

# Business Line

## Anthem Biosciences eyes manufacturing

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*5-year-old start-up CRO undertakes Rs 30-cr lab expansion*

Bangalore, June 15:

Pharma and biotechnology contract research start-up Anthem Biosciences Ltd, which opened business less than five years back, is readying to expand into manufacturing bulk intermediates and active drugs for clients soon.

There is good demand from overseas companies and those within the country for taking up such contracts and it would be the next rung of growth for the company, said Mr Ajay Bharadwaj, Anthem's Founder and CEO.

To begin with, the pilot-scale plant will handle small volumes and Anthem plans to get into large-scale contract manufacture subsequently from its plot in Hosur, 20 km away.

The plan for manufacture could call for an investment of around Rs 80 crore, largely as debt, over the next 18-20 months.

Alongside, the Bommasandra lab on Hosur Road is being scaled up into a Rs 30-crore, five-storey facility by this year-end to handle more clients, stepping up by 50 per cent the present capacity.

The manufacturing initiative will fit in well with an existing production arm for enzymes and nutritional products, Anthem Cellutions, which is sitting on a growing science-backed wellness segment, he said.

"With all the expansion happening, we will hire about 200 more people. We plan to have ESOPs (employee stock options) further down the line," Mr Bharadwaj told *Business Line*. Some 250 of its 300 employees are scientists.

The company does short and 18-month research support for 120-odd small and medium pharma companies in the US and Europe that research for new drugs, and for a half-a-dozen larger ones also.

Some of the mid-sized and growing clients could be raising the next big blockbuster medicine (with annual sales topping \$1 billion), he said. Currently, Indian companies account for 10 per cent of business.

During 2010-11, Anthem generated revenue of Rs 80 crore, a rare story among contemporaries that began at the same time but had to scale down or sell.

Anthem, according to him, was lucky to catch the wave.

"We were profitable in the first year and we would have been a Rs 100-crore company but for the economic slowdown of 2008," said Mr Bharadwaj, who left Biocon Ltd as President-Marketing to start this venture.

He is the majority holder in a nearly Rs 40-crore investment made along with a clutch of colleagues.

"The go-go days of 2005-06 are over and this is the consolidation phase for the (contract research) industry."

The impact of the slowdown on global pharma majors, he said, had still not bottomed out and Anthem's growth would be cautious.

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