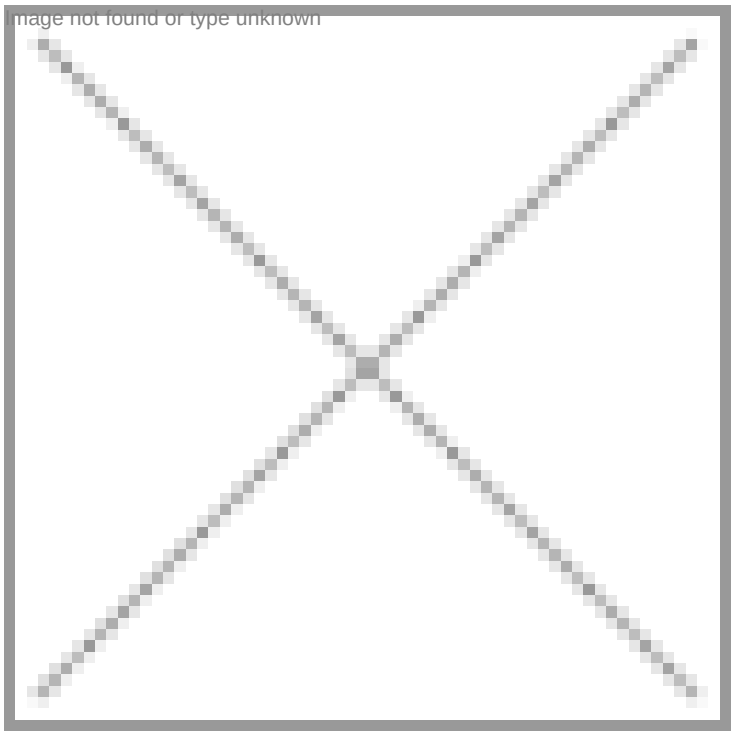
BioSpectrum the business of Bio & Health Sciences

The Tulsi spread

19 May 2003 | News



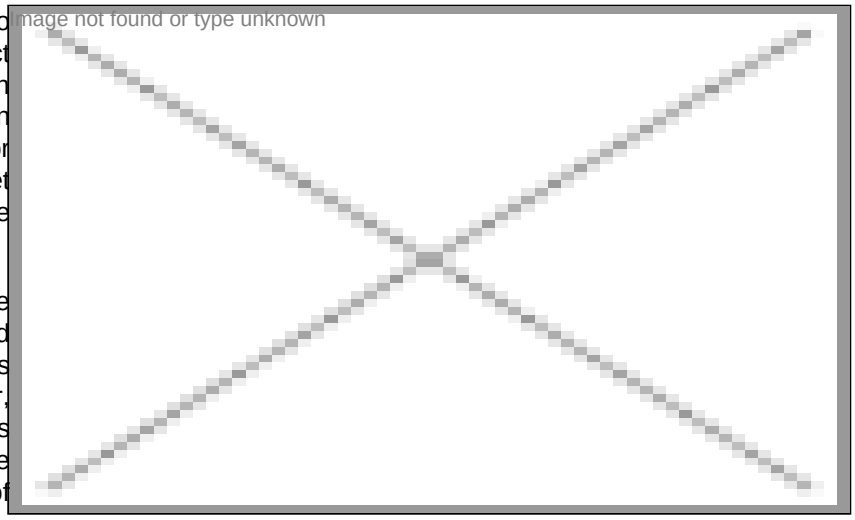
"We were in the US doing our studies and while contemplating the future, we just did a check on genomics companies on Infoseek in 1996-97. Three names came up including Craig Venter's The Institute for Genomics Research. Then we thought why not do something that will help these companies," recollects Ocimum's CEO, Anuradha Acharya.

" Then we discussed with my aunt, Dr P Sujatha, a rice genome researcher from the A & M University, Texas. With her help we met some people at the well known company Rice Tec and offered to develop a few software tools to make the sequencing work simple," added her husband and Ocimum's director, Subash Lingareddy. So the duo developed a web-based prototype for genome sequencing.

"We came back to India and were wondering what to do. So we started Ocimum Biosolutions as a limited liability company (LLC) based in the US in August 2000 to take up plant genome sequencing work with an investment of $500,000 with his aunt", Anuradha said. " We put in $150,000." Ocimum is the botanical name of the Tulsi plant.

They set out to identify gene sequences in various plants on contract for various companies for patenting them. However, a US court ruling which disallowed patenting of just sequences without knowledge about their specific utility put an end to all such work by various companies.

" We reworked our business model and it took six to nine months to change it to become a contract research service provider," Subash said. In February 2001, Ocimum Biosolutions was set up in Hyderabad, where the couple resides, With four or five people, Ocimum's goal was to become a 'wet lab' which will do the sequencing work and also the analysis.



They complement each other well in running the company. Anuradha is a computer expert and Subash specializes in finance. Subash's family runs the well-known Hyderabad-based pharma major, the $50 million Saraca Group. Saraca is the world's largest producer of Sulpha methaoxazole. The group is also among the top three producer of Ranitidine.

The India operation started as a research center for the US company and has since become a profit center too. The software tools became branded products â€“ Biotracker and Gencheck. The employees had to be trained in various bioinformatics tools and so the training activity got a formal structure. A 20-week certificate course is offered in collaboration with the Michigan Technological University. Over a 100 people have been trained in a structured six-month program, with 25 to 30 people in a batch. The curriculum was designed to cater to Ocimum's needs and the students start working with the company's various project, in about three weeks.

Ocimum's software tools and microarray analysis techniques have found many takers. Recently, the company has got an order to set up a four-person lab to do analysis work at the Mount Sinai Hospital for Joint Diseases in Washington DC.A five year grant has been given to Ocimum for this work.

Many researchers now work with software tools that help to visualize the gene sequences. Ocimum has developed the interface to work with such tools for a Singapore company.

The company has worked out detailed plans for growth. " In the short term, we are concentrating on product sales, customize them and develop niche products in the medium term. Our long-term goal is to enter the drug target discovery tools and validate them. We plan to build a lot of intellectual property rights in these areas," Anuradha said.

Ocimum is currently implementing the ISO 9001 standards across the organization. Most the investments have come of internal accruals. The company has set a target of break-
even in operations by 2003-end. It's turnover is estimated at $200,000.

The company is now a full-fledged contract research and development organization with competencies in bioinformatics, genomics, proteo-
mics and custom contract research services. Besides Genchek and Biotracker, it has products like Microtracker, Nutrabase, Pathtracker, Genowiz and Proteowiz.

"Indian companies have great opportunities in this sector. But we have to demonstrate our capabilities and not rely just on price. We have to build the building blocks of competency," Anuradha advised other startups in the field.

N Suresh