

MSN LABS SETTING UP R&D UNIT IN HYDERABD.

Business Standard

Posted: 16.03.2010, Hyderabad.

Hyderabad based MSN Laboratories Limited has embarked upon a Rs 150 crore expansion plan to be executed over a period of three years.

The expansion programme includes setting up a research and development (R&D) center at Pashamylaram, near here, and construction of a formulation facility at the special economic zone near Jadcherla in Mahabubnagar district.

The R&D center, involving an investment of about Rs 60 crore, would have 40 laboratories and would be completed by next year, company's chairman and managing director MSN Reddy, told Business Standard.

He said following the commissioning of the R&D centre, the company would provide custom research and manufacturing services (Crams) to global pharmaceutical entities.

According to Reddy the construction of the estimated Rs 50 crore formulation facility near Jadcherla will commence next year and the plant will be commissioned 18 months later. The expansion plan will be funded through internal accruals and term loans.

This apart, there is a proposal to establish a Greenfield facility for the manufacture of active pharmaceutical ingredients (APIs) near Hyderabad or Visakhapatnam. The company would take a decision in this regard in a couple of months.

"The company intends to be the preferred supplier of APIs to global markets and finished dosages for local and Rest of the World markets (developing economies) in compliance with international regulatory requirement," MSN executive director, Bharat Reddy, said.

At present, MSN is a preferred supplier of around 80 APIs to leading generic players like Sandoz-Hexal, Teva Ratiopharma, Zentiva and Gideon Richter. It has four API manufacturing units and one facility for making finished dosages.

"Our target is to achieve a turnover of Rs 1,000 crore by 2013 and Rs 5,000 crore (\$1 billion) by 2018," MSN Reddy said adding since its commissioning in 2004 the company was registering a year on year growth rate of over 50 per cent.

In the current financial year, he said, the company was expected to post a turnover of Rs 390 crore compared with Rs 250 crore in the previous year.

The company has an employee strength of 1,350 and makes over 75 formulations. it had applied to the Drugs Controller General of India (DCGI) for approval of generic products. Of these, DCGI had approved one product while two are stated to be under the approval process.