Scientists turn entrepreneurs, take research from labs to market

By *Vasumita S Adarsh*, ET Bureau | 13 Dec, 2014, 12.42PM IST 0 comments | Post a Comment

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Evolution of scientific start-ups in India needs public-private partnership, easier norms, patient capital and funds for early-stage ventures.

Pune: Scientists Sachin Dubey and Usman Khan decided to turn entrepreneurs while pursuing an internship project on biosensors at the Pune-based National Chemical Laboratory (NCL). Realising the commercial value of their research, the duo went on to launch Module Innovations, a start-up which is innovating with biosensors for faster discovery of bacteria in water or food to help reduce the time taken for diagnostics.

Dubey and Khan are among a growing tribe of scientists who are taking their research from the labs to the market.

NCL and Venture Center -a trademark of Entrepreneurship Development Center, NCL's not-for-profit wing focused on commercialisation of technology -have come to the aid of such ventures.

A few have also received grants from organisations such as Biotechnology Industry Research Assistance Council (BIRAC).

"We applied under the Lab2Mkt programme in Venture Center and eventually applied for BIRAC funding, after which we received approvals for ` . 50 lakh in funding support," said Dubey, CEO of Module Innovations.

The company is in the process of testing prototypes, which it plans to take to the market once the reports from the government labs come in, he added.

Dubey said the company aims to help speed up diagnosis. "Diagnostic reports today take 24-72 hours as samples are cultured. With our product, the results can come in half hour," he said.

This will allow doctors to prescribe more targeted medicines and the product can also be used commercially in food processing companies as faster analysis of food samples will speed up their production, he added.

Like the founders of Module Innovations, Hrishikesh Mungi realised the commercial potential of his research while he was doing a project at NCL.Mungi was working on the extraction of bile salts and enzyme extraction when he realised the potential of probiotics."My guide, Archana V Pundle, who is now the scientific advisor to our company , was the first to say that the research had potential for it to be commercialised and we applied for a patent with NCL's help," said Mungi, who went through Venture Center to apply to BIRAC.

"We had only 15 days to put together a business plan, market survey and future goals. We were selected for funding from BIRAC and we have also applied for exclusive licence to commercialise the research from NCL, since the patent is in the name of NCL ,"said Mungi. A 2009 government notification is helping scientists turn entrepreneurs, as it allows them to be associated with start-ups and to hold equity even while continuing with their jobs in state-run institutions, with the exception of strategic institutions.

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The notification also allows scientific institutions such as NCL to trade knowledge for equity . The Scientific Entrepreneurship Scheme is also aimed at helping scientists commercialise their research.

V Premnath, director of Venture Center, says that research institutions need to adopt the notification and pass it internally before it becomes a scheme."NCL has proactively done this and five companies from NCL have been incorporated while five more are in the process of being incorporated. Many of these start-ups have also been selected for grants from BIRAC," he said, adding that scientists have taken up positions in the advisory capacity at present.

The notification also allows scientists to take leave from service without pay for three years so that it can facilitate them to pursue such ventures and return to their jobs, should they exit or delegate management of the venture, Premnath said.CSIR-Tech Private Ltd, incorporated as a commercialisation partner of The Council of Scientific and Industrial Research (CSIR) and other publicly funded labs, to allow them to incubate start-ups in scientific areas, is raising a fund of ` . 50 crore to invest in scientific start-ups in areas such as specialty chemicals, hi-tech engineering and life sciences.

"We are also looking to partner with development institutions, banks, Indian arm of global MNCs, corporates and high net worth public individuals for this purpose. We are looking at the next six to nine months in which time the funds will be ready, and we can then invest in start-ups selected by our investment committee," said Amitabh Shrivastava, CEO of CSIR-Tech.

CSIR-Tech will initially invest ` . 1 crore . 5 crore each in about 12 companies, to ` Shrivastava said. "I see more enthusiasm towards starting ventures from the new breed of scientists, especially from the last decade. The trick is to find the right combination of entrepreneurs and scientists to come together," he added.

According to scientist Raghunath A Mashelkar, former director of CSIR and the current chairman of Reliance Innovations Council, science-led innovation tech start-ups will be a potent force in the next few years.

"Scientists are now seeing the benefit of combining Saraswati and Lakshmi rather than looking at knowledge and wealth as two separate domains," Mashelkar said.

Evolution of scientific start-ups in India, Mashelkar said, needs public-private partnership, easier norms, patient capital and funds for early-stage ventures."

The US has 60,000 tech start-ups a year and China has 6,000 start-ups every year.India has less than 600 tech start-ups in a year; we have a long way to go," he said.