

'We expect over Rs 50 crore revenue in next 3 years'

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Dr. Kalpesh Jain, COO, Krishgen BioSystems

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Despite the looming global economic crisis, Krishgen BioSystems has seen a decent year-on-year (YoY) growth of 20 percent. Apart from being a distributor for 47 principals, the company has been proactive in committing investments into its own setups. It has come up with a new pilot laboratory and manufacturing facilities. The company has set an ambitious target and aims to touch Rs 50 crore in sales in the next three years. Kalpesh Jain, chief operating officer, Krishgen BioSystems, talks to BioSpectrum about the company's performance and his optimism towards the Indian agri-biotech sector.

Q The last fiscal (2011-12) has been the year of consolidation for Krishgen BioSystems. Please share some achievements of the company.

Jain: Krishgen has crossed Rs 18 crore in revenue for the year 2011-12, which is a 20 percent YoY growth over that in 2010-11. It has been a year of consolidation for us as our new facility is now operational in Mumbai. This facility has capabilities for immunoassays, molecular biology, bioprocess, and cell culture. We expect to grow our revenues to over Rs 50 crore in the next three years. We have successfully established a footprint outside India for export of our bioprocesses and plant sciences products. Our focus as a biosupplier to the industry has been on backward integration by developing our own tools as products and services as opposed to only distribution of products from the global principals.

What is your target for fiscal 2012-13?

Q Our targeted revenue for 2012-13 is Rs 18 crore

25 crore. Our aim is to register 40 percent YoY growth in the next two-three years.

How has the company expanded its business in the Indian biotech sector?

Q Our major thrust area is drug discovery research where we offer low-cost assays to maximize the research budgets of our users. With over 47 principal companies working with us, we offer end-to-end solutions, be it kits or consumables. With broad portfolio of products such as molecular biology reagents, cells, medias, reagents, and immunoassays, we today have a market presence in preclinical toxicology, immunoassays for diabetes, bone metabolism research, and primary human cell culture products. We have also brought human primary cells to India and have a sizable share of this market too. With emphasis on logistics, we possess our own cryocans. We were the first to introduce liquid nitrogen vapor phase cryocans for transportation. We created user awareness on the critical and delicate nature of transportation of cells and sub-zero temperature critical reagents.

Has Krishgen BioSystems made any significant investments in infrastructure and manpower?

Q In 2011, we established a pilot laboratory and manufacturing facilities with state-of-the-art equipment. Our current capacities for manufacturing ELISAs are around 72,000 plates per month. We have invested approximately 2 crore in instrumentation. Our research and development (R&D) effort is led by a team of six scientists. Since 2008, our aggregate R&D spend on product development has been approximately 12 percent of our total revenues.

What are some of the emerging opportunities in the agri-biotech sector?

Q We provide diagnostic solutions to the agri-biotech sector. Our belief is that with the world trend in food growth, the only avenue available is to apply biotechnology to this sector to boost growth and match the world's population. With a tenth of the population living in this region, agri-biotech growth is inevitable. Here again, we have positioned ourselves to offer diagnostics solutions as a vendor to the agriculture industry. Our genetically modified organism and plant pathology detection kits are well accepted. Our product launch has been a game changer in driving the prices down. We have also straddled and jumped the technology barrier by developing and introducing assays for gene event, which are under Genetic Engineering Approval Committee review and will be approved in 2012-2013.

Are you looking for new distribution partners to increase your depth of market coverage?

Q We actively seek distribution partners and plan to further increase our footprint across the country. As a company built in the ethos of science, we believe our partners are our face to the users. Hence, we believe in training our distributors not only for commercial marketing, but also for the technical inputs.

Has the current economic crisis affected your business in any way?

Q Tight budgetary spends in the US and Europe are a reality we must accept. We must emphasize the paradigm of quality first and then competitive prices to achieve success in the current economic scenario. It has been our experience that budgetary cuts offer greater opportunities. We expect a growth in business by over 40 percent in 2012-2013.

Nayantara Som Banerjee in Mumbai