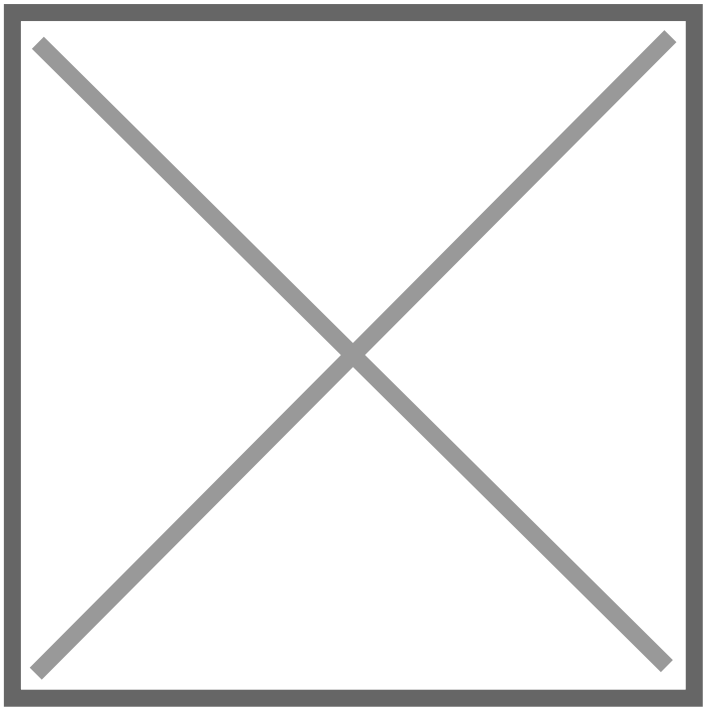
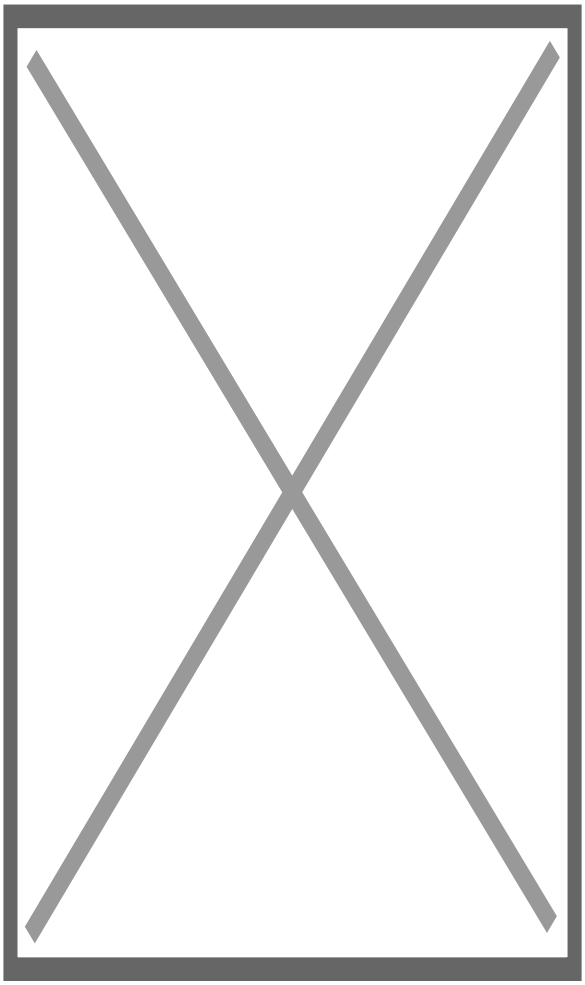
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Karnataka: State of excellent life sciences ecosystem

09 December 2010 | News



Karnataka is the major biotechnology hotspot in India - and Bangalore, the capital, is globally known as the country's premier IT and BT nerve center. BioSpectrum honors Karnataka with the State of the Year Award 2010, for its life sciences-friendly ecosystem



Nandan Biomatrix, a sustainable energy company with headquarters in Hyderabad, is setting up a biotechnology park in Bidar, a remote area in northern Karnataka, at an investment ofÂ 96 crore. Hindustan Petroleum Corporation Limited (HPCL), Indian refining and marketing major, is setting up a huge green R&D center in Bangalore at an investment of 550 crore; and Kemwell, a leading provider of contract manufacturing and development services, is expanding operations in Bangalore, at an investment of 257 crore.

These announcements show that Karnataka has an edge over other States, in attracting investments. This is largely due to the State government's initiatives with the announcement of Millennium Biotech Policy II, support of the industry-academia group (Vision Group on Biotechnology - led by Kiran Mazumdar Shaw of Biocon) to drive the growth of the industry.

Karnataka has emerged an ideal location for both multinationals and new entrepreneurs, to set up biotechnology (BT) business in India. Of 350 biotechnology companies in India, 170 companies are based in Karnataka; and generate revenues of up to 3,000 crore. The Government of Karnataka is committed to establishing a biotechnology corridor for the development of biotechnology industry in the State.

Government initiatives Â

Karnataka was the first Indian State to announce the Biotech Policy in 2001. With changing times and business environment, the State government realized the need to come up with a new policy to support the biotechnology industry. On December 9, 2009, Karnataka unveiled its Millennium Biotech Policy II. The new policy outlines steps to further enhance the development of the biotechnology industry, and harness its benefits for the common citizen, in the years to come.

Thepolicyoffersanumberofadditionalfiscalincentivesandconcessions.Apartfromrebateonstampdutyandexemptionof entrytax,electricitydutyandindustrialpowertariff;thereareadditionalincentiveslikeinvestmentpromotionsubsidy,waiver of conversion fine, subsidy for effluentÂ treatment plants (ETPs), interest free loan on VAT, anchor unit subsidy, interest subsidy, financial support towards patent registration, standardization, water conservation and energy conservation. As a focus area, the policy makes special commitments in the area of biofuels. Karnataka has joined the international movement to go green. The State has set a goal to meet 20 percent of its fuel needs from biofuels by 2020.

Karnataka is setting up a bio-venture fund, with a corpus of ₹50 crore, in partnership with professional venture capital firms. The State will give 26 percent of the fund; and the remaining 74 percent will be raised from venture capitalists. It has also set up a corpus fund of ₹20 crore to facilitate grant of ₹20 lakh each, for enabling commercialization of research results. Besides the State government's support, the industry has the advantage of the presence of a strong investor community/venture capitalists like i2India Ventures, Canbank Venture Capital, KITVEN Fund in the State.

The State government, together with Government of India, has proposed to set up a Bio IT park in Bangalore's Institute of Bioinformatics and Applied Biotechnology (IBAB) campus, on a public-private partnership model. The Bio IT facility will be a hub for both IT and life sciences organizations, research institutions and academia. Â

Apart from Bio IT facility, the Karnataka government has taken initiatives to set up biotechnology parks across the State, to encourage the sector's growth. Major projects include, Bangalore Helix, a 106-acre state-of-the-art biotechnology park in Bangalore; Vivarium, an animal house in Bidar; Nutri/Nutraceutical and Phyto/Pharmaceutical Park (N2P2), an institute under the Central Food Technological Research Institute (CFTRI), in Mysore; a Marine Biotech Park in Mangalore; and an Agri-Biotech Park in Dharwad. The parks are scheduled to become operational by 2011. The government is also promoting the establishment of biotechnology parks by the private sector.

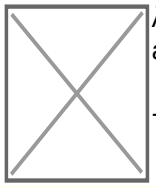
Plugging the gaps

In a step towards improving the quality of human resources for the biotechnology sector, and bridging the gap between industry and academia, the State government has promoted a new concept called Finishing Schools, with the support of Association of Biotechnology led Enterprises (ABLE), the lobby group for the biotechnology industry; and Vision Group on Biotechnology, with government's financial support of ₹1 crore per Finishing School.

Karnataka has a Centre for Cellular and Molecular Platforms (C-CAMP), under the Department of Biotechnology, Government of India; which will act as an enabler of success in bioscience research and entrepreneurship by providing research, development, training and services in state-of-the-art technology platforms. C-CAMP, together with National Centre for Biological Sciences (NCBS) and Institute for Stem Cell Biology & Regenerative Medicine (inStem) form the Bangalore Bio-Cluster. These three entities bring together unique individual capabilities and a shared multi-disciplinary approach; to create an interactive bioscience and technology research enterprise.

Finally, Karnataka's flagship biotechnology event, Bangalore India Bio, has been a major tool in providing and enhancing partnering opportunities for Indian biotechnology companies, with global companies for the past 10 years.

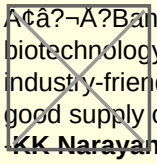
With such significant success, Karnataka has been driving on its strengths and advantages; and should continue to look at supporting the growth of the industry, by implementing policy initiatives and proper monitoring of the schemes. Otherwise, the companies with global aspirations such as Biocon, will look at other destinations like Malaysia for their growth.



Ã¢â?¬Å?Karnataka is already a leader in the life sciences sector. First time entrepreneurs are more in Karnataka; innovation and value addition are happening at all levelsÃ¢â?¬?

-**Ashok Kumar C Manoli,** Principal Secretary to Govt, Department of IT, BT and S&T, Government of Karnataka

What makes Bangalore attractive?



A¢â?¬Å?Bangalore is a part of the largest biotechnology cluster in the country that has industry-friendly State government policies; and a good supply of talent pool Ã¢â?¬?

-**KK Narayanan,** MD, Metahelix Life Sciences

r other StatesÃ¢â?¬?

Q What are the unique strategies adopted by Karnataka to promote life sciences companies?

Through policy and fund initiatives, the Karnataka government encourages growth of the life sciences sector in the State. We are planning to set up a new Center for Human Genetics (CHG) with Prof Sharat Chandra as director, at the BioIT facility. The Karnataka government has decided to grant an additional 3 crore corpus fund for CHG, to encourage its activities in the field of DNA analysis. We want CHG to work in unison with Institute of Bioinformatics & Applied Biotechnology (IBAB). IBAB's Center for Genome Sequencing will also be an added attraction of the BioIT park.

Karnataka is promoting the establishment of biotechnology parks throughout the State. We are in the process of finalizing Nutri/Nutraceutical and Phyto/Pharmaceutical Park, and we expect that happens. N2P2 will be the first-of its kind project in the country. We are in the final stages of discussion with Government of Spain and an American University, to set up the country's the Agri-Biotech Park.

Q How are the policy and infrastructure initiatives of the Millenium Biotech Policy II progressing?

We have provided several incentives for the biotechnology industry as part of the Millennium Biotech Policy II. According to the policy, we will provide 20 percent of the capital infrastructure. Besides two biotechnology schools were selected for the Biotech Finishing Schools project; and 10 more schools are shortlisted. The committee for setting up Finishing Schools is headed by Prof G Padmanabhan, emeritus professor at IISC, Bangalore; and it is conceptualized by the Vision Group headed by Kiran Mazumdar-Shaw of Biocon. The Finishing School will become operational from the next academic year.

We will direct funds through the bio-venture fund initiative maintained by KITVEN fund - which was meant only for IT - and has now been extended to biotechnology as well. We are encouraging new ventures by providing fund assistance. The funds are allotted as grant, and partly as soft loan, at three-to-four percent interest.

Q What makes Karnataka a promising base for the life sciences industry?

Karnataka is already a leader in the life sciences sector. First time entrepreneurs are more in Karnataka; innovation and value addition are happening at all levels. Interest shown by companies to set up biotechnology parks in rural areas like Bidar, show the confidence of biotechnology companies to set their base in the State. Major credit for this progress goes to the Vision Group headed by Kiran Mazumdar-Shaw, members and subject experts of the team. We send senior officers to various countries to promote our State in this sector. The State government is very keen on developing biotechnology.

Pradeep Kumar & Narayan Kulkarni in Bangalore

Ã¢â?¬Ã?After being considered the Silicon Valley of India, Bangalore, is also emerging as a biotechnology hub; and it provides good opportunity for life sciences companiesÃ¢â?¬?
-**GS Krishnan,** regional president (India), Novozymes

Ã¢â?¬Ã?Bangalore has always been widely regarded as the knowledge hub of India, hence businesses that need specialized knowledge-based skills have always found Bangalore a very attractive destinationÃ¢â?¬? Â
-**Anurag Gupta,** country manager, GE Healthcare Life Sciences, India

Ã¢â?¬Ã?Bangalore is fast emerging as an undisputed investment destination for the life sciences and biotechnology companies. With over 180 biotechnology companies located in Bangalore, it alone accounts for one-fifth of the country's biotechnology revenueÃ¢â?¬?
-**CS Jadhav,** director (marketing), Nandan Biomatrix

Ã¢â?¬Ã?Bangalore has excellent scientific and medical infrastructure. It has attracted research headquarters of global companies. Bangalore has developed an excellent life sciences ecosystem
-**DA Prasanna,** founder & chairman, Ecron Acunova

Ã¢â?¬Ã?The Government of India is setting up an Institute for Stem Cell Science and Regenerative in Bangalore at an investment of 203 crore. This infrastructure set up makes Bangalore the best location for the niche regenerative medicine fieldÃ¢â?¬?
-**BN Manohar**, president, Stempeutics Research