

Novozymes to invest Rs 300 crore to expand production capabilities in India

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By : BioVoice News Desk - November 17, 2016



Mumbai: Novozymes, world's largest supplier of industrial enzymes, with a market share of 48 percent globally, has obtained land in the Patalganga industrial area near Mumbai, on India's west coast to expand its operations catering to the India and South East Asia markets. The company plans to establish a new enzyme production and supply chain facilities and is expected to be ready for operations in 2018. Novozymes expansion will see an initial investment of approximately DKK 300 million (INR 300 crore), and will employ 150 people, in the first phase.

"We see a big opportunity in India and South-East Asia, where knowledge-based innovations in the field of industrial enzymes can effectively replace polluting chemical processes and deliver environmental sustainability," says Thomas Videbæk, Executive Vice President & COO, Research, Innovation & Supply at Novozymes. "Our business in the region has been growing strongly for years, to a point where we have outgrown current facilities and need to expand for the future. We have chosen the new area for its size, proximity to customers, future business opportunities and good accessibility to ports, airports, highways and other industrial infrastructure."

The new plant will produce enzymes using solid state fermentation and will also formulate enzymes imported from Novozymes' production sites outside India. At present, the key business areas for Novozymes in India are the household care, textiles, food & beverages, oil and fats, baking, and beverage alcohol markets.

Two sites in India going forward

Novozymes has been present in India since 1983 and currently occupies three sites in Bangalore in India's southern State of Karnataka. The solid state fermentation and supply chain operations for the region will now move to the new production site near Mumbai, while all other functions will remain in Bangalore, including Novozymes' Indian Head Office, Research & Development center and the service centers which provide support to global operations.

"We will maintain some of our key functions in Bangalore, which has proven to be a great base for pushing sustainable, biological solutions to India and beyond," continues Videbæk. "From now on, we will have two main sites in the country, and as we discover more Asian opportunities for our solutions, we look forward to developing both our presence in Bangalore and Mumbai."

As per company's release, the planned expansion has no impact on its financial guidance for 2016.

Few quick facts:

- Novozymes currently has around 560 employees across all functions in India. The company expects the new site at Patalganga near Mumbai will start operations with approximately 150 employees, some of whom will be relocated from the company's existing sites in Bangalore.
- During the first phase of development (2016-2018), Novozymes expects to invest approximately DKK 300 million (Rs 300 crore).
- Solid state fermentation is a key process when manufacturing enzymes. Microorganisms are seeded on trays filled with a substrate, such as wheat bran. The trays are left in a temperature-controlled room for several days. As the microorganisms ferment, they produce the enzymes.
- Novozymes makes pectinase enzymes in India. Pectinases are used in the wine and juice industries to squeeze more juice from the fruit and improve production processes.
- Novozymes also formulates other enzyme types in India to cater to local market needs. Formulation is the process whereby enzymes are made into a final product tailored to the specific requirements of the customer. For example, some customers need a granulated enzyme product while others prefer a liquid. The Indian formulation facility will now move from Bangalore to Mumbai, which will bring it closer to customers for faster supplies.
- Initially the new site near Mumbai will continue with the same activities carried out in Bangalore today, although with higher capacity in both production and supply chain.