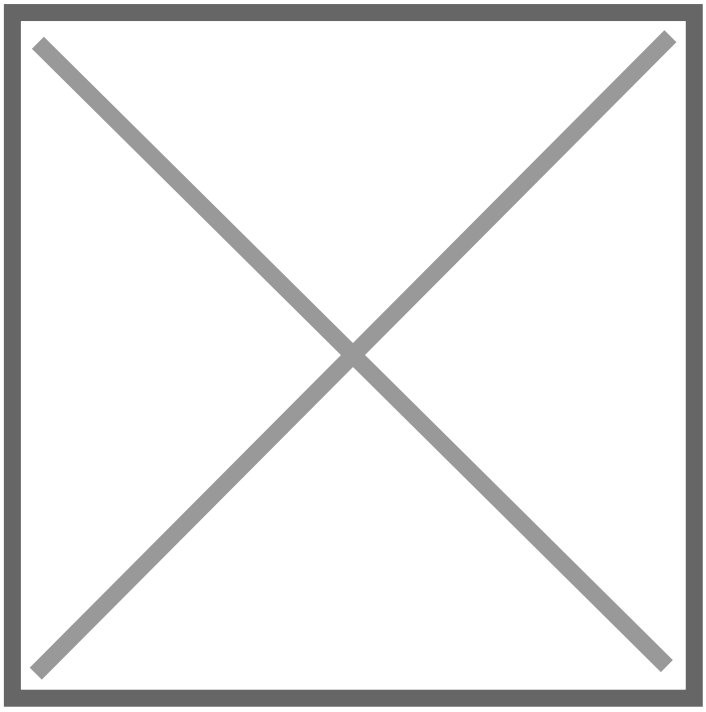
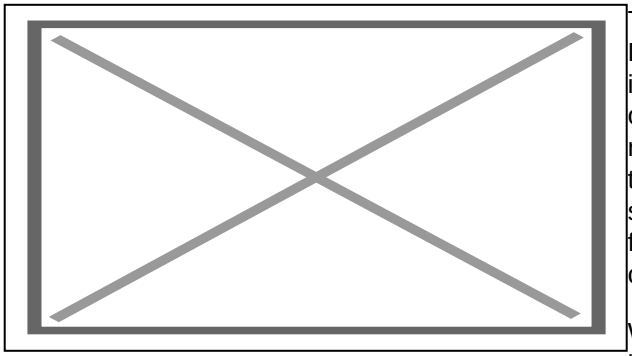
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India's own Monsanto

10 June 2003 | News



Founded by five scientists, KK Narayanan, Gautham Nadig, Ganesh Kishore, Himadri Pakrasi and Suri Venkatachalam, who had the common vision of harnessing technology to create societal value. They are all biotech professionals. And three of them, KK Narayanan, Gautham Nadig and Ganesh Kishore had worked with the world's leading plant genetics company, Monsanto. In one of their informal meetings, they discussed the idea of making available the latest products and services in the bio agriculture sector at an affordable cost. Soon Metahelix was born.



The initial days were tough. The company was formally registered in December 2000, but started functioning only from April next year, initially out of a single bedroom apartment. The business plan focused on improvement of rice, vegetables and cotton with built-in insect resistance, nutritional complements and disease proof properties. While they had ample intellectual capital, funds had to be raised from other sources. They were lucky to spot an " angel investor" in NS Raghavan, former joint MD of Infosys who offered them Rs 6.5 crore in venture capital.

With the availability of funds, they moved to a bigger place in VV Puram in South Bangalore. The growth came fast and to accommodate the increasing numbers and facilities required, in late 2002, Metahelix acquired two acres of land at the KIADB Industrial Park in Bommasandra, close to the Electronic City to put up its own lab and green house facilities. It also developed a 15 acre field research farm in South Bangalore to expand the genetic improvement activities.

From the start, the company has concentrated on acquiring a revenue stream, in addition to developing its own products and IP positions. Metahelix offers a range of services to both Indian and foreign customers in areas like plant transformation, functional genomics and Life Science informatics. They have some major customers and and it is one of the few companies, which started in the boom period for biotech- 2000-2001 and is running on cash flows.

Two of the promoters are today actively involved in running the company. Their individual expertise along with the experience of the other founders is coming in handy in driving up the growth path.

Narayanan is a plant molecular biologist and breeder with a doctorate in Plant Breeding and Genetics from the Tamil Nadu Agricultural University at Coimbatore. And then he did post-doctoral research at Stanford University under a Rockefeller Foundation Fellowship.

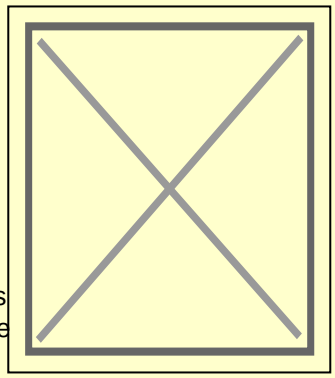
Gautham is a computational biophysicist with a Ph.D. in Molecular Biophysics from the Indian Institute of Science, Bangalore. His postdoctoral work at Pennsylvania State University in the US was in the area of computational quantum chemistry.

Now the company is mainly into agriculture based biotechnology. In addition to contract research for several Indian and foreign customers, Metahelix also focuses on trait develoment in crops through genetic transformation, where the returns come only in the long term. Now Metahelix has adopted a novel method of raising working capital for such activities by getting the customer to pay for the product upfront. One such project is in the improvement of cotton and the company expects its product ready for regulatory testing in 2004. The company employs over 40 scientists.

As intellectual property will be a key differentiator in this area, Metahelix plans to patent its products. So the company is awaiting the introduction of the product patent regime in 2005 to take full advantage of their technological breakthroughs. As part of a strategic expansion program, Metahelix has also started a seed company, Dhaanya Seeds in December 2002.

Roby Ajith

"The motivation to improve the system must come from within, not driven by some reward mechanism"



KK Narayanan, managing director of Metahelix Ltd., has been on a mission mode to provide rural farmers solutions to some of their urgent problems in the field. A slew of new technologies that could help farmers immensely are being researched and developed in Metahelix.

We understand Metahelix has successfully demonstrated some efficient agribiotech practices. Do you plan to extend these practices to other sectors too?

Metahelix has gained significant traction in the agribiotech field. However, our long-term vision is to be in other areas of life sciences as well: putting technology to work, to address the needs of a broader section of our global society and creating a discovery engine which focuses on the needs of developing countries.

What do you think are the key strengths of Metahelix?

The key strength of Metahelix is the people; a set of well qualified and motivated team of scientists who can provide complete research solutions to our customers leveraging our integrated platform of life science informatics and experimental biology. We are always focused on technological solutions and always insist on time and cost efficiency in our research work. We also try to keep the overheads low.

What have been the major learnings since you started the company?

We started with a strength of five and now we have 40 scientists. Of course, our success to this extent shows that the way we adopted was the correct one. In early 2002, we bought two acres of land at Bommasandra, Bangalore and spent Rs 3 crore on a new building. It was inaugurated on August 14, 2002. We started with an angel funding of Rs 6.5 crore and we are happy about where we are now. We have 15 acres of land in South Bangalore for our plant cultivation and research programs. We started from a single bed room apartment in November 2000 which was borrowed from my friend Gautham Nadig's mother-in-law. Then we moved into the rented place at VV Puram in August 2001. Only in January 2002,we thought about expansion in the Bommasandra Industrial Area.

One of the key learnings from our relatively short experience has been that a business model which combines services for the immediate revenues and a longer term product development focus can be a successful one, particularly in the Indian context.

What are your current expectations?

The going has been good so far and we hope to continue to do well. We hope to be one of the top agri biotech companies in the next five years.

How do you foresee the future of GM crops?

In 2002, GM crops were cultivated globally in some 56 million hectares of land. To put this in perspective, it is an area larger than many countries and is only a little under one-fifth of the area of our country. You know, in 1996 it was only 1.7 million hectares. So that's a big transformation within six years. I do not know of any other technology in the history of agriculture that has grown at such a rapid pace and I am sure this global trend will continue. Further, this technology holds great promise, particularly for an agrarian economy like India.

Let me emphasize that responsible use of medern biotechnologies in agriculture is definitely good for our country. We believe that it is important to make the fruits of the most recent developments in life sciences accessible to the Indian farmers through appropriate pricing. These technologies have to be added on to the best available crop varieties or hybrids so that there are significant incremental benefits to the growers and consumers. We would work towards providing the latest and the best technological solutions so that the Indian farmer can make better choices.

Does hierarchical position of the company matter in terms of sharing of information?

No, we are a relatively flat organization. We believe in team work and encourage everyone to speak out. This is the only way we can harness the creative potential of our highly skilled personnel. While we take our work very seriously, we also ensure that all our employees enjoy coming to the workplace and have fun working there. I am of the belief that in a scientific organization like ours, the motivation to improve the system must come from within, not driven by some reward mechanism.