

Aurobindo to spin-off injectable business into a subsidiary

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Mumbai: Aurobindo Pharma has reported consolidated net profit of \$3.04 million (Rs 18.60 crore) during the first quarter as compared to a loss of \$21.13 million (Rs 128.90 crore) in the same period a year ago. Consolidated net sales increased 42 percent year-on-year to \$278.52 million (Rs 1,699.60 crore) during the quarter.

Aurobindo's board of directors has also approved spin-off of injectable business. "In order to strengthen and provide focused growth to the injectable business and to leverage strategic opportunities, the board considered the option of spin-off of the injectable business to a wholly owned subsidiary as a going concern," the company said in its filing.

The board also gave approval for buying 57 percent stake in Silicon Life Sciences, which is engaged in manufacture of non-sterile penems, from its existing shareholders of 49 percent from VVR group and eight percent from Trident Chemphar.

Post this acquisition, the equity holding of the company would increase to 75 percent, thereby making Silicon a subsidiary of the company.

The company will also buy 60 percent stake in an upcoming manufacturing facility, which is presently under construction, being established by Celon Laboratories to manufacture hormonal and oncology products for a total cash consideration of \$25.57 million (Rs 15.6 crore).