

Govt Approves FDI Worth ₹4,000 Crore in Pharma Sector

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New Delhi: Proposals for foreign direct investment amounting to around ₹4,000 crore by four pharma and medical devices firms, including Torrent Pharmaceuticals and Bi-con's research services arm Syngene, were on Wednesday approved by the government.

The government, however, rejected proposal of drug firm Strides Arcolab to issue shares to non-resident and resident equity shareholders of Shasun Pharmaceuticals and deferred three proposals from other firms.

Ahmedabad-based Torrent Pharmaceuticals' ₹3,000-crore proposal for increasing FII investment limit to 35% from 13.09% was the biggest in terms of value approved by the government based on the recommendations of Foreign Investment Promotion Board (FIPB) in its meeting held May 28, 2015.

Syngene International's proposal to raise FDI of around ₹930 crore by raising the foreign investment to 44% from the approved

percentage of 10% was the second biggest in the pharma sector approved by the government on Wednesday. The company plans to raise the sum by way of initial public offering of equity shares to FIIs, FPIs and NRIs.

Approval was also given to FDI of ₹43.52 crore for Stericat Gut Strings Pvt Ltd as it sought to sell 77.5% stake to Groupe Peters Surgical LLC (22.5% of which would be via share swap), an official statement said.

Ordain Health Care Global Pvt Ltd also got the nod for its FDI proposal of ₹23.34 crore to purchase certain assets pertaining to Alkems Fertica from Alkem Laboratories Ltd.

The government, however, rejected proposal from Strides Arcolab for issuing shares to non-resident and resident equity shareholders of Shasun Pharmaceuticals Ltd under a scheme of merger.

The other FDI proposals in the pharma sector which were deferred include Celon Laboratories, Shantha Biotechnics and Sparsha Pharma International.