After a first of its kind deal by ICICI Ventures and Dr Reddy's Laboratories for R&D; funding, more partnerships of a similar kind are expected in the pharma-biotech sector. With risks and innovation going hand-in-hand, one can expect more of such deals.

Perhaps tripartiti research partnerships between pharma companies, supported by a strong venture capital (VC) firm working behind the scene, mitigating risks, is one option. But all this is possible only through innovation.

The hand-holding equity exercise will indeed fetch VBCs not only royalties, but boost the image of the Indian drug development sector globally.

Having showed the way to mitigate both, market and R&D; risks, Indian pharma and biotech companies will have support systems in place if there is dedication and commitment towards research.

At a time when Indian pharma-biotech companies are finding it difficult to find a place on the global map, VC support will create a new business model to those sound R&D; companies. Earlier, looking at the risks involved with biotech and pharmaceutical research, no banks or VCs were interested to fund R&D;.

Innovating will now play a key role for brand management and for tapping the VC’s doors. A strong research base can induce flow of funds from anywhere.

Further, risk management is a serious component and this sweet-support pill is not restricted to giants. Global R&D; partnerships between smaller Indian pharma-biotech companies and foreign companies will soon become a reality, but only with the support of private VCs.

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