

## “Sponsors are co-investors in Manipal AcuNova”

- DA Prasanna, vice-chairman and managing director, Manipal AcuNova.

### What are Manipal AcuNova's lines of business and why did you enter this business?

Manipal AcuNova has four lines of business. One, it is the business development arm for discovery research for Manipal Group and is also a sponsor. Two, a division focused to conduct clinical research, mostly in the clinical development phase. This involves conducting clinical research from Phase 1 to Phase 3 at Manipal and non-Manipal sites.

The third area of activity is a clinical reference lab with advanced molecular diagnostics lab. This is coming up in Bangalore. The fourth division is into clinical data management.

Clinical research requires knowledge of three fields — pharmaceuticals, disease, and medicine. Today there is a fourth dimension, that of biotech. Knowledge of these four dimensions is the foundation of today's discovery research and development of drugs.

Manipal has the advantage of having this knowledge available in one campus. We are the largest healthcare delivery organization in the western coast.

We have a pharmacy school and over 10,000 students have graduated from this school. We own and operate teaching hospitals. We have a medical biotechnology program running for the last five years, which is among the top ranked programs.

Our Institute of Technology runs biomedical engineering and medical software departments. That is the uniqueness of the environment in which we conduct clinical research.

### Why did you establish Manipal AcuNova as a corporate entity?

In the services business, clients are more comfortable in dealing with a corporate entity. Second, we wanted to invite our big sponsors to be co-investors in the venture if required. It is a norm in the industry that a client takes 4-5 percent holding when its product is under development. Third, this is an IP-driven industry and we must allow some of the top scientists, doctors,

and leaders to have some ownership.

So to provide this opportunity, we organized Manipal AcuNova as a corporate entity. It was not difficult for this entity to be 100 percent funded by Manipal Group. But we gave it a different character. It was organized in such a way that Manipal Group contributes 30 percent of the equity, another 30 percent of the equity is available to the leadership, doctors and scientists (which is what AcuNova is) and the balance 40 percent is for strategic investors and one venture capital fund. The venture capital fund will make this announcement in a month's time.

### What is the amount of funds that you have mobilized?

We set about mobilizing Rs 50 crore—Rs 40 crore in equity and Rs 10 crore in debt. The State Bank of India has given us Rs 10 crore in debt. We have completed raising the money.

### You already have a headstart being associated with Manipal group. Why did you want to mobilize such a huge amount?

No doubt, Manipal provides us with tremendous context for this industry, besides infrastructure. We do not have to invest in brick and mortar. In fact, the University has gone beyond that. It has converted its infrastructure ready for research. But we did not want to start very small and struggle for 10 years to go to some critical mass. We thought we must give a reasonable funding.

Each of our clinical research center calls for Rs 6-7 crore of investment. The clinical reference lab and the clinical data management center will each cost another Rs 6-7 crore. This would mean that each of our lines of business will need Rs 10-15 crore of investment.

### Do you also plan to invest in stem cell research?

Stem cell activity was conceived as part of Manipal AcuNova. We decided in favor of getting the stem cell re-



search in a university type of structure rather than a corporate structure. This is because stem cell activity is still somewhere between basic and applied research. In terms of maturity of science, it is still basic research. However, like the KMC life sciences center labs, we also have a stem cell lab for promoting discovery research and we intend doing that when our stem cell lab is ready. This lab is undergoing stabilization and is in Bangalore (Manipal Hospital) because this lab requires to work closely with specialized doctors and in a cluster like environment. We work close with NCBS and JNC. This unit is funded by DBT and other agencies.

Ch. Srinivas Rao

### Manipal AcuNova's second clinical research center

Manipal AcuNova has launched its second clinical research center. This center, called Manipal AcuNova KH Clinical Research Centre, was inaugurated at Manipal in Udupi district by Kiran Mazumdar-Shaw, chairman and managing director, Biocon Ltd in August. She hoped that the center would emerge as a world-class research center. This center would undertake research on generic drugs, new drug delivery systems and new chemical entities. The clinical research services in the centre include pre-clinical studies, bioavailability, bio-equivalence, pharmacokinetics and data management.