (BTFS) at KBITS, emphasized on industry experts working alongside with the government for the betterment of the existing system.

"We got to be practical. We have to work on the existing system because it seems to be sloppy. How many people are willing to come and work in the government sector? Scientific professionals can become 'Scientocrats' and academicians can volunteer to work and improve the system. We should not underestimate the competence of people who hail from academics. We must work on aligning the State's biotechnology framework with the national framework," he impressed.

He feels that the government is interested in creating more and more innovation clusters to create an environment that is entrepreneurial.

"The future is going to be bright for Karnataka. Now, what is missing is the upliftment of agriculture sector. There are many drought stricken districts in Karnataka. And water availability seems to be the biggest problem. The Central government should spend its budget to address the water scarcity. Unless this is addressed, it is going to be very difficult to see any progress in the agri sector, and consequently this is going to affect our country drastically," Dr Mittur added.

"The sentiments of the industry and the government needs to be synchronized. The budget allocations aren't very clear," stressed Mr Veerbhadra Yadwad, product manager, environmental and analytical group, Yokogawa India.

Dr Binay Panda, chief officer and head, Ganit Labs, voiced that people on research proposal judging committee do not understand commercialization.

"We do not even have the right or enough people who can judge a research proposal. Ninety-nine percent of the people who sit on judging committees are purely from academics and do not have any idea or experience about commercialization aspects," he added.

"The amount of money we have should be distributed efficiently by improving the existing system. We should work together in helping the government improve the system and getting the money in the hands of people, rather than complain about what the government is not doing," Dr Panda mentioned.

Mr Suresh Ramu, cofounder & CEO, Cytespace, commented on the origin of innovation and nurturing it to the fullest.

"There is enough talent and risk-taking appetite. One cannot support large organizations and expect innovation. Innovations can also come from smaller companies. They need to be developed and promoted. In a global setting, we cannot bring in regulations and say that foreign drug molecules cannot be authorized to carry out research. We cannot blanket research. On the healthcare side, spending 2 percent of GDP is fantastic, but it is not enough. The government needs to create a framework. Healthcare incentives and import duties needs to be taken care. Increasing import duties will enable local manufacturers to compete," he held.