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# NCL chalks out innovation park with a venture centre

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## Revenues From Conventional Contract Research Stagnating

**W**HAT do you do when revenues from an established out-sourced contract research model stagnate? Develop an Innovation Centre, is the quick answer from the National Chemical Laboratory (NCL), a premier laboratory of the Council for Scientific and Industrial Research (CSIR).

The NCL's idea of setting up at arm's length, the NCL Innovation Centre and a Venture Centre, as an incubator has an element of backward integration, as well. The Indian Institute for Science and Education (IISER) of the central government will provide the trained scientific manpower, which is already in short supply.

"The IISER, the NCL Innovation Park and the Venture Centre will all form a high end educational and research cluster around the NCL," S Sivaram, director, NCL, said.

IISER, which begins its academic session this August, will be located on 100 acres of land within the NCL

premises, where it will offer five-year integrated Master's courses in mathematics, physics and chemistry. Eventually, it is expected to have 3,000 students and a 150-strong faculty. Mr Sivaram admitted that the research focus at IISER is still to be finalised after which faculty will be recruited.

The high end research cluster at NCL will include a new polymers and advanced materials centre which is being built now. V Premnath, scientist, chemical engineering division, NCL, who is spearheading the initiative, explained, "The NCL Innovation Centre will be the umbrella organisation while the Venture Centre will handle small companies from early stage incubation of ideas to the manufacturing stage. Since the Venture Centre is registered as a not-for-profit company under Section 25 of the Companies Act, it can form joint ventures etc to respond quickly to market needs."

The CSIR laboratories, which earn about Rs 90 crore through contract re-

search and development for Indian and global players, has found these earnings are stagnating. Hence the need to find alternate routes to boost revenues.

"Long term, sustained R&D is needed



in areas like energy. Till recently, industry in the rest of the world used to spend on this. Now, upto 70% of corporates' R&D budgets is spent on tweaking existing products since they are concerned with return on investment of R&D expenditure. Institutes like ours do not have the unlimited budgets to do this long term R&D. The kind of model we

are working out for the Innovation Park and the Venture Centre will address these issues," Mr Sivaram observed.

The NCL will locate the Innovation Park on 10 acres of land where it is refurbishing existing buildings. The IISER, on the other hand, will be set up on 100 acres of land held by NCL. The Innovation Park will be launched by the first quarter of 2007 while the Venture Centre will be ready by July this year. The IISER will take in its first batch of 50 students from August from those who have cleared the joint engineering examination (JEE), the entrance test for the IITs.

The division between the Innovation Park and the Venture Centre has been clearly demarcated: small- and medium-sized enterprises (SMEs) will be located in the Venture Centre while large Indian or global companies will locate in the Innovation Park.

"We have reached the limits of conventional contract research, even the

CSIR's income from this activity has plateaued for the past several years. So, we need other organisational instruments for a public-private partnership," Mr Sivaram remarked.

The institutions proposed to be set up will help Indian companies re-seeking a global presence, to tackle high end innovation. This is an area where they lack expertise and they will be able to use the NCL brand name if they are located in the Park. Deepak Nitrite Ltd (DNL), the Pune-based manufacturer of life sciences related intermediates, pharma and non-therapeutic chemical products and imaging chemicals, is the first company to locate its R&D in the Innovation Park.

Mr Premnath explained that the Department of Science and Technology (DST) will provide Rs 3 crore as seed money and support the Venture Centre for five years. After that, it is expected to become financially self-sustaining. The project cost is Rs 5 crore and NCL will provide support in kind, in the form of buildings and land, while also refurbishing these with an investment of over Rs 1 crore.