

"Entrepreneurs should rise to the biotech opportunity"

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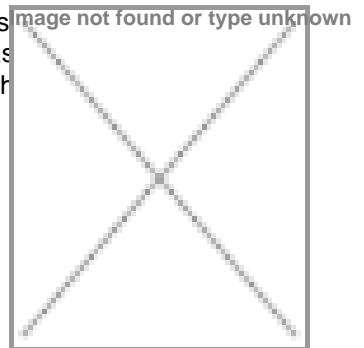


Three months away from closing, India's first biotech focused national fund APIDC-VCL has reached a corpus of Rs 81 crore. Sarath Naru, MD APIDC-VCL, is confident that it will cross Rs 100 crore and is quite likely to touch the targeted figure of Rs 150 crore. In an interview with Nandita Singh of CyberMedia News, Naru shares the success so far and APIDC-VC's future plans.

How far has the venture fund come since its launch as against your projections?

We are pretty pleased with our progress. On the fund raising side the numbers do the talking. We have raised Rs 81 crore and expect to close way above Rs 100 crore. We have also been successful in attracting talent in our core team, which I classify as a big achievement. We have been able to attract N Vaghul of ICICI. He brings with him a wealth of fund management experience. Then we have Dr SM Balasubramaniam who has been instrumental in building seven biotech companies in the US. The cross border experience that he brings is of great value in helping the companies we invest in establish. In terms of support and network formation to support and handhold the companies we invest in, we have signed a MoU with CSIR for technology sharing and commercialization. This will allow our portfolio companies to use CSIR facilities. We have also signed a MoU with Administrative Staff College of India (ASCI) to handhold our portfolio companies in business plan building and train the entrepreneurs in business management. Now, we are focusing on deal generation, which involves attracting good proposals.

How many companies has APIDC-VC funded so far?



We have so far made investment commitments of Rs 14 crore to five companies. Three of them - BioServe Biotechnologies, Genomik Design Pharmaceuticals, Silico Insights - are in various stages of operations and the other two will also start work soon. We will be finalizing another three companies in our next round of funding.

Are you concentrating on any specific areas of biotechnology?

So far the companies we have funded have primarily been service driven and have all been US-India ventures. Now we are looking at purely Indian companies and would be delighted to fund companies which are making use of India's rich plant biodiversity say in the area of alternative fuels and

those who want to get into contract manufacturing, research and clinical trials. And then of course those in orphan drugs, which nobody wants to take up but nevertheless are of high value to third world countries. In case the project requires more than what we can fund we will go all out to help arrange for additional funding too.

What's the total number of proposals you have received so far?

150. Now we would like to focus on attracting good proposals. Given the size of fund we should spend each year, Rs 25 crore in funding, the number of good proposals we receive is not impressive. Here I would like to say entrepreneurs should rise up to take advantage of the opportunity the field offers.

What the fund's exit policy like?

We are aiming that at least 20 percent of our portfolio companies are listed by the close of the 10-year life of the fund. There is also a provision of third party strategic investor to come in to take the companies further from where we leave.

Nandita Singh