

With Syngene Valuation, She is a ShehanShaw

Billion-dollar valuation of contract research firm adds to Biocon chief's satisfaction

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Mumbai: For Biocon Chairperson Kiran Mazumdar-Shaw, the listing of Syngene is a peak-ing point, bringing to fruition an effort that started five years ago.

Its billion-dollar valuation at debut adds to Shaw's satisfaction, who shares the joy of investors rallying behind the carved out contract research and services company. Yet, it is not all done for the executive seen by the world as the flag bearer of India's emerging biotech industry.

As Shaw, 62, sees Syngene gaining an independent identity, she is moving on to weave her next plans. The idea may still be germinating, but she sees a possibility to spin off her novel R&D programmes into a separate company.

"We are still thinking. We may do things differently... Let's see," is all that she would say, with a clear tone of caution that reflects a feeling of disappointment with the years of weak valuation for Biocon.

Shaw laments the financial market has not duly valued Biocon's efforts in innovative research programmes, running divergent to the rewards reaped by scores of US companies and startups that are valued on the quality of science, people and scale of innovation.

But she remains cognizant of the real hurdles in India. Although Biocon, which invests more than 10% of revenue in research, may have identified potent biologics, Shaw avers an approach that is different or unfamiliar seen in India as "money gone." "That mindset



NEW R&D VENTURE

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has to change," she said.

Analysts concur, but back their inherent constraints in investing in ideas that need long gestation cycles and are fraught with risks. "The proof is in the pudding. The oral insulin

Biocon's R&D Pipeline

NIMOTUZUMAB - ONCOLOGY

ITOLIZUMAB - AUTOIMMUNE

QPI - 1007 - OPHTHALMOLOGY

IN-105 - DIABETES

ANTI-CD-2 - ONCOLOGY



project never seemed to have taken off after the adverse results," said a leading analyst.

One of Shaw's most ambitious projects, to develop an orally-deliverable insulin, failed to reach its primary endpoints a few years ago, leading the company to redo the programme, results of which are awaited.

Biocon's tryst with the perception of the financial market is not in isolation. For instance, Glenmark, known for monetising early-stage compounds, was pummeled on each negative news emanating out of its out-licensed compounds. Earlier, Dr Reddy's went through a similar low.

Shaw is, however, far from satiated and wants to prove innovation pays off in the long term. After tirelessly funneling investments in research programmes that have a mix of drugs for cancer, psoriasis and diabetes, Shaw says the results of the maturing pipeline will demonstrate success in the next few years.

Biocon is on course to reach its financial targets. The aims to hit a \$1-billion revenue mark by 2019 will need growth at a compounded annual rate of 25% and Shaw says it is within reach. She still backs investments in R&D while keeping a close watch on the immune oncology space, an emerging field in cancer research. For Shaw, Syngene has come as a harbinger of new hopes.