

As startups mushroom in drug R&D, Syngene builds CRO muscle

C H Unnikrishnan | Mar 16, 2022, 04:58 PM IST (Published)

<https://www.cnbc18.com/business/companies/as-startups-mushroom-in-drug-rd-syngene-builds-cro-muscle-12849452.htm>

Mini

Integrated discovery, development and manufacturing services model introduced by CROs to help small or virtual R&D firms to grow their ideas into practice amid challenges like lack of infrastructure and pressure from investors



Moving an idea from the lab to the market and to maximum impact is a long journey for startups. The journey is not easy — even if it is a pathbreaking therapy or a multi-billion-dollar molecule — unless it is cradled by a mature service partner. This is where the role of a skilled contract researcher comes into prominence, especially given that a substantial part of the global drug research is back in the hands of the academia, small startups and virtual companies.

The latest global biotech and pharma industry trends demonstrate that a great deal of the most promising discoveries and innovation are being associated with small and virtual startups. At least a million such firms have come up globally in the last 5-10 years and are in the process of incubating great ideas that could determine the future of medicine. For instance; the biotechnology industry in India alone comprises more than 2,700 startups and this number is estimated to touch 10,000 by 2024. Such startups have sprung up around areas such as next generation drugs, diagnostics and therapies and other revolutionary medical solutions that can disrupt the existing market in terms of use as well as cost.

At the same time, it is the contract research organisations (CROs) that help these ideas to grow from the incubator to the advanced stages of design, development and delivery, given most startups and academic researchers lack the infrastructure and capabilities required for taking them forward.

Eying this emerging opportunity, CROs have started offering customised services to incubator companies, and in this respect, India's top contract researcher — Syngene International — is no exception and has gone a step ahead. The Biocon-promoted company says it is now getting ready for the big game and is all set to take full advantage of the opportunity with its newly introduced fully integrated service model.

“Syngene has upped the guidance in the last quarter looking at the renewed business commitments by the existing clients, including Amgen and BMS, and with its entry into integrated (drug discovery-development-manufacturing) services space,” says Kiran Mazumdar Shaw, Executive Chairperson of Biocon Ltd, the promoter and majority owner of the publicly listed Syngene International.

“This is a very big opportunity because there is a large number of incubators coming up in the US and other parts of the world...all these small companies will require outsourced services and that is what Syngene is getting into now,” added Mazumdar Shaw.

Dr Mahesh Bhargat, COO, Syngene International, points out that while these startups tend to be very strong in terms of ideation and data analysis, they often lack the infrastructure to test their theory in practice. Since most of them are backed by angel investors or venture capitalists, they are also under pressure to show the return on investments.

Apart from infrastructure and cost pressure, regulatory issues, strict documentation practices, changing technology and the complexity of conducting the research itself are also big challenges for them. This is where the integrated drug discovery (IDD) model helps the biotech and life science/non life science researchers save on cost and time.

“The change in enquiries and interest that we are seeing in the recent time is definitely demonstrating that trend. We are seeing a lot of interest from what are considered as the virtual companies or the startups, who don’t have the assets to do the experimental work and do only the thought process around it or data analysis,” said the Syngene COO.

“So they actually needed the experimental work to be executed by companies like us. We have certainly seen an uptrend in that area and that is why we are keen on the integrated drug discovery model that we offer to our clients,” he said, adding that his company is adding capacities to accommodate such smaller players.

Besides enhancing its discovery and development capabilities, Syngene, as part of the new integrated services model, has also expanded its biologics manufacturing capacity at its Biocon Park campus in Bengaluru.

It has set up and commissioned a new microbial cGMP facility and has also expanded the capacity of its mammalian cell manufacturing facility, with two fermenters of 200 litres and 500 liters capacities respectively. This facility is also expected to provide further integration opportunities with the company’s existing discovery and development capabilities and extend service offerings in the space of clinical manufacturing of plasmid DNA and mRNA, upon which many next generation biologics are based.

Another large scale expansion that the company has undertaken in the recent time in this context is a \$100 million worth contract manufacturing facility in Mangalore to cater to the commercial manufacturing needs of its clients. This active pharma ingredients facility has been designed for small molecule manufacturing for NCEs (new chemical entities) as well as niche generics and it will help the company offer clients benefits in terms of ease of technology transfer and speed to market while providing assurance of best manufacturing quality in a cost-competitive environment.

According to the latest report by India & US-based market researcher Grand View Research, the global biologics contract development market size was valued at \$5.6 billion in 2019 and is expected to grow at 8.8 percent a year (CAGR) from 2020 to 2027. Of this huge opportunity, at least 60 percent is expected from start-ups alone. So Syngene’s experiment with the new model is worth a serious try.

— **CH Unnikrishnan is Founder & Editor at Future Medicine India.**

Views expressed are personal

(Edited by : Ajay Vaishnav)