

Marck Biosciences to enter South East Asia in 2007

To expand manufacturing capacity at Kheda facility

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City-based Marck Biosciences is going for a Rs 72 crore capacity expansion for its large and small volume parenterals besides putting up a formulations development centre. The pharma company will also enter the South East Asian market by next year.

Marck Biosciences, which manufactures parenterals, injectables and formulations in ophthalmic and respiratory care, is also aiming at a national presence, having been concentrated in the northern and western parts of the country so far.

"We will increase capacity for large volume parenterals from 28 million to 61 million while the small volume will be increased from 65 million to 165 million," Marck's managing director Bhavesh Patel told *DNA Money*. Parenterals are aqueous solutions that are mainly administered intravenously.

For capacity expansion, the company is investing Rs 72 crore at its Kheda plant in Gujarat. The expansion is likely to be completed by the end of March 2007. Patel said the equity would be raised from the promoters while debt would be met through banks. The company expects a Rs 40 crore turnover in this fiscal.

Marck exports to some 40 countries mainly in Africa, Central Asia, Eastern Europe, Latin America and South Asia. It has an annual turnover of about Rs 40 crore, of which exports contribute Rs 8.5 crore or 35%. The company expects to exceed Rs 1.1 billion turnover post expansion. It now plans to foray

into South East Asia including Thailand, Malaysia, Philippines, Vietnam and Cambodia by March-April 2007, given the captive market and the paying capacity of people in these countries. Patel said the company aims to corner 10% of the diluents, ophthalmic formulations and IV fluids market in the region.

The total pharma market in South East Asia is estimated at \$2 billion and the market is growing at a healthy 15%-20% per annum. However, Marck will launch only ophthalmic formulations and diluents initially as there are many local players for IV formulations, said Patel.

In the growth mode

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For increasing capacity, the company will install the latest machines that utilise form-fill-seal technology that is largely automated, thus minimising human handling. The new line to be added at its existing facility in Kheda will be operational by March 2007. The Indian market for IV fluids is estimated at Rs 650 crore, of which Marck expects to corner a share of Rs 45 crore or about 7% post expansion. The diluents market is about Rs 150 crore and post-expansion company will account for Rs 35 crore or 23% of the total.