

Kemwell to invest Rs 250 cr for biological production facility in Bangalore soon

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KEMWELL, India's dedicated contract manufacturing company is planning a Rs 250 crore investment to set up a biological production facility in Bangalore and is in talks with private investors both in India and in the US. The contract manufacturing facility will focus on orders only from the regulated markets.

The company is also getting into lab services and formulation development. For this, Kemwell is investing around Rs 15 to Rs 20 crore that will be sourced through internal accruals. The facility will come up at its existing production units' location at Neelamangala in the outskirts of Bangalore in mid 2008. "This will allow the company to be a total end-to-end solutions provider in the contract research and manufacture services

(CRAMS) space, Subhash Bagaria, chairman and managing director, Kemwell told Pharmabiz.

Under labs services, the offering will include analytical development and stability studies. To begin with, under the phase I of the project, the company will hire 20 to 25 people, in phase II it will augment its personnel strength to 125-150 and thereafter double the workforce.

The company which made its first acquisition of the Pfizer plant at Uppsala in Sweden last year is now on the look out for a medium-sized formulation plant buyout either in the US or Europe or even South America to have a multi global presence. It is currently evaluating the potential plants and also interested in assessing few more facilities before it actually pins down its final location. "Therefore, no time frame for

the acquisition can be indicated because it has not yet zeroed down on the probable facility although it is prepared to close a deal immediately if it sights the right plant," stated the Kemwell chief.

The Bangalore-based Kemwell's fourth production plant at Neelamangala built according to US FDA and EMEA standards is complete and ready for validation.

Ending March 2007, Kemwell clocked a turnover of Rs 250 crore generated from the inorganic growth and increased orders from leading multinational companies in the country.

According to Bagaria, in India CRAMs business is still nascent and yet to unfold. Global companies prefer India for economies of scale and qualified trained manpower that could be relied on for critical contract jobs. ♦