

## Value Added Fermentation

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**Rank 13.....Krebs Biochemicals & Industries**

**Revenue: 56.89 crore**

## Value Added Fermentation

Hyderabad-based Krebs Biochemicals & Industries Limited (KBIL) is a biochemical company engaged in the manufacture of active pharmaceutical ingredients with its product portfolio comprising of statins (lifestyle drugs), nutraceuticals and anti-asthmatic groups through fermentation technology.

Incorporated in December 1991, KBIL commenced its commercial operations at the Nellore facility in the year 1994 with an installed capacity of 60 TPA (Tons per Annum) of Pseudoephedrine Hcl. KBIL went public with an IPO in March 1994 to part finance the project. The company increased its production capacity from this facility to 150 TPA by 1996 and the current manufacturing capacity is about 300 TPA. Products manufactured at this facility are Ephedrine, Pseudoephedrine and their salts. The firm has set up its second unit at Kothapalli in Visakhapatnam to manufacture a basket of fermentation products such as Lovastatin, Simvastatin etc., (all cholesterol reducing agents). It has launched the production of Vitamin C through fermentation process from this unit and is now producing and marketing Lovastatin, Simvastatin and Vitamin C. KBIL's products are exported to countries like the US, Germany and also to about 30 others. KBIL's exports constitute more than 85 percent of its sales.

**Address:** 401/402, Cyber Heights, 4th Floor, Plot No 13, Road No. 2, Banjara Hills, Hyderabad - 500 033. Tel.: 91-40-55593678/55594798/55595502

To launch innovative products, KBIL is focusing on the research and development of new biomolecules and genetically engineered products by synthetic and biological approaches at its R&D center located at ICICI Knowledge Park near Hyderabad.

**Website:** [www.krebsbiochem.com](http://www.krebsbiochem.com)

KBIL has achieved a turnover of Rs. 101.23 crore in 2003-04 as against 101.50 crore in the previous year with a gross profit of Rs. 30.71 crore and net profit of Rs. 13.51 crore as against Rs.29.38 crore and Rs.14.87 crore respectively in the previous year. Of the total sales of Rs 101.23 crore during 2003-04, the total biotech revenues of KBIL for the year stood at Rs 56.89 crore including Psuedoephedrine (Rs 23.33 crore), Ephedrine HCL (Rs 5.59 crore), Lovastatin (Rs 14.32 crore), Simvastatin (Rs. 13.65 crore). The profitability is affected mainly on account of slowdown in the movement of anti asthmatic segment drugs, namely ephedrine and pseudoephedrine and increase in the raw material costs (molasses) and drop in the sales price of some of the products. However with the substantial restructuring of the plant at Kothapalli in Visakhapatnam), the turnover has increased significantly from Rs 32.45 crore in the previous year to Rs 49.90 crore in the current year.

KBIL has initiated steps to diversify into other activities. In this direction it has identified bio fuels and its down stream products to catalyze the growth. It was a successful bidder for the Jampani and Kovur co-operative sugar mills and completed the crushing operations in the Jampani unit for the season in 2003-04. However, the handing over of the Kovur unit is yet to be completed. It has also diversified into food products by setting up of stackable potato chips unit with a capacity of 1800 MT per annum. The commercial operations will commence in the second quarter of the current financial year.

| YEAR    | Exports<br>(Rs crore) | Domestic<br>(Rs crore) |
|---------|-----------------------|------------------------|
| 2003-04 | 5.14                  | 51.56                  |
| 2002-03 | 39.25                 | 16.06                  |
| 2001-02 | 31.33                 | 5.33                   |
| 2000-01 | 34.34                 | 12.29                  |