

New Entrants in Genome Valley

11 March 2004 | News



Over 100 biotech companies are located in Genome Valley, India's first state-of-the-art biotech cluster. Good infrastructure, easy accessibility, business friendly policies and other unique benefits are attracting many new companies to establish their units in the SP Biotech Park and the ICICI Park in Genome valley. Presently 17 companies have taken space in the SP Park, while in the ICICI Knowledge Park phase one is fully occupied, phase two is 90 percent booked and phase three is in the planning stage. A bird's eye view of some new companies setting foot in Genome Valley.

Sigma-Aldrich Corporation

Sigma-Aldrich Corporation, the US-based \$1.2-billion leading life sciences company, has signed a letter of intent to acquire about 10 acres of land at the ICICI Knowledge Park in Hyderabad. According to JaiNagarkatti, president, Sigma-Aldrich Scientific Research, the company plans to establish a laboratory facility at the knowledge park which at full capacity will employ between 70 to 80 chemists. Initially the company plans to:

- i. Offer contract research services on a full time equivalent basis to the pharmaceutical and bio pharma customers.
- ii. Conduct process development and optimization of some of our existing products.
- iii. Synthesize small molecules used in drug discovery.

iv. Small scale synthesis of organic molecules used in research and development

Since establishing a liaison office in 1992, Sigma-Aldrich has continued to expand its operations in India. "We currently have a warehouse and distribution facility at our Indian subsidiary in Bangalore to provide world-class service to researchers in India. We are excited about the opportunity to further expand our presence in India which is a logical progression of our commitment to the region. The selection of the ICICI Park from the many suitable alternatives available in the country was based on the support from the business friendly government of Andhra Pradesh, fully developed infrastructure at the park, availability of talented chemists in the region and proximity to some of our key customers" said Jainagarkatti.

Jasmine Biologicals Pvt Ltd

The three-year-old Hyderabad-based company in the bio agri space, Jasmine Biologicals, is expanding its operations into the Genome Valley and has taken one acre plot in SP Biotech Park. Involved in production of microbial products for agriculture, the company would invest Rs 10 crore spread over a period of three years. According to N Chandrasekhar, MD Jasmine Biologicals, the investment in phase one (Rs 3 crore) would largely be in the manufacturing facility. The company which has to its credit bio stimulant "Exodus" and another product "BioSpark" is looking towards boosting the overall plant health by scaling up its manpower to 45 from current 20.

"Make biotech a priority area for banks

CEO, Shapoorji Pallonji Biotech Park and member of the AP Biotech advisory Board, S Dhawan points out that funding is indeed a major constraint for the biotech industry.

How far has the Genome Valley come since 2001?

If you look at it in relation to some of the other states in India, we have done very well but if you look at the last three years lot more could have been done. In SP Biotech Park itself out of 17 companies that have blocked land only five have moved ahead with their projects, rest await financial closure. We need to address funding constraints soon otherwise the great biotech take off will take much longer and we may lose the head start.

What do you think can be done?

I don't think we need to go the VC way for biotechnology at all as most of the projects that are awaiting financial closure are proper full-fledged projects. We need to make biotechnology as the priority area with regard to banking norms, which will solve half the problem right away. Banks have a sectoral limit and an appraising process, both of which are a constraint for this unique industry. It has to be eased off. However, a policy change of that level is a time consuming process. We have moved the suggestion with the state infrastructure authority, which should present it to the state government and then it should be forwarded for approval to the Centre and the respective agencies. We are following it through. Even if it happens in a year or so it is of great help to entrepreneurs caught in bank lending norms.

Is that the biggest challenge the biotech industry faces today?

Our biggest challenge is to keep the tempo going. Understand and know the direction we are moving in and evaluate ourselves from time to time to get back on the right track. There is no doubt that we can shake the biotechnology field but how soon we can do it is the question and what are the bottlenecks that should be addressed to move it fast.

Vishesh Biotech

With a basic investment of Rs 1.5 crore Vishesh Biotech has entered into a three-year agreement with Noida-based Bioinformatics Institute of India to offer courses in bioinformatics and biotech-related disciplines. Coming up in SP Biotech Park in an area of one acre, the institute's business plan also includes offering corporate training in bioinformatics. G Devraj, CEO Vishesh Biotech, is currently looking at establishing the academic wing after which the company will diversify into bioinformatics R&D and consultancy.

Vimta Labs

Vimta Labs, a player of the closely guarded world of contract research, has taken 10.5 acre in SP Park. According to SP Vasi

Reddy, CEO Vimta Labs, the facility will go operational in 2005. The business plan for another of Vasi Reddy's companies, Vimta Specialities Pvt Ltd, will also crystallize by April 2004. It will be co-located in the SP Park.

Shakti Bio Systems

Shakti Bio Systems, a Mumbai based company has purchased one acre land at the SP Biotech Park. The company is in manufacturing tools/reagents for the high-end research or innovative activities. Jawahar Raja, proprietor Shakti Bio Systems, said that they are setting a facility in the SP Park due to its easy accessibility from the city and the other unique benefits offered.

Celgen Biologicals

The AP Government is developing a Marine Biotech Park in Visakhapatnam modeled on the lines of Shapoorji Pallonji Biotech Park of Genome valley. The land has been identified and the infrastructural facilities are on their way.

Celgen Biologicals Pvt Ltd (Celgen), a subsidiary of ABL Biotechnologies, is in the process of establishing India's first facility for the production of the essential fatty acid DHA at Visakhapatnam. It has been one of the first companies to be allotted ten acres of land in the Marine Biotech Park at Visakhapatnam. According to the officials of Celgen, in spite of ABL Biotechnologies operations being based out of Chennai, it has looked at putting up the Celgen project in AP on the basis of development and support in that state. The state of AP is extremely investor friendly as compared to most of the other states owing to the dedicated focus, they added.

Celgen focuses at microbial metabolites that have commercial use. It was set with the objective of establishing a global presence in the area of phytopharmaceuticals from original research conducted in various parts of the world, especially India. The technology for this project has been sourced from ABL Biotechnologies. This project would be the first of its kind in India and second in the world for the production of Omega Fatty acids from plant sources. Celgen would be investing about Rs100 crore in this area. It proposes to produce around 100 MT of DHA per annum.

Nandita Singh, Cyber Media News Service