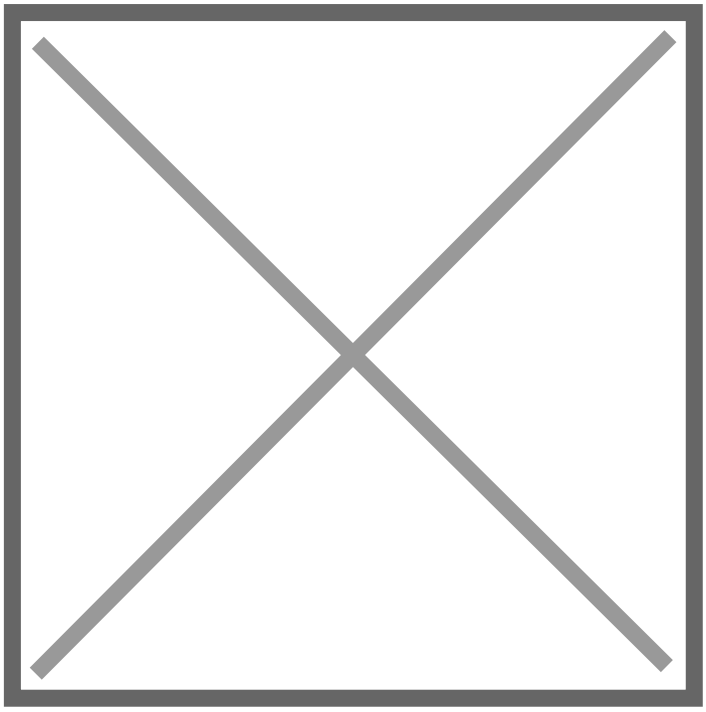
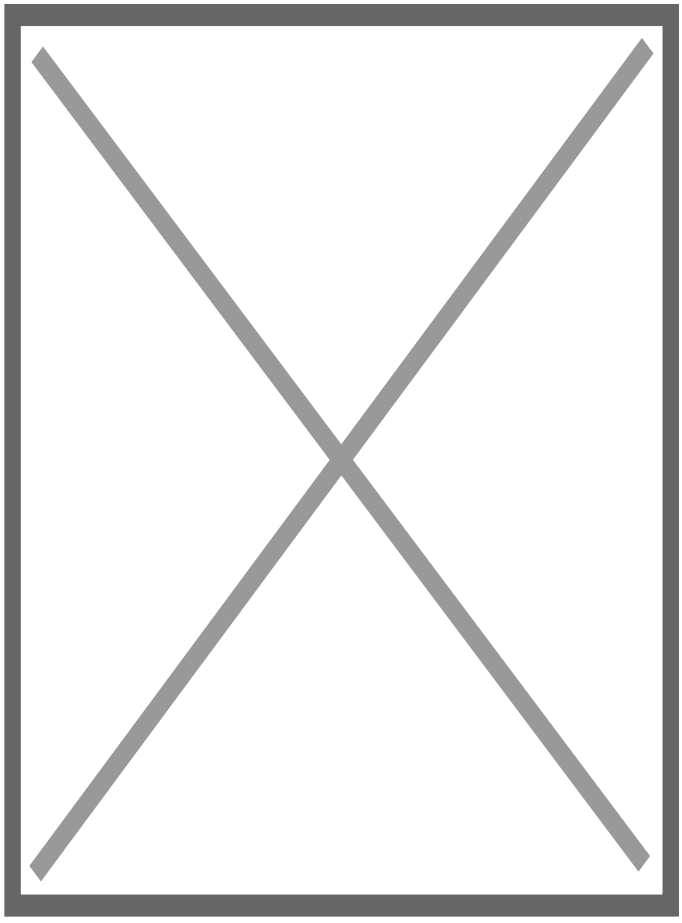
BioSpect
the business of Bi
24 years of leveraging the business of Bio
www.biospectrumindia.co

AP's Genome Valley gains momentum

21 July 2003 | News



With the second phase of the Andhra Pradesh biotech project nearing completion, Hyderabad is all set to be the biotechnology capital.



Hyderabad is already a major bio cluster with the presence of several leading scientific research organizations and biotech companies. It is the home of some of the leading institutions like the Indian Institute of Chemical Technology (IICT), Centre for Cellular and Molecular Biology (CCMB), National Institute for Nutrition (NIN) and the Centre for DNA Fingerprinting and Diagnostics (CDFD). "There is no reason why the Genome Valley should not take off," asserted Deepanwita Chattopadhyay, CEO of ICICI Knowledge Park.

The 200 acre Knowledge Park (KP) is a joint initiative of ICICI Bank and the Andhra Pradesh government. KP is the first of its kind knowledge-nurturing centre for the Indian companies and a knowledge gateway for multinational companies. "With a cluster and tacit knowledge development around it, the integrated model of shared research park fills a major gap in biotech infrastructure," said Chattopadhyay. "R&D is the determinant in biotech and the Knowledge Park will facilitate R&D, especially for new economy companies and those with moderate funds."

"The investment in sophisticated instruments required in the park comes from many biotech biggies and this is to be used on charge-basis in the shared labs. These shared labs will operate on break even basis," said Chattopadhyay, "Profit is not the objective of the initiative, to see a new sector developed is."

Innovation corridors

The Knowledge Park has five Innovation Corridors on its agenda. The first phase of Innovation Corridor I, comprising 10 laboratories, each of about 3,000 sq. ft, is operational and fully occupied. The second phase of Innovation Corridor I, comprising 16 laboratory modules of 1,700 sq. ft each, is ready for operation. Sixty percent of the laboratory units in phase II are blocked.

"Helvetica Industries has taken one lab, GVK Biosciences has taken two labs plus office space. Both will be operational in July. Then, Maanya Biotech has taken two labs, Biogenus has taken three labs, and Ocimum Biosolutions and Silico Insights have taken one lab each," rattled off Chattopadhyay, adding that "negotiations are on with other companies."

By January 2004, the Institute of Life Sciences, which is in the concept stage, will also take off and it will only boost the prospects of AP Genome Valley. "The focus at the institute will be on making scientists-cum-managers out of its students," she said, adding that "also there is ICICI Venture Fund that gives assistance to entrepreneurs after due diligence and operates independently."

First biotech VC

However, that is not all. AP has to its credit India's first Biotechnology Venture Fund of Rs150 crore. It was recently launched by APIDC Venture Capital Limited. "This 10-year closed-ended fund has started with the initial commitment of Rs 40 crore. While the AP government has committed Rs 15 crore, the Life Insurance Corporation of India will contribute another Rs 15 crore and Andhra Bank adds Rs10 crore. The final closure of the fund is expected before March 2004," said BP Acharya, secretary, industries and commerce, AP. This biotech venture fund will invest in early stage businesses as diverse as healthcare, drug discovery, agriculture, dairy, environmental and industrial applications. The fund would invest up to 15 percent of the total project cost of a new venture. It may go up to 25 percent in select cases. "We would invest in about 20-25 ventures in the first four years and look for disinvestment thereafter," said Sarath Naru, managing director, APIDC-VCL.

Companies in ICICI Knowledge Park

- Matrix Laboratories Ltd (erstwhile Medicorp Technologies)
- Optiwave Photonics Ltd
- GVK Biosciences (P) Ltd
- Bioserve Biotechnologies India Pvt Ltd
- Krebs Biochemicals Ltd
- Indian Institute of Chemical Technology (incubator)
- Bijam Biosciences Ltd
- Sai Dru Syn Laboratories Ltd
- Indigene Pharmaceuticals Ltd
- APTDC Ã¢â?¬â??IPR Cell

(Source: ICICI Knowledge Park)

But what completes the picture is the Shapoorji Pallonji Biotech Park (SPBP) adjacent to the ICICI Knowledge Park. "Seventy per cent of the first phase, comprising 140 acres, is booked. Some companies have even started the construction work. The second phase has another 162 acres for the SP BT Park and 100 acres for ICMR," said S Dhawan, CEO, SP Biotech Park Pvt Ltd.

"Biological Evans has already booked 50 acres of phase II for their combination vaccine facility. Also, we are in active discussions with five companies who have shown keen interest in the Biotech Park," informed Dhawan.

There's more. A plan for a Biotech Incubation Centre (BIC) in the SP Park at the cost of Rs 25-30 crore is underway. "It is under approval stage at the Department of Biotechnology (DBT). The DBT has given the responsibility of setting it up to IICT in collaboration with SP Park and the state Government. It will take about 18 months for the project to come to concrete shape and about three years to be complete in all respects. Of the total cost, Rs 3-4 crore is being funded by the AP government, equipment worth Rs 20 crore is coming from DBT and SP too is investing plus they will borrow some funds," said Dr K V

Raghavan, director, IICT. Raghavan added," DBT is quite particular about the commercial viability of the project. So they have asked us to come up with a strategy to make it profitable. We have come up with a list of about 12 services that will be available at the BIC." "The incubation facility will cater to the five streams : enzymes, R-DNA, antibiotics, probiotics and chiral organics and intermediates," filled in Dhawan.

Companies in SP Park

- Maanya Biotech Ltd
- Microbiomed Products Ltd
- Genotex International India Pvt. Ltd
- KCP Biotech Ltd
- Sandor Medicaids Ltd
- Zenotech Labs Ltd
- Sai Malaxmi Biotech Ltd
- Aktiva Biotech Ltd.
- Sriram Biotech Ltd

(Source: SP Biotech Park, Hyderabad)

Add to it the count of MoUs signed at the Biotech Invest 2003, a global meet on strategic alliances and business opportunities in Hyderabad, it is easy to conclude that the biotech springboard is ready. According to All India Biotech Association (southern chapter) chairman Dr BS Bajaj, at least four of MoUs signed at Biotech Invest-2003 were inching closer to real time operation. However, the companies involved were shying away from publicity saying it was too premature to comment.

Nandita Singh (CNS)