



**REPORT OF THE AUDIT COMMITTEE OF SUVEN LIFE SCIENCES LIMITED RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN SUVEN LIFE SCIENCES LIMITED ("THE DEMERGED COMPANY" OR "SLSL") AND SUVEN PHARMACEUTICALS LIMITED ("THE RESULTING COMPANY" OR "SPL") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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Date & Time of the Audit Committee meeting : 2:30 PM, 5 February, 2019

Venue of the Audit Committee meeting : **AT HYATT PLACE HYDERABAD,  
ROAD NO. 1, BANJARA HILLS,  
HYDERABAD, TELANGANA, INDIA – 500034**

Audit Committee Members Present

Shri D. G. Prasad - Chairman

Dr. M. R. Naidu - Member

Shri M Gopalakrishna - Member

Shri Santanu Mukherjee - Member

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1. In accordance with applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI (LODR) Regulations, 2015**") read with Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("**SEBI Scheme Circular**"), SEBI has amongst other requirements, sought a report from the Audit Committee of the Listed Companies recommending the draft Scheme of Arrangement after taking into consideration, inter alia, Share Entitlement Ratio Report and Fairness Opinion.
2. The Audit Committee of Suven Life Sciences Limited at its meeting held on 5 February 2019 at 2.30 PM at the **AT HYATT PLACE HYDERABAD, ROAD NO. 1, BANJARA HILLS, HYDERABAD, TELANGANA, INDIA – 500034**, examined the draft Scheme of Arrangement ("**the Scheme**") between Suven Life Sciences Limited ("**the Demerged Company**" or "**SLSL**") and Suven Pharmaceuticals Limited ("**the Resulting Company**" or "**SPL**") and their respective shareholders and creditors with effect from 1 October 2018 (the "**Appointed Date**").



**Suven Life Sciences Limited**

Registered Office: 8-2-334 | SDE Serene Chambers | 6th Floor | Road No.5 | Avenue 7  
Banjara Hills | Hyderabad - 500 034 | Telangana | India | CIN : L24110TG1989PLC009713  
Tel: 91 40 2354 1142/ 3311/ 3315 Fax: 91 40 2354 1152 Email: info@suven.com website: www.suven.com



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Shri D. G. Prasad - Chairman  
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1. In accordance with applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI (LODR) Regulations, 2015**") read with Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("**SEBI Scheme Circular**"), SEBI has amongst other requirements, sought a report from the Audit Committee of the Listed Companies recommending the draft Scheme of Arrangement after taking into consideration, inter alia, Share Entitlement Ratio Report and Fairness Opinion.
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3. The Audit Committee inter alia has taken into consideration the non- applicability of Valuation report pursuant to Para (I)(A)(4)(b) of Annexure I of SEBI Circular no CFD/DIL3/CIR/2017/21 dated March 10, 2017, the Share Entitlement Ratio Report dated 5 February 2019 issued by *M/s. Karvy & Co., Chartered Accountants* recommending the Share Entitlement Ratio for the demerger of “Contract Research and Manufacturing Services Undertaking” from the Demerged Company, on a going concern basis, into the Resulting Company as per the proposed Scheme of Arrangement and the Fairness Opinion dated 5 February 2019 issued by Ernst & Young Merchant Banking Services Private Limited.
4. The Audit Committee has also taken into consideration, the Certificate on accounting treatment dated 5 February 2019 issued by *M/s. Tukaram & Co, Independent Auditors*, certifying that the Scheme is in compliance with applicable accounting standards.
5. The Audit Committee notes that upon the Scheme becoming effective, the percentage holding of the shareholders of the Company in the paid up equity share capital of the Resulting Company would be identical to their shareholding in the Company. Accordingly, the determination of the share entitlement ratio with respect to the same, would be value neutral to the shareholders of the Company. The Audit Committee also notes that the draft Scheme does not adversely affect any of the rights of the shareholders or employees or creditors of the Company.
6. In our opinion, the above Share Entitlement Ratio Report and Fairness Opinion is fair and reasonable.
7. The Audit Committee based on the information given below, its observation and the discussion do hereby unanimously recommend the Scheme for favorable consideration by the Board of Directors, Stock Exchange(s) and Securities and Exchange Board of India:

### **Suven Life Sciences Limited**

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- (a) Draft Scheme of Arrangement of Demerger, duly initialed by the Company Secretary for the purpose of identification.
- (b) Certificate of M/s. Tukaram & Co, Independent Auditors regarding the accounting treatment.
- (c) Share Entitlement Ratio Report from M/s. Karvy & Co., Chartered Accountants dated 5 February 2019, pursuant to applicable SEBI (LODR) Regulations, 2015 read with SEBI Scheme Circular.
- (d) Fairness Opinion dated 5 February 2019 issued by Ernst & Young Merchant Banking Services Private Limited, on the Share Entitlement Ratio Report.

**For and on behalf of the Audit Committee of  
Board of Suven Life Sciences Limited**

A handwritten signature in blue ink, appearing to read 'D. G. Prasad', is written over a horizontal line.

**D. G. Prasad**  
**Chairman, Audit Committee**

Place: Hyderabad

Date: 5 February 2019



## **Suven Life Sciences Limited**