

Kemwell eyes Rs 375 cr by '08

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BANGALORE

KEMWELL, the Bangalore-based pharmaceutical contract manufacturer, which has made its first overseas acquisition in Sweden is expecting to clock revenues of around Rs 400 crore by the end of 2008 fiscal through this buy-out and its own expansion plans.

Kemwell has acquired Pfizer's manufacturing plant in Uppasala, Sweden for an undisclosed amount.

This unit manufactures both active pharmaceutical ingredient (API) and finished drug has around 170 people on its rolls.

Kemwell, which is a privately held entity with current revenues of around Rs 50 crore is expecting a contribution of Rs 200 crore from the Swedish acquisition and another Rs 175 crore from its new plant in Bangalore by 2008.

Talking to ET, Kemwell Managing Director Subhash Bagaria said that the acquisition gave it the foothold to enter the markets of the US, Europe and Japan. Hitherto, it has been manufacturing drugs for the domestic market.

The acquisition was done through a combination of internal accruals and debt raised from Swedish banks. According to statement by Pfizer, several companies were interested in buying the facility but Kemwell was chosen partly because it has the long-term aim of establishing itself in Europe.

Bagaria said the Swedish plant also gave it access to latest global management practices in contract manufacturing as well as scientific inputs from the university in Uppasala.

Kemwell, which has four plants in Bangalore is opening a new export oriented unit (EOU) with an investment of around Rs 40 crore and has the capacity to manufacture five billion tablets.

Bagaria said the plant will be operational by January 2007 and will target the developed markets of US, Europe and Japan. Also on the anvil is another manufacturing unit with an investment of Rs 100 crore.

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