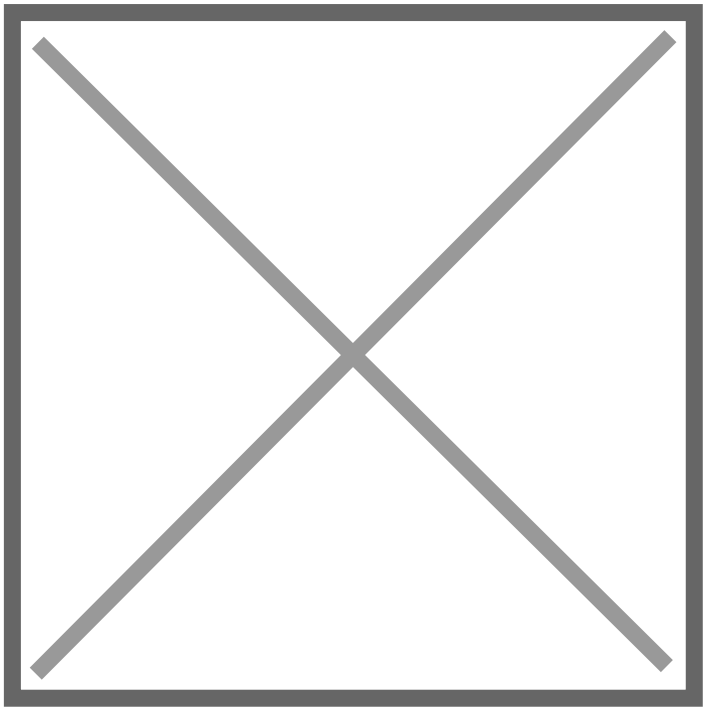
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Biotech IPOs in 2007

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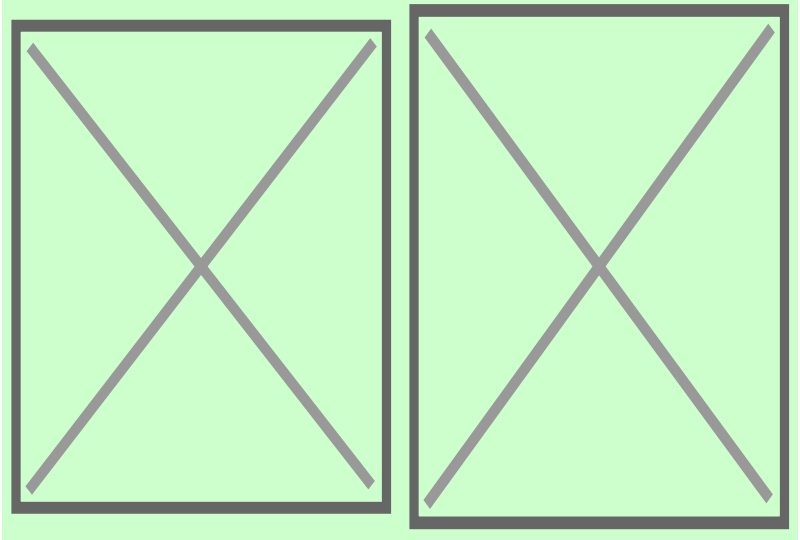
Biotech IPOs in 2007

The biotech industry in the last few years has been growing between 35 and 40 percent. However, there have been hardly any major IPOs after Biocon's listing in 2005. This year and the next one could see several players taking the IPO route. Hyderabad-based Celestial Labs and Bangalore-based Avesthagen have confirmed that they would be going for an IPO.

Celestial Labs Limited, an ISO 9001 company, is based in Hyderabad and has been providing IT/bioinformatics services to the life science, pharma companies, hospitals and research institutions for the last nine years. It provides customized enterprise resource planning, database solutions and other bioservices.

Dr AN Singh, managing director, Celestial Labs Ltd.

Dr Villoo Morawala-Patell, vice-chairperson and MD, Avesthagen



Celestial, by leveraging the software and bioinformatics skills and domain expertise in biopharmaceuticals arena, has developed a Denovo drug design tool with the main objective of developing new drug molecules in three to five years in place of the normally 15 years taken by traditional methods. The development of this tool has been appraised and funded by DSIR (department of science and industrial research, ministry of science and technology, Government of India). Celestial has collaboration with prestigious CSIR Institute like IMTECH (Institute of Microbial Technology) Chandigarh and CCMB (Centre

for Cellular and Microbial Biology), Hyderabad, where all its developmental activities are validated. Development work for vitiligo and anti-cancer drug molecules is under progress at CCMB

Celestial has developed a commercial portal called www. Sanjivani.biz. The main objective is to transact business of about 100-plants based therapeutic products taken initially from all over India. Celestial has prepared a plant based formulation in capsule form for oral application to complement the vitiligo Bio drug molecule being developed for topical application. Celestial has selected the valuable medicinal plants which are on the verge of becoming extinct and will adopt tissue culture methods to preserve and prepare the quality raw material.

Celestial has already filed applications for obtaining five Indian patents (Tools and New drugs). Celestial's overall project of Rs 40 crore has been apprised and term loan participation to the tune of Rs two crore from Punjab National Bank. Further there is appraisal and term loan participation from the DSIR and Technology Development Board, ministry of science and technology, to the tune of Rs 5.65 crore.

The company plans to raise Rs 30 crore through an IPO. This to scale up its ERP services offerings and manpower and scale up its operation in the US and European countries. The IPO money will also be used to set up the manufacturing facilities for industrial biotech (enzymes) products like Alpha Amylase and Alkaline Protease which have a very huge market in India and market them in India and abroad. India still imports about 70 percent of these requirements. "We have a plan to infuse some enzyme for medicinal use which acts like a catalyst to enhance the activities. Celestial has already signed an agreement for technology transfer of enzymes with CSIR Institute, IMTECH Chandigarh and setting up the manufacturing facility at Genome Valley of Andhra Pradesh. The project has been apprised and being funded by the Technology Development Board, ministry of science and technology," said Dr AN Singh, managing director, Celestial Labs Ltd.

The IPO proceedings will also be used to scale up the new drug development process. The company has already started screening new molecules. Drug molecule for treatment of Vitiligo has already been cloned and purified and will be formulating further three drugs for antiwrinkles, accelerated wound healing and also to provide natural tan in the body.

Celestial is optimizing the processes and resources to integrate the bioinformatics and bio pharmaceuticals which offer huge potential. The company has made modest revenue of Rs 10.20 crore with a profit margin of Rs 3.28 crore from services offerings and is confident to make substantial jump in the coming years from enzymes and licensing dug molecules apart from increasing revenues in services. Celestial expects to reach a turnover of Rs 15 crore by March 2007. Celestial proposes to open the issue by March 2007.

Avestha Gengraine Technologies Pvt Ltd, a fully integrated life sciences company, which recently announced the successful closure of its Series 'C' fundraise totaling Rs 145 crore in equity investments, has started preparations for its IPO which is scheduled to take place by mid 2008, around which time the commercial launch of the first products is expected for the bio-nutritional and bio-pharmaceutical product pipelines. The headcount of the company is anticipated to increase to over 600 within the next 18 months. The company's revenues in 2006-07 are expected to reach Rs 35-40 crore. Its turnover in 2005-06 was Rs 18 crore.