

## **MSN Laboratories: A master in the making**

In less than a decade, MSN Laboratories has consolidated its place as one of the fast growing pharma companies in India. Sachin Jagdale analyses the growth trajectory of the company



It has barely been a decade since MSN Laboratories' inception, but the company's achievements would make even the industry veterans give them a standing ovation. It is never an easy thing to start your own company, and to survive the grueling competition, is even more difficult; but when has a smooth sea made a good mariner: MSN Reddy, Chairman and Managing Director, MSN Laboratories, strongly believes in this philosophy. MSN Group is one of the fastest growing manufacturers of active pharmaceutical ingredients (APIs) and finished dosages in India. Established in the year 2003, MSN group comprises four API manufacturing plants, one finished dosage facility and a dedicated technology development centre.

### **From employee to employer**

"When I worked as an employee in an Indian multinational company, one thought was etched my mind—that instead of being an employee today, why can't I be an entrepreneur? That's how I started my own company," says an ambitious Reddy. Prior to starting his own firm, Reddy was R&D head in one of India's leading pharma companies. Today, if you go through the list of his colleagues, at least 75-80 of them worked with him in his previous organisation, which shows the trust that Reddy had garnered. He says, "When I was in the other company, my responsibility was very wide, from product identification to Drug Master File (DMF) filing, but basically I am an R&D person."

### **Quality matters**



MSN group management comprises of top notch professionals, with extensive experience in synthetic chemistry, process engineering, quality, IT, SCM, marketing, regulatory requirements and environmental safety and a proven track record in the pharma industry. Thriving on the platform of innovation and excellence, the company has grown into a successful and profitable enterprise with a portfolio covering all the major therapeutic areas. Speaking about the features of its facilities, Reddy informs,

"Our plants are ISO 9001-2000 certified, WHO: GMP, EU: GMP and US FDA approved. Our manufacturing units are designed as per WHO- GMP standards and

confirm to the principles of quality, safety and sound environment. Our outstanding team of well-educated, motivated and result-oriented employees has contributed actively to our spectacular growth." He adds, "We have very efficient systems driven supply chain management and a highly responsive customer relationship management team. In fact, we are the youngest pharma company in the world to have SAP in place for all our commercial operations. We guarantee competitive edge to our customers because of our absolute cost efficiency and aggressive product development timelines. Along with this commitment comes an irrevocable promise of quality and consistency."

### A capable entrepreneur

From an R&D head to an entrepreneur, there has been a tremendous shift in Reddy's responsibilities. He recalls, "When I was working in the previous company I used to handle R&D, IP, regulatory affairs, quality, as well as part of the manufacturing. But I was oblivious to other functions. Today, I need to look into corporate functions like finance, business development, supply chain management, marketing as well. There was a time when as a pharma professional I got the chance to complete only 60 percent of operations, but today I have the chance to finish the rest of the 40 percent as well." According to him, the business model that they chose ensured success as presently, there is a difference between the products of MSN Labs and that of other companies. "The size of our products is different from those in other companies, which may be primarily due to the age factor. Our product portfolio can be compared to only four to five companies in India, which has brought us to the stage we are at today," avers Reddy.



MSN Laboratories has shown a mind boggling growth. The company has clocked 150 percent year-on-year (Y-O-Y) growth since its inception, making it one of the fastest growing pharma companies in India. Apart from financials, they have made tremendous progress in improving themselves. The company received the Outstanding Export Performance Award in 2008-09, and within less than 20 months of inception, it received ISO 9001:2000 certifications. WHO: GMP approvals came in less than 24 months of inception, whereas; EU: GMP approvals came in less than 48 months of establishment, followed by an FDA approval. Other than having a Department of Scientific and Industrial Research (DSIR) recognition to its credit, MSN Laboratories also received an Udyog Ratna Award.

### Smart business

Reddy has very interesting and intelligent business plans in mind. According to him, as chemistry is going to remain a core area for the company, they can develop a product in time with cost effective process. But to convert it into a business they need to have expertise in other areas also. "For instance, we should have a good marketing team, finance team etc," opines Reddy. Being in the pharma industry for more than two decades, Reddy is a familiar and reliable face in the industry, which must have helped MSN to grow as well. Reddy says, "Since the inception of this company, recognition of customers as well as suppliers has been very different as

compared to my previous company, and the fact that I was recognised in the industry definitely helped us go further."



MSN's core strength is R&D, which is how they are converting this strength into business by developing important molecules in time and supplying it to big generic players in the global market. As far as revenue is concerned, 60 percent is exports and 40 percent is from domestic sales. Currently, the company's R&D centre is catering to the R&D needs of the group of companies. In the future, the centre will also look at contract research for multinational companies. Biotechnology will be ruling the medicine world soon and Reddy understands this fact very well, hence they may foray into this category in the near future as well.

#### **Caring for future**

All the functions of MSN Laboratories are located in Andhra Pradesh, however, Reddy is happy with his current operational locations. He says, "All our plants are in close vicinity of each other. So it is very convenient for us to visit any plant in case of any emergency." He adds, "By 2012-13 we definitely want to cross the 1,000 crore mark, and want to be the preferred API source for global generic players." Like a good employer, Reddy wants his employees in future to improve in their work. He thinks that work done in time will obviously increase the value of the products. As it is always said-'well begun is half done'. MSN Laboratory's extraordinary beginning has already put them in league with one of the greatest achievers in the Indian pharma industry. However, the company is capable of doing much more, and with a person like Reddy at the helm, every new challenge looks minuscule.