

'Robust growth in next three years' : Mr Surendra Kumar Agarwal

25 October 2013 | Interviews | By BioSpectrum Bureau

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Into the business since 1976, Sisco Research Laboratories (SRL) is a pioneering manufacturer of molecular biology grade specialty chemicals. SRL has been at the forefront of identifying, manufacturing and supplying new compounds and ready-to-use reagents for biochemists and molecular biologists world over. Mr Surendra Kumar Agarwal, managing director, SRL shares his views on the buying behavior of clients, recent product additions, and growth.

What is the potential for your market in India compared to that a decade back? Have you noticed any change in the buying behavior of clients?

Mr Agarwal: When we talk about the market behavior today we see wider acceptance for Indian products as compared to 10 years back or so when there was lack of confidence from the buyers. Perception has changed. Market has become favorable for business. We see lot more new chemical entities now and the private CROs are also doing chemical research. Buyers have become demanding and manufacturing of specialty reagents market has changed. The industrial revolution that is currently going on in India, especially healthcare, is drifting towards more closely documented and regulated manufacturing practices, putting tremendous expectations on biosuppliers to commit and fulfill regulatory requirements. SRL's indigenous manufacturing and traceability standards are geared towards satisfying all such requirements. In the next five years, these norms are only going to get stricter and necessitate very strong infrastructure and back-end processing by biosuppliers in order to remain partners to the actual biopharmaceuticals industry. Regulatory changes, penetration in smaller companies, and standards have made the biosupplier market more competitive.

What is your current market share? Have there been any major additions into your product portfolio?

India is a fragmented market; there are only about 10 major companies in India in this market. We have about 25 percent market share in biochemicals and bioreagents. We have seen tremendous growth especially in bioorganic market. We are into manufacturing of biocatalyst. There have been additions in our product portfolio. Our molecular biology grade solvents,

are DNase, RNase and Protease free and also free from other volatile organic impurities, that may arise while dissolving samples of proteins/amino acids and any other biological samples while performing assays. SRL has developed proprietary technologies to enhance these solvents which are used widely and have eliminated the use of regular lower grade solvent systems. Our recent introductions are DNA and protein tools which are used as biotechnology markers and in genomics. Added range of growth factors also adds to the list. Also we have additional list in protein enzymes.

Q. How has the advancement in technology helped your business evolve?

We invest heavily in new equipments. Bigger companies like Merck Millipore and all are setting the standards. We are the suppliers of it. We are adopting technology to make it more economical to customers. Advancement in the technology is making a difference. We are marching ahead with technology as our key driver for future growth.

Has the increased research funding in India helped in expansion of your business? What is the future outlook for your company?

Increase in research funding has definitely helped us to expand our business. Almost 40-50 percent of our business is from government research funding. We are diversifying our business in pharmaceutical. Apart from this we have a large share of market in Malaysia and Middle- East. We are major suppliers of product to Research and Development (R&D) sectors. Africa is our second largest market for R&D business.

We have seen a slow down this year, however next three years seem to be robust for us. We are eyeing for continuous growth with few acquisition in the coming few years. We are expanding our production capabilities as well.

What are the expectations this year in terms of revenue and growth?

We are looking forward for 19-21 percent growth this year owing to about 400 products that we have launched. The launch of the products is simply because of growth of clients. We have seen no decline in the production of our clients. We have installed good information technology. Summing the impact of all this we can achieve the expected growth rate by the end of 2013.

Any new recent innovation put into practice by your company?

Since our inception, we are majorly into molecular biology and lot of innovation if put into practice in that area. The major innovation put into practice is adopting the greener technology and as a result of this, we have manufactured noncarcinogenic molecules.

Eco-friendly reagents have been showing a steady growth with respect to customer adoption and perception. It is a growing mandate through-out the scientific community to adopt safer lab handling practices and our new-product research team is specially focusing on the manufacturing of such products as a part of our offerings to customers. We have developed non-toxic environment friendly solvents (Ionic Liquids) which are used in bio-applications such as medicinal chemistry and synthetic chemistry. Along with this, we are manufacturing eco-friendly marker dyes such as BioLit SafeDye Stain (a trademarked SRL product) which eliminates the use of similar carcinogenic generics used by researchers today.