

November 28, 2003

Suven board to consider merger of subsidiary

Suven Life Sciences Ltd has informed the stock exchanges that a meeting of its board of directors would be held on December 4 to consider the merger of its subsidiary - Suven Synthesis Ltd - into the company.

The board would also consider and approve a proposal for further issue of shares on a preferential allotment basis. The other proposals include splitting of shares and increase in investment limits of foreign institutional investors.

Stating that the details of the preferential offer would be finalised at the board meeting, the Managing Director, Mr Venkat Jasti, told Business Line that the company proposed to raise the funds required to meet the capital expenditure programmes and also to clear debts. (Business Line)

Suven Life Sciences may merge arm with self

The board of Suven Life Sciences is meeting on 4 December 2003 to consider the merger of Suven Synthesis, a subsidiary, with the company. During the course of the meeting, the board will also discuss proposals to issue shares on preferential basis, and increase the FII investment limit.

Suven Life Sciences was formerly known as Suven Pharma (SUVP.BO, news) . For the second quarter of the current fiscal, the company reported a 140% increase in net profit at Rs 2.51 crore. Turnover increased 31% to Rs 13.23 crore during the same period.

For the first half ended 30 September, the company's net profit and turnover stood at Rs 4.87 crore (Rs 2.49 crore) and Rs 28 crore (Rs 18.23 crore), respectively.

"Their cost price was Rs 250 a share. Now they saw an opportunity and made a profit booking. It's purely their internal decision. However, our business relationship with Borreggard remains same," said Venkat Jasti, managing director of Suven Pharma, said.

Meanwhile, the board of Suven Life decided to issue 2 lakh equity shares to Emerging Markets Management, 1.75 lakh equity shares to Aeneas Portfolio Company and 1.25 lakh equity shares to Batterymarch Financial Management Inc (all the three are FIIs) at a price of Rs 457 per share. With this, the FIIs holding in the company stands at 10 per cent, as against nil as on December 14. (www.capitalmarket.com)

Suven plans pref issue, share split, merger of arm

Suven Pharmaceuticals, a city-based pharma company with a focus on contract research and manufacturing services, is planning for the issues of equity shares on preferential basis, split of existing equity shares, increase of FII limit and merger of 100 per cent subsidiary, Suven Synthesis Ltd, with it.

The board of directors of the company is scheduled to meet on December 4 to consider these proposals.

While the company plans to issue 5 to 10 lakh equity shares on the preferential basis to meet the financial requirements of business expansion plans, the share split is aimed at improving the liquidity for the stock on bourses.

The company's 100 per cent subsidiary, Suven Synthesis Ltd, has active pharmaceutical ingredients (APIs) manufacturing capacity on the outskirts of Hyderabad.

The unit recently commenced trial runs and undergoing validation process. The company hopes to get US FDA approval for this unit and a drug master file (DMF) has already been filed with US FDA in August.

Suven hopes that the new unit would play a strategic role in commercialising the captive pipeline from the custom synthesis.

Suven has invested Rs 18 crore on the new unit. It may be recalled that the Rs 50-crore Suven Pharma (SUVP.BO, news) , in which the Norwegian company Borregaard holds about 17 per cent stake, promoted a wholly owned subsidiary called Suven Life Sciences Llc in US in April this year to showcase its offerings with a 'proof of concept' lab there.

Suven also entered into a 3-way strategic alliance in March this year with Chennai-based Shasun Chemicals and Drugs Ltd, Mumbai-based Innovasynth Technologies (India) Ltd and US-based Austin Chemical Company to tap the outsourcing opportunities in pharma industry.

For the first-half ended September 30, Suven recorded a net profit and turnover stood at Rs 4.87 crore and Rs 28 crore, respectively. (Yahoo! India Finance)