New Ally In The Fight Against Malaria: India’s Growing Biotech Industry

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The research efforts that’s already on

• Government Institutes - CDRI and NIMR have been engaged for long time in malaria drug discovery efforts.

• Indian pharma major Ranbaxy has a drug on malaria in collaboration with partners (Synriam).

• Research Organizations - ICGEB has programs on malaria vaccines, drug discovery and basic biology.

• AstraZeneca, Bangalore is playing pioneering role in malaria drug discovery efforts.
Current Opportunities

• In the service sector, some of the CROs are providing valuable services in the drug discovery efforts in collaboration with other organizations. Many of those with proper business model can take the necessary leap forward.

• In last two years, OSDD under the aegis of CSIR has taken up new drug hunt in malaria. It’s the largest collaborative effort on malaria drug discovery so far seen in India if not globally.
Future Opportunities

• If we exclude the already existing big pharma/biotechs and prominent service providers then number of Indian Biotechs engaged in drug discovery/ vaccine development will most probably not exceed 10.

• The Private Equity (PE) investments in Biotechs alone is difficult to ascertain but a good guess will be around $200M although total PE investment all across healthcare and Pharma exceeds $2B.

• Most of the Biotechs that received PE investments are engaged in research in disease areas other than neglected diseases.

• The major funding source for small Biotechs is still the Government agencies.
Why Indian Biotechs are not in neglected disease area?

- Most of the Indian Biotechs are in metabolic diseases and oncology areas with one or two in other areas like dermatology etc.

- Apart from the disease areas mentioned above the PE investments are still largely in generic formulations, diagnostics and vaccines.

- Some of the other biotechs showed interested to get into malaria drug discovery but not made much progress.

- Some of the Biotechs are involved in malaria detection kit.

- The major issues remain funding and a suitable business model to attract established pharma companies (top 10?) to take the collaboration forward.
One can easily understand the problems for biotechs to work on the neglected disease areas like malaria which is scientifically no less challenging and apparently with little business rewards.

“The Government of India has significantly increased funding (drug) discovery research through a number of schemes launched by it.

…… It would be immensely beneficial if the Government could predominantly focus on high-risk enterprises in early stage development.

What we need in India is baton exchange program, with the enterprise moving from one set of investors to the next dependent on the level of maturity attained.

……If the Government were to incentivize early stage investment …..a lot of risk capital can be made available to start ups.

…… if a mechanism could be evolved for creation of high-risk investment vehicles with commensurate incentives, this would go a long way in unlocking resources.”

Mr. Utkarsh Palnitkar, MD, Pluripotent Capital and ED, Centrum Capital in BioSpectrum, Oct. 8, 2012 is: