

BioSpectrum

the business of biotech



PM vows to boost bioagriculture

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Serum tops industry rankings

- Biotech industry grows 37.42%, \$1.45 Billion Industry
- BioPharma crosses \$1 billion



VOLUME 1

BioSpectrum-ABLE Industry Survey 2006

A Good Year Again

BioPharma sector alone crosses \$1 billion (Rs 1,046 crore) in revenues, but the industry falls short of the \$1.5 billion mark by \$50 million.

Repeating the previous year's growth rates, India's biotechnology industry has notched up another good year in 2005-06 with sales growth of 37.42 percent to reach Rs 6,521 crore (\$1.45 billion) in revenues. The industry narrowly missed the \$1.5 billion mark by just \$50 million (Rs 225 crore).

All sectors witnessed growth

Last year has followed another landmark year of 2004-05 when it crossed the \$1 billion (Rs 4,745 crore) mark. What is remarkable is that the BioPharma sector, comprising vaccines, therapeutics and diagnostics has recorded \$1.05 billion in revenues (Rs 4,708 crore). The sector recorded 31.88 percent growth. It was the single largest sector and accounted for 72.20 percent share of the Rs 6,520 crore biotech industry.

BioAgri sector continued to be the fastest growing sector for the second year in a row. It posted 81 percent growth clocking Rs 598 crore in sales. However, the BioAgri sector remained the third largest contributor to the in-

dustry. BioAgri's share of the industry was 9.17 percent. BioServices with 11.03 percent share of the industry garnered Rs 719.5 crore in sales and registered 69.29 percent growth on the previous year's figure. BioIndustrial and Bioinformatics grew by 17.19 percent and 20 percent respectively to Rs 375 crore and Rs 120 crore in 2005-06.

Exports soar

The total biotech exports in 2005-06 were at Rs 3,357.17 crore, while the domestic business reported Rs 3,163.83 crore in sales. The exports accounted for 51.48 percent share of the total industry. BioPharma exports accounted for 74.33 percent of the total exports of Rs 3,357.17 crore, clocking Rs 2,495.24 crore in revenues. BioAgri's share of exports was the lowest at 1.07 percent and exports from this segment stood at Rs 35.88 crore. BioServices overseas revenues were Rs 684 crore. BioIndustrial and Bioinformatics sector accounted for 1.23 percent and 3 percent share of the total exports respectively.

Serum Institute of India becomes India's No. 1 biotech company

Biocon is India's largest biotech group

Rasi is India's top Bt cotton producer

Industry records 37.42 percent growth

BioPharma crosses \$1 billion

BioPharma again accounted for the largest share of the domestic business. Its business in India accrued to Rs 2,212.76 crore and accounted for 69.94 percent share of the total domestic market of Rs 3,163.83 crore. BioAgri was the next big contributor to the domestic biotech business. The revenues from this sector in India was Rs 562.12 crore. ■

NOTE

This year BioSpectrum-ABLE Survey is being reported in two issues—June 2006 and July 2006. While this issue focuses on the Top 20 Ranking and directory of biotech companies, the second issue (July 2006) will cover in detail the analysis of each of the major segments, human resource aspects, and BioSuppliers among other things.

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SURVEY & RANKING METHODOLOGY

BioSpectrum conducted this survey in association with the Association of Biotechnology Led Enterprises (ABLE). *BioSpectrum* and ABLE have jointly been doing this exercise since 2003. A detailed questionnaire (survey form) was sent to over 450 companies to capture the needed information for the analysis. This was done during April-May 2006 and the forms were collected till May 20. Companies shared information with us to the extent it was possible by them about their companies and the industry.

- The revenues considered for the analysis are biotech products sales and service figures. In several cases where revenue figures were not available, estimates were arrived at talking to industry experts.

- This year in the list of Top 20 biotech companies, diagnostics and services have not been taken into account.

- Biotech suppliers' revenues are not considered as part of the biotech definition.

- BioPharma included products made by fermentation/animal cell culture (not animal extracts) and plant cell culture (not plant extracts).

- The BioAgri segment analysis has included only the GM seeds and molecular markers and related products. So the hybrid seeds business is not part of the agribusiness sales values.

- For all the ranking purposes, we have taken the biotech business only into consideration. Wherever TURNOVER is mentioned, it means, sales turnover from biotech. It is not necessarily the total sales turnover of the company.

Serum Institute of India, the No. 1 biotech company

Pune-based Serum Institute of India tops the industry rankings with total sales of Rs 703 crore, moving ahead of Biocon Ltd, which occupied the top slot in the previous three surveys. Biocon closed the year with total sales of Rs 688 crore from its biopharmaceutical and enzymes businesses. While Biocon registered 6.44 percent growth, Serum Institute of India grew by 39.21 percent in FY06.

The Top 20 and Next 21-35 Companies Tables clearly point out that the industry is not only growing, but is also maturing as an all-inclusive industry. The Top 20 list includes BioAgri companies, BioPharma companies—both animal and human health as well as BioIndustrial companies. The Top three companies are primarily in the BioPharma sector and accounted for a total business of Rs 1,829 crore. Panacea Biotech is the third largest company with biotech revenues of Rs 437.82 crore. The fourth, fifth and eighth ranked companies are focused on the BioAgri segment. Mahyco Monsanto Biotech ranks fourth with Rs 391 crore, while Rasi Seeds is fifth with Rs 309 crore and

Mahyco stands at Rs 117.76 crore. The three account for Rs 817.76 crore in revenues. The sixth and tenth places are occupied by companies primarily focused on animal health segment. Venkateshwara Hatcheries is ranked sixth at Rs 280 crore and Indian Immunologicals with Rs 102.67 crore in revenues is ranked tenth. These two account for Rs 382.67 crore.

Further, it may be observed that the difference between MNC versus indigenous is thinning down. The MNCs are positioning themselves as local companies, home-grown companies. There are many MNCs too in the Top 20 ranks—Novo Nordisk and Aventis. This is a clear sign of the heterogeneous nature of the biotech businesses. Further the change in the rankings reflect that companies are doing businesses in sync with the industry trends.

It has to be pointed out that the Top 20 Rankings do not include the diagnostics and bioservices companies, a conscious decision taken to evolve true list of biotech companies as is the global practice. ■

Top 20 Home Grown Companies

We have drawn a list of Top 20 Homegrown companies to track the progress being made by India-grown biotech companies. While the Top 20 companies of the "Top 20 Biotech" list have recorded total sales of Rs 4036.59, the "Top 20 Homegrown" companies registered

total sales of Rs 3,419.57 crore. The Top 20 Biotech companies in 2005-06 accounted for close to 61.9 percent of the total biotech market of Rs 6,521 crore. Compared to that figure, the Homegrown companies contributed 48.45 percent of the total biotech business in 2005-06.

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Biotech Industry Revenues (in Rs Crore)

Segment	2005-06	2005-06 (Change %)	2004-05	2003-04
BioPharma	4,708	31.88	3,570	2,752
BioServices	720	69.29	425	275
BioAgri	598	81.21	330	130
BioIndustrial	375	17.19	320	238
Bioinformatics	120	20.00	100	80
Total	6,521	37.42	4,745	3,475

Biotech industry inches closer to \$1.5 billion (\$1.45 billion).
BioPharma sector crosses \$1 billion (\$1.046).
BioServices sector touches \$160 million.
BioAgri sector crosses \$130 million.
Industry records 37.42 percent growth.

BioPharma, the Largest Contributor

Segment	Rs Crore	Share (%)
BioPharma	4,708	72.20
BioServices	720	11.04
BioAgri	598	9.17
BioIndustrial	350	5.75
Bioinformatics	120	1.84
Total	6,521	100.00

BioPharma still accounts for 72.2% share of biotech pie
BioServices is the next big sector with 11% market share
But BioAgri is the fastest growing sector with over 80% growth
BioServices grew at 69.3%

The top five companies in the list of "Top Homegrown" companies and "Top 20 Biotech" are the same. The homegrown companies are maturing and consolidating their global positions too. For example, Serum is a global leader in MMR vaccines and Indian Immunologicals is one of the largest producers of Foot and Mouth Disease (FMD) vaccines. The next five in the homegrown list were Venkateshwara Hatcheries, Mahyco, Indian Immunologicals, Shantha Biotechnics and Bharat Serums.

This list also reflects the diverse nature of the sector. The top five companies accounted for 38.79 percent of the total market of Rs 6,521 crore in both categories. While the Top 10 homegrown companies accounted for 46.47 percent of the market share, the Top 20 biotech companies in the country accounted for 50.9 percent of the total biotech business.

Top Groups

Biocon and Serum are the two largest biotech groups in the country. Biocon Group's total sales during 2005-06 were Rs 793 crore. It is an integrated biotechnology enterprise focused on biopharmaceuticals, enzymes, and research services. Biocon Group consists of Biocon Ltd, focused on biopharmaceuticals business, which includes statins and immunosuppressants, and enzymes, and it reported total sales of Rs 688 crore for the year ending March 2006 from these businesses. The Group's other companies include Syngene International, Clinigene and Biocon

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Exports Still High

SEGMENT	Exports (Rs crore)	Domestic (Rs crore)	Segment Sales
BioPharma	2495.24 (53.00%)	2212.76 (47.00%)	4708.00
BioServices	684.00 (95.00%)	36.00 (5.00%)	720.00
BioAgri	35.88 (6.00%)	562.12 (94.00%)	598.00
BioIndustrial	41.25 (11.00%)	333.75 (89.00%)	375.00
Bioinformatics	100.80 (84.00%)	19.20 (16.00%)	120.00
Total Industry Size	3357.17 (51.48%)	3163.83 (48.52%)	6521.00

Note: Figures in brackets represent % share of exports and domestic business within each segment

Exports accounted for 51.48% of the total business.
Exports close to \$750 million
BioPharma exports top \$550 million
BioServices outsourcing business touches \$150 million

Biopharmaceuticals. Syngene and Clinigene are focused on custom research and clinical research respectively, while Biocon Biopharmaceuticals is focused on new molecule developments. The research services business of Biocon, mostly comprising that of Syngene, has grown by 52 percent to Rs 100 crore from Rs 66 crore and contributed to 13 percent of the group's operating revenues in FY 2006.

Serum Group, on the other hand, has Serum Institute of India and Serum International as the two major companies. Serum Institute of India is the top biotech company in the country with record sales of Rs 703 crore in 2005-06, registering 39.21 percent growth. Serum Institute of India leads the industry with a range of vaccines—

Segment's Share of Exports

Segment	Revenues (in Rs Crore)
BioPharma	2,495.24 (74.33%)
BioServices	684.00 (20.37%)
BioAgri	35.88 (1.07%)
BioIndustrial	41.25 (1.23%)
Bioinformatics	100.80 (3.00%)
Total Exports	3,357.17

Note: Figures in brackets represent each segment's contribution to Total Exports

BioPharma export account for over 74% market share
BioServices contribute to a fifth of the exports

Segment's Share of Domestic Market

Segment	Revenues (in Rs Crore)
BioPharma	2212.76(69.94%)
BioServices	36.00 (1.14%)
BioAgri	562.12 (17.77%)
BioIndustrial	333.75 (10.55%)
Bioinformatics	19.20 (0.61%)
Total Domestic Business	3163.83 (100.00%)

Note: Figures in brackets represent each segment's contribution to Total Domestic Market

BioPharma is the largest contributor to the domestic sales (70% share)
BioAgri tops Rs 560 crore (\$125 million) in domestic market

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Top 20 Biotech Companies

Rank 06	Rank 05	Company	Biotech Turnover (Rs Crore)			Change (%)		
			2005-06	2004-05	2003-04	2005-06	2004-05	
1	2	Serum Institute of India	703	505	491	39.21	2.85	+
2	1	Biocon	688	646.36	502	6.44	28.76	-
3	3	Panacea Biotec	437.82	217.29	149	101.49	45.83	□
4	5	Mahyco Monsanto Biotech	391.25	162.5	—	140.62	NA	+
5	7	Rasi Seeds	309.49	86.87	—	256.27	NA	+
6	4	Venkateshwara Hatcheries	280	188	88	48.94	113.64	-
7	6	Novo Nordisk	175	135	110	29.63	22.73	-
8	New	Mahyco	117.76	166.4	54	-29.23	208.15	□
9	8	Aventis Pharma	114.5	84.3	73	35.82	15.48	-
10	12	Indian Immunologicals	102.67	72.38	56.69	41.85	27.68	+
11	11	GlaxoSmithKline	94	77.82	61	20.79	27.57	□
12	15	Eli Lilly and Company	85	68.38	67.4	24.31	1.45	+
13	14	Novozymes	83	69	53	20.29	30.19	+
14	13	Shantha Biotechnics	82.26	66.41	31.06	23.87	113.81	-
15	9	Bharat Serums	78.05	81	79.68	-3.64	1.66	-
16	New	Intervet	65.52	60	52	15	15.38	□
17	New	Nuziveedu Seeds	62.52	NA	NA	NA	NA	□
18	New	Ranbaxy	61	NA	NA	NA	NA	□
19	19	Advanced Enzyme Technologies	56	39.55	30.1	41.59	31.4	□
20	16	Wockhardt	49.75	—	—	—	—	-

Note: Top 35 Ranking introduced for the first time
 Diagnostics, Bioservices, and Bioinformatics companies not included
 The mentioned revenues are biotech product sales. For some companies that did not share the data or clarify, industry estimates were considered.

+ Rank change upwards □ Maintains status quo
- Rank change downwards New companies



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Rank 21-35 Companies

Rank 06	Rank 05	Company	Biotech Turnover (Rs Crore)			Change (%)		
			2005-06	2004-05	2003-04	2005-06	2004-05	
21	18	Bharat Biotech International	48.1	38.02	32.63	26.51	16.52	▼
22	20	Biological E	43.93	36.25	38.37	21.19	-5.53	▼
23	New	Rossari Biotech	41.2	33	24	24.85	37.5	□
24	New	Dr Reddy's	40	30	23	33.33	30.43	□
25	New	Serum International	39	60	64	-35	-6.25	□
26	New	Haffkine Bio-Pharmaceuticals	36.6	33.5	29.9	9.25	12.04	□
27	New	Themis Medicare	33	25	—	32	—	□
28	17	BIBCOL	30.53	53.25	21.59	-42.67	146.64	▼
29	New	Indovax	30	NA	NA	NA	NA	□
30	New	Nicholas Piramal	29.6	47.2	NA	-37.29	NA	□
31	New	Excel Industries	22	19.11	9.76	15.12	95.8	□
32	New	International Panaacea	21.5	17.2	16.21	25	6.11	□
33	New	Hester Pharma	20.17	16.23	7.68	NA	NA	□
34	New	Cadila Pharmaceuticals	17	14	—	21.43	NA	□
35	New	Maps India	15	22	16.66	-31.82	32.05	□
Revenues of TOP 35 Companies			4507.45	3238.02	2221.73			
Revenues of TOP 20 Companies			4039.82	2793.26	1937.93			

▲ Rank change upwards □ New companies

Rubella, BCG Vaccine, Measles, MMR and HepB. Serum International Ltd is its marketing arm to sell research-based products of Serono, Switzerland, and this recorded sales of Rs 39 crore compared to 2004-05 sales of Rs 60

crore. The reason for the drop is mainly because the management wants to now focus on launching its own indigenous products. Now Serum Group is also setting up Serum Bio Pharma Park at Pune, India's first biotech SEZ.

The Park is located in Hadapsar, adjoining Serum Institute's existing manufacturing unit and it proposes to invest about Rs 1,200 crore to develop the park. The entire project will be completed in phases by 2010. ■

Top 25 Home Grown Biotech Companies

Rank 06	Company	Biotech Turnover (Rs Crore)			Change (%)	
		2005-06	2004-05	2003-04	2005-06	2004-05
1	Serum Institute of India	703	505	491	39.21	2.85
2	Biocon	688	646.36	502	6.44	28.76
3	Panacea Biotec	437.82	217.29	149	101.49	45.83
4	Mahyco Monsanto Biotech	391	162.5	—	140.62	NA
5	Rasi Seeds	309.49	86.87	—	256.27	NA
6	Venkateshwara Hatcheries	280	188	88	48.94	113.64
7	Mahyco	117.76	166.4	54	-29.23	208.15
8	Indian Immunologicals	102.67	72.38	56.69	41.85	27.68
9	Shantha Biotechnics	82.26	66.41	31.06	23.87	113.81
10	Bharat Serums	78.05	81	79.68	-3.64	1.66
11	Nuziveedu Seeds	62.52	—	—	NA	NA
12	Ranbaxy (Statins)	61	—	—	NA	NA
13	Advanced Biochemicals	56	39.55	30.1	41.59	31.4
14	Wockhardt	49.75	67	40	-25.75	67.5
15	Bharat Biotech International	48.1	38.02	32.63	26.51	16.52
16	Biological E	43.93	36.25	38.37	21.19	-5.53
17	Rossari Biotech	41.2	33	24	24.85	37.5
18	Dr Reddy's	40	30	23	33.33	30.43
19	Serum International	39	60	64	-35	-6.25
20	Haffkine Bio-Pharmaceuticals	36.6	33.5	29.9	9.25	12.04
21	Themis Medicare	33	—	—	—	—
22	BIBCOL	30.53	53.25	21.59	-42.67	146.64
23	Indovax	30	25	NA	NA	32
24	Nicholas Piramal	29.6	47.2	—	-37.29	NA
25	Excel Industries	22	19.11	9.76	15.12	95.8
	TOTAL TOP 20 HOME GROWN	3668.15	2529.53	1733.43		
	TOTAL TOP 25 HOME GROWN	3813.28	2674.09	1764.78		

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How the Regions fared

Region	Biotech Revenues (in Rs Crore)	Region's Share (%)
West	3234.42	49.60
South	2367.12	36.30
North	919.46	14.10
Total Biotech	6521.00	100.00

Companies headquartered in the West generated 50% of the total biotech revenues

West's contribution increased to \$718 million

South-based companies generated \$526 million in revenues

North-based companies increased their tally to \$200 million

- The Top 5 biotech companies accounted for 38.79 percent of the total biotech business of Rs 6,521 crore.

- Top 10 biotech companies in the country accounted for 50.9 percent of the total biotech business.

- The Top 20 biotech companies in 2005-06 accounted for 61.9 percent of the total business.

- The Top 35 biotech companies contributed for 69.07 percent of the total business.

- The Top 10 homegrown companies accounted for 46.47 percent of the market share.

- The Top 20 homegrown companies contributed 48.45 percent of the total biotech business.

Investment Track

YEAR	Investment (in Rs Crore)	Growth %
FY2000-01	250	
FY2001-02	504	101.60
FY2002-03	635	25.99
FY2003-04	850	33.86
FY2004-05	1215	42.94
FY2005-06	1650	35.80

Investments cross \$360 million in 2005-06

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