



Marck Biosciences' Kheda manufacturing facility

regulatory authorities of the advanced markets such as UK-MHRA, EU, S.A.-MCC, Australia-TAG and other regulated markets.

Today Marck has evolved into a company with business interests in production of irrigation solutions, formulations in ophthalmic and respiratory care and small volume injectibles. What gives the company an edge over others is that it is the only company versatile enough to produce IV fluids across volumes, from small volume parenterals (SVP) 0.5 ml injectibles to large volume parenterals (LVP) 1,000 ml irrigation solutions. In both LVP and SVP categories. Currently, the company has an installed capacity of 29 million units for SVP and 65 million units for LVP.

GROWING BIGGER ...

Reaching the Rs 100 crore milestone by FY 2007-08 will not be easy and Mr Patel knows it. Hence, Marck is in expansion mode, with a projected investment of Rs 72 crores at its existing Kheda facility. This additional capacity of LVP and SVP would enable Marck to expand the product basket in sterile dosages. The expansion plan also includes setting up a modern formulation and development (F&D) centre as well as a state of the art laboratory and training centre.

The promoters remain wary of tapping the capital markets and funds for the expansion are being raised from internal accruals. This expansion will take the total investments at the Kheda campus to above Rs. 125 crores. Post-expansion, the capacity of SVP will be 230 million units and that of LVP 61 million units.

Contract Research and Manufacturing

Services (CRAMS) was responsible for approximately 34% of Marck's total turnover. Post expansion the company expects revenues from CRAMS business to go up by 40% by end of 2007.

...WHILE MOVING UP THE VALUE CHAIN

Mr Patel admits that today the company has diluted its initial focus on non-branded products, in the sense that it is now looking at specialized product development, a fairly brand-conscious market. This strategy will no doubt allow it to migrate to products with higher profit margins.

Mr Patel points out that Marck already has a noteworthy presence in Africa for exporting Fluconazole, a specialized research product of Pfizer for treating HIV and Cancer. As part of its expansion plans, the company is setting up a specialized F&D facility to focus

who then supply to the hospitals.

Marck's LVP Product range comprises 35 products with over 125 variants. This includes common solutions, electrolyte replacements, antibiotic solutions, diuretics, anti-infective and anti-fungal drug therapeutics. The SVP range has 50 products with over 100 variants.

Ophthalmic range includes anti-glaucoma agents, tear substitutes, anti allergic and corticosteroid eye preparations while Respiratory care segment includes decongestants and mydriatic and cycloplegic combinations.

Marck's domestic client includes 48 of India's top 50 pharma companies while some major international pharma clients include Wexford Laboratories (USA), UNOPS (United Nation Operations, CipexIndia Ltd.), Colorama

TABLE 1: VITAL STATS OF MARCK BIOSCIENCES LTD, AHMEDABAD

Financial Year	Turnover
1997-98	Rs 6.5 crore
2006-07	Rs 40 crore
2007-08	Ts 100 crore (targeted)

on developing highly specialized IV parental formulations. Few products are already in the pipeline and Marck plans to introduce one more product targeting the pediatric segment by end 2007. According to Mr Patel, Marck plans to have six more specialized products in the market by 2010. Marck currently exports to 40 countries and will be adding 20 more to its global footprint by the end of 2007. This thrust on exports will help Marck achieve its target of a Rs. 100 crore turnover by the next financial year (2007-08).

PRODUCT RANGE

IV fluids differ from other medicines in the fact that they cannot be sold to the end user/patient directly as they need to be administered in a hospital environment. Thus you need a specialised distribution network to service hospitals and institutions. Marck has therefore tied up h clients who have a well-laid distribution network in different geographical areas,

(UK), Ariston (Brazil), Helm (Germany), NucatiCommerciolInternacional (Portugal), IDA Foundation (Netherlands), Z & Z (Belgium) and Justin Pharmacy (Nigeria).

THE WAY AHEAD

With the business on a strong foundation, Mr Patel is currently engaged in shifting gears from manufacturing to marketing. The aim is to now build up brand consciousness and get into the Top 50 league for IV fluids. Though the company has sufficient capabilities, versatility and a decade of experience, can Marck successfully achieve a pan-India presence? The major competitors for Marck are Baxter, Nirma (post Core-acquisition) and Claris Lifesciences as well as Ahlcon Parenterals. Will it be able to sustain growth in a highly competitive environment, pitted against such heavyweights? Only time will tell if Mr Patel can once again turn a disadvantage into an advantage. ■