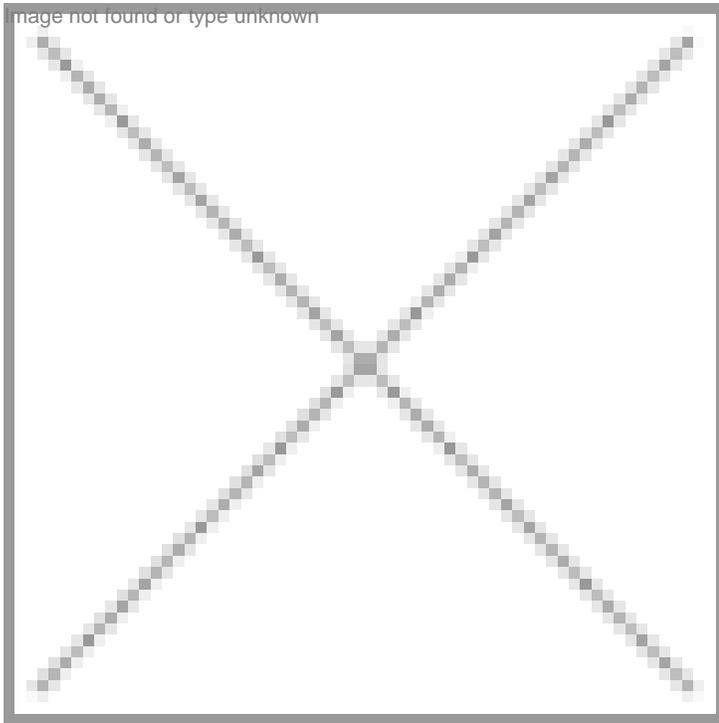
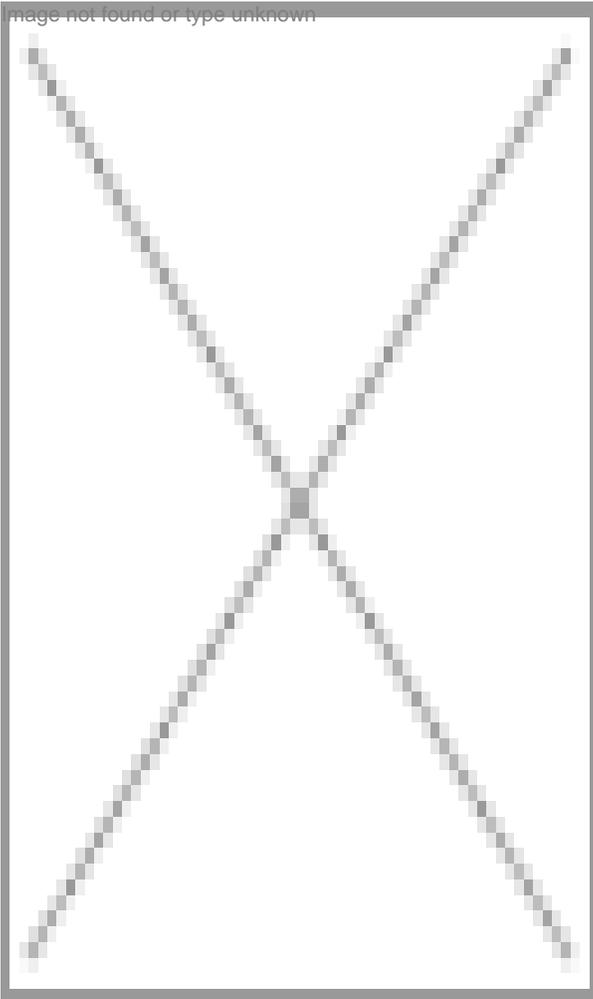


## Karnataka: State of excellent life sciences ecosystem

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 of 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

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

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 hub in the State.

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 potential.

The policy offers a number of additional fiscal incentives and concessions. Apart from rebate on stamp duty and exemption of entry tax, electricity duty and industrial power tariff; there are additional incentives like investment promotion subsidy, waiver of conversion fine, subsidy for effluent 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.

Apart from BioIT 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 100 crore per annum.

Karnataka Centre for Cellular and Molecular Platform (C-CAMP), under Department of Biotechnology, Government of Karnataka, has been successful in bioscience research and entrepreneurship by providing research and development training facilities of the technology for C-CAMP, National Centre for Biological Sciences (NCBS), Institute for Biotechnology (IBT), Bangalore Biotech Park, Bangalore Biotech Cluster. These entities together provide individual capabilities and multi-disciplinary approach.

an interactive bioscience and technology research enterprise.

Finally, Karnataka has been providing and enhancing partnering opportunities for Indian biotechnology companies, with global companies for the past 10 years.

With significant success, Karnataka has been strengthening its advantages and should continue to support its growth by implementing policy initiatives and promoting the theme. Otherwise, companies with global aspirations such as Biocron, will look at other destinations like Malaysia for their growth.

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value addition are happening at all levels?

â€œKarnataka has been driving its strengths and advantages and should continue to support its growth by implementing policy initiatives and promoting the theme. Otherwise, companies with global aspirations such as Biocron, will look at other destinations like Malaysia for their growth.

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

## What makes Bangalore attractive?

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It is a part of the largest IT hub cluster in the country that has friendly State government policies; and a large pool of talent.

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Being considered the Silicon Valley of India, Bangalore, is also emerging as a major hub; and it provides good support for life sciences companies.

Image not found or type unknown  
It has always been widely regarded as a knowledge hub of India, hence businesses and specialized knowledge-based skills have made Bangalore a very attractive destination.

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It is fast emerging as an undisputed destination for the life sciences and technology companies. With over 180 technology companies located in Bangalore, it accounts for one-fifth of the country's IT revenue.

-CS Jadhav, director (marketing), Nandan Biomatrix



re has excellent scientific and medical  
 . It has attracted research  
 of global companies. Bangalore has  
 an excellent life sciences ecosystem

## er Statesâ€?



Additional 3 crore corpus fund for CHG  
 to work Cell Science and Regeneration  
 Sequencing will also be established at 2009 of the BiIT park.

### to promote life sciences companies?

na, founder & chairman, Ecron 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 Cell Science and Regeneration. Bioinformatics & Applied Biotechnology (IBAB). IBAB's Center for Genome Sequencing will also be established at 2009 of the BiIT park.

set up makes Bangalore the best 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 to get the approval from the central

-BN Manohar president with the young researchers 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 Agri-Biotech Park.

### Q How are the policy and infrastructure initiatives of the Millennium 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