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Smell of Success

natureindia.com, November 19, 2008 - Despite a global economic downturn, the only research-driven company worth its name in Eastern India looks optimistically poised. Subhra Priyadarshini analyses the TCG Lifesciences model to find out what drives this success story.

One floor of Chembiotek, a TCG Lifesciences company in Kolkata, smells distinctly of fresh fruits. "Ketones," explains Purnendu Roy Chowdhury, who heads the analytical chemistry division. They have a brand new kiloscale synthesis lab in place. Another floor smells of freshly coated paint. Work's in progress.



Researchers in one of Chembiotek's chemistry labs.

That, in essence, is the mantra for the drug discovery research and development company — ongoing growth as you smell the results in the interim.

Swapan Bhattacharya, Managing Director of TCG Lifesciences, is not too bothered about the dipping financial graphs across the world. "There would be an increase in outsourcing irrespective of the world financial crisis. In fact, contract research is going to see a surge in India since it is cheaper to outsource here than in any other part of the world," he says.

2009 looks challenging because of the major economic slowdown that might see overseas collaborators cutting costs in every aspect of business. Collaborators will look at prioritizing their projects, budgets will shrink and there would be delays in decision making. "The overall pessimistic mood might affect our operations but finally, collaborators will still have to rely on outside partners. Our operations are not as recession-prone as the rest of the industry," he says.

Though TCG Lifesciences is not hoping to make a splash in terms of novel molecules within the next three years, it's still looking at a 30 to 50 per cent growth year on year. The laboratory space would double to about 175,000 sq ft in the next two years. From close to a thousand people, the scientific and technical staff strength is expected to go up to about 5000 in 2012. "We aren't looking at new integrated projects right now. The idea is to value-add to existing or new molecules at one place without having to shuttle them back and forth to various destinations," he says.

So where would the success stem from? "From milestone-based growth contracts that are expected to reap dividends in the coming years. These are riskshared deals with an upside of payments in the range of 50 million dollars. This comes with the proof of concept in humans," Bhattacharya adds.

TCG Lifesciences has a private-public partnership in the technology area called the Centre for Genomic Application in New Delhi that has 'done extremely well', he says. "We have started a pilot

centre and are building a larger research establishment expected to be completed soon. It started as a training module where the government put in money, we brought in the infrastructure, people and management and got our people to train," he elaborates on the project.

The company was able to handle a lot of the academic research requirements hampered by not having access to such high powered equipment. It promoted research with academia. "Through this learning, we were connected to companies that were interested in looking at various things like why do certain medicines help a certain part of the population. These studies are moving towards the field for translational medicine, which is paramount for the future of the drug industry," Bhattacharya explains.



Feeding rats in the animal house.

Translational medicine connects basic medical research directly to patient care.

The company also has new diagnostic tools coming up, particularly in pathology. "We are looking to do a lot of new kind of collaborations," he reveals. Currently, the revenue contribution is divided in a 40-40-20 ratio between its drug discovery services, enterprise informatics and clinical research work. Among their clients are 18 of the top 20 global pharma companies.

At a small distance from Chembiotek, which has grown from a single-storeyed longish building to a multistoreyed facility over the last few years, is their world class animal house. A young researcher showing you around the facility with

immense pride takes you through the 'dirty' and 'clean' corridors. "You will have noticed that the 'dirty' corridors are cleaner than the cleanest of labs you might have seen!" No compromise with quality, he sums up the philosophy of his workplace.