

Aurobindo to ramp up ingredient manufacturing capacity

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Aurobindo Pharma will be expanding its Active Pharmaceutical Ingredients (APIs) manufacturing capacity by the present financial year. "Almost around 1,100 meter cubic capacity is getting commissioned starting from February 2015, so by March at least we would have concluded validation," N Govindarjan, Managing Director, Aurobindo Pharma Ltd said in response to a query in a recent earnings conference call.

External sales

The new capacity is being created at the Hyderabad-based company's Unit-II in Visakhapatnam. "There has been good amount of quantities which has been supplied internally. So to an extent it is tapered in terms of external sales," he said, adding that the new capacity would allow the company to further expand its external sales.

In the quarter ended June 30, 2014, Aurobindo registered ₹670 crore gross sales of APIs representing a 4 per

cent growth over the year-ago period. The growth in sales came more from internal consumption. Due to the ongoing capacity addition, Aurobindo's capex would be evenly going to APIs as well as formulations in the FY15.

Its new capital expenditure, including maintenance capex, was expected to be in the range of ₹600 crore for 2014-15.

Outside India, Aurobindo's manufacturing base, Aurofile, is also expanding. "The operations of Aurofile are expected to improve further in the quarters ahead with additional orders for an enhanced portfolio of controlled substances," Govindarajan said.

The company is also trying to expand its market penetration in controlled substances. For example, out of 18 products pending with the US Food and Drug Administration, seven are controlled substances.

Aurofile was also in the process of expanding manufacturing facilities to meet increased demand, he added.

Company