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Celon Labs, Stada join hands

M. Somasekhar

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Celon Labs, a bio-pharmaceutical company, has signed up with Stada, a German major, to market six of its oncology (cancer related) products in Russia and the CIS markets.

It has also acquired small marketing companies in Brazil and the Philippines.

The Hyderabad-based start-up, which is into manufacturing and marketing anti-cancer and critical care formulations, has firmed up plans to invest Rs 120 crore in a facility that it is building on a 15-acre campus near the ICICI Knowledge Park on the outskirts of the city.

“We are close to closing a deal with a private equity (company) to raise sizeable funds. Some part of the Rs 120 crore would be raised through internal accruals and banks,” said Mr K.V. Ravindra, Chief Executive Officer, of the four-year-old company that has 635 staff and posted Rs 54 crore turnover in 2009-10.

The company intends to expand into making high potency injections, new drug delivery systems, nanotechnology at the facility. A R&D unit would also be constructed. Stada, with €2 billion of turnover, will register and distribute the oncology drugs in Russia through its subsidiary Makiz Pharma.

Similarly, Celon has tied up with Karka, a Croatian company, to market a few products in that country, he told Business Line.

Celon Labs is among the top 10 companies in the oncology segment with sales of Rs 39 crore. The total market size is around Rs 1,200 crore. “During 2010-11 we target to sell over Rs 60 crore drugs in the market. Globally we have 400 product registrations,” Mr Ravindra said.

The strategy of the company is to be niche segments. It is diversifying into critical care and anaesthesia and gynaecology, including some peptide-based products. “Though, the markets are small, our specialisation and technology capability will give us advantage,” he explained.

In addition to its wide range of cancer related products, including injectables, Celon Labs has built expertise in high potent formulations, liposome drug delivery, lipid-based drug delivery in a short span of four years.