

CORPORATE

Kemwell invests Rs 45 cr at Neelamangala unit

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KEMWELL PVT LTD, one of the India's leading formulation contract manufacturers, has invested Rs 45 crore for its fourth facility at Neelamangala, located 35 km from Bangalore. The US FDA and EMEA compliant unit which will only undertake outsourcing of products for the US and European customers will be ready in early October 2006. But the company will commission the unit after it receives the formal clearances from US FDA and EMEA authorities.

The state-of-the-art tablet manufacture unit with a production capacity of 5 million tablets is only for customers in the US, Europe markets and will later tap the Japanese customers. "The unit is one among the largest in the country and is designed to produce different types and sizes of gener-

al tablets, both coated and uncoated. Entries into the regulated markets are a test of capability not only in terms of quality but adhering to stringent timelines. Global companies can make available the dossiers and also provide us details of their source of active pharmaceutical ingredients, which we would arrange to procure for formulation production. The regulated market entry is a real test of capability and Kemwell is gearing up for it, Subhash Bagaria, chairman and MD of Kemwell told Pharmabiz.

The company has also announced a new line of business namely analytical services. The contracts for this are in the process of being finalized.

"The analytical service offering is a big directional change for Kemwell which is a dedicated contract manufacturer in the country. It will transform the source of revenues for the company,

which expects to generate several crores in the next 12 months from this line of business alone. These capabilities will now allow us to become an end-to-end service provider in tablet production for global customers," informed Bagaria.

On August 28, 2006, Kemwell finalized the acquisition of the Pfizer's manufacturing unit in Uppsala, Sweden, which has now allowed the company to look not only at formulation development but analytical services and validation, he added.

Kemwell has been in contract manufacture of formulations for over 20 years for leading multinational and Indian pharmaceutical companies, including six of the top 10 pharma MNCs in the world such as AstraZeneca, GSK, J&J, Novartis, and Pfizer. It is also amongst the largest manufacturers of tablets, liquid orals, liquid oral drops, external drops, ointments and creams in

India where it manufactures five of the top 10 brands in the country with a product portfolio of analgesics, antacids, anti-fungal/antimicrobials, anti-inflammatory, cough-cold, nasal drops, medicated shampoos, veterinary products and wound care products.

Currently, its turnover of Rs 50 crore is only from contract manufacture. But by the next FY, the Uppsala unit is expected to contribute Rs. 200 crore and new tablet facility would generate Rs. 150 crore apart from the analytical service, which may provide a big jump in revenues for Kemwell.

In terms of workforce expansion, the company will increase its strength from 300 in to 600. Although the present attrition rate in the pharma sector is between 35-40%, Kemwell is aggressively making efforts to attract the right talent for its projects. ♦