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Suven spent 21% of its revenues in R & D

SUVEN in its endeavor to become a total solution provider for Global Life Science Companies by 2005, coinciding with the implementation of IPR regime has embarked on a massive growth plan to tap the globally potential market by enhancing the R&D capabilities and upgrading its manufacturing facilities.

SUVEN has invested Rs.8.95 crores towards upgradation of manufacturing facilities to cGMP standards to meet regulatory challenges.

SUVEN has spent a total of Rs. 9.41 crores on R&D which constitutes Rs. 6.50 crores on Capital Expenditure and Rs. 2.91 crores on Revenue expenses. The R&D team strength has grown from 36 to 90 scientists.

SUVEN's in-house R&D is recognized by DSIR, Govt of India. The Tax benefit on investment in R&D will have an increase in deferred tax. The deferred tax during the current year is Rs. 3.14 crores (previous year Rs.1.20 crores). As a result of the significant increase in R&D expenses and deferred tax, there is decrease in post tax profit.

SUVEN has posted a turnover of Rs.35.22 crores with a 10% growth and the growth in exports is significant which is at 20% with Rs. 31.03 crores (previous year Rs. 25.78 crores). The profit before tax stood at Rs. 9.13 crores (previous year Rs. 10.87 crores). The decrease in PBT inspite of good turnover could be attributed mainly on account of product mix which constitute high-volume-low- value products. Another factor contributing to decrease in PBT is that there is no new commercialization from Contract Research And Manufacturing Services (CRAMS) during the year.