

December 18, 2003

Suven Life to raise Rs 27.4 cr through preferential issue

In Suven Life Sciences is planning to raise Rs 27.42 crore on a preferential basis by offering six lakh shares at Rs 457 per share. The price has been arrived at on the basis of the Sebi formula on preferential allotment.

The funds raised through the preferential offer will be utilised for R&D activities, modernisation and expansion of facilities and general corporate purposes. Suven Life Sciences had earlier this month sought approval from the company's board for a preferential offer of 10 lakh shares.

According to a press release issued by the company, the offer is being subscribed by foreign institutional investors that include Aeneas Portfolio Company LP, Batterymarch Financial Management, Emerging Markets Management LLC and their affiliates, associates and nominees.

An NRI investor, Dr Rambabu Chirumamilla, has also subscribed to the preferential issue. The FIIs, their affiliates, associates and nominees will together hold 13.73% of the post-preferential issue capital of the company.

An EGM for the members' approval will be held on January 5, 2004. With a current equity base of Rs 4.4 crore, the promoters' holding stands at 58.93%, while 17.69% is held by public.

The foreign bodies shareholding stands at 17.05%, NRIs hold 4.69% and institutional investors have 0.04% shareholding in the equity capital. (The Times of India)

Borregaard exits Suven Life Sciences

Borregaard Industries Ltd, a Norwegian pharma player, has offloaded its entire 17.05 per cent stake (7.50 lakh equity shares) in the city-based Suven Life Sciences Ltd (formerly Suven Pharma) in open market through BSE.

In a separate development, the board of Suven Life Sciences has decided to issue 5 lakh equity shares to 3 foreign institutional investors (FIIs) and 1 lakh equity shares to an NRI investor on preferential basis at a price of Rs 457 a share.

Borregaard, which has a business association with Suven since 1993, acquired 4 lakh equity shares through a preferential offer in March 2001 at a price of Rs 250 a share. It has acquired another 3.5 lakh equity shares in the market in the same year at around 250 a share.

According sources, Borregaard sold its entire holding of 7.5 lakh shares on December 16 at an average Rs 410 a share. Of these shares, 3 FIIs seem to acquired over 5 lakh, while the rest was absorbed by other players the market. Close to 9 lakh equity shares were traded in Suven counter on the BSE on December 16.

"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 Borregard 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. ([Business Standard](#))