LETTER OF OFFER
October 18, 2022
For Eligible Equity Shareholders only

SUVEN LIFE SCIENCES LIMITED

Our Company was originally incorporated as 'Suven Pharmaceuticals Private Limited' in Hyderabad as a private limited company under the Companies Act, 1956 pursuant to certificate of incorporation dated March 9, 1989 bearing registration number 01-09713 of 1988-89 issued by the Registrar of Companies, Andhra Pradesh. Our Company was converted into a public limited company and the name of our Company was changed to 'Suven Pharmaceuticals Limited' pursuant to a fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated January 4, 1995 issued by the Registrar of Companies, Andhra Pradesh. Thereafter, the name of our Company was changed to its present name 'Suven Life Sciences Limited' pursuant to a fresh certificate of incorporation consequent upon change of name dated September 25, 2003 issued by the Registrar of Companies, Andhra Pradesh. For details of changes in the name of our Company and the registered office of our Company, see 'General Information' on page 34.

Registered & Corporate Office: 8-2-334, SDE Serene Chambers, 6th Floor, Road No. 5, Avenue 7, Banjara Hills, Hyderabad–500 034, Telangana, India
Contact Person: Shrenik Soni, Company Secretary and Compliance Officer; **Tel:** +91 40 2354 3311/ 1142
E-mail: info@suven.com; investorservices@suven.com; **Website:** www.suven.com
Corporate Identification Number: L24110TG1989PLC009713

OUR PROMOTERS: VENKATESWARLU JASTI AND SUDHARANI JASTI

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SUVEN LIFE SCIENCES LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UP TO 7,26,91,239 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH OF THE COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 55 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 54 PER EQUITY SHARE) AGGREGATING TO ₹ 39,980.18 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARES FOR EVERY 2 (TWO) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON TUESDAY, OCTOBER 18, 2022 ("RECORD DATE") (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE SEE THE SECTION ENTITLED "*TERMS OF THE ISSUE*" ON PAGE 192.

**Assuming full subscription*

WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

Neither our Company nor our Promoters or any of our Directors have been categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful Defaulter(s) or fraudulent borrower(s) issued by the RBI.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India **(SEBI)** nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to *'Risk Factors'* on page 17.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on the BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE** and together with BSE, collectively, referred to as the **Stock Exchanges**). Our Company has received 'in-principle' approvals from BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue through their letters dated October 6, 2022 and October 7, 2022 respectively Our Company will also make applications to BSE and NSE to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, as amended. For the purposes of the Issue, BSE is the Designated Stock Exchange.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
Ernst & Young Merchant Banking Services LLP The Ruby, 14th Floor, 29 Senapati Bapat Marg, Dadar (W) – 400028, Mumbai Maharashtra, India **Tel No.:** +91 22 6192 0000 **Email:** projectlife.rights@in.ey.com **Investor grievance e-mail:** investorgrievances@in.ey.com **Website:** www.ey.com/in/mb **Contact Person:** Chintan Hefa **SEBI Registration No.:** INM000010700	**KFin Technologies Limited** *(Formerly KFin Technologies Private Limited)* Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500 032, Telangana, India **Tel**: +91 40 6716 2222 **Email**: suven.rights@kfintech.com **Investor Grievance e-mail**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: Mr. M. Murali Krishna **SEBI Registration No.**: INR000000221

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON#
Monday, October 31, 2022	**Thursday , November 3, 2022**	**Thursday, November 10, 2022**

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

 # Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date) or such other time as may be permitted as per applicable law. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided in this section. References to any statutes, regulations, rules, guidelines or policies shall be to such act, regulation, rule, guideline or policy as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the same meanings ascribed to such terms under the SEBI ICDR Regulations, the SEBI Listing Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

The following list of capitalised terms used in this Letter of Offer is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Notwithstanding the foregoing, terms used in 'Industry Overview', 'Summary of this Letter of Offer', 'Statement of Special Tax Benefits', 'Financial Information' and 'Outstanding Litigation and Other Material Developments' on pages 53, 15, 50, and 180, respectively, shall, unless indicated otherwise, have the meaning ascribed to such terms in these respective sections

General terms

Terms	Description
'our Company', 'the Company', 'the Issuer' or 'Suven'	Suven Life Sciences Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at 8-2-334, SDE Serene Chambers, 6th Floor, Road No. 5, Avenue 7, Banjara Hills, Hyderabad–500 034, Telangana, India
'we, 'us', or 'our'	Unless the context otherwise indicates or implies or refers to our Company together with our Subsidiary, on a consolidated basis

Company related terms

Terms	Description
Articles of Association or Article(s)	Articles of Association of our Company, as amended from time to time
Auditor or Statutory Auditor	The current statutory auditor of our Company, namely, KARVY & Co., Chartered Accountants
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company for the financial year ended March 31, 2022 which comprises of the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss, including other comprehensive income, the consolidated cash flow statement and the standalone statement of changes in equity for the years ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details, see "*Financial Statements*" on page 84.
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013.
Board or Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Industry Report	Industry report titled "North America and APAC CNS Therapeutics" dated September 14, 2022 prepared by Grand View Research (India) Private Limited
Chief Financial Officer	The chief financial officer of our Company, namely, M. Mohan Kumar
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely, Shrenik Soni
Director(s)	Director(s) on the Board of Directors of our Company, unless otherwise specified

Terms	Description
Equity Shares	Fully paid-up equity shares of our Company of a face value of ₹ 1 each, unless otherwise specified in the context thereof
Equity Shareholder	A holder of Equity Shares
Executive Director(s)	Executive directors of our Company are Venkateswarlu Jasti and Sudharani Jasti
Group Company(ies)	Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations being Suven Pharmaceuticals Limited
Independent Director(s)	The independent Director(s) of our Company as per section 2(47) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, being Gopalakrishna Muddusetty, Santanu Mukherjee and Ananthasai Padmaja Jasthi
Key Managerial Personnel	Key management / managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in the chapter *'Our Management – Our Key Managerial Personnel*' on page 82
Materiality Policy	A policy adopted by our Company, in the Board meeting held on June 24, 2022 for identification of material litigation(s) for the purpose of disclosure of the same in this Letter of Offer
Memorandum or Memorandum of Association	Memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The Board of Directors constituted Nomination & Remuneration committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013
Previous Statutory Auditor	Tukaram & Co LLP, Chartered Accountants
Promoters	Venkateswarlu Jasti and Sudharani Jasti
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations
Registered Office	8-2-334, SDE Serene Chambers, 6th Floor, Road No.5, Avenue 7, Banjara Hills, Hyderabad–500 034, Telangana, India
'Registrar of Companies' or 'RoC'	Registrar of Companies, Telangana at Hyderabad
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations.
Subsidiary	Suven Neurosciences Inc., a wholly-owned subsidiary of our Company
Unaudited Consolidated June Financial Results	The limited review consolidated financial results of our Company as at and for the three months period ended June 30, 2022, which comprises the consolidated statement of profit and loss and other comprehensive income

Issue related terms

Term	Description
Abridged Letter of Offer	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot, Allotment or Allotted	Allotment of the Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Bank/ Banker to the Issue/ Refund Bank	Axis Bank Limited

Term	Description
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Rights Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Person(s) who is Allotted the Rights Equity Shares pursuant to the Allotment.
Applicant(s) or Investors	Eligible Equity Shareholder(s) and / or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Letter of Offer.
Application(s)	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online / electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of the Rights Equity Shares in the Issue.
Application Money	Aggregate amount payable at the time of Application i.e. ₹ 55 per Rights Equity Share applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize a SCSB to block the Bid Amount in the specified bank account maintained with such SCSB or to block the Bid Amount using the UPI Mechanism.
ASBA Account	A bank account maintained with a SCSB which may be blocked by such SCSB or the account of the RIBs blocked upon acceptance of UPI Mandate Request by the RIBs using the UPI Mechanism to the extent of the Bid Amount of the ASBA Applicant / Investor.
ASBA Applicant / ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all Applicants or Investors shall make an Application in the Issue only through ASBA facility.
ASBA Circulars	Collectively, the SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, the SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and the SEBI Circular SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022.
Banker to the Issue Agreement	Agreement dated October 12, 2022 entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for receipt of the Application Money.
Controlling Branches	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father / husband, investor status, occupation and bank account details, where applicable.
Depositories Act	The Depositories Act, 1996, as amended.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Depository (ies)	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, in this case being CDSL and NSDL.
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

Term	Description
Designated Stock Exchange	BSE Limited
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company as on the Record Date.
IEPF	Investor Education and Protection Fund.
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, i.e. Tuesday, October 18, 2022 and the Renouncee(s).
ISIN	International Securities Identification Number.
Issue	This issue of up to 7,26,91,239 Rights Equity Shares for cash at a price of ₹ 55 per Equity Share aggregating to ₹ 39,980.18 lakhs* on a rights basis to the Eligible Equity Shareholders of the Company in the ratio of 1 (One) Rights Equity Share for every 2 (Two) fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date. **Assuming full subscription*
Issue Agreement	Agreement dated October 12, 2022 entered into between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	Thursday, November 10, 2022
Issue Documents	Collectively, this Letter of Offer, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter, any other issue material
Issue Opening Date	Monday, October 31, 2022
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ 55 per Equity Share
Issue Size	Amount aggregating up to ₹ 39,980.18 lakhs* **Assuming full subscription*
Lead Manager	Ernst & Young Merchant Banking Services LLP
'Letter of Offer' or 'LOF'	The final letter of offer to be filed with the Stock Exchanges, and SEBI for information and dissemination on the SEBI's website
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations.
Monitoring Agency	CRISIL Ratings Limited
Monitoring Agency Agreement	Agreement dated October 17, 2022 entered into between the Company and the Monitoring Agency
Multiple Application Forms	More than one application forms submitted by an Eligible Equity Shareholder / Renouncee in respect of the same Rights Entitlement available in their demat account. However, supplementary applications in relation to further the Equity Shares with / without using additional Rights Entitlement will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue related expenses. For details, see *'Objects of the Issue'* on page 41
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circular and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circular and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before November 3, 2022.
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for the Rights Equity Shares, being October 18, 2022.
'Registrar to the Issue' or 'Registrar'	KFin Technologies Limited (Formerly KFin Technologies Private Limited)
Registrar Agreement	Agreement dated July 28, 2022, between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.

Term	Description
Renouncee(s)	Person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date and shall close on November 3, 2022 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement(s)	Number of the Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of the Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 1 (One) Rights Equity Share for every 2 (Two) Equity Shares held by an Eligible Equity Shareholder. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialised form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares	The Equity Shares offered and to be issued and allotted pursuant to the Issue.
Rights Equity Shareholder	A holder of the Rights Equity Shares, from time to time
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at the website of SEBI and/or such other website(s) as may be prescribed by SEBI from time to time
SEBI Rights Issue Circular	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 read with SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022.
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE and NSE.
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter or Fraudulent Borrower	A wilful defaulter or a fraudulent borrower as defined in Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Working Day(s)	Working day means all days on which commercial banks in Telangana are open for business. Further, in respect of Issue Period, working day means all days, excluding Sundays and public holidays, on which commercial banks in Telangana are open for business. Furthermore, in respect of the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Saturdays, Sundays and bank holidays, as per circulars issued by SEBI.

Industry related terms

Term	Description
AD	Alzheimer's Disease
ADHD	Attention Deficit Hyperactivity Disorder
AEDs	Antiepileptic Drugs
AMP PD	Accelerating Medicines Partnership Parkinson's Disease Program
ARDSI	Alzheimer's and Related Disorders Society of India
ASD	Autism Spectrum Disorder

Term	Description
BNP	B-Type Natriuretic Peptide
CDC	Centers for Disease Control and Prevention
CDMO	Contract Development and Manufacturing Organisation
CDSCO	Central Drug Standard Control Organisation
DMT	Disease Modifying Therapies
EMA	European Medicines Agency
FDA	Food and Drug Administration
MRI	Magnetic resonance imaging
MS	Multiple Sclerosis
NDSP	National Dementia Support Program
NGS	Next Generation Sequencing
NIHR	National Institute of Health Research
NMPA	National Medical Product Authority
PD	Parkinson's Disease
PET	Positron Emission Tomography
PMDA	Pharmaceutical and Medical Devices Agency
SCARF	Schizophrenia Research Foundation
SHIS	Universal Statutory Health Insurance System
TBI	Traumatic Brain Injury
WHO	World Health Organization

Conventional and general terms or abbreviations

Term	Description
'₹', 'Rs.', 'Rupees' or 'INR'	Indian Rupees
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations.
'AS' or 'Accounting Standards'	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the relevant rules made thereunder.
Companies Act / Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder
COVID-19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020 by the World Health Organization
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade
DP ID	Depository Participant's Identification
'DP' or 'Depository Participant'	A depository participant as defined under the Depositories Act.
EBITDA	EBITDA for Fiscals 2022 and 2021 and Unaudited Consolidated June Financial Results is calculated as profit / (loss) after tax expenses from continuing operations for the year / period, adjusted for tax expenses, exceptional items, finance costs, depreciation and amortization expenses.
FDI	Foreign Direct Investment
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020 issued by the DPIIT Ministry of Commerce and Industry, Government of India.
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
'Financial Year', 'Fiscal', 'fiscal', 'Fiscal Year' or 'FY'	Unless stated otherwise, the period of 12 months ending March 31 of that particular year.
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.

Term	Description
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations.
GAAP	Generally accepted accounting principles
'GoI' or 'Government'	Government of India
'Income Tax Act' or 'IT Act'	Income Tax Act, 1961
Ind AS	Indian Accounting Standards as referred to in and notified under the Ind AS Rules.
India	Republic of India
'N.A.' or 'NA'	Not Applicable
NACH	National Automated Clearing House
NBFC	Non-Banking Financial Company
NBFC-SI	Systemically Important NBFC
No.	Number
NRI	A person resident outside India, who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955.
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body (ies)
p.a.	Per annum
PAN	Permanent Account Number
Prospectus Regulation	Prospectus Regulation (EU) 2017 / 1129
'Qualified Institutional Buyers' or 'QIBs'	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Regulations S	Regulation S under the U.S. Securities Act
RoNW	Return on net worth
RBI	Reserve Bank of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed by the SEBI AIF Regulations
Stock Exchanges	Together, BSE and NSE
UPI	Unified Payment Interface
'U.S.' or 'USA' or 'United States'	United States of America
'USD' or 'US$'	United States Dollars, the lawful currency of the United States
U.S. Securities Act	United States Securities Act of 1933, as amended
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

NOTICE TO INVESTORS

In accordance with the SEBI ICDR Regulations, this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue (collectively, the "**Issue Materials**") will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Shareholders, who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to e-mail or send a physical copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and other applicable Issue materials, shall not be sent this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter the Application Form and other applicable Issue materials.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Lead Manager and the Stock Exchanges.

Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue materials have been sent on the registered email addresses of such Eligible Equity Shareholders.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. In particular, the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The Rights Entitlements and Rights Equity Shares are being offered and sold only to persons outside the United States in offshore transactions as defined in and in reliance on Regulation S under the Securities Act ("**Regulation S**"). Accordingly, the Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) or any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone (i) in the United States or (ii) in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer and any other Issue Materials should not distribute or send this Letter of Offer or any such documents in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see "*Restrictions on Purchases and Resales*" on page 219.

Rights Entitlements may not be transferred or sold to any person outside India.

Any person who makes an application to acquire Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States and is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or its respective affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the section entitled "*Restrictions on Purchases and Resales*" on page 219.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or

dispatched from the United States or jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager or its affiliates are making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

This Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

Unless otherwise stated, references to "we", "us", or "our" and similar terms are to Suven Life Sciences Limited on a consolidated basis and references to "the Company" and "our Company" are to Suven Life Sciences Limited on a standalone basis, and references to "you" are to the Equity Shareholders.

All references to 'India' contained in this Letter of Offer are to the Republic of India. All references to the 'Government', 'Indian Government', 'GoI', 'Central Government' are to the Government of India and all references to the 'State Government' are to the government of the relevant state. All references to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Unless stated otherwise, any time mentioned in this Letter of Offer is in Indian Standard Time.

In this Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Page Numbers

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated or the context requires otherwise, the financial data included in this Letter of Offer is derived from the Audited Consolidated Financial Statements and Unaudited Consolidated June Financial Results. For further information, see "*Financial Information*" on page 84.

We have prepared our Audited Consolidated Financial Statements in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**") and Unaudited Consolidated June Financial Results in accordance with recognition and measurement principles laid down in Ind AS and Regulation 33 of SEBI Listing Regulations. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Lakhs.

Currency and Units of Presentation

In this Letter of Offer, unless the context otherwise requires, all references to 'Rupees' or '₹ ' or 'Rs.' or 'INR' are to Indian rupees, the official currency of the Republic of India. Our Company has presented certain numerical information in this Letter of Offer in "lakhs" units, or in absolute number where the number have been too small to present in million unless as stated, otherwise, as applicable. 1 lakh represents 1,00,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than lakh, such figures appear in this Letter of Offer expressed in such denominations as provided in their respective sources.

Any percentage amounts, as set forth in '*Risk Factors'*, '*Our Business'*, '*Management's Discussion and Analysis of Financial Conditions and Results of Operations'* on pages 17, 73 and 153 and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Audited Consolidated Financial Statements.

Non-GAAP Measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as EBITDA, Adjusted EBITDA, Net Worth, Return on Net Worth and Net Asset Value per share and total expenses have been included in this Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Exchange Rates

This Letter of Offer contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupees and USD:

Currency	Exchange rate as on		
	June 30, 2022	**March 31, 2022**	**March 31, 2021**
1 US$	78.94	75.81	73.50

(Source: www.fbil.org.in. Note: Rounded off to two decimals)
Wherever the exchange rate was not available on account of June 30th or March 31st being a holiday, the exchange rate as of the immediately preceding working day has been provided.

Industry and Market Data

Unless stated otherwise, industry, market data and demographic used in this Letter of Offer has been obtained or derived from market research, publicly available information, government sources as well as industry publication and sources. Further, the information has also been derived from the report titled '*North America and APAC CNS Therapeutics* dated September 14, 2022 (Industry Report) which has been commissioned and paid for by our Company from Grand View Research (India) Private Limited. For risks in relation to commissioned reports, see '*Risk Factor Certain data in this Letter of Offer is based on reports prepared by third party sources and management estimates*.' on page 26.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts, and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the '*Risk Factors*' on page 17. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

Further, the extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. In addition, certain data in relation to our Company used in this Letter of Offer has been obtained or derived from the Industry Report which may differ in certain respects from our Audited Consolidated Financial Statements as a result of, inter alia, the methodologies used in compiling such data. Accordingly, investment decision should not be made based on such information.

FORWARD-LOOKING STATEMENTS

This Letter of Offer contains certain "forward-looking statements" which are not historical facts. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "can", "could", "continue", "expect", "estimate", "intend", "may", "likely", "objective", "plan", "propose", "project", "seek to", "will", "will continue", "will pursue", "would", "will likely result", "is likely", "are likely", "expected to", "will achieve" or other words or phrases of similar import but are not the exclusive means of identifying such statements. Similarly, statements that describe our strategies, objectives, plans, goals, future events, future financial performance, or financial needs are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations, and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

These forward-looking statements, whether made by us or a third-party, are based on our current plans, estimates, presumptions and expectations and actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- our dependence on the continued outsourcing of R&D by pharmaceutical and biotechnology companies;
- our dependence on a limited number of clients, and a loss of or significant decrease in business from them;
- failure to effectively develop and market new molecules;
- failure to obtain or retain the various approvals and licenses required to operate our business;
- our ability to effectively compete against current and future competitors;
- failure to protect the intellectual property rights of our clients;
- our ability to attract and retain our Key Managerial Personnel;
- risks arising from changes in interest rates, currency fluctuations and inflation; and
- general economic and business conditions in India and other countries.

For further discussion on factors that could cause actual results to differ from expectations, see '*Risk Factors*', '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' on pages 17, 73 and 153 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure you that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Letter of Offer and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions,

which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Lead Manager nor any of their respective affiliates has any obligation to update or otherwise revise any statements whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise reflecting circumstances arising after the date of this Letter of Offer or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. All forward looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with the SEBI ICDR Regulations, our Company and the Lead Manager will ensure that Eligible Equity Shareholders are informed of material developments from the date of this Letter of Offer until the Allotment of the Rights Equity Shares.

SUMMARY OF THIS LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of Offer, including the chapters titled "Risk Factors", "Objects of the Issue", "Our Business" and "Outstanding Litigations and Defaults" on pages 17, 41, 73 and 180, respectively.

Primary Business of the Issuer

We are a bio-pharmaceutical company, focused on discovering and developing novel pharmaceutical products, for central nervous system ("**CNS**") disorders using G Protein-Coupled Receptor targets. Our focus has been on discovery and development of innovative molecules targeting diseases and areas, which has undiscovered medical treatment opportunities. Our Company singularly focuses on development of "New Chemical Entities" **("NCEs")** molecules for CNS diseases such as Alzheimer's, various forms of Dementia, Narcolepsy, Major Depressive Disorder ("**MDD**"), Attention Deficient Hyperactivity Disorder ("**ADHD**"), Huntington's disease, Parkinson, Bipolar disorder and different forms of neuropsychiatry disorders, gastro and pain.

Objects of the Issue

Our Company intends to utilize the Net Proceeds raised through the Issue towards the following objects

(in ₹ lakhs)

Particulars	Estimated amount (up to)[#]
Meeting costs related to pharmaceutical research & development and clinical trial for molecules in the research pipelines;	25,001.48
Repayment of an inter-corporate deposit availed by our Company;	5,000.00
General corporate purposes[*]	9,698.70
Total Net Proceeds**	**39,700.18**

**Subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

*** Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*

 # rounded off to the nearest hundredths place

For further details, see "*Objects of the Issue*" on page 41.

Intention and extent of participation by our Promoters/ Promoter Group with respect to (i) their rights entitlement; and (ii) their intention to subscribe over and above their right entitlement

Our Promoter, viz., Venkateswarlu Jasti, vide his letter dated October 18, 2022 (the "**Promoter Subscription Letter**") on behalf of the Promoters and Promoter Group of the Company, has confirmed that they intend to (i) subscribe to their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of the Promoters or other member(s) of our Promoter Group); and/or (ii) subscribe to the Rights Entitlements, if any, which are renounced in their favour by our Promoters or any other member(s) of the Promoter Group, each as may be applicable.

The allotment of Equity Shares of the Company subscribed by the Promoters and the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Summary of outstanding litigations and defaults

There are no outstanding legal proceedings involving our Company and our Subsidiary as on the date of this Letter of Offer.

Risk Factors

For details, see "*Risk Factors*" on page 17. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

Contingent Liabilities

For details regarding our contingent liabilities as per Ind AS 37 for the Financial Year 2022 and Financial Year 2021, please see the section entitled "*Financial Statements*" on page 84.

Related Party Transactions

For details regarding our related party transactions as per Ind AS 24 entered into by our Company for Financial Year 2022 and Financial Year 2021 please see the section entitled "*Financial Statements*" on page 84.

Issue of Equity Shares for consideration other than cash

Our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of filing of this Letter of Offer.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment decision. The risks described below are not the only ones relevant to us, the Equity Shares, the industry or regions in which we operate or the investments in securities of Indian issuers. If one, or any combination, of the following risks or other risks which are not currently known or are now deemed immaterial actually occurs or were to occur, our business, results of operations, financial condition and prospects could suffer and the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Further, some events may be material collectively rather than individually.

Additional risks not presently known to us or that we currently deem immaterial may also adversely affect our business operations. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Issue. To obtain a complete understanding of our business, you should read this section in conjunction with the section entitled "Our Business" and "Financial Statements" on pages 73 and 84, respectively.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and the section entitled "Forward Looking Statements" on page 13.

All financial information used in this section is derived from the Financial Statements. For additional details, please refer to the section titled "Financial Statements" beginning on page 84.

RISKS RELATING TO OUR BUSINESS

1. Monetization of our business activity with respect to our NCEs is uncertain. Any failure to achieve monetisation of our drug discovery business would render all our investments, time and effort made for all our innovation R&D activities futile.

As on June 30, 2022, we have been granted 2,509 product patents, in various jurisdictions for 53 inventions under our drug discovery activities. Typically, an NCE activity involves several stages of innovation starting from drug discovery, clinical trials, regulatory approvals and commercialization. Our proprietary drugs are in various stages of pre-clinical and clinical trials.

Drug innovation business is inherently capital intensive and generally takes around 10-15 years on an average before commercialisation. Every step in the process is dependent on the success of the prior step. At any point in time due to either failure of a particular step or commercial unviability of the new drug, the research and development activities related to the new drug discovery process may be suspended or discontinued. The success of the new drug discovery depends on internal and external factors, the important ones being, government policies, laws, rules and regulations affecting the business or industry in which we operate, human resources with expertise in the strategic therapy area, early decision making, commercial viability, differences in the responses observed in animal/human models vis-à-vis responses in patient population, national policies, infrastructure both in terms of internal and external e.g. clinical trial set up, approvals/delay in approval by ethics committees, site selection, patient recruitment rate during clinical trials, etc, efficacy and safety outcomes in clinical trials, changing treatment landscape, additional data requirement by regulatory authorities after new drug application submissions. Any failure at any of the stages of the process may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose. We cannot assure you that our activities in the drug innovation business will be successful. In the event that any drug which we are innovating fails at any of the stages of innovation or any alternative drug is commercialised in the market, we stand to lose all or most of our investments, time and effort made for all the R&D activities which may adversely affect our future revenues. Additionally, in case of successful completion of clinical trials, we may not be in a position to successfully monetize our innovative drug due to regulatory restrictions, if any, which may lead to subdued revenues from such activities.

For our NCEs to contribute to our revenues, we need to successfully monetize them at an advanced stage of drug innovation life cycle. Once a product is developed by our R&D units, it needs to be timely commercialised for it to contribute to the revenue of our Company. It cannot be assured that we will be able to successfully monetize our NCEs in the future without any undue delay. In the event, we do not successfully commercialise or monetise our NCEs or if our commercialisation is unduly delayed for any reason whatsoever, it may adversely affect our business operations and growth prospects.

2. ***If we are unable to develop and register intellectual property rights and protect them or if we infringe on the intellectual property rights of others, we may be subject to legal proceedings. Such failure to obtain registration/ protect our intellectual property rights or legal proceedings could adversely affect our competitive position, business, financial condition.***

Our success also depends, in part, on our ability in the future to obtain and protect intellectual property rights and operate without infringing the intellectual property rights of others. As of June 30, 2022, we had 2,509 patents worldwide. While we take necessary steps to protect our intellectual property and proprietary rights over our products, particularly our patents, we cannot assure you that these will always be adequate to prevent third parties from using any of our intellectual property without authorization or infringing on our rights. Our competitors may have filed patent applications, or hold patents, relating to products or processes that compete with those we are developing, or their patents may impair our ability to do business in a particular geographic area.

There can be no assurance that we would be able to obtain patent registrations in all the jurisdictions which we have applied or intend to apply. Such failure to protect our intellectual property rights may adversely affect our competitive business position. If any of our unregistered proprietary rights are registered by a third party, we may not be able to make use of such proprietary rights in connection with our business and consequently, we may be unable to capitalize on the value associated such intellectual properties.

If we fail to receive the registration of our patents, we may be required to invest significant resources in developing a new process/product. Further, the intellectual property protection obtained by us may be inadequate and/or we may be unable to detect any unauthorized use and/or that we may need to undertake expensive and time-consuming litigation to protect our intellectual property rights and this may have an adverse effect on our business, prospects, results of operations and financial condition. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the pharmaceuticals industry could be harmed. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

In the normal course of business, we may be subject to various lawsuits involving patent infringement and the ultimate outcome of litigation could adversely affect our results of operations, financial condition and cash flows. Regardless of regulatory approval, should anyone commence a lawsuit against us with respect to any alleged patent infringement by us, whether because of the filing of an application for governmental approval, such as an ANDA, or otherwise, the expense of any such litigation and the resulting disruption to our business, whether or not we are successful, could harm our business. The uncertainties inherent in patent litigation make it difficult for us to predict the outcome of any such litigation.

3. ***Our business is research-driven which is dynamic and ever changing and we may not be able to adapt to such changes and maintain our growth in face of the competitive environment that we currently operate in. Any such unplanned or significant capital expense could adversely affect our financial condition.***

Our Company is a research driven company. Our industry is dynamic due to technological advances and scientific discoveries characterized by high expenses incurred on R&D. Our industry involves specialised research and development and manufacturing of various types of chemical formulations including intermediates. For such R&D, we require specific skill sets. Further, as the industry is dynamic in nature and ever changing, we may fail to adapt to such changes. Although our research team have considerable knowledge and expertise in R&D, we cannot assure if they can manage to keep up with the pace of constant changes and diversification. Further, since we operate in a highly competitive environment globally, it cannot be assured that we will be able to keep pace with our competitors in terms of investments in R&D, expansion, acquisitions for inorganic growth, etc. If we cannot keep pace with our competitors or continuously innovate and develop new molecules, our business and financial conditions may be adversely affected.

4. ***We depend on a limited number of CROs for conducting clinical trials. Our inability to renew our agreements / arrangements with such CROs on terms acceptable to us or at all could adversely affect our business, results of operations and future prospects. Further, any future conflicts with such CROs may also adversely affect our business, results of operations and future prospects.***

We depend on a limited number of CROs primarily located at USA for conducting clinical trials. We cannot assure you that we will be able to renew our agreements with the CROs on commercially acceptable terms or at all. In the event our existing agreements are terminated, we will be required to re-negotiate the terms of agreements with the existing CROs or new CROs for clinical trials and we cannot assure that the new arrangements will be on commercially acceptable terms. In the event we are unable to enter into new agreements, or renew or extend the term of the existing agreements with the CROs on terms acceptable to us or at all, our business, results of operations and future prospects could be adversely be affected.

5. ***Our clinical trials create a risk of liability and increased regulations, which may have an adverse impact on our business and results of operations.***

Clinical services involve the testing of new drugs, biologics and devices on animal and human volunteers. This testing creates risks of liability for personal injury, sickness or death of patients resulting from their participation in the study and trials. These risks include unforeseen adverse side effects, improper application or administration of a new drug and the professional malpractice of medical care providers.

Some of our volunteer patients may be seriously ill or be at heightened risk of future illness or death. We could be held liable for errors or omissions in connection with the trials conducted by the CROs we engage, in relation to the clinical trials including, but not limited to, adverse reactions to the administration of drugs. We may be held liable for injury or loss of life or damage to any body organ of any volunteer/ patient on account of any clinical trial conducted by the CROs we engage. We may be required to pay substantial damages or incur legal costs in connection with defending any claims arising out of injury or loss of life or damage to any body organ of any volunteer/ patient on account of any clinical trial conducted by us. If we are required to pay damages or bear the costs of defending any claim for loss of life or damage to any body organ of any volunteer/ patient on account of any clinical trial that is beyond the level of any insurance coverage, our business and results of operations may be adversely impacted. In addition, regulatory agencies may introduce newer stricter regulations that prevent or restrict clinical studies and trials.

6. ***The drug research and development industry is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition and cash flows.***

The drug research and development industry is highly competitive. Our business often competes with other biopharmaceutical services companies, internal discovery departments, development departments, and other departments within our clients, some of which could be considered large biopharmaceutical services companies in their own right with greater resources than ours. We also compete with universities, teaching hospitals, governments agencies and others. If we do not compete successfully, our business will suffer. The biopharmaceutical services industry is highly fragmented, with numerous smaller specialized companies and a handful of companies with global capabilities similar to certain of our own capabilities. Increased competition has led to price and other forms of competition, such as acceptance of less favorable contract terms,that could adversely affect our operating results. There are few barriers to entry for companies considering offering any one or more of the services we offer. Because of their size and focus, these companies might compete effectively against us, which could have a material adverse impact on our business.

Our future growth and success will depend on our ability to successfully compete with other companies that provide similar services in the same markets, some of which may have financial, marketing, technical and other advantages. Large companies with substantial resources, technical expertise and greater brand power could also decide to enter or further expand in the markets where our business operates and compete with us. We compete on the basis of various factors, including breadth and depth of services, reputation, reliability, quality, geographic coverage, innovation, security, price and industry expertise and experience. In addition, our ability to compete successfully may be impacted by the growing availability of health information from social media, government health information systems and other free or low-cost sources. Further, we regularly provide services to biopharmaceutical companies who compete with each other, and we sometimes provide services to such clients regarding competing drugs in development. Our existing or future relationships with our biopharmaceutical clients may therefore deter other biopharmaceutical clients from using our services or may result in our clients seeking to place limits on our ability to serve other biopharmaceutical industry participants in connection with drug

development activities. In addition, our further expansion into the broader healthcare market may adversely impact our relationships with biopharmaceutical clients, and such clients may elect not to use our services, reduce the scope of services that we provide to them or seek to place restrictions on our ability to serve clients in the broader healthcare market with interests that are adverse to theirs. A loss of clients or reductions in the level of revenues from a client could have a material adverse effect on our business, results of operations, cash flows, financial condition and/or reputation.

7. Our molecules are at various stages of development and we may not successfully develop or there may be a delay in the molecules becoming commercially viable. If our licensing /commercialisation is delayed this may harm our operating results. If we are unable to successfully develop and licence or commercialise our new molecules/ products or if our licensing /commercialisation is delayed, our business, results of operation and financial condition may be adversely affected.

Our future results of operations will depend upon our ability to successfully develop and licence of molecules. The drug discovery and development process is highly uncertain and we may not be successful in developing a molecule that ultimately leads to a commercially viable drug. Promising results in preclinical development or early clinical trials may not be indicative of the results which may be obtained in later clinical trials.

Pharmaceutical companies experience significant setbacks in advanced clinical trials, even after obtaining promising results in earlier pre-clinical and clinical trials. At any time, the USFDA or any other regulatory authority may place a clinical trial on hold, or temporarily or permanently stop the trial, for a variety of reasons, principally for safety concerns. We may experience numerous unforeseen events during, or as a result of, the clinical development process that could delay or prevent our molecules from being approved, including, failure to achieve clinical trial results that indicate a candidate is effective in treating a specified condition or illness in humans, presence of harmful side effects, determination by the USFDA or any regulatory authority that the submitted data do not satisfy the criteria for approval, lack of commercial viability of the drug, failure to acquire, on reasonable terms, intellectual property rights necessary for commercialization; and development of newer therapeutics that are more effective. If we are unable to successfully develop and licence or commercialise our new drug candidate products or if our licensing /commercialisation is delayed, our business, results of operation and financial condition may be adversely affected.

8. ***We are dependent on our senior management to manage our current operations and meet future business challenges. Our success depends on our senior management team including scientists who play a vital role in drug discovery and clinical trials and our ability to attract and retain such persons. Any failure to retain our senior management team or to replace them with persons of comparable skills and expertise may materially affect our business and results of operations.***

Our future success is dependent on our senior management to maintain strategic direction, manage current operations and risk profile and meet future business challenges. Our Company may not be able to benefit from the experience and expertise of our other Directors if any of them cease or are disqualified to be a Director on the Board of our Company. Further, our success depends on our talented team including scientists who play a vital role in drug discovery and clinical trials. As on July 31, 2022, we had 128 employees out of which 6 are PhD holders and 94 are M.Sc. graduates who play an important role in our business activities. Additionally, our Company may not be able to benefit from the experience and expertise of our other Directors if any of them cease or are disqualified to be a Director on the Board of our Company. Our Company does not maintain keyman insurance and the loss of, or inability to attract or retain, such persons could adversely affect our business and results of operations. For example, the expertise, experience and services of our Company's current Executive Directors and senior management are integral to our business. If one or more of these key personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly or at all, and we may not be able to further augment our management team appropriately and this could have a material adverse effect on our business, results of operations and financial condition.

9. Our ongoing clinical development programs may be delayed and cancelled, which could materially harm our potential future revenues and earnings. Information relating to our ongoing clinical development programs may not be representative of our future results

Presently, we are in the process of conducting clinical trials of Masupirdine (SUVN-502) for agitations in Alzheimer's type patients and Samelisant (SUVN-G3031) for narcolepsy with CROs. Our ongoing clinical trials do not necessarily indicate future earnings related to the completion of clinical trials nor indicate their

approvability by regulators. Normally, the quotations/proposals from CROs are valid for the period of 3 to 5 years and is eligible for extension as may be necessitated from time to time. Changes in costs may be necessitated due to change in regulatory requirements, need for additional clinical trials or non-availability of patients for recruitments in trials or need for additional patients due to withdrawal of patients during the trial, hence, this may result in re-negotiation with CROs leading to cost escalation and delays in completion. Moreover, factors beyond our control or the control of our CROs may postpone our clinical trials or cause its cancellation, including delays or any other types of difficulties or obstructions. Thus, any delays or cancellation of our ongoing clinical development programs may materially harm our potential future revenues and earnings.

10. Our success depends on our ability to develop and commercialize new molecules in a timely manner. If our R&D efforts do not succeed, the introduction of new molecules may be hindered, which could adversely affect our business, growth and financial condition

Our success depends significantly on our ability to successfully commercialize our molecules under development in a timely manner. The development and commercialization process is both time consuming and costly, and involves a high degree of business risk. During these periods, our competitors may be developing similar molecules of which we are unaware of that could compete directly or indirectly with our products under development. Due to the prolonged period of time for developing a new molecules and delays associated with regulatory approval process, we may invest resources in developing molecules that will face competition of which we are currently unaware. Such unforeseen competition may hinder our ability to effectively plan the timing of our molecules development, which could have an adverse impact on our financial condition, cash flows and results of operations.

To develop our molecules pipeline, we commit substantial time, efforts, funds and other resources for R&D in areas which we believe have significant growth potential. Our R&D operations are focused on developing new molecules and complex molecules as well as improving the efficiency of our existing molecules. To accomplish this, we commit substantial effort, funds and other resources towards our R&D activities. We make significant investments in research and development of new molecules, which may result in significant cost with no assurances of future revenues or profits. The time from commencing research and development activity to a possible licensing of a molecules involves multiple stages during which the molecules may be abandoned as a result of factors such as developmental problems, the inability to achieve clinical goals and the inability to obtain necessary regulatory approvals in a timely manner or at all. Our molecules currently under development, if and when fully developed and tested, may not perform as we expect. As of June 30, 2022, we had two dedicated R&D centres canters, in the state of Telangana at (a) Pashamylaram, and (b) Jeedimetla, and for the financial years 2022 and 2021 and Unaudited Consolidated June Financial Results , we have spent ₹ 10,636.75 lakhs ₹ 7,102.73 and ₹ 1,824.96 lakhs, or 898.04%, 526.97% and 515.64% of our total revenue from operations towards our R&D and clinical trial work, respectively.

Our molecules currently under development, if and when fully developed and tested, may not perform as we expect, or necessary regulatory approvals may not be obtained in a timely manner, or at all, and we may not be able to successfully and profitably market such molecules. Even if we are successful in developing a new molecule, such molecules may become subject to litigation by other parties claiming that our molecule infringes on their patents or may be seized in transit by regulatory authorities for alleged infringement of third-party intellectual property rights or may be otherwise unsuccessful in the market place due to the introduction of superior molecules by our competitors. Moreover, it may take an extended period of time for our new molecules to gain market acceptance, if at all.

11. Reforms in the healthcare industry and the uncertainty associated with pharmaceutical pricing and reimbursement could adversely affect the pricing and demand for our molecules.

Our success will depend, in part, on the extent to which government and health administration authorities, private health insurers and other third-party purchasers will pay for drugs that contain our molecules. Increasing expenditures for healthcare have been the subject of considerable public attention in almost every jurisdiction where we conduct business. In many countries in which we currently operate, including India, pharmaceutical prices are subject to regulation.

12. Non-compliance with and changes in, safety, health, environmental and labor laws and other applicable regulations, may adversely affect our business, results of operations, financial condition and cash flows.

We are subject to various laws and government regulations, including in relation to safety, health, environmental protection and labour where we operate our business. These laws and regulations impose controls on air and water discharge, storage handling, employee exposure to hazardous substances and other aspects of our operations. We handle and use hazardous materials in our R&D and manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. We try to prevent such hazards by training our personnel, conducting industrial hygiene assessments and employing other safety measures. However, we cannot assure you that we will not experience accidents in the future. Any accident at our centre may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. We have also made and expect to continue making capital expenditures on an on-going basis to comply with all applicable environmental, health and safety and labour laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations.

13. Due to our reliance on CROs, investigators and other third parties to conduct our clinical trials, we are unable to directly control the timing, quality and expense of our clinical trials. Further, our inability to find a substitute or suitable replacement organization to carry out the clinical trials may adversely affect our business, results of operations.

We rely primarily on third parties to conduct our clinical trials. As a result, we have had and will continue to have less control over the conduct of our clinical trials, the timing and completion of the trials, the required reporting of adverse events and the management of data developed through the trial. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may have staffing difficulties, may undergo changes in priorities or may become financially distressed, adversely affecting their ability to conduct our trials. We may experience unexpected cost increases that are beyond our control. Problems with the timeliness or quality of the work of a contract manufacturing or CROs may lead us to seek to terminate the relationship and use an alternative service provider. We cannot assure you that we will be able to find a replacement organization that can conduct our trials in the manner, time and cost as desired by us. In the event we are unable to find a suitable replacement organization in time, or at all, to carry out the clinical trials, our business, results of operations and future prospects could be adversely be affected.

14. ***If our drug discovery and development programs do not progress as anticipated, it may adversely affect our revenue, business, operating results and financial condition.***

We estimate the timing of various preclinical, clinical, regulatory and other milestones for planning purposes, including when a molecule is expected to enter clinical trials, when a clinical trial will be completed, when and if additional clinical trials will commence, or when an application for regulatory approval will be filed. We base our estimates on facts that are currently known to us and on a variety of assumptions that may prove incorrect, many of which are beyond our control. In addition, in preparing these estimates we rely on the timeliness and accuracy of information and estimates reported or provided to us by our CROs.

Further, delays in the commencement or completion of clinical testing of our molecule could significantly affect our product development costs and our ability to generate revenue from these molecules. We do not know whether planned clinical trials will begin on time or be completed on schedule, if at all. The commencement and completion of clinical trials can be delayed for a number of reasons, including delays related to the ability of our Company or our licensors/CROs to obtain regulatory approval to commence a clinical trial or reach agreement on acceptable terms with prospective drug manufacturers, CROs and trial sites.

Clinical trials may also be delayed as a result of ambiguous or negative interim results. In addition, a clinical trial may be suspended or terminated by us or our CROs, the FDA overseeing the clinical trial at issue, any of our clinical trial sites with respect to that site, or other regulatory authorities due to a number of factors such as failure to conduct the clinical trial in accordance with regulatory requirements (including good clinical practices or our clinical protocols or inspection of the clinical trial operations, trial sites or research centres by the regulatory authorities resulting in findings of non-compliance and the imposition of a clinical hold.

Additionally, changes in regulatory requirements and guidance may occur and we may need to amend clinical trial protocols to reflect these changes. Amendments may require us to resubmit our clinical trial protocols to ethics committee, which may impact the costs, timing or successful completion of a clinical trial. If we experience delays in completion of, or if we terminate or suspend, any of our clinical trials, the commercial prospects for our product candidates may be impaired and our ability to generate product revenues will be delayed and/or reduced. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of a drug candidate.

15. Any failure in our information technology systems could adversely affect our business operations.

We use information and communication technology systems for our business operations. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. Although we have not experienced any significant disruptions to our information technology systems, we cannot assure you that we will not encounter disruptions in the future. Any such disruption may result in the loss of key information and disruption of production and business processes, which could adversely affect our business, results of operations and cash flows.

In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers (including information shared by our clients for contract manufacturing) and others. Any such security breaches could have an adverse effect on our business, reputation, results of operations, cash flows and financial condition.

16. If our drug candidates or molecules do not gain market acceptance, we may be unable to generate significant sales, which will have an adverse effect on our revenue from operations

Even if our drug candidates are approved for sale, they may not be successful in the market. Market acceptance of any of our drug candidates will depend on a number of factors including but not limited to, demonstration of clinical effectiveness and safety, potential advantages of our drug candidates over alternative treatments, ability to offer our drug candidates for sale at competitive prices and effectiveness of marketing and distribution methods for the products. If our drug candidates does not gain market acceptance among physicians, patients and others in the medical community, our ability to generate meaningful royalties from our drug candidates would be limited, which will have an adverse effect on the our revenue from operations and we may be unable to recover the expenses incurred by us in development of the product.

17. Failure to maintain confidential information of our clients could adversely affect our business, results of operations, cash flows, financial condition and/or reputation.

We are obligated to maintain certain confidentiality and non-disclosure obligations. In addition, certain of our agreements with our clients also provide that the confidentiality clause shall remain valid post the termination of the agreement for periods ranging from 3 years to 5 years from the date of receipt of confidential information.

In the event of any breach or alleged breach of our confidentiality obligations, these clients may terminate their engagements with us or initiate litigation for breach of contract. Moreover, most of these contracts do not contain provisions limiting our liability with respect to breaches of our obligation to keep the information we receive from them confidential. As a result, if our clients' confidential information is misappropriated by us or our employees, our clients may consider us liable for that act and seek damages and compensation from us, in addition, to seeking termination of the contract.

18. ***We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our research centres and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations.***

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business.

Several of these approvals are granted for a limited duration. Some of these approvals have expired and we have either made applications or are in the process of obtaining the approval for renewal. Further, while we have applied

for some of these approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our business, results of operations, cash flows, financial condition or growth prospects.

19. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with our equity shareholders.

We have in the past entered into transactions with enterprises over which our Directors and KMPs have a significant influence. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

Although in terms of the Companies Act and the SEBI Listing Regulations, we are required to adhere to various compliance requirements such as obtaining prior approvals from our Audit Committee, Board of Directors and Shareholders for certain related party transactions, there can be no assurance that such transactions, individually or in the aggregate, will receive the necessary approvals in future. Accordingly, any future transactions with our related parties could potentially involve conflicts of interest, which may be detrimental to our Company. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows. For further details of our related party transactions, see "*Financial Statements*" on page 84.

20. We require substantial financing for our business operations and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability

We require substantial capital for our business operations. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company, and could adversely impact our Equity Share price.

Our ability to obtain additional financing on favorable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate.

We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, results of operations and financial condition.

21. Our Registered Office, our research and development centres at Jeedimetla and Pashamylaram are located on leased premises. Our inability to seek renewals or extensions of such leases may adversely affect our business operations.

Our Registered Office, our research canters at Jeedimetla and Pashamylaram, are located on leased premises. We have entered into lease agreements with Suven Pharmaceuticals Limited in relation to use of these premises for a

period of 2 years 11 months for registered office ending on March 31, 2023 and for a period of 5 years for our research centres ending December 31, 2024

While there are currently no instances of non-compliance of the terms of our lease agreements, there can be no assurance that there will be no such non-compliance leading to termination of such leases in the future. Any change in the terms and conditions of the lease agreements and any premature termination of such lease agreements may have an adverse impact on our business operations. Any adverse impact on the title and ownership rights of the owners from whose premises we operate, breach of the contractual terms of any lease deeds, or any inability to renew such agreements on acceptable terms may also affect our business operations. There can be no assurance that we will be able to renew these leasing arrangements at commercially favourable terms, or at all. If we are unable to renew all or any of our leasing arrangements, it may cause disruptions in our business and we may incur substantial costs associated with shifting to new premises, all of which may adversely affect our business operations.

22. The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution and are based on management estimates.

We propose to utilise the Net Proceeds for meeting costs related to pharmaceutical research & development and clinical trial for molecules in the research pipelines, repayment of an inter-corporate deposit availed by our Company and for general corporate purposes. For details in relation to the objects of the Issue, see "*Objects of the Issue*" on page 41. Our funding requirements are based on internal management estimates, based on our past expenditure related to pharmaceutical research & development and clinical trial for molecules in the research pipelines, basis of existing contracts with CROs and have not been appraised by any bank, financial institution or external agency.

The planned use of the Net Proceeds is based on current conditions and is subject to changes in *inter alia* outcome of clinical trial for molecules in the research pipelines, competitive environment, financial prospectus or factors beyond our control. The nature of our business may require us to revise our requirements and deployment of Issue proceeds, since the process of pharmaceutical research and development and clinical trial of new chemical entities are dependent on various steps and each step is dependent on the success of the prior steps. The overall success of the NCE process is dependent on the success of each of the steps carried out in the process. In the event any of the steps in NCE fails due to any reason, the research and development activities related to the NCE may be suspended or de-prioritised. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular NCE project or replacing a particular NCE project with another/new/expansion of NCE project at the discretion of the management of our Company. We may also reallocate expenditure to newer projects or those with earlier completion dates in the case of delays (including delays that may be caused in obtaining, regulatory or local approvals and permits) in our pharmaceutical research and development and clinical trial. Depending upon the newer projects undertaken by us, we may also change the CROs at the discretion of the management of our Company.

Any such change in our plans may require rescheduling of our expenditure programs, starting projects that are not currently planned, discontinuing molecules in research pipeline currently planned and an increase or decrease in the expenditure for a particular molecule in research pipeline, at the discretion of the management of our Company. In the event of such changes, our management will have discretion to revise funding requirements and deployment schedules of the Net Proceeds. Further, any variation in the planned use of the Net Proceeds would also require prior Shareholders' approval and may involve considerable time or cost overrun if we are not able to obtain such approval in a timely manner, which may adversely affect our business or operations.

23. We have reported losses for the Fiscal 2022, Fiscal 2021 and Unaudited Consolidated June Financial Results and may incur losses in the future.

We reported losses after taxes amounting to ₹ (12,199.51) lakhs and ₹ (7,215.12) lakhs for the financial years ended March 31, 2022 and March 31, 2021 and ₹ (1,632.62) lakhs for Unaudited Consolidated June Financial Results which was primarily due to high operating cost towards Research & Development expenses. Our Company may incur losses in the future for a number of reasons and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown events. If our Company incur losses in the future or unable to generate sufficient revenue to meet our financial targets or unable to have sustainable positive cash flows, the market price of our Equity Shares could suffer and investors could lose its investment.

24. We have not declared/recommended dividends since demerger of CRAMS Business Undertaking to SPL our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

We have not declared dividends in the past since demerger and our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends in the future.

25. We had a negative cash flow in Financial Year 2022 and may continue to have negative cash flows in the future.

We had a cash outflow from operating activities of ₹ (12,753.70) lakhs for the financial year ended March 31, 2022. We cannot assure you that our operating cash flows or net cash flows will be positive in the future and if we continue to experience any such cash outflow in the future, it could adversely affect our business prospects, financial condition and results of operations. For further information, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 84 and 153, respectively.

26. Certain data in this Letter of Offer is based on reports prepared by third party sources and management estimates.

The industry, market data and demographic used in this Letter of Offer has been obtained or derived from market research, publicly available information, government sources as well as industry publication and sources. Further, the industry related data and projections are also based on reports prepared by a Grand View Research (India) Private Limited. We have not independently verified such data and therefore we are unable to confirm the accuracy of such data. Such information may be inconsistent with the facts and statistics compiled by other studies within or outside India. We are also unable to assure you that that such data is complete or accurate. Moreover, Grand View Research (India) Private Limited include projections that, by their very nature, is an estimation. In the light of the above, discussions of matters relating to Indian economy, APAC CNS Therapeutics and the industries in which we currently operate and their growth prospects, in this Letter of Offer, are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete and are speculative.

Further, the Industry Report uses certain methodologies for market sizing and forecasting. Neither we nor the Lead Manager have independently verified such data. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context. Investors should not place undue reliance on, or base their investment decision solely on this information.

27. Certain types of risks may not be covered under our existing insurance policies, since these may be uninsurable or not economically viable. Our insurance coverage may not be sufficient to fully cover us against an insured risk or loss.

While we believe that we maintain insurance coverage in amounts consistent with industry norms, our insurance policies do not cover all risks and are subject to exclusions and deductibles. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. If we suffer a significant uninsured loss or if our insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

28. Our Company has made investments and has committed to make investments in our Subsidiary, Suven Neurosciences, Inc. located in New Jersey, USA. Any deterioration in the value of our investments in our Subsidiary may have a material adverse effect on the financial conditions of our Company.

Presently all clinical development activities of the molecules from Phase 1 onwards are carried out by Subsidiary located in New Jersey, USA. Prior to incorporation of our Subsidiary in the year 2015, all the phase 1 studies and

clinical trial contracts were directly initiated from Suven Life Sciences Limited. Further, our Company has made investments and has committed to make investments (including through equity shares, convertible debentures, and debt) subject to the fulfilment and satisfaction of the conditions precedent and conditions subsequent as set out in the relevant transaction agreements, in our Subsidiary for augmenting its business. Any deterioration in the value of our investments in our Subsidiary, due to failure of business of our Company or otherwise, may impact our business strategies and also require our investments to be written down or written off, which could have a material adverse effect on our business and financial conditions of our Company.

29. Our business and operations have been and may in the future be adversely affected by the novel coronavirus (COVID-19) pandemic.

The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020. The GoI declared COVID-19 as a "notified disaster" on March 14, 2020, and initiated a nation-wide lockdown from March 24, 2020 that lasted until about May 31, 2020 due to which the operations at our research centres were suspended for certain period. The COVID-19 pandemic has also resulted in economic challenges driven by labour shortage, logistics disruptions and reduced demand. As a result, many industries have been exposed to disruptions in carrying out business operations, resulting in loss of business and reduction in cash flows, which has created stress in different sectors of the economy. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operation, financial condition and prospects. The extent to which the COVID-19 pandemic, and the related global economic impact, affect our business, results of operations and financial condition will depend on future developments that are highly uncertain and cannot be predicted, including the spread, scope and duration of the COVID-19 pandemic and any recovery period, the effectiveness of further steps taken by the GoI and the RBI to mitigate the economic impacts in response to the pandemic, the effects on our customers, CROs, employees and third-party service providers, and the time it takes for economic activities to return to pre-pandemic levels.

External Risk Factors

30. Economic, political or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and its securities markets are influenced by political conditions, economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising Financial Year or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of the Equity Shares.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatile inflation rates in India in recent years, which could cause a rise in the costs of rent, wages and raw materials; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, Financial Year or monetary policies; occurrence of natural or man-made disasters; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

Our performance and the growth of our business are dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect the policy of the Indian government towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. Any of the abovementioned factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of the Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

31. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. There can be no assurance that the Indian government may not implement new regulations and policies which will require us to obtain approvals and licences from the Indian government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations or cash flows. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

Any change in Indian tax laws could have an effect on our operations. For instance, as per the amended Income Tax Act, 1961 ("**IT Act**"), domestic companies may voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. Further, where a company has opted to pay the reduced corporate tax rate, the minimum alternate tax provisions would not be applicable to such a company. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

32. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

India's sovereign rating could be downgraded due to various factors, including changes in tax or Financial Year policy or a decline in India's foreign exchange reserves, which are outside of our control. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

33. Terrorist attacks, civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy, the health of which our business depends on.

India has from time to time experienced social and civil unrest and terrorist attacks. These events could lead to political or economic instability in India. Events of this nature in the future could have a material adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected. India has also experienced social unrest, Naxalite violence and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, financial condition and trading price of our Equity Shares.

34. Differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.

Our audited financial statements contained in this Letter of Offer have been prepared and presented in accordance with Ind AS and no attempt has been made to reconcile any of the information given in this Letter of Offer to any other principles or to base it on any other standards. Ind AS differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind AS and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Ind AS contained in this Letter of Offer. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is dependent on your familiarity with Ind AS and the Companies Act. Any reliance by persons not familiar with Ind AS on the financial disclosures presented in this Letter of Offer should accordingly be limited.

35. Changes in trade policies may affect us.

We are continuing to expand our international operations as part of our growth strategy. Any change in policies by the countries, in terms of tariff and non-tariff barriers, from which our suppliers import or export their raw materials or components, or countries to which we export our products, may have an adverse effect on our

profitability. Furthermore, we import various raw materials including APIs that are not produced in-house by us, intermediates, primary packaging materials and secondary packaging materials directly from our international suppliers. Any change in export policies by the countries in which our suppliers are based may have an adverse impact on our business.

36. It may not be possible for investors to enforce any judgment obtained outside India against us or any of our directors and executive officers in India respectively, except by way of a law suit in India on such judgment.

Our Company is incorporated under the laws of the Republic of India all of its directors reside in India. As a result, it may be difficult for investors to enforce the service of process upon our Company and any of our directors and executive officers India or to enforce judgments obtained against our Company and these persons in courts outside of India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and Hong Kong. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**Civil Code**"). Section 44A of the Civil Code provides that where a certified copy of a decree of any superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there are considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment.

37. Rights of shareholders under Indian laws may differ from the laws of other jurisdictions.

Our Articles of Association and Indian law govern our corporate affairs. Indian legal principles related to these matters and the validity of corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a company in another jurisdiction.

RISKS RELATING TO THE EQUITY SHARES AND THIS ISSUE

38. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

39. Applicants to the Issue are not allowed to withdraw their bids after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

40. The Rights Entitlements of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date (i.e., on or before Friday, November 4, 2022) to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date i.e. Wednesday, November 9, 2022. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

41. Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sale of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our

securities. Further, any future sales of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

42. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The Income Tax Act levies taxes on such long-term capital gains exceeding ₹ 1 lakh arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax (STT), on the sale of any Equity Shares held for more than 12 months at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. STT will be levied on the seller and/or the purchaser of the Equity Shares and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

The Government has announced the union budget for the Fiscal 2023, pursuant to which the Finance Bill, 2022, which proposes various amendments, has been introduced before the Parliament. We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

43. There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

44. The Issue Price of the Rights Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price of the Rights Equity Shares will be determined by our Company in consultation with the Lead Manager and the Designated Stock Exchange. This price may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

45. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

46. Fluctuations in the exchange rate between the Indian Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our results of operations.

The Rights Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Indian Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend received by investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rate between the Indian Rupee and other currencies (such as the U.S. dollar and the Singapore dollar) has changed substantially in the past and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our results of operations.

47. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

48. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

SECTION III – INTRODUCTION

THE ISSUE

The Issue has been authorized by way of resolution passed by our Board on June 24, 2022, pursuant to section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms and conditions of the Issue including the rights entitlement ratio, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Rights Issue Committee at its meeting held on October 12, 2022.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information included in '*Terms of the Issue'* on page 192.

Rights Equity Shares being offered by our Company	Up to 7,26,91,239 Equity Shares
Rights Entitlements	1 (One) Rights Equity Share for every 2 (Two) fully paid-up Equity Shares held on the Record Date
Record Date	October 18, 2022
Face value per Equity Share	₹ 1 each
Issue Price	₹ 55 per Rights Equity Share (including a premium of ₹ 54 per Rights Equity Share)
Dividend	Such dividend as may be recommended by our Board and declared by our Shareholders, in accordance with applicable law
Issue Size	₹ 39,980.18* lakhs **Assuming full subscription*
Equity Shares paid-up prior to the Issue	14,53,82,478 Equity Shares. For details, please see the section entitled "*Capital Structure*" on page 39.
Equity Shares paid-up after the Issue (assuming full subscription for and allotment of the Rights Equity Shares)	21,80,73,717[#] Equity Shares *#Assuming full subscription*
Security Codes	**ISIN:** INE495B01038 **BSE:** 530239 **NSE:** SUVEN
ISIN for Rights Entitlements	INE495B20012
Terms of the Issue	For further information, please see the section entitled "*Terms of the Issue*" on page 192
Use of Issue Proceeds	For further information, please see the section entitled "*Objects of the Issue*" on page 41

For details in relation fractional entitlements, please see the section entitled "*Terms of the Issue – Basis for this Issue and Terms of this Issue – Fractional Entitlements*" on page 209.

Terms of Payment

Due Date	Amount payable per Rights Equity Shares (including premium)
On the Issue application (i.e. along with the Application Form)	₹ 55

GENERAL INFORMATION

Our Company was originally incorporated as '*Suven Pharmaceuticals Private Limited*' in Hyderabad as a private limited company under the Companies Act, 1956 pursuant to certificate of incorporation dated March 9, 1989 bearing registration number 01-09713 of 1988-89 issued by the Registrar of Companies, Andhra Pradesh. Our Company was converted into a public limited company and the name of our Company was changed to '*Suven Pharmaceuticals Limited*' pursuant to a fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated January 4, 1995 issued by the Registrar of Companies, Andhra Pradesh. Thereafter, the name of our Company was changed to its present name '*Suven Life Sciences Limited*' pursuant to a fresh certificate of incorporation consequent upon change of name dated September 25, 2003 issued by the Registrar of Companies, Andhra Pradesh.

Changes in our registered office

Except as disclosed below, there has been no change in the registered office of our Company since incorporation:

Date of change of registered office	Details of the address of Registered Office
August 16, 1993	The registered office of our Company was changed from Plot No. 1325, Road No. 66, Jubilee Hills, Hyderabad to NATCO House, H. No. 8-2-120/112/A/32, Banjara Hills, Hyderabad.
September 20, 1995	The registered office of our Company was changed from NATCO House, H. No. 8-2-120/112/A/32, Banjara Hills, Hyderabad to Flat No. 205, Srinilaya Estates, Ameerpet, Hyderabad – 500 073.
November 10, 2000	The registered office of our Company was changed from Flat No. 205, Srinilaya Estates, Ameerpet, Hyderabad – 500 073 to 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad–500 034, Telangana, India

Registered and Corporate Office of our Company

Suven Life Sciences Limited
8-2-334, 6th Floor,
SDE Serene Chambers Road No. 5,
Avenue 7, Banjara Hills, Hyderabad,
Telangana – 500034, India.

Registration number and corporate identity number of our Company

The registration number and corporate identity number of our Company are as follows:

Company registration number: 009713

Corporate identity number: L24110TG1989PLC009713

Address of the RoC

Our Company is registered with the RoC, which is situated at the following address:

2nd Floor, Corporate Bhawan,
GSI Post, Nagole, Bhandlaguda,
Hyderabad – 500 068,
Telangana, India.

Company Secretary and Compliance Officer

Shrenik Soni is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Shrenik Soni
8-2-334, 6th Floor,

SDE Serene Chambers Road No. 5,
Avenue 7, Banjara Hills, Hyderabad,
Telangana – 500034, India.
Tel: + 91 40 2354 3311/1142
Email: shrenik@suven.com

Lead Manager to the Issue

Ernst and Young Merchant Banking Services LLP
14th Floor, The Ruby,
Senapati Bapat Marg,
Dadar (West), Mumbai – 400 028,
Maharashtra, India
Tel: +91 22 6192 0000
Email: projectlife.rights@in.ey.com
Investor Grievance Email: investorgrievances@in.ey.com
Website: www.ey.com/in/mb
Contact Person: Chintan Hefa
SEBI Registration No.: INM000010700

Legal Counsel to the Issue

M/s. Crawford Bayley and Co.
State Bank Building, 4th Floor
N.G.N. Vaidya Marg, Fort
Mumbai – 400 023
Maharashtra, India
Tel: +91 22 2266 3353
Email: sanjay.asher@crawfordbayley.com
Contact Person: Sanjay Asher

Statutory Auditor of our Company

M/s. KARVY & Co.
No. 2, Bhooma Plaza,
St. No. 4, Avenue 7,
Banjara Hills, Hyderabad,
Telangana – 500 034, India.
Tel.: +91 98490 20727
Peer review number: 013728
Firm Registration Number: 001757S
Email: ajaykosaraju@karvycompany.com
Contact Person: Ajay Kumar Kosaraju

Registrar to the Issue

KFin Technologies Limited
Selenium, Tower B, Plot No- 31 and 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad,
Rangareddi 500 032,
Telangana, India
Tel: +91 40 6716 2222
Email: suven.rights@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221
URL of SEBI website:
https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see the section entitled "*Terms of the Issue*" on page 192.

Experts

The Company has received consent from its Statutory Auditors, KARVY & Co., Chartered Accountants through its letter dated October 17, 2022 to include its name as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the Statement of Special Tax Benefits and Such consent has not been withdrawn as of the date of this Letter of Offer.

The Company has received consent from its previous Statutory Auditors, Tukaram & Co LLP, Chartered Accountants through its letter dated October 17, 2022 to include its name as required under Section 26(1) of the Companies Act, 2013 in this Letter of Offer and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the Audited Consolidated Financial Statements of the Statutory Auditors, the audit reports in respect of the Audited Consolidated Financial Statements and the report issued by them.

However, the term "expert" shall not be construed to mean an "Expert" as defined under the U.S. Securities Act.

Banker to the Issue / Refund Bank

Name: Axis Bank Limited
Address: Ground Floor, Neptune Society, N.S. Road, Mulund West, Mumbai - 400080
Tel: +91 9820937896
Email: mulund.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: G Shanker
SEBI Registration No.: INBI00000017

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Issue Schedule:

Particulars	**Day and Date**
Last Date for credit of the Rights Entitlements	Friday, October 28. 2022
Issue Opening Date	Monday, October 31, 2022
Last date for On Market Renunciation of the Rights Entitlements[#]	Thursday, November 03, 2022
Issue Closing Date[*]	Thursday, November 10, 2022
Finalization of Basis of Allotment (on or about)	Thursday, November 17, 2022
Date of Allotment (on or about	Friday, November 18, 2022
Date of credit (on or about)	Monday , November 21, 2022
Date of listing (on or about)	Thursday, November 24, 2022

[#]Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.
Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., Friday, November 4, 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Wednesday, November 9, 2022.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, please see the section entitled "*Terms of the Issue - Process of making an Application in the Issue*" on page 193.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at https://rights.kfintech.com/, after keying in their respective details along with other security control measures implemented thereat. For further details, please see the section entitled "*Terms of the Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 205.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

Inter se allocation of responsibilities

Since only one Lead Manager has been appointed for purposes of the Issue, there is no requirement of an inter-se allocation of responsibilities.

Credit Rating

As the Issue is of Equity Shares, there is no requirement of credit rating for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of debenture trustee is not required.

Monitoring Agency

The Company has appointed CRISIL Ratings Limited to monitor the utilization of the Net Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations.

Name: CRISIL Ratings Limited
Address: CRISIL House, Central Avenue Hiranandani Business Park, Powai, Mumbai 400 076
Tel: +91 22 3342 3000
Email: crisilratingdesk@crisil.com
Website: www.crisilratings.com
Contact Person: Saurabh Kamdar
SEBI Registration Number: IN/CRA/001/1999

Underwriting

This Issue is not underwritten.

Filing

This Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations. Our Company will simultaneously do an online filing of the Letter of Offer through Lead Manager with SEBI

through the SEBI Intermediary Portal at https://sipotal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and through email at cfddil@sebi.gov.in, in accordance with the instructions issued by SEBI on March 27, 2020, in relation to '*Easing of Operational Procedure – Division of Issues and Listing – CFD*'.

Minimum Subscription

The objects of the Issue involve (i) meeting costs related to pharmaceutical research & development and clinical trial for molecules in the research pipelines; (ii) repayment of an inter-corporate deposit availed by our Company; and (ii) general corporate purposes. Further, our Promoters and Promoter Group have undertaken that they will subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoters or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations. Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

Any participation by our Promoters and Promoter Group, over and above their Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Letter of Offer (before and after the Issue) is set forth below:

(₹ in lakhs, except share data)

Particulars	Aggregate value at nominal value	Aggregate value at issue price
AUTHORISED SHARE CAPITAL		
30,00,00,000 Equity Shares of ₹ 1 each	3,000.00	NA
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE		
14,53,82,478 Equity Shares of ₹ 1 each	1,453.82	NA
PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER [(1)]		
Up to 7,26,91,239 Equity Shares of ₹ 1 each at a price of ₹ 55 per Equity Share (including premium of ₹ 1 per Equity Share)	726.91	39,980.18
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE		
21,80,73,717 Equity Shares of ₹ 1 each [(2)]	2,180.74	2,180.74
SECURITIES PREMIUM ACCOUNT		
Before the Issue		25,664.66
After the Issue		64,917.93

[(1)] *The Issue has been authorised by a resolution passed by our Board at its meeting held on June 24, 2022, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.*
[(2)] *Assuming full subscription by the Eligible Equity Shareholders of the Rights Equity Shares.*

Notes to the Capital Structure

1. **Shareholding Pattern of the Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations**

   a) The shareholding pattern of our Company as on June 30, 2022, can be accessed on the website of BSE at https://www.bseindia.com/stock-share-price/suven-life-sciences-ltd/suven/530239/shareholding-pattern/; and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SUVEN&tabIndex=equity;

   b) The statement showing holding of Equity Shares of persons belonging to the category "*Promoter and Promoter Group*" including the details of lock-in, pledge of and encumbrance thereon, as on June 30, 2022, can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=530239&qtrid=114.00&QtrName=June%202022 and NSE at https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SUVEN&tabIndex=equity;

   c) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "*Public*" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on June 30, 2022, as well as details of shares which remain unclaimed for public can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=530239&qtrid=114.00&QtrName=June%202022 and NSE at https https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=SUVEN&tabIndex=equity;

2. Except as disclosed below, no Equity Shares have been acquired by our Promoter or Promoter Group in the last one year immediately preceding the date of this Letter of Offer

Name of the Promoter/ Promoter Group	Date of the Transaction	Number of Equity Shares acquired	Price per Equity Share (in ₹)	Name of the Transaction
Promoter Group				
Jasti Property and Equity Holdings Private Limited (In its capacity as sole trustee of Jasti Family Trust)	March 28, 2022	1,81,00,000	81.57	Preferential Allotment

3. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer.

4. Subscription to the Issue by the Promoters and the Promoter Group:

Our Promoter, viz., Venkateswarlu Jasti, vide the Promoter Subscription Letter, on behalf of the Promoters and Promoter Group of the Company, has confirmed that they intend to (i) subscribe to their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of the Promoters or other member(s) of our Promoter Group); and/or (ii) subscribe to the Rights Entitlements, if any, which are renounced in their favour by our Promoters or any other member(s) of the Promoter Group, each as may be applicable.

The allotment of Equity Shares of the Company subscribed by the Promoters and the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

5. The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 68.20.

6. Our Company shall ensure that any transaction in the Equity Shares by our Promoters and Promoter Group during the period between the date of filing this Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of such transaction.

7. At any given time, there shall be only one denomination of the Equity Shares of the Company.

8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Rights Issue, shall be fully paid up. For further details on the terms of the Issue, please see the section entitled "*Terms of the Issue*" on page 192.

9. Our Company has formulated an employee stock option scheme namely the "Suven Life Employee Stock Option Scheme 2020" ("**ESOP Scheme**") pursuant to a resolution passed by Shareholders on September 17, 2020 with a maximum options to be granted are 10,00,000 of face value of ₹ 1/-each. The primary objective of the ESOP Scheme is to, inter alia, align employee gains with the Company's performance, drive the performance of key employees, enhance Shareholders' value, and for the retention, attraction and motivation of talent. As of the date of this Letter of Offer, no options have been granted and no Equity Shares have been issued under the ESOP Scheme.

OBJECTS OF THE ISSUE

The Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

1. Meeting costs related to pharmaceutical research & development and clinical trial for molecules in the research pipelines;

2. Repayment of an inter-corporate deposit availed by our Company; and

3. General corporate purposes

The main objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable the Company to undertake (i) its existing activities; and (ii) activities for which funds earmarked towards general corporate purposes shall be used. Further, our objects as stated in the Memorandum of Association do not restrict us from undertaking the activities for which the funds are being raised by our Company through this Issue.

The main objects and the objects incidental and ancillary to the main objects as per the By Laws of the Memorandum of Association of Suven Neurosciences Inc., enable it to undertake the existing business activities; and to undertake the activities for which the funds are being raised in this Issue.

The details of the Net Proceeds are summarized in the table below:

(In ₹ lakhs)

Particulars	**Amount[#]**
Gross Proceeds[*]	Up to 39,980.18
Less: Estimated Issue related expenses[**]	280.00
Net Proceeds[**]	**39,700.18**

[*] *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.*
[**] *Estimated and subject to change for factors. See "- Estimated Issue Related Expenses" on page 48.*
[#] *rounded off to the nearest hundredths place*

Requirement of funds and utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set forth in the following table:

(In ₹ lakhs)

Sr No	**Particulars**	**Estimated amount (up to)**
1.	Meeting costs related to pharmaceutical research & development and clinical trial for molecules in the research pipelines;	25,001.48
2.	Repayment of an inter-corporate deposit availed by our Company;	5,000.00
3.	General corporate purposes[*]	9,698.70
	Total Net Proceeds[**]	**39,700.18**

[*] *Subject to the finalization of the Basis of Allotment and the Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
[**] *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio. In the event the Issue is not fully subscribed, the Company shall first utilise the Net Proceeds towards the objects mentioned at serial number 1 and 2 in the above table and use the remaining Net Proceeds, if any, towards general corporate purposes, provided that the total amount utilised towards general corporate purposes shall not exceed 25% of the Gross Proceeds*

Means of Finance

The funding requirements mentioned above are based on the management estimates of our Company and have not been appraised by any bank, financial institution or any other external agency. The management estimates are based on past experience and proposals/quotations received from multinational CROs for the existing projects and/or based on similar kind of studies undertaken in past by our Company and/ or its Subsidiary. Presently, we are in the process of conducting clinical trial of Masupirdine (SUVN-502) for agitations in Alzheimer's type patients and Samelisant (SUVN-G3031) for narcolepsy with CROs. We are conducting these clinical trials through CROs. For details of clinical trials programmes, see "*Our Business*" on page 73. Normally, the

quotations/proposals from multinational CROs are valid for the period of 3 to 5 years and is eligible for extension as may be decided by the parties. Hence this may result in re-negotiation leading to cost escalation. Any change in CROs or cost escalation can significantly increase the cost of the objects of the Issue. Please see the section titled "*Risk Factors – We depend on a limited number of CROs for conducting clinical trials. Our inability to renew our agreements / arrangements with such CROs on terms acceptable to us or at all could adversely affect our business, results of operations and future prospects. Further, any future conflicts with such CROs may also adversely affect our business, results of operations and future prospects*" on page 19 for the risk associated with the pharmaceutical research and development clinical trial projects, its funding and cost escalation.

Our Company may also have to revise funding for the pharmaceutical research and development and clinical trial projects due to external and internal factors, including but not limited to, change in government policies, laws, rules and regulations affecting our business or the industry in which we operate, human resources with expertise in the strategic therapy area, commercial viability, delay in receipt of approval by ethics committees, site selection, patient recruitment rate during clinical trials, efficacy and safety outcomes in clinical trials, changing treatment landscape, additional data requirement by regulatory authorities after NDA submissions, our financial condition, business strategy, economic and business conditions, increased competition and government policies in relation to pharmaceutical industry, which may not be within the control of our management.

The nature of our business may require us to revise our requirements and deployment of Issue proceeds, since the process of pharmaceutical research and development and clinical trial of new chemical entities ("**NCE**") are dependent on various steps and each step is dependent on the success of the prior steps. The overall success of the NCE process is dependent on the success of each of the steps carried out in the process. In the event any of the steps in NCE fails due to any reason, the research and development activities related to the NCE may be suspended or de-prioritised. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular NCE project/product or replacing a particular NCE project/product with another/new NCE project/product at the discretion of the management of our Company. We may also reallocate expenditure to newer projects or those with earlier completion dates in the case of delays (including delays that may be caused in obtaining, regulatory or local approvals and permits) in our pharmaceutical research and development and clinical trial. Depending upon the newer projects undertaken by us, we may also change the CROs at the discretion of the management of our Company. Consequently, our fund requirements may also change accordingly. Any such change in our plans may require rescheduling of our expenditure programs, starting projects that are not currently planned, discontinuing molecules in research pipeline currently planned and an increase or decrease in the expenditure for a particular molecule in research pipeline, at the discretion of the management of our Company.

Our Company proposes to meet the entire funding requirements for the proposed Object of the Issue from the Net Proceeds and identifiable internal accruals, if required. Therefore, the Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Proposed Schedule of Implementation or Deployment of Net Proceeds

The following table provides the schedule of utilisation of the Net Proceeds:

(in ₹ lakhs)

Sr No.	Particulars	Amount to be funded from the Net Proceeds (up to)	Estimated deployment of the Net Proceeds		
			Fiscal 2023	Fiscal 2024	Fiscal 2025
1.	Meeting costs related to pharmaceutical research and development and clinical trial for molecules in the research pipelines;	25,001.48	5,507.65	9,831.28	9,662.54
2.	Repayment of an inter corporate deposit availed by our Company	5,000.00	5,000.00	-	
3.	General corporate purposes*	9,698.70	2,909.61	3,200.57	3,588.52
	Total Net Proceeds**	**39,700.18**	**13,417.26**	**13,031.85**	**13,251.07**

* *Subject to the finalization of the Basis of Allotment and the Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

** *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio. In the event the Issue is not fully subscribed, the Company shall first utilise the*

Net Proceeds towards the objects mentioned at serial number 1 and 2 in the above table and use the remaining Net Proceeds, if any, towards general corporate purposes, provided that the total amount utilised towards general corporate purposes shall not exceed 25% of the Gross Proceeds

Our Company proposes to deploy the entire Net Proceeds towards the Objects as per the schedule provided above. In the event that the estimated utilization is not completed as per the aforementioned schedule, due to the reasons stated above, such funds shall be utilised in the next fiscal year, as may be determined by our Company and on the basis of progress in its pharmaceutical research and development and clinical trial for molecules, in accordance with applicable law. Depending upon such factors in relation to success of pharmaceutical research and development and clinical trial for molecules, we may have to reduce or extend the utilisation period for stated Object - *"Meeting costs related to pharmaceutical research and development and clinical trial for molecules in the research pipelines"* beyond the estimated time period, at the discretion of our management, in accordance with applicable law. Further, such factors could also require us to advance the utilisation before the scheduled deployment as disclosed above towards any particular or all Objects.

Details of the activities to be financed from the Net Proceeds

The details in relation to objects of the Issue are set forth herein below.

1. Meeting costs related to pharmaceutical research and development and clinical trial for molecules in the research pipelines;

We are a bio-pharmaceutical company, focused on discovering, and developing novel pharmaceutical products. Our focus has been on discovery and development of innovative molecules targeting disease areas which has unmet medical needs. As on date of this Letter of Offer, we have 53 inventions leading to 15 molecules of NCEs in research pipeline of which 5 NCE in clinical development and rest on various stages of discovery and pre-clinical studies, with 2,509 global patents. Details of our molecules currently in the research pipeline are as follows:

15 NCEs in the research pipeline across therapeutic areas such as Alzheimer's, Narcolepsy, Schizophrenia, different forms of Cognitive disorders, MDD, Gastro and Pain	**7 Molecules** in the Development Pipeline
	8 Molecules in the Research Pipeline, of which **5 Molecules** in the Hit to Lead, Hit Optimization and Lead Optimisation pipeline

Typically, an NCE activity involves several stages of innovation starting from drug discovery, clinical trials, regulatory approvals and commercialization.

Our clinical pipeline

Molecule	Indication	Status	Latest study initiation
SUVN-502	Cognitive disorders/ Agitations	Completed 2 phase 1 studies and 1 phase 2 study. Initiated phase 3 study.	Phase 3 study activities for Agitation in Alzheimers started in May 2021
SUVN-G3031	Cognitive disorders/ Narcolepsy	Completed 1 phase 1 study and ongoing phase 2 study	Phase 2 study activities for Narcolepsy started in April 2019
SUVN-D4010	Cognitive disorders	Completed 1 phase 1 study and ready for phase 2 study	Completed phase 1 study in 2017 and phase 2 study not initiated yet.
SUVN-911	Depressive disorders	Completed 1 phase 1 study and ready for phase 2 study	Completed phase 1 study in 2018 and phase 2 study not initiated yet.
SUVN-I6107	Cognitive disorders/ Schizophrenia	Completed pre-clinical studies and getting ready for phase 1 study	Completed pre-clinical studies in 2021
SUVN-M8036	Psychiatric disorders	Ready for pre-clinical studies	Studies not yet started
SUVN-D1044	Gastrointestinal disorders	Ready for pre-clinical studies	Studies not yet started

Our research pipelines

Program	Development Stage	Indication
M1 PAM*	Lead Optimization	Gastrointestinal Disorders
P2X7 Antagonist	Lead Optimization	Pain and Inflammation
5-HT_{1A} Agonist	Lead Optimization	Treatment Resistant Depression
M4 PAM	Hit to Lead	Psychosis
Multimodal	Hit Optimization	Bipolar Disorders

* Non brain penetrant

Currently, we have entered into agreement with the US-based CRO for the conduct of Masupirdine (SUVN-502) indicated for Central Nervous Disorders like Agitation in Alzheimer type patients, and Samelisant (SUVN-G3031) indicated for Narcolepsy (excessive day time sleep disorder).

Further to the above, the following molecules in pipeline may be initiated into next stage of pre-clinical and clinical development as and when they are ready:

Usmarapride (SUVN-D4010), 5-HT4 partial agonist, indicated for different forms of dementia has gone through Phase 1 clinical trials in USA and in the preparation stage for starting phase 2 trials.

Ropanicant (SUVN-911), selective α4β2 antagonist nAChR antagonist, indicated for Major Depressive Disorder (MDD), has undergone Phase 1 trial in USA and in the preparation stage for starting phase 2 trial.

SUVN-I6107, is a potent and selective muscarinic M1PAM with no agonist-like activity. It has excellent ADME properties and robust efficacy in preclinical animal models of cognition. In preclinical studies, no cholinergic side effects like salivation, emesis or diarrhoea were observed and getting ready for phase 1 clinical trial.

SUVN-D1044 is potent and selective 5-HT4 receptor agonist. It has ADME properties and does not have brain penetration, a favourable feature for gastrointestinal disorders. It has robust efficacy in animal models of gastrointestinal disorders. SUVN-D1044 showed safety margin in short-term non-clinical safety studies and ready to undergo long term toxicology studies before starting phase 1 clincial trial.

5-HT1A, Receptor-partial agonist: Potential treatment for depressive disorders. We are working on two chemically diverse novel series which are showing promise as 5-HT1A receptor partial agonist. Preliminary preclinical covering in vitro affinity, pharmacokinetic profiling in rats and efficacy in depression models have been completed. We are yet to take up other pre-clincial studies including long term toxicology studies.

Muscarinic 4 positive Allosteric Modulator ("**M4 PAM"**), potential treatment for psychosis. We are working on 2-3 chemically diverse novel series which are showing promise as M4 PAM. Further research on structure related activity relationship is ongoing. Once completed, this molecule will be ready for starting pre-clinical studies.

P2X7 Antagonist Project, potential treatment for pain and inflammation. We are working on 3-4 chemically diverse novel series which are showing promise as P2X7 antagonists. Two of these diverse series are at the lead identification stage. Preliminary preclinical (covering in vitro affinity, pharmacokinetic profiling in rats and efficacy in pain models) have been completed. Pre-clinical studies of P2X7 antagonists is yet to start.

Presently all the clinical development activities of the molecules from Phase 1 onwards are carried out by our Subsidiary located in New Jersey, USA. Prior to incorporation of our Subsidiary in the year 2015, all the phase 1 studies and clinical trial contracts were directly initiated from Suven Life Sciences Limited.

Our Subsidiary will enter into agreement(s) with CROs for our future clinical trial requirements in compliance with the requirements at appropriate time.

A clinical trial is an investigation in human subjects with the object of ascertaining an investigational product's safety and/or efficacy. The clinical trial intends to discover or verify the clinical, pharmacological and/or other pharmacodynamic effects, identify any adverse reactions, study absorption, distribution, metabolism, and excretion of drugs.

The clinical trial process involves 3 phases:

Phase 1 clinical study: In Phase 1 trials, the candidate drug is tested in humans for the first time. These studies are usually conducted with about 20 to 100 healthy volunteers or patients. The purpose of this study is to evaluate for its safety and preliminary pharmacokinetics, and to determine a safe dose range (or maximum tolerated dose) for efficacy. These closely monitored trials are designed to help researchers determine what the safe dosing range is and if it should move on to further development.

Phase 2 clinical study: In Phase 2 trials, researchers evaluate the candidate drug's effectiveness in about 50 to 500 patients, depending on the therapeutic indications, with the disease or condition for which the candidate drug was developed, and also examine the possible short-term side effects (adverse events) and risks associated with the drug. A second part of the study is also to establish an optimal dose for efficacy and safety.

Phase 3 clinical study: In Phase 3 trials, researchers study the drug candidate in a larger number (about 200 - 5,000) of patients, depending on the therapeutic indications to generate statistically significant data about safety, efficacy and the overall benefit-risk relationship of the drug. This phase of research is key in determining whether the drug is safe and effective. It also provides the basis for labelling instructions to help ensure proper use of the drug (e.g., information on potential interactions with other medicines). Phase 3 trials are both costly and are of a longer duration. Phase 3 also involves coordinating with all the sites and the collection and analysis and interpretation of data coming from them. Once the dosing regimen, efficacy and safety are established in the clinical trials, a New Drug Application (NDA) is filed with the regulatory agencies seeking approval to sale and market the approved new drug.

The three phases entail different timelines as well as charges including investigator charges, patient monitoring charges, drug sample costs, analytical costs, travelling charges, data analysis, report preparation, CRO fees etc.

The timeframe for completing a clinical trial will differ for each project based on the regulator's requirement and complexity of the project.

Clinical trial projects mainly consist of the following costs:

a) **Cost of the drug for trial**: The volunteers/patients who enrol in the clinical trial are provided the drugs during testing period and the costs associated with manufacturing the same.

b) **Investigator Fees:** Clinical trials are conducted at hospitals under the supervision of qualified doctors (investigators and sub-investigators) and their teams comprising research coordinators, and other technical staff. They are paid by the sponsor for performing trial specific activities as mentioned in protocol approved by the ethics committee and regulatory authorities. These amounts are known as investigator fees.

c) **Ethics Committee Fees:** A clinical trial project can be started only after approval from ethics committees and respective country wide regulatory authorities where the trials are conducted such as Food and Drug Administration (the "**FDA**") in USA. The protocol, forms, patient information and informed consent documents, and dossiers containing information on the drug to be tested are reviewed and an approval letter is released to the investigator (by ethics committee) and sponsor (by regulatory authority). The fees charged for this activity and associated expense is shown as ethics committee fees.

d) **Study Conduct and Monitoring Costs:** The act of overseeing the progress of a clinical trial, and of ensuring that it is conducted, recorded, and reported in accordance with the protocol, standard operating procedures, good clinical practice, and the applicable regulatory requirements. There are at times, specific tests and investigations to be conducted to evaluate safety and efficacy of the drug in question. The costs associated with these activities are study conduct and monitoring costs.

e) **Project Management Costs:** To manage and plan activities with the groups involved viz. investigator team, monitoring team, data management and biostatistics team, safety and pharmacovigilance team, report writing

team, logistics to ensure timely project completion. Costs associated with these activities are project management costs.

f) Data Management and Biostatistics Costs: All protocol required information is recorded on forms known as case record forms (the "**CRFs**"), these are retrieved and the data is entered into a validated database. Once data from all CRFs is entered, the database is locked and statistics applied to obtain efficacy/safety tables and output analysis. The cost associated with these activities is data management and biostatistics cost.

g) Study Report Costs: A written description of a trial conducted in which the clinical and statistical discussion, presentations, and analyses are fully integrated into a single report. This is generated after the output from statistical analysis is obtained at the end of the study. The report is submitted to the investigators, ethics committees and the regulatory authorities. This serves as a decision for future plans for clinical development/ marketing approval of the drug. The costs associated with these activities are termed as study report costs.

h) Pass through costs: This includes travel, training, supplies, communication, record archival and storage costs associated with the project. The costs associated with these activities are termed as Pass through costs.

The above costs are generally included in the CROs contract/ agreements.

Costs of clinical trials incurred by our Company through our Subsidiary

Typically, an NCE activity involves several stages of innovation starting from drug discovery, clinical trials, regulatory approvals and commercialization. The total cost of conducting clinical trial projects incurred by us for Fiscal 2022, Fiscal 2021, Fiscal 2020 and for Unaudited Consolidated June Financial Results were ₹ 8,183.33 lakhs, ₹ 4,585.68 lakhs, ₹ 7,728.20 lakhs and ₹ 1,322.50 lakhs, respectively. However, our historical investments in clinical trial activities may not be fully reflective of our future growth plans and new developments.

Details of active agreement with the CRO for the conduct of Masupirdine (SUVN-502) for agitations in Alzheimer's type patients and Samelisant (SUVN-G3031) for narcolepsy, excessing daytime sleep disorder:

Sr. No.	Project type	USD*	Amount (₹ in lakhs)
a)	A Phase 3, Double-Blind, Randomized, Placebo-Controlled, Parallel Group, Multicenter Study to Evaluate the Efficacy, Safety, Tolerability, and Pharmacokinetics of Masupirdine (SUVN-502) for the Treatment of Agitation in Participants with Dementia of the Alzheimer's Type pursuant to the Clinical Research Services Agreement dated August 5, 2021 entered between our Subsidiary and the CRO and subsequent amendments thereto	22.96 million	18,318.00
b)	A Phase 2, Double-blind, Placebo-controlled, Parallel-group, Multicenter Study to Evaluate the Safety, Tolerability, Pharmacokinetics, and Efficacy of 2 mg and 4 mg SUVN-G3031 Compared to Placebo in Patients with Narcolepsy with and without Cataplexy through the Clinical Service Agreement dated June 27, 2019 entered between our Subsidiary and the CRO and subsequent amendments thereto	24.81 million	19,789

**Converted into ₹ using the exchange rate 1 USD = ₹ 79.77 as on September 16, 2022 (source: www.fbil.org.in). The cost may undergo a change due to exchange rate fluctuations*

We are a bio-pharmaceutical company, focused on discovering and developing novel pharmaceutical products, for central nervous system. During the Fiscal 2022, Fiscal 2021, Fiscal 2020 and for Unaudited Consolidated June Financial Results, we have spent ₹ 10,636.75 lakhs, ₹ 7,102.73 lakhs, ₹ 10,322.64 lakhs and ₹ 1,824.96 lakhs on innovative Research & Development. Further, we also regularly secure various product patents across the world as part of Research & Development of the Company to secure its discovery related innovation. As on June 30, 2022, we have been granted 2,509 product patents, in various jurisdictions for 53 inventions under our drug discovery activities. For further details on the current research and development activities, see "*Our Business-Research and Development*" on page 75.

We intend to utilise ₹ 25,001.48 lakhs from the Net Proceeds towards meeting costs related to pharmaceutical research and development and clinical trial for molecules in the research pipelines in the Fiscal 2023, Fiscal 2024 and Fiscal 2025. The amount of Net Proceeds identified for such pharmaceutical research and development and clinical trial for molecules in the research pipelines is based on our management's estimates. The management estimates are based on proposals/quotations received from multinational CROs for the identified projects and/or based on similar kind of studies undertaken in past by us.

The Rights Issue Committee has noted, in their meeting dated October 18, 2022, that our Company shall have the budget of ₹ 25,001.48 lakhs to spend towards meeting costs related to pharmaceutical research and development and clinical trial for molecules in the research pipelines in the Fiscal 2023, Fiscal 2024 and Fiscal 2025.

In the event that there is a shortfall of funds required for research and development activities and conducting such clinical trials projects then, such shortfall shall be met out of the amounts allocated for general corporate purposes and/or through internal accruals. In case the shortfall cannot be met through internal accruals or out of the amounts allocated for general corporate purposes then we shall borrow from the domestic/international market. In the event that there is a surplus, such amounts shall be utilised towards other objects or general corporate purposes.

Our Company is conducting all the clinical trials through our Subsidiary and accordingly shall deploy a portion of the Net Proceeds for infusing in our Subsidiary for conducting such clinical trials. The form of infusion of such infusion of the Net Proceeds will be by way of equity, debt, or through any other manner, which shall be determined by our Board after considering certain commercial and financial factors at the time of investment.

We continue to invest in research and development activities and recruit talented individuals commensurate to our growth and business outlook. We believe that our continuing research and development initiatives have strengthened our product offerings in the international markets. Building on our existing expertise, we aim to continue our culture of innovation within our business focusing on NCE and development of new NCEs.

2. Repayment of an inter-corporate deposit availed by our Company

Our Company has an outstanding inter corporate deposit ("**Borrowing**") currently provided by Jasti Property and Equity Holdings Private Limited (In its capacity as sole trustee of Jasti Family Trust), one of our Promoter Group entities. Details of the Borrowing are given below:

Type of loan/borrowing	Inter-corporate deposit
Amount outstanding as at September 23, 2022 (₹ in lakhs)	5,000.00
Rate of Interest / Commission	As per SBI MCLR
Tenor / Period	For the period of 12 months
Purpose	Business purpose and ongoing clinical development programs

Our Company proposes to utilize an estimated amount of ₹ 5,000.00 lakhs from the Net Proceeds towards repayment of such Borrowing availed by our Company.

The repayment will help reduce our outstanding indebtedness and debt-servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion.

Our Company shall adjust the Borrowing availed from Jasti Property and Equity Holdings Private Limited (in its capacity as sole trustee of Jasti Family Trust), one of our Promoter Group entities against the application money payable by Jasti Property and Equity Holdings Private Limited (in its capacity as sole trustee of Jasti Family Trust), to the extent of their subscription and allotment of the Rights Equity Shares to them under the Issue, whether pursuant to their Rights Entitlement or subscription to additional Rights Equity Shares (as the case may be). Consequently, no fresh issue proceeds would be received by our Company to that extent. Further, our Company will ensure that the repayment/prepayment of Borrowings availed from Jasti Property and Equity Holdings Private Limited (in its capacity as sole trustee of Jasti Family Trust), one of our Promoter Group entities shall not be made through proceeds of the Rights Issue except, that the Borrowings from such entities are adjusted only against share application money payable to the extent of their subscription and allotment of the Rights Equity Shares under the Issue.

3. General corporate purposes.

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy balance left out of the Net Proceeds, aggregating to ₹ 9,698.70 lakhs, towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Issue, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, (i) funding growth opportunities; (ii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; (iii) strengthening of our manufacturing and R&D capabilities, as may be applicable; (v) expenses incurred in ordinary course of business; and (vi) any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of our Board, shall have the flexibility in utilising surplus amounts, if any. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilize such unutilized amount in the subsequent Financial Years.

Estimated Issue Related Expenses

The total Issue related expenses are estimated to be approximately ₹ 280.00 lakhs. The Issue related expenses include fees payable to the Lead Manager and legal counsel, amounts payable to regulators including the SEBI, the stock exchanges, Registrar's fees, printing and distribution of issue stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-down of the estimated Issue expenses is disclosed below:

Activity	Estimated expenses (in ₹ lakhs)	As a % of total estimated Issue related expenses	As a % of Issue size
Fees payable to the Lead Manager	76.70	27.39%	0.19%
Fees payable to Registrar to the Issue	5.90	2.11%	0.01%
Fees payable to legal advisors and other intermediaries	100.79	36.00%	0.25%
Advertising, marketing and shareholder outreach expenses	9.44	3.37%	0.02%
Fees payable to regulators including the SEBI and Stock Exchanges, depositories and other statutory fee	72.20	25.79%	0.18%
Printing and stationery, distribution, postage, etc	7.34	2.62%	0.02%
Other expenses (including miscellaneous expenses)	7.63	2.72%	0.02%
Total estimated Issue expenses*	**280.00**	**100%**	**0.70%**

** includes applicable taxes and subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.*

Bridge Financing Facilities

The Company has not availed any bridge loans from any banks or financial institutions as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

The Company shall deposit the Net Proceeds, pending utilisation of the Net Proceeds for the purposes described above, with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934.

Monitoring Utilization of Funds from the Issue

The Company has appointed CRISIL Ratings Limited as the Monitoring Agency in relation to the Issue. Our Board and Monitoring Agency shall monitor the utilization of the Net Proceeds and the Monitoring Agency shall submit a report to our Board as required under Regulation 82 of the SEBI ICDR Regulations. The Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate instances, if any, of unutilized Net Proceeds in the balance sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to the SEBI Listing Regulations, the Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The report submitted by the Monitoring Agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to our Board for further action, if appropriate.

Further, in terms of the SEBI Listing Regulations, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above and details of category wise variations in the utilisation of the Net Proceeds from the objects of the Issue as stated above.

The Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors.

Appraising entity

None of the objects of the Issue for which the Net Proceeds will be utilised have been appraised.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Other confirmations

Except in the ordinary course of business and for the utilisation of a portion of the Net Proceeds towards repayment of inter-corporate deposit from one of the members of the Promoter Group, our Promoters, Promoter Group and our Directors do not have any interest in the objects of the Issue.

Except repayment of Borrowings currently held by one of our Promoter Group as disclosed above, there are no material existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoter, Promoter Group, Directors or key managerial personnel or associate companies (as defined under the Companies Act, 2013).

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
Suven Life Sciences Limited
Door No. 8-2-334, 6th Floor, SDE Serene Chambers
Road No. 5, Avenue -7, Banjara Hills, 500034, Hyderabad

Dear Sirs,

Re: Proposed rights issue of equity shares of face value of Re. 1 each ("Equity Shares") of Suven Life Sciences Limited ("Company" and such offering, the "Issue").

We report that the enclosed statement in the **Annexure – I** states the possible special tax benefits under direct tax laws i.e. Income tax Rules, 1962 including amendments made by the Finance Act, 2022 (hereinafter referred to as "**Income Tax Laws**"), and indirect tax laws i.e, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under several of these benefits are dependent on the Company, its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company.

The benefits discussed in the enclosed **Annexure** –**I** are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Letter of Offer "(**Offer Document**") of the Company or in any other documents in connection with the Issue.

We hereby give consent to include this statement of special tax benefits in the Offer Documents and in any other material used in connection with the Issue.

We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.
This certificate is issued for the sole purpose of the Issue, and can be used, in full or part, for inclusion in the Offer Documents and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, recognized stock exchanges, any other authority as may be required and/or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the Lead Manager may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

This certificate may be relied on by the Company, Lead Manager, their affiliates and the legal counsel in relation to the Issue.

We undertake to immediately update you, in writing, of any changes in the abovementioned information until the date the Equity Shares issued pursuant to the Issue commence trading on the recognized stock exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date the Equity Shares commence trading on the recognized stock exchanges.

Yours faithfully,
For KARVY & CO.
Chartered Accountants
FRN: 001757S

Ajay Kumar Kosaraju
Partner
Membership No. 021989
UDIN: 22021989BAAPQH2602
Date: October 17, 2022
Place: Hyderabad

CC:

Ernst & Young Merchant Banking Services LLP
The Ruby, 14th Floor, 29 Senapati Bapat Marg,
Dadar (W) – 400028, Mumbai, Maharashtra
(Ernst & Young Merchant Banking Services LLP referred to as the "Lead Manager")

M/s. Crawford Bayley & Co.
State Bank Building, 4th Floor
NGN Vaidya Marg,
Fort, Mumbai – 400 023
(Crawford Bayley & Co. referred to as the "Legal Counsel")

Annexure – I

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS

Outlined below are the possible special tax benefits available to the Company and its shareholders under the direct tax and indirect tax laws in India (together referred to as "**Tax Law**") applicable for the Financial Year 2022-23, presently in force in India. These possible special tax benefits are dependent on the Company, i or its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company or its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE TAX LAWS

A. Special tax benefits available to the Company

There are no possible special tax benefits available to the company under Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Act, 1962 and the Customs Tariff Act, 1975, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the Foreign Trade Policy 2015-2020.

B. Special tax benefits available to Shareholders

There are no special tax benefits available to the Shareholders of the Company under the Act.

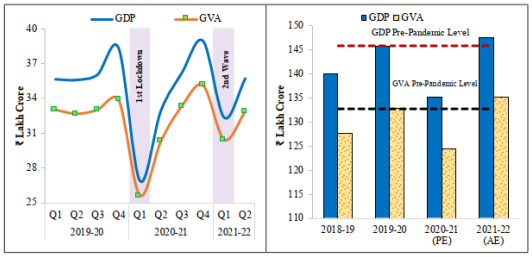
SECTION IV – ABOUT OUR COMPANY

Overview of Indian Economy

Two years into the COVID-19 pandemic, the global economy continues to be plagued by uncertainty, with resurgent waves of mutant variants, supply-chain disruptions, and a return of inflation in both advanced and emerging economies. Moreover, the likely withdrawal of liquidity by major central banks over the next year may also make global capital flows more volatile.

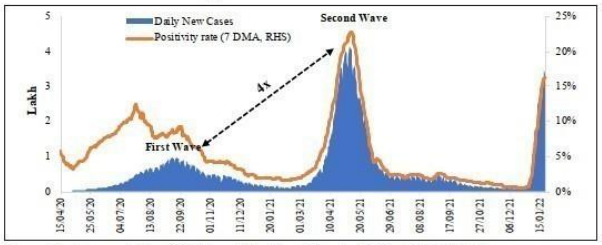
The Indian economy, as seen in quarterly estimates of GDP, has been staging a sustained recovery since the second half of 2020-21. Although the second wave of the pandemic in April-June 2021 was more severe from a health perspective, the economic impact was muted compared to the national lockdown of the previous year (see Figures 1 & 2). Advance estimates suggest that GDP will record an expansion of 9.2 per cent in 2021-22. This implies that the level of real economic output will surpass the pre-COVID level of 2019-20.

Figure 1: Gross Domestic Output (Constant Prices, Base Year:2011-12)



Source: National Accounts Statistics (NSO), MoSPI

Figure 2: Waves of COVID-19



Source: Data accessed from Ministry of Health and Family Welfare (MoH&FW)
Note: DMA stands for Daily Moving Average

Source: https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap01.pdf

Fiscal Balance

The fiscal support given to the economy as well as the health response caused the fiscal deficit and government debt to rise in 2020-21. However, there has been a strong rebound in government revenues in 2021-22 so far. The revenue receipts of the central government during April- November 2021 have gone up by 67.2 per cent (YoY), as against an estimated growth of 9.6 per cent in the 2021-22 Budget Estimates. The tax collections have been buoyant for both direct and indirect taxes. The gross monthly GST collections have crossed ₹ 1 lakh crore consistently since July 2021.

Inflation

In India, Consumer Price Index (CPI) inflation moderated to 5.2 per cent in 2021-22 (April-December) from 6.6 per cent in the corresponding period of 2020-21. It was 5.6 per cent (YoY) in December 2021, which is within the targeted tolerance band. The decline in retail inflation in 2021-22 was led by easing of food inflation. Wholesale Price Inflation (WPI), however, has been running in double-digits.

Growth Outlook

The Indian economy is estimated to grow by 9.2 per cent in real terms in 2021-22 (as per the First Advance Estimates), after a contraction of 7.3 per cent in 2020-21. Growth in 2022-23 will be supported by widespread vaccine coverage, gains from supply-side reforms and easing of regulations, robust export growth, and availability of fiscal space to ramp up capital spending. The year ahead is also well poised for a pick-up in private sector investment with the financial system in a good position to provide support to the revival of the economy. Thus, India's GDP is projected to grow in real terms by 8.0-8.5 per cent in 2022-23. This projection is based on the assumption that there will be no further debilitating pandemic related economic disruption, monsoon will be normal, withdrawal of global liquidity by major central banks will be broadly orderly, oil prices will be in the range of US$70-$75/bbl, and global supply chain disruptions will steadily ease over the course of the year.

Source: https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap01.pdf

Market Segmentation and Scope:

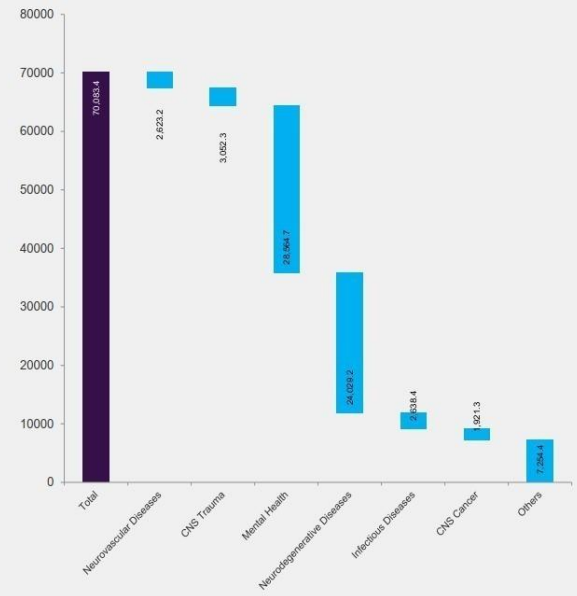
CNS therapeutics are the pharmaceutical products that are used for the treatment and management of neurological and neurodegenerative diseases.

Executive Summary:

Increasing awareness and technological advancements in pharmaceutical products are likely to be high-impact rendering drivers	The North America and APAC CNS therapeutics market size was estimated at USD 70,083.40 million in 2021 and is expected to grow at a CAGR of 8.6% during the forecast period. This can be attributed to an increase in the incidence & prevalence of neurological diseases, technological advancements, and increasing focus of key players on introducing novel & innovative products to address the unmet needs of the population.
The others segment is expected to grow at the fastest rate during the forecast period owing to increasing penetration of gene therapy products in the SMA treatment market	The mental health segment dominated the North America and APAC CNS therapeutics market in 2021, owing to the increasing prevalence of anxiety disorders, mood disorders, substance abuse disorders, personality disorders, and Attention Deficit Hyperactivity Disorder (ADHD). The introduction of new products in the market to treat patients with mental health disorders is expected to fuel market growth. For instance, in March 2022, Marinus Pharmaceuticals received approval for its Ztalmy from the U.S. FDA for the treatment of patients with epilepsy. The others segment is expected to grow at the fastest rate at CAGR 13.1% during the forecast period, owing to a robust pipeline of disease-modifying therapies. Other neurodegenerative diseases include Friedreich's ataxia, Lewy body disease, and spinal muscular atrophy. Thus, the increasing prevalence of these diseases is expected to boost the demand for CNS therapeutics products over the forecast period.
Asia Pacific market was estimated at USD 24,965.02 million in 2021 and is expected to grow at a CAGR of 8.8% during the forecast period.	North America held a share of 64.38% of North America and APAC CNS therapeutics market in 2021, due to favorable reimbursement scenario, launch of new disease-modifying therapies, proactive government initiatives, and a rise in customer awareness about the use of biomarkers in the diagnosis of neurodegenerative disorders. Asia Pacific is estimated to grow at a CAGR of 8.8% during the forecast period due to the growing prevalence of neurological diseases and rising uptake of CNS disorder treatment drugs.
Launch of new products and partnerships are key strategies adopted by companies	Some of the key players in this market are Eli Lilly and Company; Johnson & Johnson Services, Inc.; Takeda Pharmaceutical Company Limited; Merck & Co., Inc.; Pfizer, Inc.; Novartis AG; Biogen, Inc.; AstraZeneca; Teva Pharmaceutical Industries Ltd.; and Otsuka Pharmaceutical Co., Ltd. Major market players employ strategies such as mergers & acquisitions, licensing partnerships, and co-development deals, making this market highly competitive. For instance, in December 2020, Prevail Therapeutics, Inc. and Eli Lilly and Company announced a definitive merger agreement for USD 22.50 per share in cash (an aggregate of approximately USD 880 million).

Market Outlook:

Fig.9 Market outlook (2021), USD million



SEGMENT	KEY FACTS
Disease: Neurodegenerative Diseases (fastest)	Owing to increasing prevalence of neurodegenerative disorders and robust product pipeline that includes disease modifying therapies
Region: Asia Pacific (fastest)	Driven by improving healthcare scenario and rising prevalence of diseases
Competitive landscape	Highly competitive market. Prominent leaders include Biogen, Inc; Johnson & Johnson Services, Inc.; Novartis AG; Takeda Pharmaceutical Company Limited; Eli Lilly and Company;

DRIVERS
Introduction of novel drug delivery systems in CNS
Increasing prevalence of CNS disorders
Presence of strong pipeline drugs

RESTRAINTS
High treatment cost
Lack of neurologists and neurosurgeons

Source: WHO, U.S. CDC, FDA, Investor Presentations, Primary Interviews, Grand View Research

Global Pharmaceutical Market Overview:

The global pharmaceutical market was valued at USD 1.25 trillion in 2021 and is expected to grow at a CAGR of 5.9% from 2022 to 2030. This growth can be attributed to increasing approval and adoption of new treatments, patent expiration of branded drug, and introduction of generic drugs in the market. According to the Center for Drug Evaluation and Research (CDER), around 50 new drugs received approval from the FDA for the treatment of various indications in 2021. Thus, increasing approval of new drugs in market is anticipated to drive market growth. The major pharmaceutical companies are now focusing on development of biologics, cell and gene therapies and other such advanced therapy medicinal products.

India Pharmaceutical Market Overview:

The pharmaceutical market in India was valued at USD 41.6 billion in 2021 and is expected to register a growth of 13.5% from 2022 to 2030. India is a major supplier of generic drugs globally, accounting for a share of about 20%. It is also one of the major vaccine producers, which produces around 60% of the world's vaccine requirement. It is a leading supplier of BCG, Measles, and DPT vaccines. Close to 70% of the Essential Immunization vaccines as per the WHO are sourced from India.

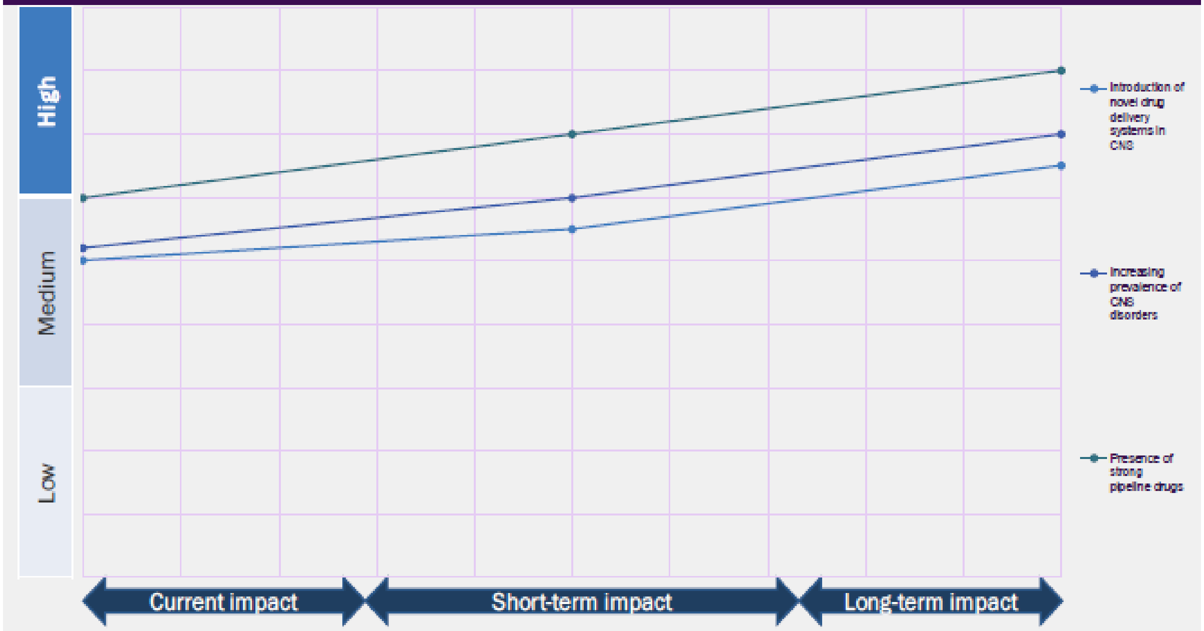
Regulatory Landscape:

Countries	Regulatory Framework
North America	➢ U.S. ➢ To launch products in the U.S. market, the company must submit Abbreviated New Drug Application (ANDA) under section 505 (j) or New Drug Application (NDA) under section 505 (b)(2) of the FD&C Act. Section 505 defines three types of NDA: ➢ Section 505(b)(1) contains the safety and efficacy data ➢ Section 505(b)(2) contains the safety and efficacy data that is not obtained from the studies conducted by/for the applicant ➢ Section 505(b)(3) is the application that contains information related to the active ingredient, dosage form, route of administration, strength, labeling, quality, and intended use of the non-innovator drug product ➢ Section 505(j)(8)(B)(i) is the application that contains the bioequivalent studies that demonstrate the sameness of the applicant product with the reference listed product

	➢ Canada ➢ In division 8 of Food and Drug Regulations of Health Canada, new drugs are approved under C.08.001. It should define the following criteria: ➢ The drug/its combination must be new by all means & is not sold in the country, and its safety and effectiveness have not been established before ➢ A manufacturer may file an abbreviated new drug application under C.08.002.1 (1) in comparison with a Canadian reference product ➢ For the approval of generic products, the company has to perform a bioequivalence study to demonstrate that the applicant drug is pharmaceutically equivalent to the innovator drug under Abbreviated New Drug Submission (ANDS)
Asia Pacific	➢ Japan Japan's Ministry of Health, Labour and Welfare and the Pharmaceutical and Medical Device Agency (PMDA) govern the drug application, clinical trials, and approval of new drugs in the nation. The PMDA recommends and forwards applications to MOH for approval. The standard review time is usually 240 business days, while on priority review, it takes 180 business days. The drug has to undergo Phase I, Phase II, and Phase III clinical trials followed by NDA. The PMDA reviews the application for efficacy, safety, and quality of the drug, which is recommended to the Ministry of Health, Labour and Welfare, which makes the final decision regarding approval of the drug. ➢ Australia In Australia, Therapeutic Goods Administration (TGA) is the medical authority that monitors and regulates the launch of medicine and medical devices under the Therapeutic Goods Act 1989. TGA provides information about the evaluation of pharmaceutical products in the Australian Public Assessment Report (AusPAR). The AusPAR contains information such as: o Product background details o Regulatory status o Quality/Non-quality finding o Pharmacovigilance finding ➢ China China FDA is the regulatory body that monitors the regulation of medical devices and pharmaceutical products in China, which is now known as the National Medical Products Administration (NMDA). The drug classification system can be classified into three categories: o Chemical drugs can be further classified into innovative new drugs, generic drugs, and imported drugs o Biological o Traditional medical medicine ➢ India The Central Drugs Standard Control Organization (CDSCO) working under the Directorate General of Health Services, Ministry of Health & Family Welfare, and Government of India is the authoritative body that provides regulatory approvals for pharmaceuticals in India. A New Drug Application has to be submitted to the FDA to get marketing approval. The application then undergoes screening and evaluation. If all requirements are fulfilled, clinical trials are conducted in three phases followed an approval under Drugs and Cosmetics Act 1940 and Rules 1945.

Market Driver Analysis:

Fig.14 CNS therapeutics market driver impact



Source: U.S. FDA, WHO, industry journals, investor presentations Primary Interviews, Grand View Research

Increasing Prevalence of CNS Disorders:

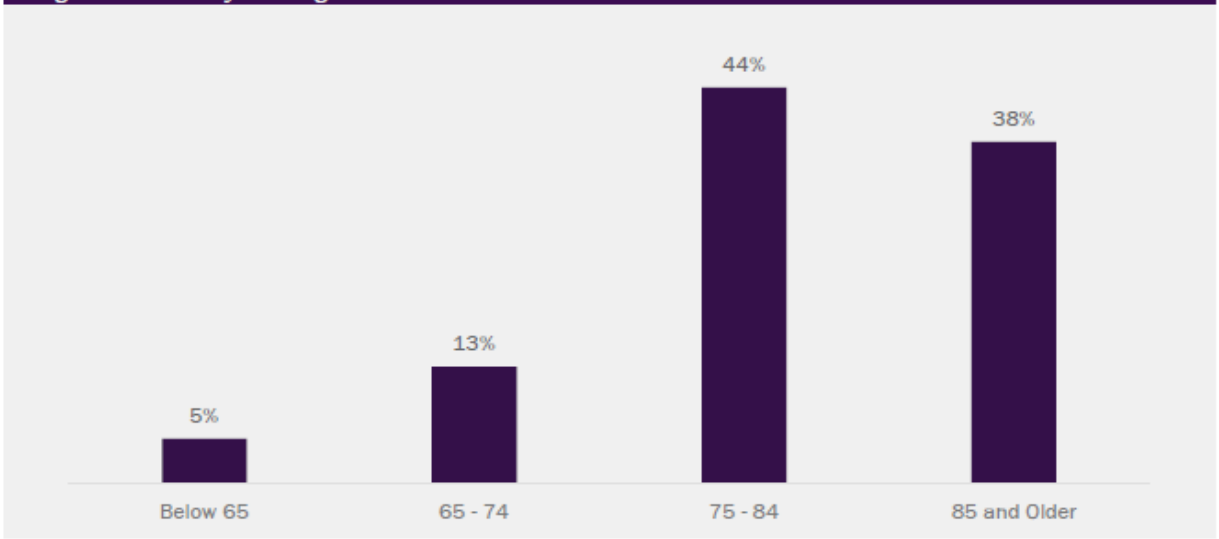
According to WHO, one in every eight people in the world has some kind of mental illness. Similarly, according to WHO, depression is the leading cause of disability, accounting for more than 264 million cases as of January 2020. It also stated that approximately 15% of individuals aged 60 and above suffer from mental illness, thus accounting for 6.6% of the disability index for this age group. Hence, rise in the incidence of CNS disorders has compelled key pharmaceutical players to undertake extensive market development in this sector.

In addition, the growing prevalence of neurodegenerative disorders, such as Parkinson's disease, Alzheimer's disease, ALS, and HD, is expected to boost market growth. According to WHO, epilepsy accounts for around 13 million disability-adjusted life years and is accountable for more than 0.5% of the global disease burden. The lifetime overall prevalence of epilepsy is 7.6 per 1,000 persons and active prevalence of the disease is 6.38 per 1,000 persons.

Increasing incidence of Alzheimer's disease in elderly people is expected to fuel market growth. According to WHO, globally, approximately 50 million people have dementia and about 10 million new cases are reported every year. Furthermore, according to Alzheimer's Association, approximately 13.8 million people aged 65 years and above are estimated to suffer from Alzheimer's dementia by 2050. It was projected that about 5.8 million people in the U.S. aged 65 and above were living with Alzheimer's dementia as of 2020.

Among neurodegenerative diseases, Alzheimer's disease is becoming the most common cause of death and a common cause of physical disability. The disease is most common in women as compared to men. The age distribution for Alzheimer's disease across the globe includes 4% aged 65 or younger, 13% aged between 65 and 74, 44% aged 75 to 84, and 38% aged 85 or older.

Fig.15 Prevalence of neurodegenerative disorders



Source: Global Burden of Disease (2019), WHO, Industry Journals, Investor Presentations Primary Interviews, Grand View Research

The development of therapeutics for neurological diseases has been difficult, mainly due to the blood-brain barrier. For instance, for the last 17 years, no new drug has been approved for Alzheimer's disease by the U.S. FDA. Moreover, rising prevalence of neurological diseases presents significant unmet needs. Therefore, there is an increased need for novel therapeutics for use in neurological disease treatment.

Presence of Strong Pipeline Drugs:

The pharmaceutical companies are focusing on R&D of potential candidates for the treatment of neurodegenerative disorders, such as Alzheimer's disease, Parkinson's disease, and MS. As of February 2020, there were 121 drug candidates for Alzheimer's disease, out of which 29 are currently being studied under phase 3 clinical trials, 65 agents are under phase 2 clinical trials, and 27 are evaluated under phase 1 clinical trials. Furthermore, 12 drug candidates target cognitive enhancements and 9.9% of the pipeline drugs are intended to treat neuropsychiatric & behavioral symptoms.

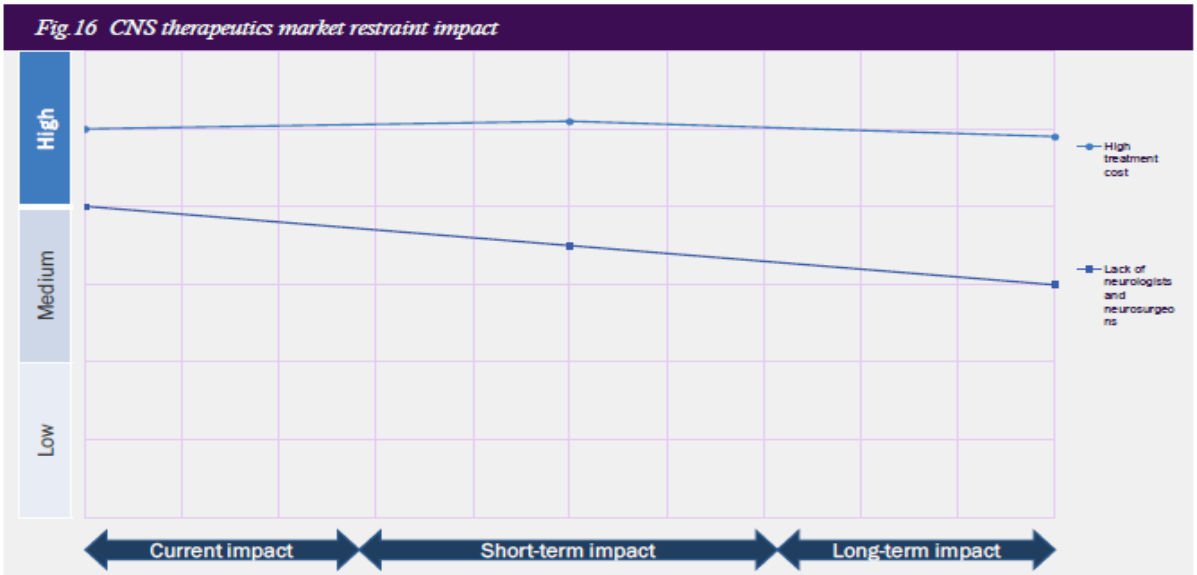
The introduction of late-stage pipeline products in the near future is projected to fuel market growth.

Introduction of A Novel Drug Delivery Systems In CNS:

The CNS therapeutics market has witnessed extensive R&D efforts in the past decade, resulting in the introduction of novel drug delivery systems. These novel drug-delivery systems have an edge over conventional methods owing to reduced adverse effects. In addition, patient compliance with these methods has increased, which has increased their rate of prescription.

Moreover, availability of different dosage forms can enable product differentiation for pharmaceutical companies, resulting in greater profits. Thus, dynamics of demand and development of novel drug delivery systems have a direct impact on each other, driving the market.

Market Restraint Analysis:



High Treatment Cost:

Chronic CNS disorders require treatment for a long duration, along with critical care. Treatments for such diseases require high cost or expenditure. The treatment cost of CNS disorders varies depending on the region. According to American Academy of Neurology, the average cost of treating neurologic disorders was found to be over USD 800 billion as of March 2017. Moreover, out-of-pocket costs for the treatment of MS increased nearly 20-fold in 2016 as compared to 2004.

The cost of dementia and stroke is projected to be around USD 600 billion by 2030. According to NCBI, the average treatment cost of neurological diseases in the UK was estimated at USD 13,322 for anxiety disorders, USD 21,930 for mood disorders, and USD 25,266 for dementia. Treatment cost of neurological disorders is expected to be high in developing economies. Thus, high treatment costs are restraining the growth of the overall market.

Annual Treatment cost of major CNS disorders

Sr No	Disease Condition	Treatment Cost (USD Million)
1	Alzheimer's	27,672
2	Amyotrophic Lateral Sclerosis	16,000 to 200,000
3	CNS Cancer	106,896 to 138,767
4	Epilepsy	10,192 to 47,862
5	Huntington's Disease (HD)	20,475 to 64,185
6	Multiple Sclerosis	94,000
7	Parkinson's Disease	37,481

Source: NCBI, WHO, industry journals, investor presentations Primary Interviews, Grand View Research

Lack of Neurologists and Neurosurgeons

Neurologists and neurosurgeons are highly skilled professionals who offer treatment for neurological disorders & diseases. Limited availability of neurologists leads to issues such as longer waiting times for patients and difficulty in hiring new neurosurgeons in hospitals. In addition, some of the currently practicing neurologists avoid

accepting new Medicaid patients, which creates difficulty for patients who want to switch to another doctor. According to the American Academy of Neurology (AAN) report, around 19% shortage of neurologists is projected by 2025. In a World Federation of Neurology survey of 63/84 WHO member countries that did not include China, it was found that most neurologists in 31/63 countries worked in large cities. One neurologist was serving a population of 6,240 to 4,750,000. Increase in the burden of neurological disorders is anticipated to drive the demand for neurologists in the near future. However, limited availability of neurologists and neurosurgeons is likely to restrain the market.

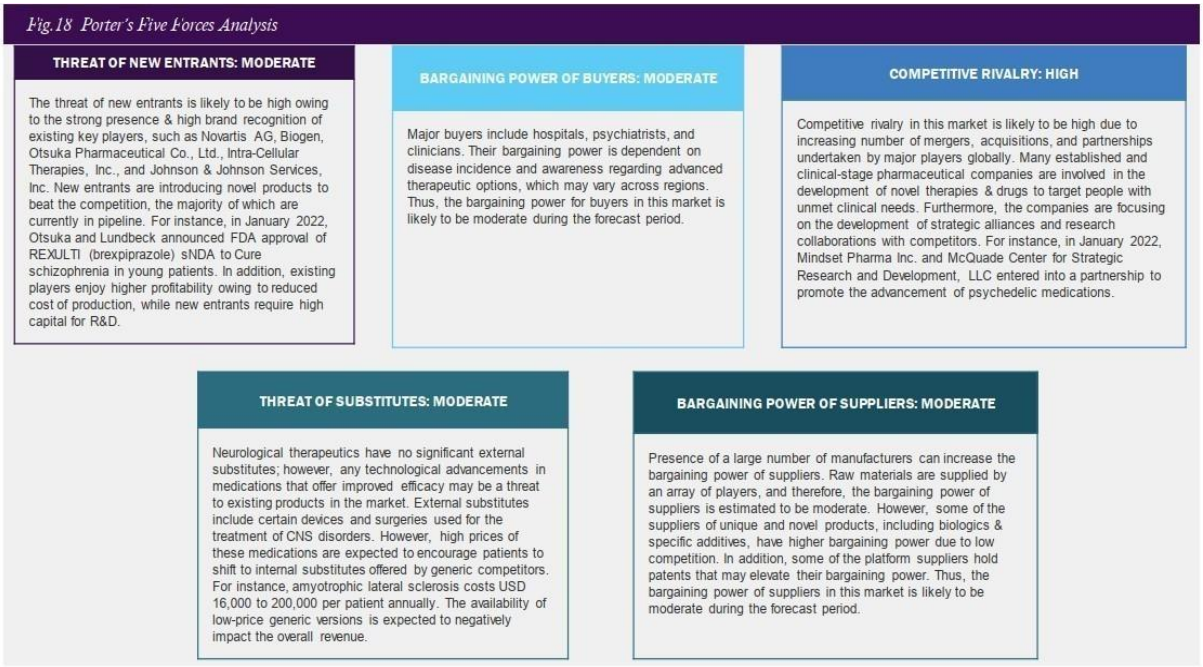
SWOT Analysis, By Factor (Political & Legal, Economic, and Technological)

Political & Legal	**Strengths:** Increasing government focus through investments in drug development is driving market growth. For instance, in June 2020, the Commonwealth of Australia announced USD 21.8 million as a grant for R&D of neurological disorders. **Weaknesses:** Increased government pressure on product pricing due to regulatory requirements and negative legal, administrative, or legislative developments may have an adverse impact on the CNS therapeutics market. **Opportunities:** The EMA amendment for introduction of supplementary protection certificates has increased the exclusivity period for patented chemical entities, which may boost the market. **Threats:** Ongoing geopolitical instabilities and trade wars between the U.S. and China are anticipated to adversely impact the market, as it restricts Chinese manufacturers from reaching the U.S.
Economic	**Strengths:** Increasing focus of pharmaceutical companies and higher investment in R&D to introduce novel, first-in-class products such as aducanumab, lecanemab, and masitinib, as well as approval of products such as Kesimpta, Ponvory, & Spravato among others, have improved the scope of neurological disease treatment. **Weaknesses:** Higher manufacturing costs and lack of adequate neurologist workforce are major factors restraining the market. According to American Academy of Neurology, approximately 60% of U.S. neurologists experienced burnout due to low work-life balance and enthusiasm for work **Opportunities:** Increase in research collaborations between pharmaceutical companies and growing government healthcare funding for CNS disorders are likely to fuel the market. in June 2020, Otsuka Pharmaceutical Co., Ltd. entered into a research collaboration with Axcelead Drug Discovery Partners Co., Ltd. for the R&D of novel treatment for various CNS disorders **Threats:** High cost of novel CNS treatment drugs can adversely impact their adoption by low- and middle-income population groups. In addition, payers are limiting access to novel products, such as edaravone, which is priced at around USD 169,000 annually for the treatment of AD.
Technological	**Strengths:** Introduction of novel drug delivery systems and reformulation of products can help improve efficacy, thereby strengthening market growth. In January 2022, Eli Lilly and Company obtained rights from Entos Pharmaceuticals for its Fusogenix nucleic acid delivery technology for the purpose of research in CNS disorders. **Weaknesses:** Addiction and adverse effects of tranquilizers, sedatives, antidepressants, and pain management products due to prolonged consumption patterns may limit growth. The National Institute on Drug Abuse reports that methamphetamine and amphetamine abuse can increase the risk of developing Parkinson's disease. **Opportunities:** The growing use of AI in research related to brain diseases including CNS disorders may open new avenues in identifying & understanding the complex nature of the disease and identifying post-treatment risk outcomes. Currently, hospitals & healthcare systems use data of patients related to genomic information, free text, x-ray, and MRI for research purpose.

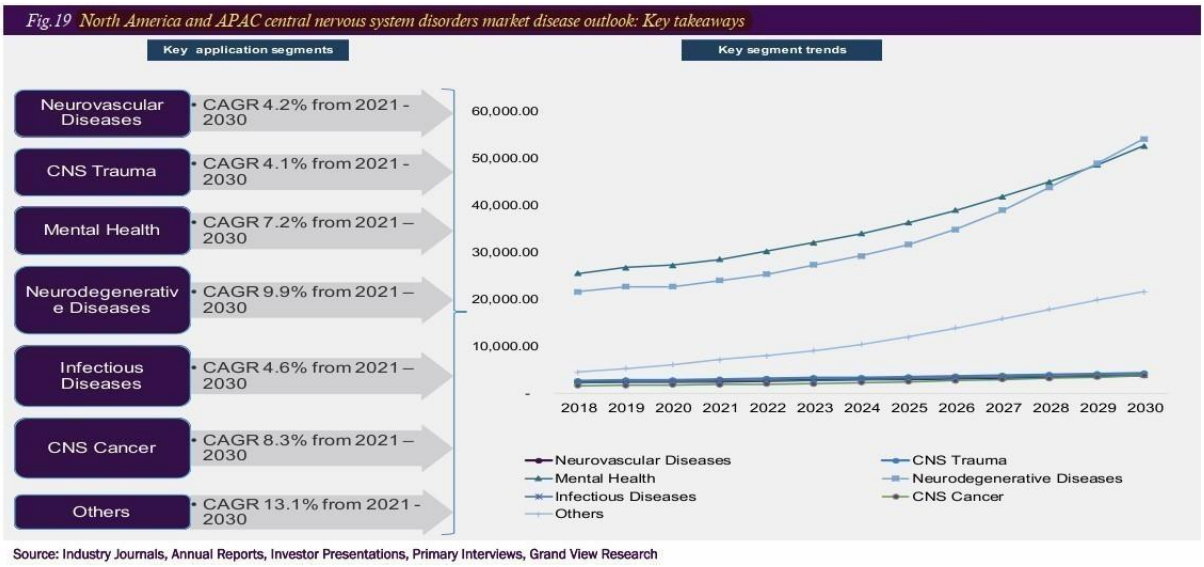
	Threats: Major pharmaceutical companies are facing cybersecurity threats due to a lack of technological infrastructure related to storing data of patients and privacy guidelines.

Industry Analysis – Porters

Fig.18 Porter's Five Forces Analysis



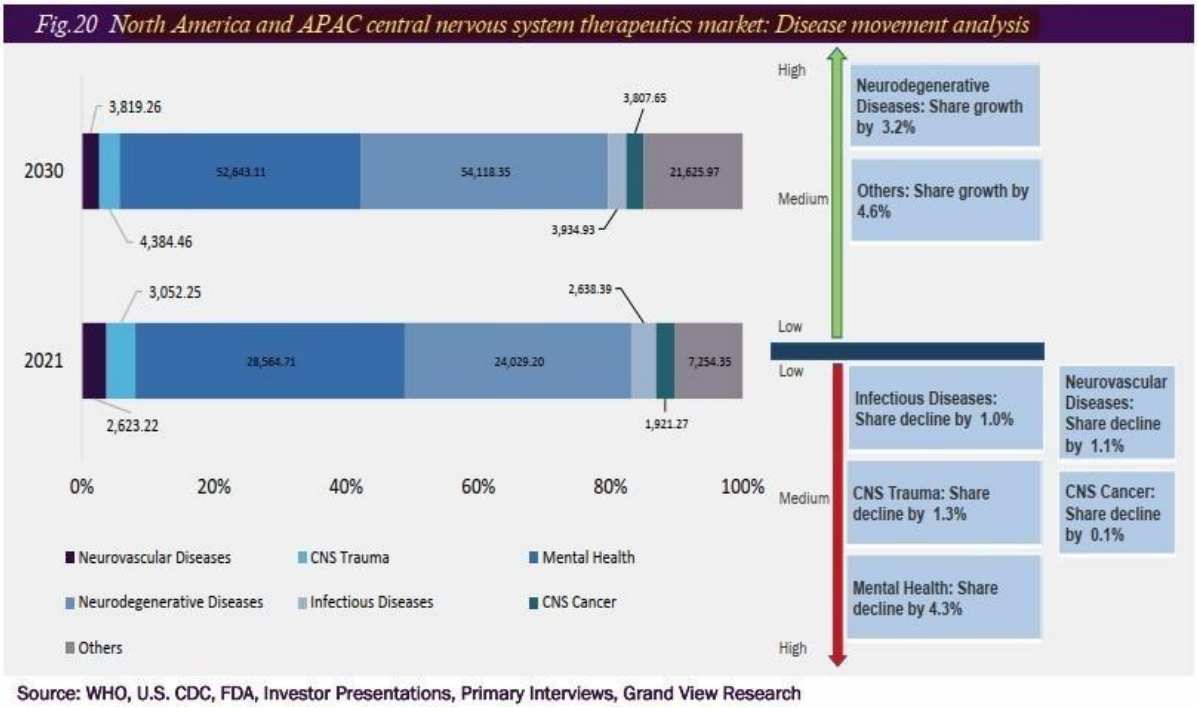
North America and APAC Central Nervous System Therapeutics Market: Segment Analysis, by Disease, 2018 2030 (USD Million)



North America and APAC Central Nervous System Therapeutics Market: Disease Movement Analysis

Mental health segment dominated the North America and APAC CNS therapeutics market in 2021. The dominance can be attributed to increasing prevalence of mental health disorders such anxiety, epilepsy and bipolar disorder.

Neurodegenerative segment is expected to be fastest growing segment over the forecast period due to impending approval of key disease-modifying therapies for Alzheimer's disease, Parkinson's disease, Huntington's disease, and ALS.



North America & APAC CNS Therapeutics Market: Segment Analysis, By Region, 2018–2030 (USD Million)

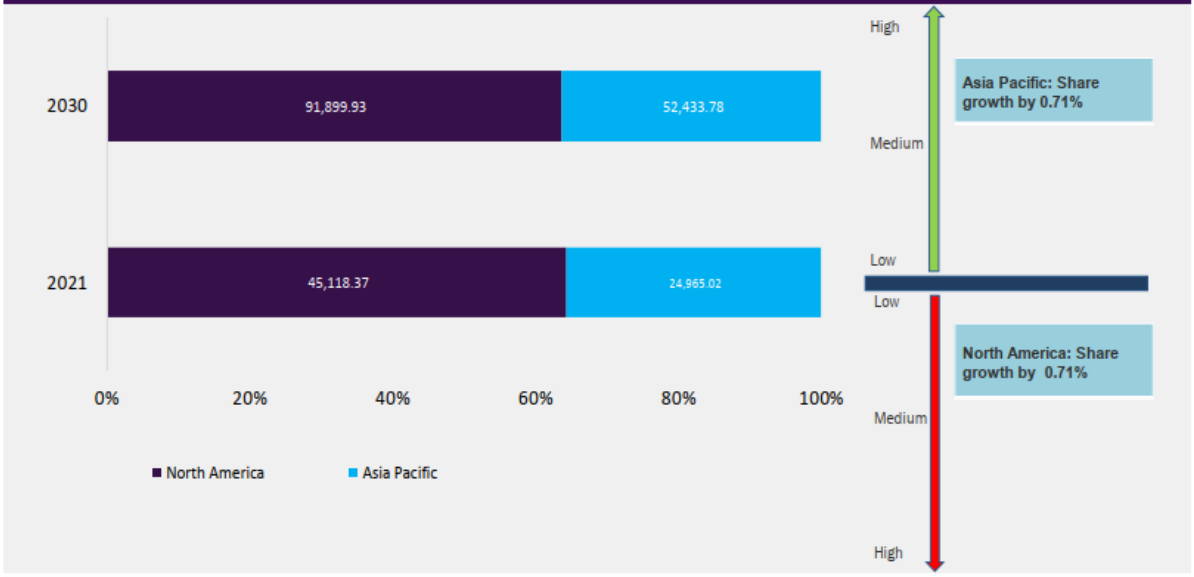
Fig.39 North America & APAC CNS therapeutics market: Regional outlook and key takeaways, 2021 & 2030

Source: U.S. FDA, IPFMA, WHO, industry journals, investor presentations Primary Interviews, Grand View Research

North America & APAC CNS Therapeutics Market: Regional Movement Analysis:

On the basis of region, the North America & APAC CNS therapeutics market is segmented into North America and Asia Pacific. North America was the largest region in terms of revenue in 2021, with a 64.38%% share of the total CNS therapeutics market. Moreover, the Asia Pacific region is expected to grow at the fastest rate over the forecast period owing to increase product approvals and prevalence of CNS diseases.

Fig.40 North America & APAC CNS therapeutics market: Regional movement analysis



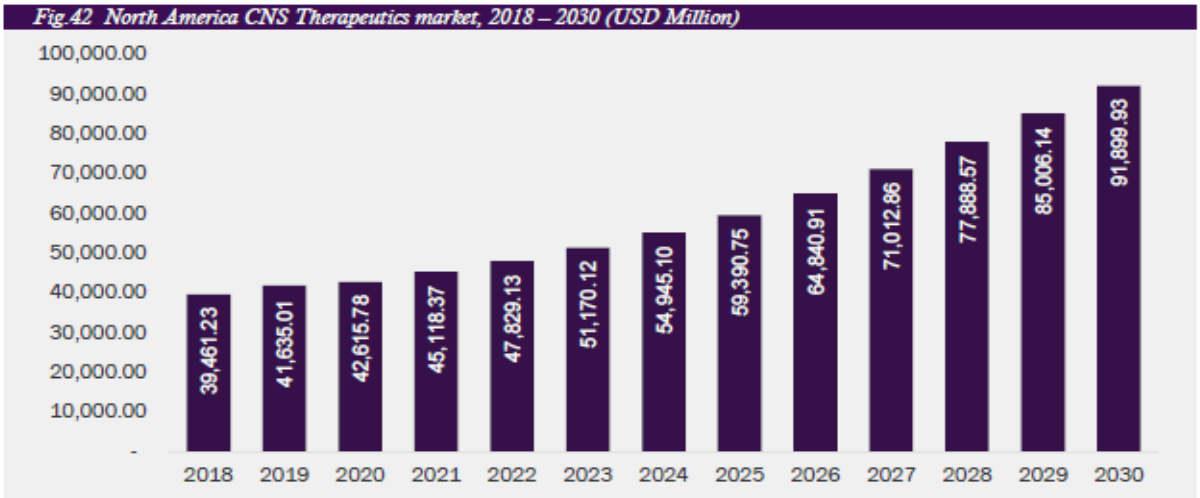
Source: U.S. FDA, WHO, NIH, ALZHEIMER'S ASSOCIATION, industry journals, investor presentations Primary Interviews, Grand View Research

North America:

North America held the largest share of CNS therapeutics market. Presence of a highly developed healthcare infrastructure coupled with better reimbursement policies and high awareness regarding available novel treatment options are anticipated to drive the market growth.

The growing incidence of mental and neurodegenerative diseases, such as multiple sclerosis, Alzheimer's disease, Parkinson's disease, & epilepsy, is fueling the demand for CNS therapeutics in the region. For instance, according to the National Library of Medicine, about 2.8 million people were diagnosed with multiple sclerosis worldwide in 2020, out of which around 20% live in the North American region.

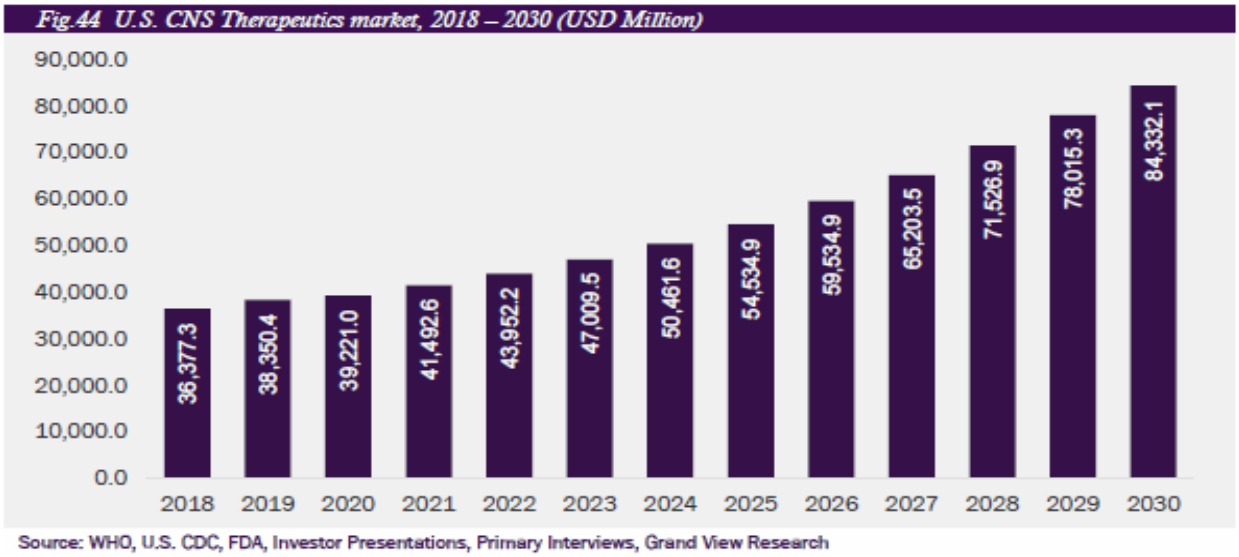
North America Market Estimates and Forecast, 2018-2030 (USD Million)



U.S.

Increasing prevalence of CNS disorders in the country and various initiatives being undertaken by regulatory bodies to support pharmaceutical companies in developing novel therapies are expected to drive the market. According to the National Alliance on Mental Illness, around 52.9 million people live with mental illnesses in the U.S. This represents about one in five adults, which accounted for 5.6% of the adult population in the U.S. experiencing serious mental illness. Moreover, as per data published by American Brain Foundation, the prevalence of CNS disorders, such as CNS trauma, CNS cancer, Alzheimer's disease, dementia, epilepsy, multiple sclerosis, and stroke is 18,000, 23,890, 5.8 million, 3.4 million, 1 million, and 800,000, respectively.

U.S. CNS Therapeutics Market, 2018 – 2030 (USD Million):



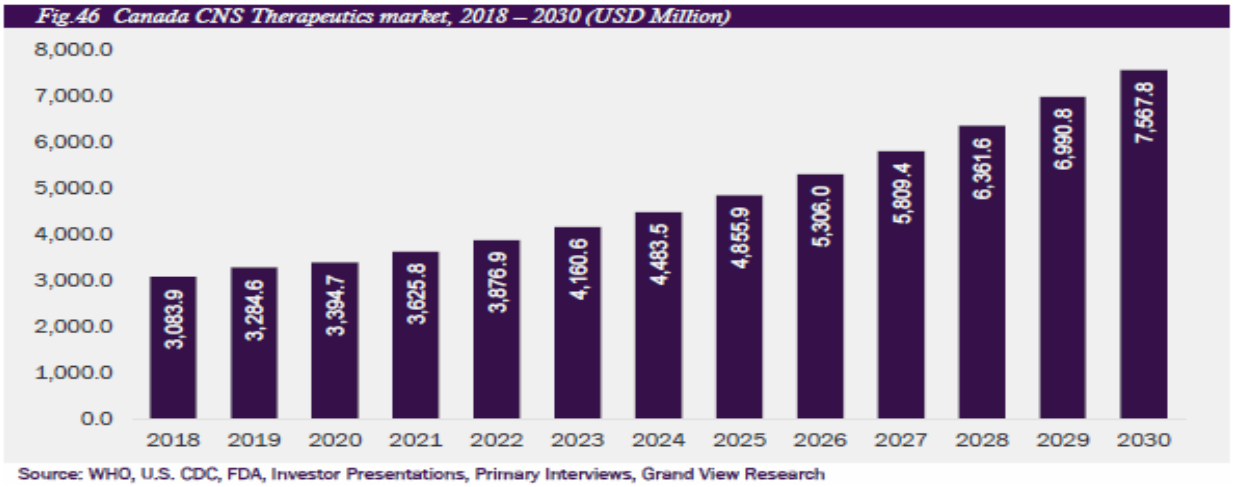
Canada:

The growing focus of private and public entities on neurological studies & enhancing the efficacy of CNS herapeutics is driving the market in Canada. According to Canadian Mental Health Association, one out of five people in Canada experienced a mental health problem at some time in their life. Depression and anxiety are major neurological health conditions in Canada, affecting around 8% and 5% of the population, respectively.

The expanding patient pool of neurological conditions in Canada is driving the demand for effective treatment options in the country. Approximately 76,000 new cases of dementia are diagnosed every year in the country and the incidence of dementia in the geriatric population is 14.3 per 1,000 population. Moreover, the prevalence of multiple sclerosis in Canada is 291 per 100,000 population, which is the highest in the world.

According to Brain Injury Canada, approximately 2% of the population suffers from Traumatic Brain Injury (TBI). There are 18,000 hospitalizations annually due to TBI conditions, with a prevalence rate of 500 cases per 100,000 population in Canada. Of this, one-third of TBI patients are women, hence, women are more likely to experience TBI than men.

Canada CNS Therapeutics Market, 2018 – 2030 (USD Million)

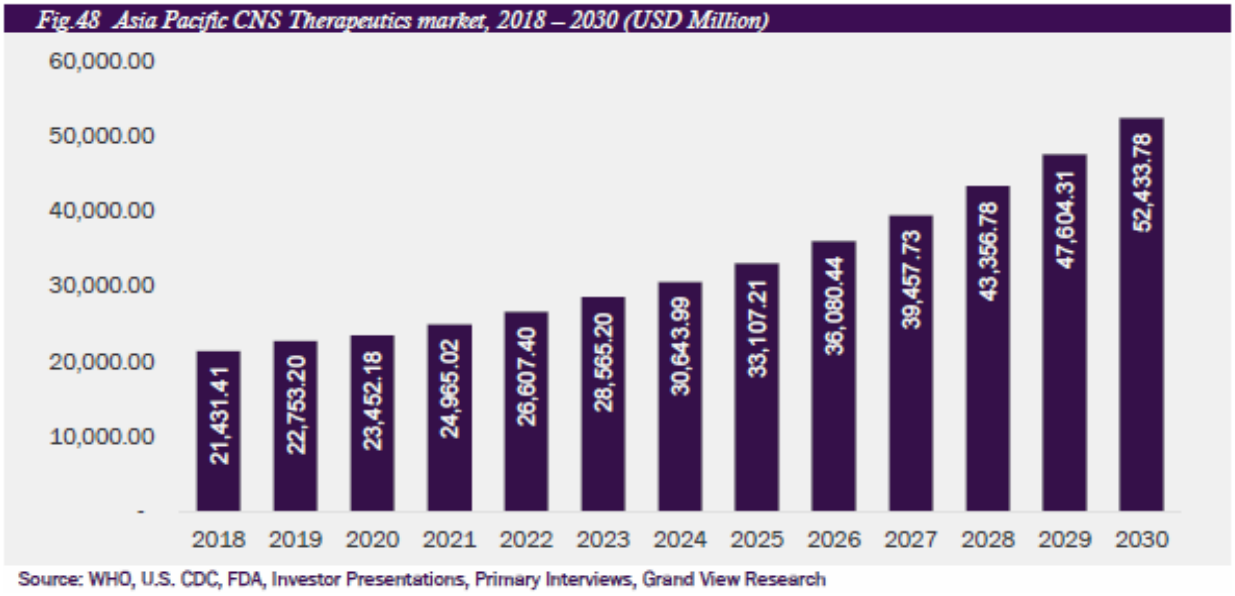


Asia Pacific:

Asia Pacific region is expected to grow at the fastest rate over the forecast period. High prevalence of neurodegenerative diseases, increasing awareness regarding mental health, and improving healthcare infrastructure in the region are anticipated to boost market growth.

According to the National Library of Medicine study published in February 2022, the prescription rate of antidepressants was high in Sri Lanka, Thailand, and Indonesia. Interestingly, hypnotics were prescribed at a high rate in Japan and compared to other countries, the prescription rate of high doses of psychotropics was high in South Korea, Taiwan, Japan, and China. Mood stabilizers were prescribed at a high rate in India and Hong Kong.

Asia Pacific CNS Therapeutics Market, 2018 – 2030 (USD Million)



Japan:

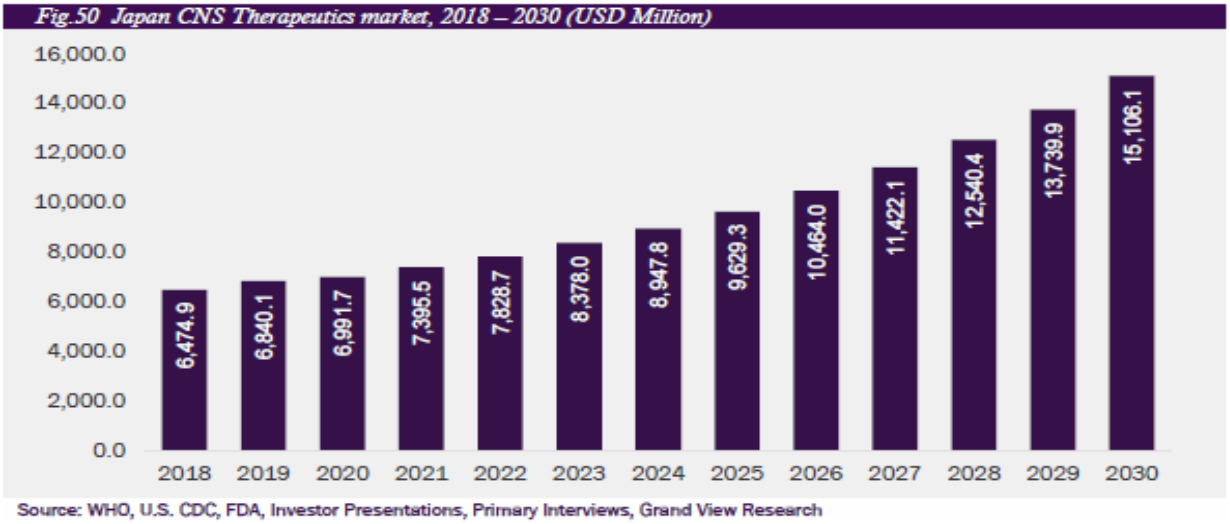
Japan is one of the major markets for CNS therapeutics in Asia Pacific region, which can be attributed to the presence of strong local players and well-established healthcare infrastructure.

According to the Global Cancer Observatory, in 2020, the 5-year prevalence of brain and CNS cancers was 16,315, which is 12.90 per 100,000 population in Japan. The incidence and mortality of CNS cancer in 2020 were 5,517 and 3,254, respectively. High mortality rate of CNS cancer is expected to lead to an increase in R&D activities

for development of novel & effective therapies for their treatment.

Strategic initiatives are undertaken by key players such as collaborations for R&D of novel treatments for patients with CNS disorders.

Japan CNS Therapeutics Market, 2018 – 2030 (USD Million)



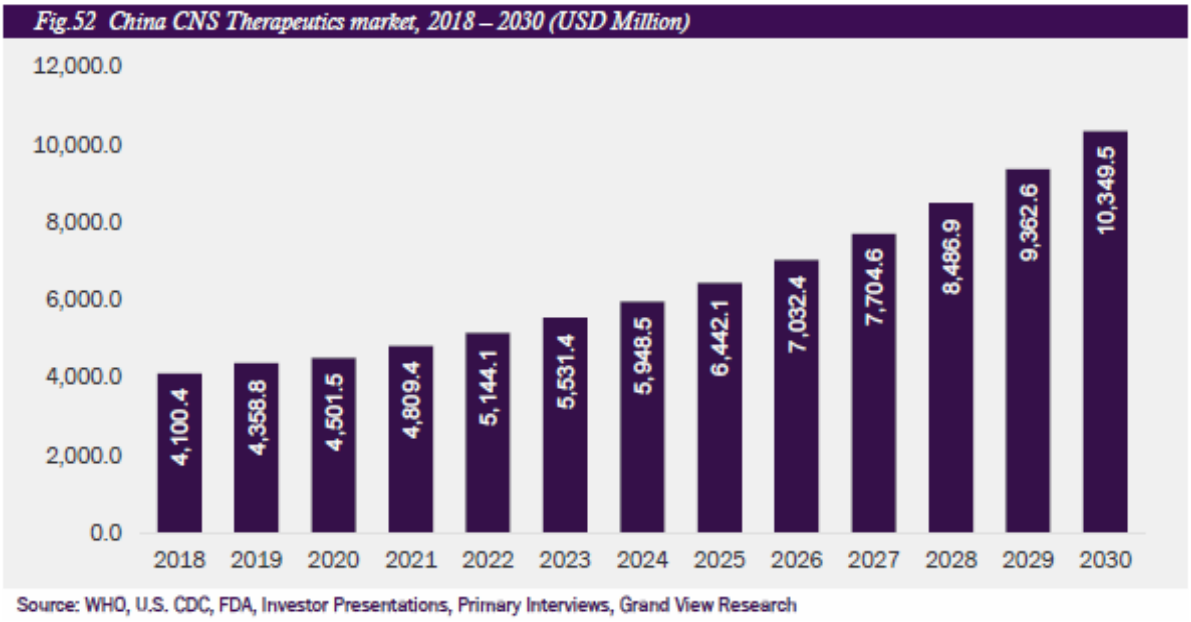
China:

Increase in the prevalence of neurological conditions, growth in manufacturing of healthcare products, and increase in healthcare expenditure in China are among factors boosting the market growth.

Major pharmaceutical companies in the country are adopting market strategies, such as new product development and licensing, to strengthen their position locally.

Drug approval process is complex in China, and the CFDA is responsible for new drug registration in the country. It takes around 1 to 2 years for new drugs to be approved in China. A longer duration of approval may impede the market growth.

China CNS Therapeutics Market, 2018 – 2030 (USD Million)



India:

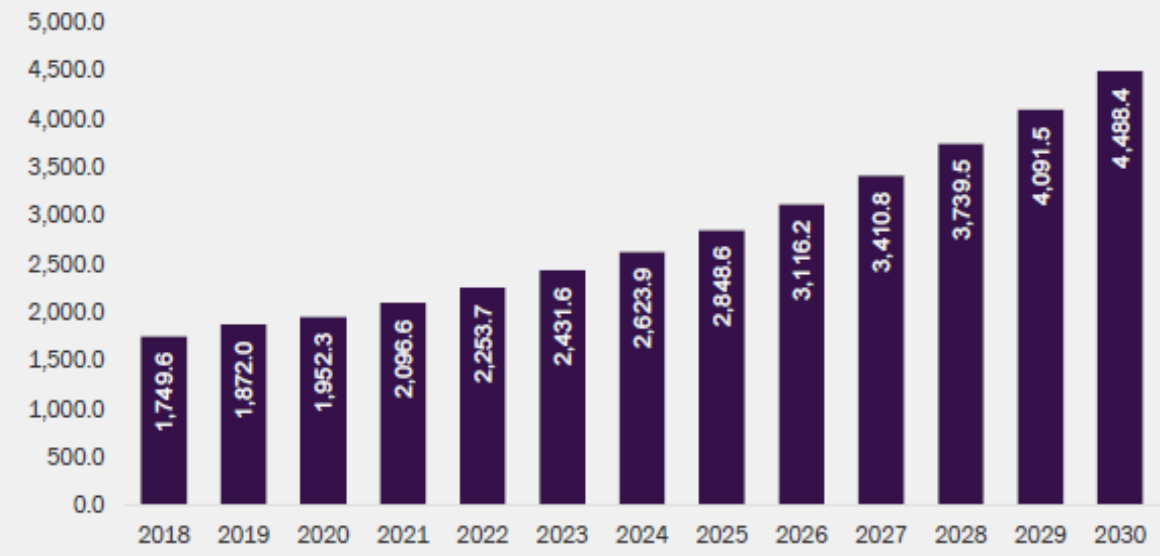
India CNS therapeutics market is expected to grow at the fastest rate over the forecast period. Increasing prevalence of neurodegenerative & mental health diseases, rising awareness about neurologic conditions, and improvement in healthcare infrastructure are some of the factors driving growth.

The prevalence of neurological disorders ranged from 967 to 4,070 per 100,000 population in the country. According to an estimate, there are more than 30 million people in India suffering from neurological disorders, excluding CNS infections & trauma. In addition, India has more than 5.3 million people living with Alzheimer's disease, which is estimated to reach 7.6 million by 2030. It has the world's third-largest number of Alzheimer's patients. In addition, the rising geriatric population is expected to contribute to market growth.

Various initiatives are being undertaken by government and nongovernment organizations to improve the quality of life of people living with any form of CNS disease. For instance, Alzheimer's and Related Disorders Society of India (ARDSI) helps patients suffering from serious CNS disorders, such as Alzheimer's disease & Parkinson's disease, by providing care, support, and training to patients as well as caregivers.

India CNS Therapeutics Market, 2018 – 2030 (USD Million)

Fig.54 India CNS Therapeutics market, 2018 – 2030 (USD Million)



Source: WHO, U.S. CDC, FDA, Investor Presentations, Primary Interviews, Grand View Research

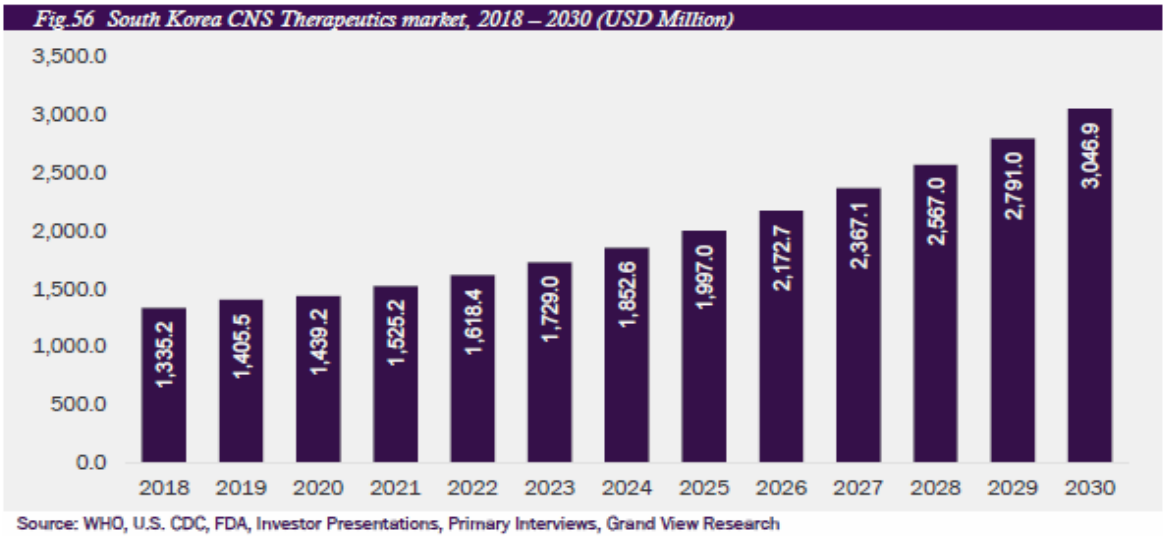
South Korea:

Technological advancements and increase in research activities to develop novel therapies for CNS disorders are factors anticipated to drive market growth in the coming years. Moreover, with increasing prevalence of dementia in the country, domestic pharmaceutical companies are working on new forms of drugs for its treatment.

Government initiatives to improve the life of patients suffering from CNS disorders are also supporting market growth. For instance, Ministry of Science & ICT and Ministry of Health & Welfare are investing to develop treatments to overcome dementia. The Korean government is planning to invest USD 183.2 million to support research & development in dementia prevention, diagnosis, as well as treatment.

In South Korea, the reimbursement of drugs is governed by the NHI scheme, a single-payer system. The NHI provides health insurance to 96% of the population, while the remaining 4%, primarily senior citizens, are covered under the Medical Aid program. Thus, supportive reimbursement policies are anticipated to increase the treatment rate of CNS disorders, thereby driving market growth.

South Korea CNS Therapeutics Market, 2018 – 2030 (USD Million)



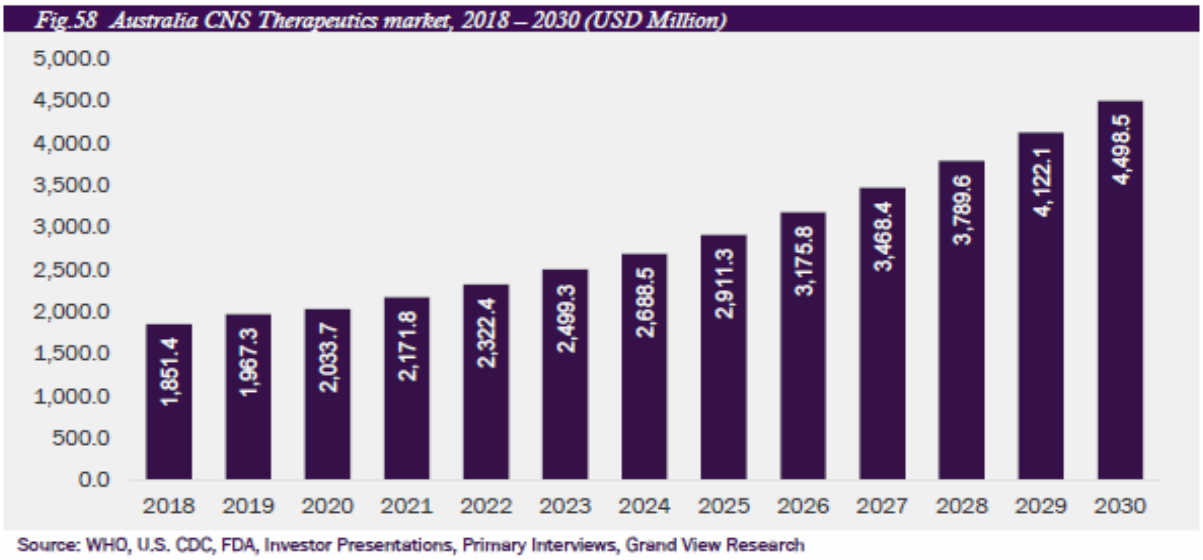
Australia:

High prevalence of neurodegenerative diseases and better healthcare policies in Australia are driving the market growth. Australia has formulated public health policies that directly target dementia and other central nervous system disorders.

Dementia is the second leading cause of death in Australia. In 2020, it is estimated that 459,000 Australians were suffering from this condition, and it is expected to increase to 590,000 by 2028. Increasing disease burden on the country 's economy is leading to research and development activities to develop enhanced techniques to improve the quality of life of patients.

The Australian government provides around USD 21 million for 13 dementia research projects through National Health and Medical Research Council (NHMRC) annually. In addition, in December 2021, the Australian government announced an investment of USD 132 million to expand, enhance, and strengthen NDSP.

Australia CNS Therapeutics Market, 2018 – 2030 (USD Million)



North America & APAC CNS Therapeutics Market: Competitive Analysis

Recent Developments and Impact Analysis, by Key Market Participants

NEW PRODUCT LAUNCHES

Key players are introducing novel products in the North America & APAC CNS therapeutics market to strengthen their portfolios. Some of the new product approvals and launches in the CNS therapeutics market are listed below:

- In June 2022, the Ministry of Health, Labour and Welfare approved AJOVY in auto-injector dosage form, developed by Otsuka, for treatment of patients with preventive migraine in Japan.

- In January 2022, the U.S. FDA approved the NDA application for REXULTI (brexpiprazole), developed by Otsuka and Lundbeck, to treat young patients with schizophrenia. Its launch is expected to strengthen the company's product portfolio and boost revenue.

- In March 2022, the U.S. FDA approved Ztalmy, developed by Marinus Pharmaceuticals, for the Pharmaceuticals, for the treatment of patients with epilepsy disorder aged 2 years and above.

- In April 2022, BioXcel received approval from U.S. FDA for Igalmi, indicated for treatment of patients with agitations episodes in schizophrenia.

- In May 2022, the U.S. FDA approved the NDA application submitted by Prevail Therapeutics to evaluate safety and efficacy of PR001 in Phase I/II clinical trials in patients with PD.

Mergers and Acquisition:

Companies are adopting strategies such merges and acquisitions that allow them to use resources for the development of new products and enhance their supply chain.

- In December 2020, Novartis AG entered into an agreement with Cadent Therapeutics for the acquisition of pipeline candidates in neuroscience. The company made an upfront payment of USD 210 million and a milestone payment of USD 560 million.

- In January 2022, Ovid Therapeutics acquired global rights of AstraZeneca's molecule that address a brand-new target to treat epilepsy.

Partnerships and Strategic Collaborations:

In January 2022, Ovid Therapeutics acquired global rights of AstraZeneca's molecule that address a brand-new target to treat epilepsy.

- In January 2022, the Mindset Pharma, Inc. and McQuade Center formed a partnership to promote the advancements in psychedelic medications.

- In January 2022, Pfizer and Beam Therapeutics entered into a 4-year exclusive research partnership to develop in-house base editing therapies for various rare genetic illnesses of the liver, muscles, and CNS.

Research Collaborations:

Market players leverage this strategy to increase their R&D capabilities for the introduction of new products in the market.

- In June 2022, Biogen & Alectos Therapeutics signed a licensing and collaboration to develop and commercialize AL01811, a Novel GBA2 Inhibitor for the Prospective Treatment of Parkinson's Disease.

- In March 2022, Eisai Co., Ltd and Biogen officially amended their current collaboration for commercialization of Aducanumab in the U.S. with the brand name of ADUHELM (aducanumab- avwa).

- In August 2022, Merck Co., Inc. and Cerevance entered into a research collaboration to discover a novel drug using Cerevance's Nuclear Enriched Transcript Sort sequencing (NETSseq) technology platform for the treatment of patients with AD.

Vendor Landscape:

The North America & APAC CNS therapeutics market operates through three sales channels: retail, nonretail, and e-commerce. Presence of prominent players and increased number of government initiatives for retailers in various regions are factors expected to boost market growth. Growing consumer awareness about early & accurate diagnosis and increasing market demand for economical & effective treatment strategies, especially in North America & APAC, are factors collectively driving sales channels.

Increasing market penetration of e-commerce has led to higher sales of North America & APAC CNS therapeutics through online channels. The convenience and availability of discount on online channels are driving the e-commerce segment of this market at a rapid rate.

Key Customers:

The key customers in the market include:

- Hospitals
- Neurologists, Neuro-oncologists and Psychiatry
- Patients
- Pharmacies

OUR BUSINESS

In this section, unless the context otherwise indicates or implies, "we", "us" and "our" refer to our Company together with our Subsidiary, and references to "our Company" are to Suven Life Sciences Limited only.

Unless otherwise stated, the financial information used in this section is derived from the Audited Consolidated Financial Statements as at and for the year ended March 31, 2022 and March 31, 2021 and the Unaudited Consolidated June Financial Results. References to "Fiscal Year" in this section is as at and for the year ended March 31.

Overview

We are a bio-pharmaceutical company, focused on discovering and developing novel pharmaceutical products, for central nervous system ("**CNS**") disorders using G Protein-Coupled Receptor targets. Our focus has been on discovery and development of innovative molecules targeting diseases and areas, which has undiscovered medical treatment opportunities. Our Company singularly focuses on development of "New Chemical Entities" **("NCEs")** molecules for CNS diseases such as Alzheimer's, various forms of Dementia, Narcolepsy, Major Depressive Disorder ("**MDD**"), Attention Deficient Hyperactivity Disorder ("**ADHD**"), Huntington's disease, Parkinson, Bipolar disorder and different forms of neuropsychiatry disorders, gastro and pain.

Incorporated in the year 1989 as a bulk drug manufacturer in the pharmaceuticals industry, initially our Company was focused on service-oriented business model Contract Research and Manufacturing Services ("**CRAMS**"), aligned with global pharmaceutical and biotechnology companies and subsequently diversified in discovery and development of innovative molecules targeting diseases. Our Company has more than three decades of experience in the pharmaceutical industry.

We started the drug discovery business in the year 2003 and incorporated our wholly owned subsidiary Suven Neurosciences, Inc. (formerly know Suven Inc) in the year 2015 in New Jersey, USA. Suven Neurosciences, Inc. a Delaware company, is a clinical-stage biopharmaceutical company focused on acquisition, development and commercialization of novel therapeutics for the treatment of neurodegenerative disorders.

We were *inter alia* engaged in two business verticals, namely, the CRAMS and the Discovery Research. In order to facilitate focused growth, operational efficiencies, business synergies and increased operational and customer focus in relation to the CRAMS and the Discovery Research business separately it was decided to demerge the CRAMS business. Accordingly, pursuant to the Scheme of Arrangement between Suven Life Sciences Limited and Suven Pharmaceuticals Limited and their respective shareholders and creditors, sanctioned by the NCLT on January 6, 2020, the CRAMS business was demerged from Suven Life Sciences Limited to Suven Pharmaceuticals Limited with effective date of October 1, 2018.

We started our path into this complex world of CNS way back in 2003 with a commitment to provide solutions for global unmet medical needs. An NCE activity involves several stages of innovation starting from drug discovery, clinical trials, regulatory approvals and commercialization. In our drug discovery as pre-clinical research we cover Synthetic and Medicinal Chemistry, Analytical Chemistry, In vitro Biology, ADME, Pharmacology, Toxicology, Bioanalysis and NCE formulations. Our proprietary drugs are in various stages of pre-clinical and clinical trials. Since the year 2003, our Company has spent ₹ 76,063.00 lakhs until June 30, 2022, on development of our NCE molecules. As on the date of this Letter of Offer, we have 15 molecules, out of which 7 molecules are in clinical development phase and rest 8 molecules are on various stages of discovery and pre-clinical studies.

The list of molecules in clinical development stage and its current status are as follows:

Molecule	Indication	Status	Latest study initiation
SUVN-502	Cognitive disorders/ Agitations	Completed 2 phase 1 studies and 1 phase 2 study. Initiated phase 3 study.	Phase 3 study activities for Agitation in Alzheimers started in May 2021
SUVN-G3031	Cognitive disorders/ Narcolepsy	Completed 1 phase 1 study and ongoing phase 2 study	Phase 2 study activities for Narcolepsy started in April 2019
SUVN-D4010	Cognitive disorders	Completed 1 phase 1 study and ready for phase 2 study	Completed phase 1 study in 2017 and phase 2 study not initiated yet.

Molecule	Indication	Status	Latest study initiation
SUVN-911	Depressive disorders	Completed 1 phase 1 study and ready for phase 2 study	Completed phase 1 study in 2018 and phase 2 study not initiated yet.
SUVN-I6107	Cognitive disorders/ Schizophrenia	Completed pre-clinical studies and getting ready for phase 1 study	Completed pre-clinical studies in 2021
SUVN-M8036	Psychiatric disorders	Ready for pre-clinical studies	Studies not yet started
SUVN-D1044	Gastrointestinal disorders	Ready for pre-clinical studies	Studies not yet started

Our Company has invested ₹ 35,857.00 lakhs till June 30, 2022 for the phase 2 clinical trials of the 2 molecules i.e. SUVN-502 and SUVN-G3031. Presently all the clinical development activities of the molecules from Phase 1 onwards are carried out by our Subsidiary located in New Jersey, USA. Prior to incorporation of our Subsidiary in the year 2015, all the phase 1 studies and clinical trial contracts were directly initiated from Suven Life Sciences Limited. Presently all the regulatory filings are made by Suven Life Sciences Limited and all the contractual obligations, management and monitoring, safety reporting and result outcomes in relation to all the human clinical trials are handled by our Subsidiary from 2015.

In addition to discovery and development of innovative molecules targeting diseases, as a service model, we also provide a wide range of support services to global pharmaceutical and biotechnology companies by leveraging our expertise into discovery and development of innovative molecules. Our integrated drug discovery and development support services helps these pharmaceutical and biotechnology companies to conduct discovery (from hit to candidate selection) and development (including analytical and bio-analytical evaluation and stability studies). Our total revenue from the drug discovery and development support services in fiscal year ending on March 31, 2022 and March 31, 2021 were ₹ 1,716.14 lakhs and ₹ 2,123.20 lakhs respectively. Further our total revenue from the drug discovery and development support services in quarter ending on June 30, 2022 and June 30, 2021 were ₹ 353.92 lakhs and ₹ 200.61 lakhs respectively.

We deliver our services through our R&D infrastructure and our pool of scientific talents we have built over a period of time. Our laboratory and research centres are spread over 34,640 sq. ft. and located in the state of Telangana at (a) Pashamylaram, and (b) Jeedimetla. As of March 31, 2022, our tangible fixed assets (gross block including capital work in progress) were ₹ 8,360.35 lakhs. Further, our total expenditure on R&D activities for the Fiscals 2022 and 2021 were ₹ 10,636.75 lakhs and ₹ 7,102.73 lakhs, respectively and for the quarter ending on June 30, 2022 and June 30, 2021 were ₹ 1,824.96 lakhs and 3,852.23 lakhs respectively. We have a professional and experienced management team and as on July 31, 2022, we had 128 employees out of which 6 are PhD holders and 94 scientist are holding master's degree and 3 are holding bachelor's degree in various disciplines of Science. As on June 30, 2022, we have been granted 2,509 patents for 53 inventions under our drug discovery activities in various jurisdictions.

Awards and Achievements

We have received the following awards for our current business activities:

Year	Award	Category
2015-16	Pharmexcil's Gold Patent Award	NCEs/Drug Discovery
2014-15	Pharmexcil's Gold Patent Award	NCEs/Drug Discovery
2013-14	Pharmexcil's Gold Patent Award	NCE/Drug Discovery Patent Category
2011-12	Pharmexcil's Platinum Patent Award	Overall Category
2011	Bio-Excellence Award	Bio-Services Sector
2010-11	Pharmexcil's Gold Patent Award	R&D in Drug Discovery
2009-10	Pharmexcil's Gold Patent Award	NCE/Drug Discovery Patent Category
2008-09	Pharmexcil's Gold Patent Award	NCE Patent Category

Our competitive strengths

Vast experience in development of NCEs in the CNS segment

We are a pharmaceutical research and development company focused on discovering and developing new chemical entities to treat neurodegenerative diseases which currently have no medical treatment. Through our continued research and development activities in the drug innovation segment, we have developed 15 NCEs. Typically, an NCE activity involves several stages of innovation starting from drug discovery, clinical trials, regulatory approvals and commercialization. Our proprietary drugs are in various stages of pre-clinical and clinical trials. As on date of this Letter of Offer, we have our own 15 NCEs targeted to the therapeutic areas such as Alzheimer's, Schizophrenia, ADHD, MDD, Obesity and Pain. As on June 30, 2022, we have been granted 2,509 patents for 53 inventions under our drug discovery activities in various jurisdictions.

Further, as part of our continued NCE development activities, we have entered into agreement with the US-based Clinical Research Organisations ("**CRO**") for conducting clinical trials of the following molecules.

- Phase 3 clinical trial on Masupirdine (SUVN-502) for Agitations in Alzheimer's type patients and
- Phase 2 clinical trial on Samelisant (SUVN-G3031) for Narcolepsy (excessive day time sleep disorder)

We believe our several years of experience of development of NCEs in the CNS segment in the past will help us in drug discovery and development of innovative molecules going forward.

Research and development capabilities that facilitate the drug development process.

We focus on undertaking dedicated R&D in areas which has unmet medical needs for CNS diseases. Our R&D operations are focused on developing new products and complex molecules as well as improving the efficiency of our existing products. We undertake our NCE development activities at our own research centres.

In addition, our drug discovery and development support services help our pharmaceutical and biotechnology clients in validating their research through wide variety of analytical services provided by us. Our expertise in CNS area enables our clients to conduct focused biopharmaceutical research and facilitates them in the in-depth bioanalytical research. Our expertise ranges from executing various activities ranging from small molecule studies to immunogenicity testing, complex bioanalysis and elemental bioanalysis. We offer wide array of services includes medicinal/organic/scale-up chemistry, analytical chemistry, physicochemical properties and biopharmaceutical characterization, assay development and validation, in-vitro screening, functional assays, in-vitro ADME assays, in-vivo pharmacokinetics, in-vitro, in-vivo metabolism, in-vivo micro-dialysis, in-vivo receptor occupancy, EEG, pain and obesity pharmacology, renal safety pharmacology, pre-formulation, biopharmaceutics, toxicology and formulations.

We believe in maintaining high quality standards and process in our R&D in order maintain our brand and maintain long-term relationships with our customers. We have developed R&D infrastructure and facilities and with a skilled team specialised in CNS and our offerings in R&D services to global customers. As on July 31, 2022, we have 128 employees out of which 6 are PhD holders having an average experience of 30 years and94 scientist are holding master's degree having an average experience of 10 years in various disciplines of Science , delivering clinical research solutions with scientific expertise and regulatory knowledge, enabling us to offer standalone specialty services such as central bioanalytical laboratory services, biopharmaceutics and quality assurance services and project management service. They are led by a senior management team, which has a diverse experience in pharmaceutical industry and dealing with CROs. We believe that our continuing R&D initiatives have strengthened the services we offered.

Experienced senior management team with focus on continuous professional development

We have a dedicated team of experienced professionals in different functionalities of project management and medical monitoring. Our Promoter, Chairman and Chief Executive Officer, Venkateswarlu Jasti, has significant experience in the pharmaceutical industry. He was chairman of Organizing Committee for the 52nd Indian Pharmaceutical Congress held at Hyderabad in the year 2000 and the chairman for Pharmaceutical Export Promotion Council for the period 2008-2010.Our senior management has vast experience in pharmaceutical companies and business administration role. NVS Ramakrishna our Vice President (Discovery Research) has experience of over 30 years in the field of pharmaceuticals, drug discovery, research and development and drug designing. He holds a PhD from Indian Institute of Technology Madras.

Further our biopharmaceutics team functions from beginning to end, during project life cycle and handles various steps i.e. feasibility, study initiation, protocol writing, coordination for regulatory submission, developing of study milestones, study updates to sponsor and final report dispatch. Similarly, the medical affairs and pharmacovigilance team comprises of associates having qualification of masters in pharmacy with an average experience of more than 5 years. Our management team has demonstrated its ability to develop and execute a focused strategy to grow our business and enabling us to strengthen our market position. We believe that the industry knowledge and leadership of our executive leadership team, combined with their extensive experience, provide us with a competitive advantage and are instrumental in enabling us to attract high-quality talent, drive implementation of our strategy and achieve of our long-term objective of delivering sustainable growth across our business.

Our Strategy

Our Company's vision is to become a world-class pharmaceutical research and development company that delivers innovative and scientific solutions for neurodegenerative diseases in CNS therapeutic segment.

With the vision of becoming a leading company focused on treatments for unmet medical needs in mental health, our focus will be on health for patients and value for partners while continuing our search of new CNS therapies.

Accordingly, our key strategy to achieve this vision is as follows:

Continue to focus on NCE development in the CNS therapeutic segment

We are an innovative NCE molecule developer and our approach has been to focus on targeted diseases within CNS diseases like Alzheimer's, Dementia, Agitation in Alzheimer's type patients, Narcolepsy with and without Cataplexy, Bipolar disorders, ADHD,F Schizophrenia, MDD, Pain management and other CNS disorders. Our proprietary drugs are in various stages of pre-clinical and clinical trials. Our approach is to take the molecules through various phases of clinical trials from preclinical studies (on animals) through phase 1 to phase 3 clinical studies (on human), before approaching the regulators for approval for commercialization. If successful in clinical studies, the molecules can get approved by regulatory agencies and can be commercialised in the global markets. The molecules once reach commercialization stage can be exclusively marketed by us in the geographies in which we have been granted the patent for such molecules.

Our business verticals

Our business verticals comprise of following segments:

A. Drug discovery and research/clinical pipeline.

B. Drug discovery and development support services

A. Drug discovery and research/clinical pipeline

We are focused on discovering and developing NCEs, which are CNS therapies for the treatment of Alzheimer's, various forms of Dementia, Narcolepsy, Major Depressive Disorder ("**MDD**"), Attention Deficient Hyperactivity Disorder ("**ADHD**"), Huntington's disease, Parkinson, Bipolar disorder and different forms of neuropsychiatry disorders, gastro and pain. Our research targets include serotonin 6 receptor, serotonin 4 receptor, histamine 3 receptor, Nicotinic acetylcholine (Alpha4beta2) receptor, muscarinic M1 receptor, muscarinic M4 receptor, multimodal (Dopaminergic and serotonergic receptor) and P2X purinoreceptor 7 receptor.

New chemical entities, also referred to as new molecular entities, are novel pharmaceutical agents that do not contain active chemical moieties previously approved by the United States Food and Drug Administration or any other regulatory agencies. The discovery and development of these new molecules represents one of the most important areas of research in the pharmaceutical industry in the pursuit of the next generation of therapeutic agents.

Typically, an NCE activity involves several stages of innovation starting from drug discovery, clinical trials, regulatory approvals and commercialization. Our proprietary drugs are in various stages of pre-clinical and clinical trials.

As on June 30, 2022, we have been granted 2,509 product patents, in various jurisdictions for 53 inventions under our drug discovery activities. Our endeavours in the drug innovation activities has resulted into a pipeline of 15 NCEs.

Our CNS focused pipeline:

Masupirdine (SUVN-502), a 5HT6 antagonist, indicated for Central Nervous Disorders (CNS) like Alzheimer's, different forms of cognitive impairment, dementia, and neuro psychiatric disorder. This molecule has completed multiple phase 1 clinical trials in Europe and USA and completed Phase 2 clinical trial in USA targeting Alzheimer's and Neuro Psychiatry. We are starting a Phase 3 study on Agitation in Alzheimer's type patients, a global study involving USA for which we have an approval from FDA to initiate.

Samelisant (SUVN-G3031), Histamine H3 inverse agonist, indicated for Narcolepsy (excessive day time sleep disorder) and other forms of dementia. This molecule has completed phase 1 clinical trials in USA, and we have almost completed 50% the phase 2 clinical trial in USA. The ongoing phase 2 study in the US was presented to the Data Safety Monitoring Board (DSMB) for interim analysis. For better outcome of the trial, DSMB suggested, a key secondary endpoint ESS (Epworth Sleepiness Scale) in addition to the Primary end point of MWT (Maintenance of Wakefulness Test) which is being tested at present. This has increased the patient pool from 114 to 181.

Further to the above, the following molecules in pipeline may be initiated into next stage of pre-clinical and clinical development as and when they are ready:

Usmarapride (SUVN-D4010), 5-HT4 partial agonist, indicated for different forms of dementia has gone through Phase 1 clinical trials in USA and in the preparation stage for starting phase 2 trials.

Ropanicant (SUVN-911), selective α4β2 antagonist nAChR antagonist, indicated for Major Depressive Disorder (MDD), has undergone Phase 1 trial in USA and in the preparation stage for starting phase 2 trial.

SUVN-I6107, is a potent and selective muscarinic M1PAM with no agonist-like activity. It has excellent ADME properties and robust efficacy in preclinical animal models of cognition.

SUVN-D1044 is potent and selective 5-HT4 receptor agonist. It has ADME properties and does not have brain penetration, a favourable feature for gastrointestinal disorders.

5-HT1A, Receptor-partial agonist: Potential treatment for depressive disorders. We are working on two chemically diverse novel series which are showing promise as 5-HT1A receptor partial agonist.

Muscarinic 4 positive Allosteric Modulator (M4 PAM), potential treatment for psychosis. We are working on 2-3 chemically diverse novel series which are showing promise as M4 PAM. Further research on structure related activity relationship is ongoing. Once completed, this molecule will be ready for starting pre-clinical studies.

P2X7 Antagonist Project, potential treatment for pain and inflammation. We are working on 3-4 chemically diverse novel series which are showing promise as P2X7 antagonists. Two of these diverse series are at the lead identification stage. Preliminary preclinical (covering in vitro affinity, pharmacokinetic profiling in rats and efficacy in pain models) have been completed.

Research Pipeline:

Our research pipeline of other molecules are in early stage of development the details of which are given below:

Program	Indication	Status
M1 PAM	Gastrointestinal disorders	Lead optimisation stage
P2X7 Antagonist	Pain and inflammation	Lead optimisation stage
5-HT1A Agonist	Treatment resistant depression	Lead optimisation stage
M4 PAM	Psychosis	Hit to lead stage
Multimodal	Bipolar disorders	Hit optimisation stage

B. Drug discovery and development support services

We provide a wide range of drug discovery and development support services to global pharma and biotechnology companies. We have the R & D facilities with highly qualified and experienced team of skilled professionals. We offer research services specializing in Synthetic, Medicinal and Analytical Chemistry, In-vitro Assay development and Screening, Drug Metabolism and Pharmacokinetics, CNS Pharmacology (Behavioural Pharmacology, Micro dialysis, Receptor Occupancy, Electrophysiology), Toxicology and Safety Pharmacology, Bioanalysis and NCE formulations.

Intellectual Property

We seek to protect our products in major markets. Depending on the jurisdiction, patent protection may be available for our specific compounds and formulations. The protection that a patent provides varies from country to country, depending on the type of claim granted, the scope of the claim's coverage and the legal remedies available for enforcement. As on June 30, 2022, we have been granted 2,509 product patents, in various jurisdictions for 53 inventions.

Competition

The pharmaceutical and biotechnology industries are intensely competitive. There are many pharmaceutical companies, biotechnology companies, public and private universities, government agencies and research organizations actively engaged in pharmaceutical research and development of products targeting the CNS diseases. Many of these organizations have substantially greater financial, technical, manufacturing and marketing resources than we have. Several of them have developed or are developing therapies that could be used for treatment of the same diseases that we are targeting. Our ability to compete successfully will depend largely on our ability to leverage our experience in drug development to develop products that are superior to other products in the market, attract and retain qualified scientific, product development and commercial personnel; obtain patent and/or other proprietary protection for our products and technologies and obtain required regulatory approvals.

Research and development centres

Our Company has research centres for medicinal chemistry, process research, analytical research, bioanalytical and pharmacokinetics, pharmacology and toxicology, novel drug delivery research and formulation development. We are focused on undertaking dedicated R&D in areas which has unmet medical needs for CNS diseases. Our R&D operations are focused on developing new products and complex molecules as well as improving the efficiency of our existing products. We undertake our NCE development activities at our research centres located at Pashamylaram and Jeedimetla which has a total area of 34,640 sq. ft. We maintain the high quality standard operating process to meet the regulatory requirement.

Customers

Our discovery research service offerings are to global pharmaceutical companies involved in clinical development of CNS based products and we offer such other research support services to them.

Environmental, Health and Safety Matters

We are subject to significant Indian national and state environmental laws and regulations, including regulations under the prevention and control of pollution, Bio- medical waste management and permission under Atomic Energy Regulatory Board. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. We also comply with various health and safety regulations in India as well as with authorities in overseas countries.

Human Resources

Research and development is an integral part of our business and we devote significant resources towards research and development. As on July 31, 2022, we have a team of 128 full-time employees of which 6 are scientists holding Ph.D. degree, 94 scientists are holding master's degree and 3 are holding bachelor's degree in various disciplines of Science and remaining 25 are into non-technical functions such as Business, finance, human

resources, legal and administration technical staff holding Master's Degree in various disciplines of Science. The table below gives details of our technical, non-technical: -

Function	As on July 31, 2022
Technical (R&D)	103
Non-technical (Business, finance, human resources, legal and administration)	25
Total*	128

** does not include the employees of the Subsidiary*

Indemnification and Insurance

All our assets at Pashamylaram and Jeedimetla centres are insured for perils such as fire, earthquakes and floods etc. under our all Industrial All Risks Insurance Policy. We believe that our insurance coverage is consistent with industry standards for companies in India. Our underwriter for general insurance coverage is National Insurance Company Limited. We also have a group mediclaim policy with United India Insurance Company Limited

Information Technology

Our IT systems are vital to our business and in accordance with prevailing laws, we have adopted an IT policy to assist us in our operations. There are multiple automation systems implemented at our research facilities which help us in our day-to-day operations. We have also implemented the use of enterprise resource planning in managing our financial accounting, material management, sales and distribution. We consistently make efforts to upgrade our systems to ensure business continuity.

OUR MANAGEMENT

Board of Directors

In accordance with the Articles, unless otherwise determined by the Company in General Meeting, our Company shall not have less than three Directors and not more than 15 Directors.

As on the date of this Letter of Offer, our Company has 6 (Six) Directors on our Board, comprising of 1 Chairman and Executive Director, 1 (One) Whole Time Director, 4 (four) Non-Executive Directors of which 3 (three) are Independent Directors including 1 (one) Woman Director.

The following table provides details regarding the Board of Directors of the Company as of the date of filing this Letter of Offer*:*

Sr. No.	Name, designation, current term, period of directorship, occupation, date of birth, DIN and address	Age (in years)	Other Directorships
1.	**Venkateswarlu Jasti** **Designation**: Chairman, Chief Executive Officer and Executive Director **Current Term:** November 1, 2019 to October 31, 2024 **Period of Directorship**: Since March 9, 1989. **Occupation**: Business **Date of Birth**: July 1, 1949 **DIN**: 00278028 **Address**: Plot No. 396, Road No. 22/B, Jubilee Hills, Hyderabad, Telangana – 500 033	73	1. The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry; 2. Jasti Property and Equity Holdings Private Limited; 3. Suven Pharmaceuticals Limited.
2.	**Sudharani Jasti** **Designation**: Whole-time Director **Current Term**: November 1, 2019 to October 31, 2022 **Period of Directorship**: Since March 9, 1989 **Occupation**: Business **Date of Birth**: June 8, 1954 **DIN**: 00277998 **Address**: Plot No. 396, Road No. 22/B, Jubilee Hills, Hyderabad, Telangana – 500 033.	68	1. Jasti Property and Equity Holdings Private Limited.

Sr. No.	Name, designation, current term, period of directorship, occupation, date of birth, DIN and address	Age (in years)	Other Directorships
3.	**Seyed Ehtesham Hasnain** **Designation**: Non-Executive Non Independent Director **Current Term**: Liable to retire by rotation **Period of Directorship**: Since July 27, 2010 **Occupation**: Professor **Date of Birth**: April 13, 1954 **DIN**: 02205199 **Address**: D-12, 2nd Floor, Saket, New Delhi-110017	68	1. Aditum Life Sciences Private Limited; 2. Valetude Primus Healthcare Private Limited; 3. Yashraj Biotechnology Limited; 4. Dr. Reddy's Institute of Life Sciences; 5. Sidsam Profeza Technologies India Private Limited; 6. Ignovision Solutions Private Limited;
4.	**Gopala Krishna Muddusetty** **Designation**: Independent Director **Current Term**: April 1, 2019 to March 31, 2024 **Period of Directorship**: Since November 14, 2012 **Occupation**: Retired IAS Officer **Date of Birth**: January 12, 1939 **DIN**: 00088454 **Address**: 12-2-823/A/23, Santosh Nagar, Medhipatnam, Hyderabad, Telangana – 500 082.	83	1. Pitti Engineering Limited; 2. BGR Energy Systems Limited; 3. Olectra Greentech Limited; 4. The Andhra Petrochemicals Limited; 5. NSL Textiles Limited; 6. Prabhat Agri Biotech Limited; 7. AVRA Synthesis Private Limited.
5.	**Santanu Mukherjee** **Designation**: Independent Director **Current Term**: May 15, 2018 to May 14, 2023. **Period of Directorship**: Since May 15, 2018 **Occupation**: Retired Banker **Date of Birth**: December 29, 1956 **DIN**: 07716452 **Address**: Flat No. 303, 3rd Floor, E-Tower	65	1. Bandhan Bank Limited; 2. Sumedha Fiscal Services Limited; 3. Rainbow Children's Medicare Limited; 4. Muthoot Housing Finance Company Limited; 5. Fair Money Financial Services Private Limited; 6. Fair Money Technology Private Limited; 7. Rainbow Speciality Hospitals Private Limited.

Sr. No.	Name, designation, current term, period of directorship, occupation, date of birth, DIN and address	Age (in years)	Other Directorships
	My Home Abhra, Opposite Inorbit Mall, Raidurg Sherlingampally, Gachibowli, K.V. Rangareddy, Telangana – 500 032.		
6.	**Ananthasai Padmaja Jasthi** **Designation**: Independent Director **Current Term**: November 14, 2018 to November 13, 2023 **Period of Directorship**: Since November 14, 2018 **Occupation**: Professional **Date of Birth**: February 22, 1962 **DIN**: 07484630 **Address**: Villa 1018, Krinss, Gandipet, Near Future Kids School, Puppalaguda, Rangareddy, Telangana – 500089	60	NIL

Confirmations

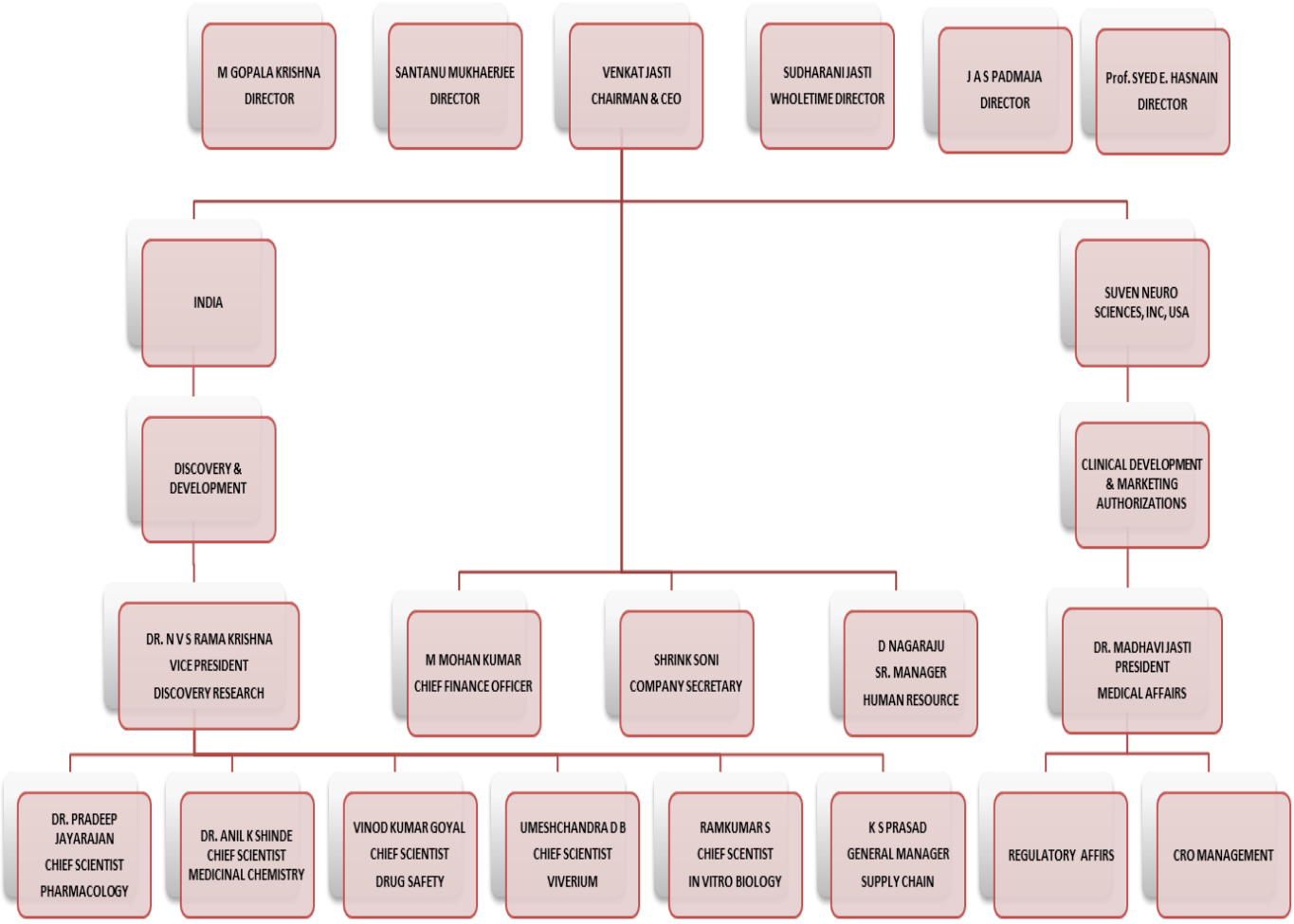
None of our Directors is or was a director of any listed company during the five years preceding the date of filing of this Letter of Offer, whose equity shares have been or were suspended from being traded on any stock exchange, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Letter of Offer.

Details of key management personnel/Senior Management Personnel other than Executive Directors

S. No	Name of Key Management personnel /Senior Management Personnel	Designation
1.	M. Mohan Kumar	Chief Financial Officer
2.	Shrenik Soni	Company Secretary and Compliance Officer
3.	NVS Ramakrishna	Vice President (Discovery Research)

ORGANISATIONAL STRUCTURE



SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S. No.	Particulars
1.	Unaudited Consolidated June Financial Results of our Company and Subsidiary for the quarter ended June 30, 2022
2.	Audited Consolidated Financial Statements of our Company as at and for the financial year ended March 31, 2022.

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Rs. In Lakhs

PART - I		CONSOLIDATED			
Sl. No.	PARTICULARS	For the Quarter Ended			For the year ended
		30/06/2022	31/03/2022	30/06/2021	31/03/2022
		Un-Audited	Refer note.7	Un-Audited	Audited
1	**Income**	(1)	(2)	(3)	(4)
	Revenue from operations	353.92	422.13	200.61	1,184.43
	Other Income	43.58	11.82	83.95	160.14
	Total income	397.50	433.95	284.56	1,344.57
2	**Expenses**				
	a) Cost of materials consumed	-	-	-	-
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-
	c) Employee benefits expense	485.13	576.19	505.53	2,102.08
	d)Finance costs	10.17	9.78	15.29	53.01
	e) Depreciation and amortisation expense	158.11	110.23	103.43	439.32
	f) Manufacturing Expenses	-	-	-	-
	g) R & D Expenses	1,824.96	1,545.75	3,852.23	10,636.75
	h) Other Expenses	151.75	271.81	100.50	684.49
	Total expenses	2,630.12	2,513.76	4,576.98	13,915.65
3	**Profit before exceptional items , Tax (1-2)**	(2,232.62)	(2,079.81)	(4,292.42)	(12,571.08)
4	Exceptional Items- (Ref Note:6)	600.00	-	371.57	371.57
5	**Profit before Tax (3-4)**	(1,632.62)	(2,079.81)	(3,920.85)	(12,199.51)
6	Tax Expenses				
	a) Current tax	-	-	-	-
	b) Deferred tax	-	-	-	-
7	**Net Profit/ (Loss) for the period/year(5-6)**	(1,632.62)	(2,079.81)	(3,920.85)	(12,199.51)
8	**Other Comprehensive Income**				
8.a	(i) Items that will not be reclassified to profit or loss	(3.76)	20.31	(11.79)	(15.05)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
8.b	(i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total other Comprehensive Income	(3.76)	20.31	(11.79)	(15.05)
9	**Total Comprehensive Income for the period (7+ 8)**	(1,636.38)	(2,059.50)	(3,932.64)	(12,214.56)
10	Paid-up equity share capital Face Value of the Share	1,453.82 Re.1.00	1,453.82 Re.1.00	1,272.82 Re.1.00	1,453.82 Re.1.00
11	Other Equity	-	-	-	8,160.71
12	**Earning Per Share (EPS) (Face value of Rs.1/- each) :**				
	a) Basic	(1.12)	(1.63)	(3.08)	(9.57)
	b) Diluted	(1.12)	(1.63)	(3.08)	(9.57)
		(not annualised)	(not annualised)	(not annualised)	(annualised)

SUVEN LIFE SCIENCES LTD HYDERABAD

NOTES:-

1) The above financial results of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 26, 2022.The results for the quarter ended June 30, 2022 has been reviewed by our statutory auditors.

2) The above financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as amended, prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

3) The consolidated financial results include the results of the wholly Owned Subsidiary, Suven Neurosciences, Inc

4) The Company has only one business segment, i.e. Research & Development and does not operate in any other segments. Hence, segment reporting as per IND AS 108 (Operating Segment) is not presented.

5) The Board of directors of the Company at their meeting held on June 24, 2022 approved raising of funds, through issuance of equity shares having face value of ₹ 1 each up to an aggregate amount of ₹ 400 Crores (Rupees Four Hundred Crores) on rights basis.

6) Pursuant to a fire accident on April 26, 2020 at Jeedimetla Plant , certain fixed assets and other contents in buildings was damaged. The Company has lodged Insurance claim subsequently during the quarter received an amount of Rs. 600.00 Lakhs and till date an amount of Rs.1200.00 Lakhs from Insurance company, the same has been included in exceptional Item and regrouped for previous year.

7) The figures for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to third quarter of the financial year.

8)The corresponding previous period figures have been regrouped / reclassified where ever necessary.

SUVEN LIFE SCIENCES LTD * HYDERABAD *

For SUVEN LIFE SCIENCES LTD

Place : Hyderabad
Date : 26th July'2022

VENKAT JASTI
Chairman & CEO
DIN: 00278028

TUKARAM & CO LLP
CHARTERED ACCOUNTANTS

Phones : 2322 1536
: 2322 8785
: 2322 8086

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM UNAUDITED CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
SUVEN LIFE SCIENCES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial results of **SUVEN LIFE SCIENCES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended June 30, 2022 (the "Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'), read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34") "Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

The Statement includes the Results of the following Entities:

Name of the Company	Relationship
Suven Neuro Sciences Inc	Wholly Owned Subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration referred to in paragraph 6 below nothing has come to our attention that causes us to believe that the accompanying Statement. prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

TUKARAM & CO LLP CHARTERED ACCOUNTANTS HYDERABAD-500 029

26/07/2022

3-6-69, Flat No. 209, Venkatarama Towers, Opp. Talwalkars, Basheerbagh, Hyderabad - 500 029.
E-mail : tukaramco@gmail.com

6. We did not review the interim financial information of the subsidiary included in the unaudited consolidated financial results, whose interim financial information reflect total assets of Rs. 64.83lakhs as at June 30,2022 and total revenues of Rs. Nil, and total loss of Rs. (1401.38) lakhs for the Quarter ended June 30, 2022, and total comprehensive income of Rs. (1401.38) lakhs for the Quarter ended June 30, 2022 and net cash flows of Rs. (172.48) lakhs as considered in the Statement. This interim financial information has been reviewed by other auditor whose report have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, is based solely on the reports of the other auditor.

Our conclusion on the statement is not modified in respect of the above matters.

For **TUKARAM & CO LLP**
Chartered Accountants
(Firm Registration No.004436S/S200135)

RAJENDER REDDY K
Partner
M.No.231834
UDIN: 22231834ANPZWF2568

Place: Hyderabad
Date: July 26th, 2022

TUKARAM & CO LLP
CHARTERED ACCOUNTANTS
HYDERABAD-500 029.

26/07/2022

TUKARAM & CO LLP
CHARTERED ACCOUNTANTS

Phones : 2322 1536
: 2322 8785
: 2322 8086

INDEPENDENT AUDITORS' REPORT

To the Members of
Suven Life Sciences Limited

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **Suven Life Sciences Limited** (hereinafter referred to as "the Holding Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including other comprehensive loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31st March, 2022, the Consolidated loss including other comprehensive loss, Consolidated statement of changes in equity and the Consolidated statement of cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended 31st March, 2022. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate

07/05/2022

3-6-69, Flat No. 209, Venkatararna Towers, Opp. Talwalkars, Basheerbagh, Hyderabad - 500 029.
E-mail : tukararnco@gmail.com

opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

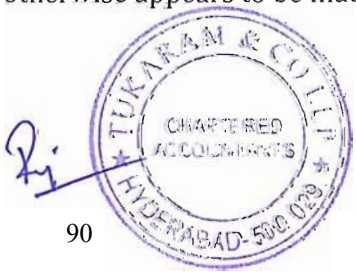
S. No	Key Audit Matters	Auditor's Response
1	Identification and disclosures of Related Parties: (as described in Note-30 of the Consolidated Ind AS financial statements) -The Company has related party transactions which include, amongst others, sale and purchase of goods/services to its subsidiaries, associates, joint ventures and other related parties and lending and borrowing to its subsidiaries, associates and joint ventures and other related parties. -We focused on identification and disclosure of related parties in accordance with relevant accounting standards as a key audit matter.	Our audit procedures amongst others included the following: - Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions. - Obtained a list of related parties from the Company's Management and traced the related parties to declarations given by directors, where applicable, and to Note 30 of the Consolidated Ind AS financial statements. - Read minutes of the meetings of the Board of Directors and Audit Committee - Tested material creditors/debtors, loan outstanding/loans taken to evaluate existence of any related party relationships; tested transactions based on declarations of related party transactions given to the Board of Directors and Audit Committee. - Evaluated the disclosures in the Consolidated Ind AS financial statements for compliance with Ind AS 24.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure's to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



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If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive loss, Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether these Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

TUKARAM & CO LLP CHARTERED ACCOUNTANTS HYDERABAD-500 082

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- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary Company have adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

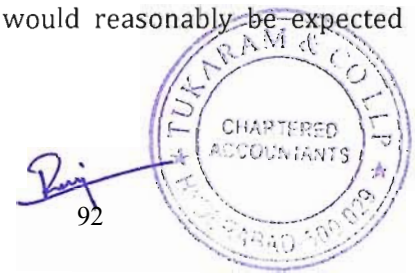
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the Consolidated Ind AS financial statements.

Materiality is the magnitude of misstatements in the Consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Other Matters

We did not audit the financial statements / financial information of Suven Neurosciences, Inc wholly owned subsidiary, whose financial statements / financial information reflect total assets of Rs. 237.31 Lakhs as at 31st March, 2022, total expenses of Rs. 8,574.65 Lakhs and total revenue of Rs. -Nil-for the year ended on that date, as considered in the Consolidated Ind AS financial statements.

Suven Neurosciences, Inc, a wholly owned subsidiary, is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Groups' management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Group's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Group and audited by us.

Our opinion on the Consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure-A**", a statement on the matters specified in paragraph 3(xxi) of the order.

2. As required by section 143 (3) of the Act, based on our audit, we report that:

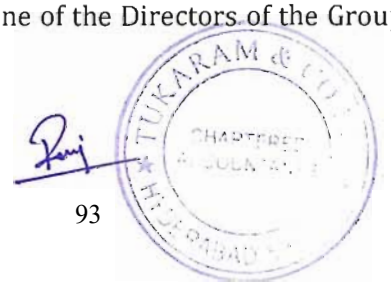
a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.

d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company incorporated in India, none of the Directors of the Group companies incorporated



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in India is disqualified as on 31st March, 2022 from being appointed as a Director of that company in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "**Annexure-B**" which is based on the auditor's report of the Holding Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group incorporated in India, to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:

i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the Consolidated financial position of the Group in its Consolidated Ind AS financial statements- Refer Note 31 to the Consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group incorporated in India.

iv. a) The management of the Holding Company which is a company incorporated in India, has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Holding Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The managements of the Holding Company which is a company incorporated in India, has represented to us that, to the best of its knowledge and belief, no funds which are material either individually or in the aggregate have been received by the Holding Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other person or

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ANNEXURE -A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Consolidated Ind AS financial statements for the year ended 31st March, 2022, we report that:

According to the information and explanations given to us and based on our examination of the records of the Company, there are no qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) report of the Holding Company included in the Consolidated Financial Statements. Reporting under this clause is not applicable for the wholly owned subsidiary company (located outside India) included in the consolidated financial statements since CARO 2020 is not applicable to it.

For TUKARAM & CO LLP
Chartered Accountants
ICAI Firm Regn. No.004436S/S200135

RAJENDER REDDY K
Partner
Membership No.231834
UDIN: 22231834AKDEWN7793

Place: Hyderabad
Date: May 07, 2022

07/05/2022

Annexure - B to the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements of Suven Life Sciences Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS financial statements of Suven Life Sciences Limited as of and for the year ended 31st March, 2022, we have audited the internal financial controls over financial reporting of **Suven Life Sciences Limited** (hereinafter referred to as the "Holding Company") which is the only company in the Group incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, which is a company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company which is a Company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company which is a company incorporated in India.

07/05/2022

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, which is a company incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For TUKARAM & CO LLP
Chartered Accountants
ICAI Firm Regn. No.004436S/S200135

RAJENDER REDDY K
Partner
Membership No.231834
UDIN: 22231834AKDEWN7793

Place: Hyderabad
Date: May 07, 2022

07/05/2022

SUVEN LIFE SCIENCES LIMITED

CONSOLIDATED BALANCE SHEET

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,508.77	1,774.48
Capital work-in-progress	3	355.05	477.40
Intangible assets	4	22.46	13.60
Right of Use assets	5(a)	225.23	308.18
Other non-current assets	9	32.50	-
Total Non-current assets		**4,144.01**	**2,573.66**
Current assets			
Inventories	10	2.24	14.15
Financial assets			
(i) Investments	6(a)	4,516.20	8.57
(ii) Trade receivables	6(b)	129.79	176.19
(iii) Cash and cash equivalents	6(d)(I)	527.35	934.82
(iv) Bank balances other than (iii) above	6(d)(ii)	24.73	3,730.12
(v) Loans	6(c)	-	4,144.87
Current tax asset(net)	8	586.80	534.78
Other current assets	11	872.34	724.63
Total Current assets		**6,659.45**	**10,268.14**
TOTAL ASSETS		**10,803.46**	**12,841.80**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	1,453.82	1,272.82
Warrants Pending allotment		-	3,692.00
Other equity	12(b)	8,160.71	5,835.74
Total Equity		**9,614.53**	**10,800.56**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease Liabilities	5(b)	157.30	232.60
(ii) Borrowings	13(a)	-	39.25
Provisions	14	200.16	172.87
Deferred tax liabilities (net)	7	-	-
Other non-current liabilities	15	-	5.56
Total Non-current liabilities		**357.46**	**450.28**
Current liabilities			
Financial liabilities			
(i) Lease Liabilities	5(b)	115.13	110.11
(ii) Borrowings	13(b)	48.43	94.40
(iii) Trade payables			
(a) Total outstanding dues to Micro and Small Enterprises	13(c)	27.32	19.61
(b) Total outstanding dues to creditors other than Micro and Small Enterprises	13(c)	171.34	279.95
(iv) Other financial liabilities	13(d)	320.43	936.25
Provisions	14	88.62	78.34
Other current liabilities	16	60.20	72.30
Total Current liabilities		**831.47**	**1,590.96**
TOTAL LIABILITIES		**1,188.93**	**2,041.24**
TOTAL EQUITY AND LIABILITIES		**10,803.46**	**12,841.80**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For TUKARAM & CO LLP
Chartered Accountants
Firm registration number: 004436S

Rajender Reddy K
Partner
Membership No. 231834

Place : Hyderabad
Date : 7th May,2022

For and on behalf of the Board of Directors of
Suven Life Sciences Limited

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Shrenik Soni
Company Secretary
Membership No. A53989

M.Mohan kumar
Chief Financial Officer
Membership No. A25096

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	17	1,184.43	1,347.83
Other income	18	531.71	775.37
Total Income		**1,716.14**	**2,123.20**
Expenses			
Employee benefits expense	19	2,102.08	1,852.75
Research & Development expenses	20	10,636.75	7,102.73
Finance costs	21	53.01	81.53
Depreciation and amortization expense	22	439.32	434.62
Other expenses	23	684.49	398.97
Total Expenses		**13,915.65**	**9,870.60**
Profit/(Loss) before tax		**(12,199.51)**	**(7,747.40)**
Tax expense			
Current tax	24	-	-
Deferred tax	24	-	(570.12)
Tax of earlier years		-	37.84
Profit/(Loss) for the year		**(12,199.51)**	**(7,215.12)**
Other Comprehensive Income			
Items that will not be reclassified to statement of profit or loss			
Remeasurements gains (losses) on defined benefit plans		(15.05)	(47.15)
Income tax relating to items that will not be reclassified to statement of profit or loss			
Re-measurement gains (losses) on defined benefit plans		-	16.48
Other Comprehensive Income for the year (net of taxes)		**(15.05)**	**(30.67)**
Total Comprehensive Income for the year		**(12,214.56)**	**(7,245.79)**
Earnings per Equity share (Par value of Re.1 each)			
Basic	32	**(9.57)**	**(5.67)**
Diluted	32	**(9.57)**	**(5.67)**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For TUKARAM & CO LLP
Chartered Accountants
Firm registration number: 004436S

Rajender Reddy K
Partner
Membership No. 231834

Place : Hyderabad
Date : 7th May,2022

For and on behalf of the Board of Directors of
Suven Life Sciences Limited

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Shrenik Soni
Company Secretary
Membership No. A53989

M.Mohan kumar
Chief Financial Officer
Membership No. A25096

SUVEN LIFE SCIENCES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For the year ended 31st March 2022	For the year ended 31st March 2021
A. Cash flow from operating activities			
Profit/(Loss) before tax		**(12,199.51)**	**(7,747.41)**
Adjustments :			
Depreciation and amortisation expense		356.37	352.44
Interest Income		(111.69)	(697.91)
Finance Cost		53.01	81.54
Gain on Insurance Receipt		(371.58)	-
Unrealised/sale of Gain on Current Investment		(35.56)	(6.06)
Operating profit before working capital changes		**(12,308.95)**	**(8,017.40)**
Adjustments for (Increase)/decrease in operating assets			
Trade Receivables		46.40	50.86
Inventories		11.91	(14.15)
Other non current assets		50.45	82.18
Other current assets		223.87	(436.51)
Adjustments for Increase/(decrease) in operating liabilities			
Trade Payables		(100.89)	(278.64)
Long term provisions		27.29	0.80
Other non-current liabilities		(5.56)	(41.07)
Short term provision		(4.77)	(42.11)
Other financial liabilities		(629.32)	(799.53)
Other current liabilities		(12.10)	7.73
Cash generated from operating activities		**(12701.68)**	**(9487.85)**
Income taxes paid (net of refunds)		52.02	114.52
Net Cash flows from operating activities (Refer Note 1)	**(A)**	**(12753.70)**	**(9602.36)**
B. Cash flow from Investing activities			
Payments for Purchase of property, plant and equipment		(1977.16)	(630.47)
Non current financial assets		-	9125.25
Loan repayments received		4144.87	57.88
Interest received		111.69	697.91
Sale/(purchase) of mutual funds		(4472.07)	2.43
Foreign currency translation reserve		(43.64)	19.52
Bank balances not considered as cash and cash equivalents		13.39	(3688.47)
Net cash flow from /(used in) investing activities	**(B)**	**(2222.92)**	**5584.04**
C. Cash flows from financing activities			
(Repayment)/Proceeds from borrowings		(85.23)	(69.24)
Proceeds from warrant converted into Share capital and share premium		14764.17	-
Proceeds from Share Warrants		-	3692.00
Changes In Lease Liability		(70.27)	(55.66)
Finance Cost		(39.51)	(81.54)
Net cash flow from /(used in) financing activities	**(C)**	**14569.16**	**3485.56**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	(407.46)	(532.76)
Cash and cash equivalents as at the beginning of the year (Refer Note 6(d)		934.82	1467.57
Cash and cash equivalents at the end of the year		**527.36**	**934.82**
Cash and cash equivalents (Refer Note 6(d)(i))		527.36	934.82
Balances as per statement of cash flows		**527.36**	**934.82**

Note 1 -The above statement of cash flow has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flows"

This is the Cash Flow Statement referred to in our report of even date

As per our report of even date

For TUKARAM & CO LLP
Chartered Accountants
Firm registration number: 004436S

Rajender Reddy K
Partner
Membership No. 231834

Place : Hyderabad
Date : 7th May,2022

TUKARAM & CO LLP ★ CHARTERED ACCOUNTANTS ★ HYDERABAD-500 029.

For and on behalf of the Board of Directors of
Suven Life Sciences Limited

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Shrenik Soni
Company Secretary
Membership No. A53989

M.Mohan kumar
Chief Financial Officer
Membership No. A2509

SUVEN LIFE SCIENCES LTD. Hyd-34.

SUVEN LIFE SCIENCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in ₹ lakhs, unless otherwise stated)

a. Equity share capital

Particulars	Number of Shares	Equity share capital
As at 01 April , 2020	127,282,478	1,272.82
Changes in equity share capital during the year	-	-
As at 31 March , 2021	127,282,478	1,272.82
Changes in equity share capital during the year-Warrants converted into Shares	18,100,000	181.00
As at 31 March , 2022	145,382,478	1,453.82

b. Other Equity

Particulars	Note	Reserves & surplus				
		Securities Premium	General reserve	Retained earnings	Exchange differences on translating the financial statement of foreign operations	Total Other Equity
Balance at 01 April, 2020		11,081.49	4,336.12	(2,205.06)	(150.52)	13,062.02
Profit /(Loss) for the year	9(b)	-	-	(7,215.12)		(7,215.12)
Other comprehensive income	9(b)	-	-	(47.15)		(47.15)
Income tax relating to items of other comprehensive income				16.48		16.48
Transfer to General Reserve	9(b)	-		-		-
Transfer from Retained Earnings	9(b)		-			-
Adjustement due to demerger		-	-	-		-
Investment cancelled		-	-	-		-
Deferred tax adjustment		-	-	-		-
Foreign exchange translation reserve					19.52	19.52
Balance at 31 March, 2021		11,081.49	4,336.12	(9,450.86)	(131.00)	5,835.74

Balance at 01 April, 2021		11,081.49	4,336.12	(9,450.86)	(131.00)	5,835.74
Profit/(Loss) for the year	9(b)	-	-	(12,199.51)		(12,199.51)
Other comprehensive income	9(b)	-	-	(15.05)		(15.05)
Income tax relating to items of other comprehensive income	9(b)	-	-	-		-
Warrants converted into Shares		14,583.17				14,583.17
Transfer to General Reserve		-	-	-		-
Transfer from Retained Earnings		-	-	-		-
Foreign exchange translation reserve					(43.64)	(43.64)
Balance at 31 March, 2022		25,664.66	4,336.12	(21,665.42)	(174.64)	8,160.71

Refer note 12(b) for nature and purpose of reserves

This is the Statement of Changes in Equity referred to in our report of even date

For TUKARAM & CO LLP
Chartered Accountants
Firm registration number: 004436S

Rajender Reddy K
Partner
Membership No. 231834

Place : Hyderabad
Date : 7th May,2022

For and on behalf of the Board of Directors of
Suven Life Sciences Limited

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Shrenik Soni
Company Secretary
Membership No. A53989

M.Mohan kumar
Chief Financial Officer
Membership No. A25096

TUKARAM & CO LLP CHARTERED ACCOUNTANTS HYDERABAD-500 029.

SUVEN LIFE SCIENCES LTD. Hyd-34.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Corporate Information

Suven Life Sciences Limited incorporated in 1989 ("Suven" or the "Company") is a clinical-stage biopharmaceutical company focused on the acquisition, development and commercialization of novel therapeutics for the treatment of neurodegenerative disorders. The goal is to be the leading biopharmaceutical company focused on the treatment of dementia, a condition characterized by a significant decline in mental capacity and impaired daily function. The Company is targeting Central Nervous System (CNS) indications where there is a high unmet medical need, growing patient populations and with possible commercialization options. Suven has a wholly owned subsidiary, Suven Neurosciences, Inc., USA, focused on clinical development activities of Suven molecules from phase 2, Proof-of-Concept (POC) studies

The Company is subject to risks and uncertainties common to companies in the innovation led pharmaceutical/biotech industry, including, but not limited to, the risks associated with developing product candidates at each stage of clinical development, success in clinical trials, regulatory approval of product candidates, challenges involved in commercialization of the products and the potential development by third parties of new technological innovations that may compete with the Company's products; key challenges also include the dependence on key personnel, protecting intellectual property, high costs of drug development and uncertainty of securing additional capital when needed to continue operations.

Significant accounting policies

a) Basis of preparation of Financial Statements

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases."

The financial statements of the Group are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per Ind AS 12, Income Taxes. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

(ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in statement of profit or loss."

(iii) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time."

These consolidated financial statements comprise the Consolidated Balance Sheets as at 31 March 2021 and 31 March 2020, the Consolidated Statements of Profit and Loss, Statements of Changes in Equity and the Consolidated Statements of Cash Flows for the year ended 31 March 2021 and for the year ended 31 March 2020, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "Financial Statements").

These consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in these consolidated financial statements

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. The consolidated statement of cash flows have been prepared under indirect method.

(iv) Basis of measurement

The consolidated financial statements have been prepared on a historical cost and on accurual basis, except for the following items in the balance sheet:

• Certain financial assets are measured either at fair value or at amortised cost depending on the classification

• Employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation; and

• Share-based payments which are measured at fair value of the options"

• Right-of-use the assets are recognised at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred, if any.

b) Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

• Expected to be realised or intended to sold or consumed in normal operating cycle

• Held primarily for the purpose of trading

• Expected to be realised within twelve months after the reporting period, or

• Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in Cash and Cash equivalents. The Company has identified twelve months as its operating cycle.

c) Segment reporting

"Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as being the Chief Operating Decision Maker. Refer note 28 for the segment information presented.

d) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is also the functional currency of the Parent Company"

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation."

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non- monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

e) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability, or

• In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above **(refer note 25)** .

f) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital Work-in-Progress represents Property, Plant and Equipment that are not ready for their intended use as at the balance sheet date.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any

component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

On transition to Ind AS, the Company elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at 1st April, 2015 ("transition date") measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

"Depreciation methods, estimated useful lives and residual value

Depreciation on Property , Plant & Equipment is provided on straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in Statement of profit or loss when the assets is derecognised ."

Estimated useful life :

- R & D Equipment 10 years
- EDP Equipment 3 years
- Office Equipment 5 years
- Furniture &fittings 10 years

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Estimated useful lives by major class of finite life intangible assets are as follows:

Estimated useful life :

Software 3 - 10 years

(i) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique

software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use

- Management intends to complete the software and use or sell it

- There is an ability to use or sell the software

- It can be demonstrated how the software will generate probable future economic benefits

- Adequate technical, financial and other resources to complete the development and to use or sell the software are available and;

- The expenditure attributable to the software during its development can be reliably measured

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use."

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 01, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

(ii) Amortization methods and periods

Intangible assets with finite useful live are amortized over their respective individual estimated useful lives (3-10 years in case of computer softwares) on a straight line basis.

(iii) Research and development

Research expenditure and development expenditure that do not meet the criteria in (i) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent period.

h) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognised in the statement of profit and loss, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

i) Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in-first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

k) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes

in value. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management

l) Income Taxes

Income tax comprises of current and deferred income tax. Income tax expense is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in other comprehensive income. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when:

-taxable temporary differences arising on the initial recognition of goodwill;

-temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction; and

-temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax assets is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Dividend Distribution Tax:

Tax on Dividends declared by the Company are recognised as an appropriation of Profit. Dividend Distribution Tax is not applicable from April 1, 2020."

m) Equity

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company"

Securities premium

The amount received in excess of the par value of equity shares has been classified as securities premium.

n) Leases

"The Company as a lessee

The Company's lease asset classes primarily consist of leases for Buildings and Facility charges.

The Company assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset."

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised

ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

O) Investments and other financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

• Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

• Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes."

ii) Measurement

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 25 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Income recognition

Interest income

Interest income from the debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

Royalty

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangement.

p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

· Financial assets at fair value

· Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option

• Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

• Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option

• Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

• Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's statement of financial position) when:

• The rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards

of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries , the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Investments in units of mutual funds

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds"

q) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

r) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur."

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund."

Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the current in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available."

(iv) Bonus plans

The group recognizes a liability and an expense for bonuses. The group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation."

(v) Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised is the period in which the absences occur.

s) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

t) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

u) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates after taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company derives revenues primarily from rendering of services

Service income

Service income, which primarily relates to revenue from contract research, is recognised as and when the underlying services are performed. There was no change in the point of recognition of revenue upon adoption of Ind AS 115. Upfront non-refundable payments received under these arrangements continue to be deferred and are recognised over the expected period that related services are to be performed.

v) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

w) Research and Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate :

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate.

-The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

- Its intention to complete and its ability and intention to use or sell the asset

- How the asset will generate future economic benefits

- The availability of resources to complete the asset

- The ability to measure reliably the expenditure during development.

The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. "

x) Government Grants:

Government grants are recognised at fair value as and when there is a reasonable assurance that grant will be received and all attached conditions will be complied with. When the grant is related to an expense item , it is recognised as income on systematic basis over the period of related costs , for which it is intended to compensate , are expensed . when the grant relates to an asset,it is recognised as income in equal amounts over the expected useful life of the related assets.

The benefit of Government loan at a lower market rate of interest is treated as Government grant , measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

Y) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Z) Earning per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

• The profit attributable to owners of the company

• By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

• The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

• The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares."

aa) Cash flow statement

Cash flows are reported using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash

receipts or payments and items of income or expenses associated with investing or financing cash flows . The cash flows from operating , financing activities of the company are segregated.

ab) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

ac)Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities

Contingent liabilities are disclosed, unless the possibility of outflow of resources is remote, when there is

-A possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or

-A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or reliable estimate of the amount cannot be made

Contingent Assets

A contingent asset is disclosed, where an inflow of economic benefits is probable.

ad) Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to the significance of their nature or amount.

ae)Recent Accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

af) Critical estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of

revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The areas involving critical estimates or judgements are:

1. Estimation of current tax expense and payable

2. Estimated Useful life of Depreciable assets / intangible assets

3. Estimation of defined benefit obligation

4. Recognition of revenue

5. Recognition of deferred tax assets for carried forward losses

6. Recoverability of advances/receivable

7. Evaluation of indicators for Impairment of assets

8. Valuation of inventories

9. Determination of cost for right-of-use assets and lease term

10. Contingencies

11.Financial instruments

12.Fair value measurement of financial instruments

13.Share based payments

14. Depreciation on property, plant, equipment, and amortization of intangible assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3: Property, plant and equipment

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Land - Free Hold	R&D Equipments	Furniture & Fixtures	Office Equipments	EDP Equipments	Total	Capital work-in-progress
Gross carrying amount							
At 01 April,2020	31.79	7,186.29	45.38	19.59	22.39	7,305.43	-
Additions	-	144.24	0.29	1.28	7.26	153.07	477.40
Transfers	-	-	-	-	-	-	-
Assets damaged due to fire accident	-	1,083.65	-	-	3.21	1,086.86	-
Disposals	-	-	-	-	-	-	-
Balance as at 31st March,2021	**31.79**	**6,246.89**	**45.66**	**20.87**	**26.43**	**6,371.64**	**477.40**
Accumulated depreciation							
At 01 April,2020	-	5,208.92	11.54	10.37	10.72	5,241.54	-
Charge for the year	-	336.86	4.37	3.69	5.98	350.91	-
Assets damaged due to fire accident	-	993.58	-	-	1.72	995.29	-
Disposals	-	-	-	-	-	-	-
Balance as at 31st March,2021	**-**	**4,552.21**	**15.90**	**14.06**	**14.99**	**4,597.16**	**-**
Gross carrying amount							
At 01 April,2021	31.79	6,246.89	45.66	20.87	26.43	6,371.64	477.40
Additions	-	1,801.50	265.52	15.23	14.73	2,096.98	1,979.56
Transfers	-	-	-	-	-	-	2,101.92
Assets damaged due to fire accident	-	441.34	-	0.76	-	442.10	-
Disposals	-	21.23	-	-	-	21.23	-
Balance as at 31st March,2022	**31.79**	**7,585.82**	**311.18**	**35.35**	**41.16**	**8,005.30**	**355.05**
Accumulated depreciation							
At 01 April,2021	-	4,552.21	15.90	14.06	14.99	4,597.16	-
Charge for the year	-	335.37	7.99	3.46	7.27	354.09	-
Assets damaged due to fire accident	-	433.00	-	0.49	-	433.50	-
Disposals	-	21.23	-	-	-	21.23	-
Balance as at 31st March,2022	**-**	**4,433.35**	**23.89**	**17.03**	**22.26**	**4,496.53**	**-**
Net Book Value as at 31st March, 2022	**31.79**	**3,152.48**	**287.29**	**18.31**	**18.90**	**3,508.77**	**355.05**
Net Book Value as at 31st March, 2021	**31.79**	**1,694.68**	**29.76**	**6.81**	**11.45**	**1,774.48**	**477.40**

Capital Work-In-Progress ageing

Amount in Capital Work-In-Progress for a period of

Particulars	Less than 1 year	Between 1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31,2022					
Projects in progress	355.05	-	-	-	**355.05**
Projects temporarily suspended	-	-	-	-	-
Total	**355.05**	-	-	-	**355.05**
Balance as at March 31,2021					
Projects in progress	477.40	-	-	-	**477.40**
Projects temporarily suspended	-	-	-	-	-
Total	**477.40**	-	-	-	**477.40**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Note 4: Intangible assets		
	Software	**Total**
Gross carrying amount		
At 01 April,2020	15.30	15.30
Additions	-	-
Disposals	-	-
Balance as at 31st March,2021	**15.30**	**15.30**
Accumulated amortisation		
At 01 April,2020	0.17	0.17
Charge for the year	1.53	1.53
Disposals	-	-
Balance as at 31st March,2021	**1.70**	**1.70**
Gross carrying amount		
At 01 April,2021	15.30	15.30
Additions	11.14	11.14
Disposals	-	-
Balance as at 31st March,2022	**26.44**	**26.44**
Accumulated amortisation		
At 01 April,2021	1.70	1.70
Charge for the year	2.28	2.28
Disposals	-	-
Balance as at 31st March,2022	**3.98**	**3.98**
Net Book Value as at 31st March, 2022	**22.46**	**22.46**
Net Book Value as at 31st March, 2021	**13.60**	**13.60**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 5: Leases

Note 5(a): Right of Use Assets

Particulars	31 March 2022	31 March 2021
Opening Balance	308.18	390.36
Addition on account of transition to IndAS 116	-	-
Addition	-	-
Less Depreciation expense	82.94	82.18
Closing Balance	**225.23**	**308.18**

Note 5(b): Lease Liabilities

Particulars	31 March 2022	31 March 2021
Opening Balance	342.71	398.36
Addition on account of transition to IndAS 116	-	-
Addition	-	-
Add: Accretion of interest	39.51	49.21
Less: Payments	109.78	104.86
Closing Balance	**272.43**	**342.71**

Maturity analysis of lease liabilities is as follows (Undiscounted Basis)

Particulars	31 March 2022	31 March 2021
Within one year	115.13	109.85
After one year but not more than three years	214.42	329.55
More than four years	-	-

The following are the amounts recognised in statement of profit and loss:

Particulars	31 March 2022	31 March 2021
Depreciation expense on right-of-use assets	82.94	82.18
Interest expense on lease liabilities	39.51	49.21
Expense relating to short-term leases and low-value assets (included in other expenses)	-	-
Total amount recognised in statement of profit and loss	**122.45**	**131.39**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Note 6: Financial assets

6 (a) Current investments carried at fair value through profit and loss

Particulars	31 March 2022		31 March 2021	
	Units	Amount	Units	Amount
Investment in Mutual Funds- Unquoted (Fully paid up)				
SBI Magnum Ultra Short Duration Fund Direct Growth	10,222	500.59	-	-
SBI Liquid Fund Direct Growth	15,024	500.77	-	-
SBI Magnum Low Duration Fund Regular Growth	17,584	500.55	-	-
SBI Infrastructure Fund	50,000	11.12	50,000	8.57
IDFC Floating Rate Fund Direct Plan - Growth	4,779,784	500.51	-	-
IDFC Cash Fund Direct Plan - Growth	19,464	500.41	-	-
TATA Liquid Fund-Growth	14,893	500.47	-	-
TATA Money Market Fund -Growth	13,089	500.70	-	-
Nippon India Liquid Fund - Growth	9,609	500.45	-	-
Nippon India Low Duration Fund - Growth	15,798	500.62	-	-
Total Current Investments*	**4,945,468**	**4,516.20**	**50,000**	**8.57**
Aggregate amount of quoted investments & market value thereof		-		-
Aggregate value of quoted investments		4,516.20		8.57
Aggregate amount of impairment in value of Investment in unquoted investments		-		-

* Investment in mutual fund have been fair valued at closing NAV.

6(b) Trade receivables

Particulars	31 March 2022	31 March 2021
(i)Trade receivables- considered good-Unsecured*	129.79	176.19
Less: Loss Allowance for doubtful receivables	-	-
Trade receivables- considered good-Unsecured	**129.79**	**176.19**
(ii)Trade receivables- Credit Impaired-Unsecured	-	-
Less: Loss Allowance for doubtful receivables	-	-
Trade receivables- Credit Impaired-Unsecured	-	-

*No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
Refer note 30 for dues from related parties

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing for trade receivables - current outstanding as at March 31,2022 is as follows :

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good	65.16	64.63	-	-	-	-	129.79
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Undisputed Trade Receivables- credit Impaired	-	-	-	-	-	-	-
Total	65.16	64.63	-	-	-	-	129.79
Less: Allowance for expected credit loss	-	-	-	-	-	-	-
Balance at the end of the year	**65.16**	**64.63**	-	-	-	-	**129.79**

Ageing for trade receivables - current outstanding as at March 31,2021 is as follows :

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good	-	176.19	-	-	-	-	176.19
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Undisputed Trade Receivables- credit Impaired	-	-	-	-	-	-	-
Total	-	176.19	-	-	-	-	176.19
Less: Allowance for expected credit loss	-	-	-	-	-	-	-
Balance at the end of the year	-	**176.19**	-	-	-	-	**176.19**

6(c) Loans

Particulars	31 March 2022		31 March 2021	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to employees	-	-	0.05	-
Loan to related party*	-	-	4,144.82	-
Total loans	-	-	**4,144.87**	-

*No loans are due from directors or other officers of the Company either severally or jointly with any other person. Refer note 30 for dues from related parties.

(All amounts in ₹ lakhs, unless otherwise stated)

6(d) (i) Cash and cash equivalents

Particulars	31 March 2022	31 March 2021
Balances with banks		
-in current accounts	526.45	934.11
Cash on hand	0.91	0.71
Total cash and cash equivalents	**527.35**	**934.82**

6(d) (ii) Bank balances other than cash and cash equivalents

Particulars	31 March 2022	31 March 2021
Earmarked Balances with banks:		
In unclaimed dividend accounts*	24.73	38.12
Share warrant bank balances (Refer note no-36)	-	3,692.00
Total Other bank balances	**24.73**	**3,730.12**

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end

Note 7: Deferred tax assets /(liabilities)

The balances comprises temporary differences attributable to :

Particulars	31 March 2022	31 March 2021
Carried Forward Loss	2,049.88	889.14
DST Loan	-	3.76
IndAS 116	16.49	12.07
Gratuty & Leave encashment	100.91	87.78
DST Grant	1.94	5.66
Other items		
Others-MAT credit	-	-
Total Deferred tax assets	**2,169.23**	**998.41**
Set-off of deferred tax liabilities pursuant to set-off provisions		
Depreciation	522.49	590.08
DST Loan	0.55	-
Unrealised capital gains on MF	2.79	1.27
Total Deferred tax Liabilities	**525.83**	**591.35**
Total deferred tax assets/(Liabilities) (net)	**1,643.40**	**407.06**

NOTE:

In accordance with the Ind AS 12 -The deferred tax asset arising from timing differences are recognized and carryforwarded only, if it is probable that taxable profit will be available against which the deductable temporary difference can be utilised. In view of this, deferred tax asset (net) is not recognised.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 8: Current tax asset (net)

Particulars	31 March 2022	31 March 2021
Prepaid Income Taxes	9,976.50	9,924.48
Less: Provision for income tax	9,389.70	9,389.70
Total Current tax asset (net)	**586.80**	**534.78**

Note 9: Other non-current assets

Particulars	31 March 2022	31 March 2021
Capital advances	32.50	-
Total other non-current assets	**32.50**	-

Note 10: Inventories(Valued at lower of cost or Net Realisable Value)

Particulars	31 March 2022	31 March 2021
Lab Materials	2.24	14.15
Total inventories	**2.24**	**14.15**

Note 11: Other current assets

Particulars	31 March 2022	31 March 2021
Unsecured, considered good		
GST Receivable	752.48	399.43
Insurance Claim Receivable	-	228.42
Pre paid expenses	43.34	41.20
MEIS	74.81	-
Advances to Material Suppliers	1.06	35.99
Advances to service providers	-	13.77
Others advances	0.66	5.81
Total other current assets	**872.34**	**724.63**

SUVEN LIFE SCIENCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Note 12: Equity share capital and other equity

12(a) Equity share capital

Particulars	31 March 2022	31 March 2021
Authorised Capital		
200,000,000 Equity shares of Re. 1 /- each (March 31,2021: 200,000,000 Equity shares of Re. 1 /- each)	2,000.00	2,000.00
	2,000.00	**2,000.00**
Issued, Subscribed and fully paid up		
14,53,82,478 Equity shares of Re. 1/- each (March 31,2021:12,72,82,478 Equity shares of Re. 1/- each)	1,453.82	1,272.82
	1,453.82	**1,272.82**

12(a).1 Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	127,282,478	1,272.82	127,282,478	1,272.82
Add: Issued during the year (Refer Note 36)	18,100,000	181.00	-	-
Outstanding at the end of the year	**145,382,478**	**1,453.82**	**127,282,478**	**1,272.82**

12(a).2 Terms/ rights attached to equity shares

The company has only one class of Equity shares having par value of Re.1. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

12 (a) .3 Details of shares held by the promoter at the end of the year 31st March 2022

Name of the Promoter	No. of shares			% holding of equity shares	% change during the year
	31st March 2022	change	31st March 2021		
Jasti Property and Equity Holdings Private Limited	94,465,000	18,100,000	76,365,000	64.98%	4.98%
Kalyani Jasti	1,000	-	1,000	-	-
Madhavi Jasti	1,000	-	1,000	-	-
Sirisha Jasti	1,000	-	1,000	-	-
Sudha Rani Jasti	1,000	-	1,000	-	-
Venkateswarlu Jasti	1,000	-	1,000	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Details of shares held by the promoter at the end of the year 31st March 2021

Name of the Promoter	No. of shares			% holding of equity shares	% change during the year
	31st March 2021	change	31st March 2020		
Jasti Property and Equity Holdings Private Limited	76,365,000	-	76,365,000	60.00%	-
Kalyani Jasti	1,000	-	1,000	-	-
Madhavi Jasti	1,000	-	1,000	-	-
Sirisha Jasti	1,000	-	1,000	-	-
Sudha Rani Jasti	1,000	-	1,000	-	-
Venkateswarlu Jasti	1,000	-	1,000	-	-

12(a).4 Shares of the Company held by holding company

Particulars	31 March 2022	31 March 2021
Jasti Property and Equity Holdings Private Limited 94,465,000 Equity shares of Re. 1/- each (Previous year:76,365,000)	94,465,000	76,365,000

12(a).5 Details of shareholders holding more than 5% shares in the Company

Particulars	31 March 2022		31 March 2021	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Jasti Property and Equity Holdings Private Limited	94,465,000	65%	76,365,000	60%

12(b) Other equity

Particulars	31 March 2022	31 March 2021
Securities premium	25,664.66	11,081.49
General reserve	4,336.12	4,336.12
Retained earnings	(21,665.42)	(9,450.86)
Foreign Exchange Translation Reserve	(174.64)	(131.00)
Total other equity	**8,160.71**	**5,835.74**

(i) Securities premium

Particulars	31 March 2022	31 March 2021
Opening balance	11,081.49	11,081.49
Add: Additions during the period	14,583.17	-
Closing Balance	**25,664.66**	**11,081.49**

(ii) General Reserve

Particulars	31 March 2022	31 March 2021
Opening balance	4,336.12	4,336.12
Less: Transfer during the period	-	-
Closing Balance	**4,336.12**	**4,336.12**

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Retained earnings

Particulars	31 March 2022	31 March 2021
Opening balance	(9,450.86)	(2,205.06)
Net loss for the year	(12,199.51)	(7,215.12)
Other Comprehensive Income		
- Remeasurements of post employment benefit obligation, net of tax	(15.05)	(30.68)
Closing balance	**(21,665.42)**	**(9,450.86)**

(iv) Foreign Exchange Translation Reserve

Particulars	31 March 2022	31 March 2021
Opening balance	(131.00)	(150.52)
Exchange differences on translating the financial statement of foreign operations	(43.64)	19.52
Closing Balance	**(174.64)**	**(131.00)**

Nature and purpose of reserves

Securities premium reserve:

The amount received in excess of face value of the equity shares is recognised in securities premium reserve . The reserve is utilised in accordance with the provisions of Companies Act 2013.

General Reserve:

General reserve is used from time to time to transfer the profits from retained earnings for appropriation purpose.

Retained Earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers

Other Comprehensive Income:

Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and subsequently not reclassified into statement of profit and loss.

Note 13: Financial liabilities

13(a) Non-current borrowings

Particulars	31 March 2022	31 March 2021
Unsecured		
Loan from Department of Science & Technology, Government of India-I *Terms of repayment: 10 Annual installments of Rs.50 Lakhs each commencing from October 2013 which is repayble by 1st October 2022 at the Interest rate of 3%*	-	92.61
Loan from Department of Science & Technology, Government of India- *Terms of repayment: 10 Annual installments of Rs.44.40 Lakhs each commencing from February 2013 which is repayable by 14th February 2022 at the Interest rate of 3%.*	-	41.05
Total non-current borrowings	**-**	**133.65**
Less: Current maturities of Non-current borrowings (included in note 13(b))	-	94.40

(All amounts in ₹ lakhs, unless otherwise stated)

Non-current borrowings	-	**39.25**

13(b) Current borrowings

Particulars	31 March 2022	31 March 2021
Unsecured		
Loan from Department of Science & Technology, Government of India-I *Terms of repayment: 10 Annual installments of Rs.50 Lakhs each commencing from October 2013 which is repayble by 1st October 2022 at the Interest rate of 3%*	48.43	50.00
Loan from Department of Science & Technology, Government of India- *Terms of repoyment: 10 Annual instollments of Rs.44.40 Lakhs each commencing from February 2013 which is repayable by 14th Februory 2022 ot the Interest rate of 3%.*	-	44.40
Total	**48.43**	**94.40**

13(c) Trade payables

Particulars	31 March 2022	31 March 2021
Dues to micro enterprises and small enterprises (Refer Note below)	27.32	19.61
Dues to creditors other than micro enterprises and small enterprises	171.34	279.95
Total trade payables	**198.67**	**299.56**

Ageing for trade payables - current outstanding as at March 31,2022 is as follows :

	Outstanding for following periods from due date of payment					
Particulars	Not due	Less than 1	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	27.32	-	-	-	**27.32**
(ii) Others	-	171.34	-	-	-	**171.34**
(iii) Disputed dues- MSME	-	-	-	-	-	
(iv) Disputed dues- Others	-	-	-	-	-	
Balance at the end of the year	-	**198.67**	-	-	-	**198.67**

Ageing for trade payables - current outstanding as at March 31,2021 is as follows :

	Outstanding for following periods from due date of payment					
Particulars	Not due	Less than 1	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	19.61	-	-	-	**19.61**
(ii) Others	-	279.95	-	-	-	**279.95**
(iii) Disputed dues- MSME	-	-	-	-	-	
(iv) Disputed dues- Others	-	-	-	-	-	
Balance at the end of the year	-	**299.56**	-	-	-	**299.56**

Dues to micro and small enterprises:

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from few suppliers has been received and is still awaited from other suppliers. In view of this, the liability of interest calculated and the required disclosures made, in the below table, to the extent of information available with the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	31 March 2022	31 March 2021
Principal amount remaining unpaid to any supplier as at the end of the accounting year	27.32	19.61
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.10	0.00
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to small enterprises	-	-

(Refer note 26 for the Company's liquidity risk management process)

13(d) Other Financial liabilities

Particulars	31 March 2022	31 March 2021
Current		
Liabilities for expenses	258.62	782.04
Payable for Capital Goods	37.08	116.09
Unpaid dividend on equity shares	24.73	38.12
Total other current financial liabilities	**320.43**	**936.25**

Note 14: Provisions

Particulars	31 March 2022		31 March 2021	
	Current	Non-Current	Current	Non-Current
Provision for Employee benefits				
-Leave obligations *	66.17	120.49	40.96	69.30
-Gratuity **	22.45	79.67	37.37	103.57
	88.62	**200.16**	**78.34**	**172.87**

***The Compensated Absences (Leave Obligations)** covers the company's liability for earned leave which is classified as other long-term benefits. The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit is discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations

****Post-employment obligations- Gratuity:(Defined benefit**

The Company provides gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity benefit. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days' salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions, through an approved trust, to recognised funds administered by Life Insurance Corporation of India (Insurer). Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in Other Comprehensive Income

(All amounts in ₹ lakhs, unless otherwise stated)

Employee Benefit Plans

(i) Defined Contribution plans

Particulars	31 March 2022	31 March 2021
Provident Fund	114.60	109.22
State Defined Contribution Plans		
Employees State Insurance	0.70	1.24

(il) Defined Benefit plan

Gratuity

The Company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 day salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognized funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present Value of obligation	Fair Value of Plan Assets	Net amount
1-Apr-20	**312.08**	**172.43**	**139.65**
Current service cost	7.48	-	7.48
Interest expense/(income)	-	13.01	(13.01)
Total amount recognized in profit or loss	**319.56**	**185.44**	**134.12**
Remeasurements	-	-	-
- Experience adjustments	49.00		49.00
- Financials assumptions	(3.59)		(3.59)
Return on plan assets (excluding Interest Income)	-	(1.74)	1.74
Experience (gains)/loss	-	-	-
Total amount recognized in other comprehensive income	**364.97**	**183.70**	**181.27**
Employer contributions	-	37.53	(37.53)
Benefit payments	(13.99)	(0.26)	(13.73)
Others	42.34	31.40	10.94
31-Mar-21	**393.32**	**252.37**	**140.95**

1-Apr-21	**393.32**	**252.37**	**140.95**
Current service cost	22.41	-	22.41
Interest expense/(income)	23.87	24.74	(0.87)
Total amount recognized in profit or loss	**439.59**	**277.11**	**162.49**
Remeasurements	-	-	-
- Experience adjustments	22.72		22.72
- Financials assumptions	(12.57)		(12.57)
Return on plan assets (excluding Interest Income)	-	(2.72)	2.72
Experience (gains)/loss	-	-	-
Total amount recognized in other comprehensive income	**449.74**	**274.38**	**175.36**
Employer contributions	-	228.36	(228.36)
Benefit payments	(78.65)	(17.17)	(61.47)
Others	(17.17)	(233.75)	216.58
31-Mar-22	**353.93**	**251.81**	**102.11**

(All amounts in ₹ lakhs, unless otherwise stated)

Reconciliation of Liability

Particulars	31 March 2022	31 March 2021
Present value of obligation as at the beginning of the period	393.32	312.08
Interest cost	22.41	20.77
Past service cost - (Vested Benefits)	-	-
Current service cost	23.87	7.48
Benefits paid	(95.82)	(14.26)
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Increase / (Decrease) due to Plan combinatio	-	-
Financial Assumptions	(12.57)	(3.59)
Actuarial (gain)/loss on obligation	22.72	70.83
Present value of obligation as at the end of the period	**353.93**	**393.32**

Reconciliation of Plan Assets

Particulars	31 March 2022	31 March 2021
Fair value at beginning	252.37	172.43
Interest income	24.74	13.01
Remeasurements-Experience adjustments	-	-
Employers contribution	228.36	37.53
Employer Direct Benefit Payments	78.65	13.99
Benefit Payments from Plan Assets	(17.17)	(0.26)
Benefit Payments from Employer	(78.65)	(13.99)
Return on plan assets	(2.72)	(1.74)
Adjustement to Opening Balance, Other Expenses & Increase/ Decrease due to Plan Combination	(233.75)	31.40
Fair value at the End	**251.81**	**252.37**

(iii) Post-employment benefits (pension and gratuity)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	31 March 2022	31 March 2021
Discount rate	7.33%	6.91%
Salary growth rate	9.00%	9.00%
Attrition rate	6.50%	6.50%
Retirement Age	58 years	58 years

(iv) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Discount rate	1%	1%	304.25	324.48	362.58	388.90
Salary growth rate	1%	1%	349.16	374.29	313.68	334.38
Attrition rate	1%	1%	332.53	354.24	313.68	354.38

(All amounts in ₹ lakhs, unless otherwise stated)

Expected cash flows over the next (valued on undiscounted basis):	Amount (INR)
1 year	22.45
2 to 5 Years	102.90
6 to 10 years	152.50

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

(v) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. A portion of the fund is invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The company intends to maintain the investment mix in the continuing years.

Changes in bond yields: A decrease in bond yields will increase plan liabilities, although this will be partially off-set by an increase in the value of the plan's bond holdings.

Inflation risk: In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

Life expectancy: The pension obligation are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in the plan's liabilities. This is particularly significant where inflationery increases result in higher sensitivity to changes in life expectancy.

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the employee benefit plans. Within this framework, the company's ALM objective is to match the assets to the pension obligations by investing in long term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods.

Interest Rate : A decrease in bond yields will increase plan liabilities, although this will be partially off-set by an increase in the value of the plan's bond holdings.

Investment Risk: If actual return on plan assets as below this rate , it will create a plan deficit

Salary Risk: Higher than expected increase in salaries increases the defined benefit obligations

(All amounts in ₹ lakhs, unless otherwise stated)

Demographic Risk: The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment . An increase in the life expectancy of the plan participants will increase the plans liability

Other Long term benefit plans

Compensated Absences

The Company provides for accumulation of compensated absences in respect of certain categories of employees. These employees can carry forward a portion of the unutilised compensated absences and utilise them in future periods or receive cash in lieu there of as company policy

Actuarial valuation for compensated absences is done as at the year end and provision is made as per company policy with corresponding (gain)/Charge to the statement of profit and loss amounting to Rs.232.79 lakhs (March 31, 2021 : Rs.85.22 lakhs)

(vi) Defined benefit liability and employer contributions

The company has agreed that it will aim to eliminate the deficit in defined benefit pension and gratuity plan over the next nine years. Funding levels are monitored on an annual basis and the current agreed contribution rate is 12% of the basic salaries. The company considers that the contribution rate set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs will not increase significantly.

Note 15: Government grants

Particulars	31 March 2022	31 March 2021
Opening Balance	16.21	75.70
Provision recognised/(reversed) during the year	10.64	59.49
Closing Balance	**5.56**	**16.21**

Particulars	31 March 2022	31 March 2021
Current portion	5.56	10.64
Non-current portion	-	5.56

Note 16: Other current liabilities

Particulars	31 March 2022	31 March 2021
Government grants	5.56	10.64
Advance from customers	-	1.86
Statutory Liabilities	54.63	59.80
Total other current liabilities	**60.20**	**72.30**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 17: Revenue from operations

Particulars	31 March 2022	31 March 2021
Sale of Services	1,184.43	1,347.83
	1,184.43	**1,347.83**

(b) Disaggregation of Revenue based on location of customer

Region	31st March 2022		31st March 2021	
	Related Party	Non Related Party	Related Party	Non Related Party
India	514.87	114.96	248.46	264.04
USA	-	444.27	-	814.72
Europe	-	13.90	-	20.62
Rest of the World	-	96.43	-	-
Total	**514.87**	**669.56**	**248.46**	**1,099.37**

Note 18: Other income

Particulars	31 March 2022	31 March 2021
Interest income		
On fixed deposits	0.23	-
On Inter Corporate Deposit	112.16	697.91
Others	0.25	-
Government Grants	10.64	59.49
Insurance claim received	371.58	-
Scrap sales	-	11.91
Liabilities no longer required written back	1.30	-
Gain on Financial Assets	35.56	6.06
	531.71	**775.37**

Note 19: Employee benefits expense

Particulars	31 March 2022	31 March 2021
Salaries,Wages & Bonus	1,942.03	1,728.01
Contribution to Provident & other funds	115.30	110.46
Gratuity Expense	41.94	7.48
Staff Welfare Expenses	2.82	6.80
	2,102.08	**1,852.75**

Note 20: Research & Development expenses

Particulars	31 March 2022	31 March 2021
R & D Materials	268.29	360.79
Patent Related Expenses	783.58	1,077.11
Lab Maintenance	525.58	655.00
R & D Other Expenses	875.97	424.13
Clinical Development expenses	8,183.33	4,585.68
	10,636.75	**7,102.73**

Note 21: Finance costs

Particulars	31 March 2022	31 March 2021
Interest		
On Borrowings	13.50	32.32
On Lease Liability	39.51	49.21
	53.01	**81.53**

Note 22: Depreciation and amortisation expense

Particulars	31 March 2022	31 March 2021
Depreciation of property, plant and equipment (Refer Note 3)	354.09	350.91
Amortisation of intangible assets (Refer Note 4)	2.28	1.53
Depreciation on Right of Use assets(IndAS116) (Refer Note No-5)	82.94	82.18
	439.32	**434.62**

Note 23: Other expenses

Particulars	31 March 2022	31 March 2021
Rent	-	0.85
Rates & Taxes	0.66	-
Insurance	90.95	86.53
Communication Charges	32.05	28.82
Travelling & Conveyance	98.87	98.13
Bank Charges	13.80	12.54
Printing & Stationery	3.67	3.37
Professional Charges	23.86	42.20
Payments to Auditors (Refer note 23(a)below)	14.63	11.50
Repairs & Maintenance - others	243.26	10.31
Interest others	0.22	0.01
Foreign Exchange Loss (Net)	37.11	41.38
Consumble stores	16.10	3.28
Loss due to assets discarded	8.60	-
Clearing & Forwarding	-	0.41
Directors sitting fees	12.78	10.38
General Expenses	87.92	49.27
	684.49	**398.97**

Note 23(a): Details of payments to auditors

Particulars	31 March 2022	31 March 2021
Payment to auditors		
As auditor:		
Statutory Audit fee	11.44	9.46
In other capacity		
Other services	3.00	2.00
Re-imbursement of out -of- pocket expenses	0.19	0.04
	14.63	**11.50**

Note 24: Income tax expense

This note provides an analysis of the company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

Particulars	31 March 2022	31 March 2021
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	37.84
Total current tax expense	**-**	**37.84**
Deferred tax		
Decrease(increase) in deferred tax assets	-	-
Increase(decrease) in deferred tax liabilities	-	(570.12)
Total Deferred tax expense/(benefit)	**-**	(570.12)
Income tax expense	**-**	**(532.28)**
Income tax expense is attributable to:		
Profit from operations	**-**	**(532.28)**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	31 March 2022	31 March 2021
Profit from operations before income tax expenses	-	(2,795.50)
Tax at the Indian tax rate of 34.944%	-	**(976.86)**
Computed expected tax expense:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deferred tax asset not recognized	-	407.06
Tax of earlier years	-	37.84
Others	-	(0.32)
Income tax expenses	**-**	**(532.28)**

(All amounts in ₹ lakhs, unless otherwise stated)

Financial instruments and risk management

Note 25: Fair value measurements

	31 March 2022		31 March 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments				
-Mutual funds	4,516.20	-	8.57	-
Trade Receivables	-	129.79	-	176.19
Loans	-	-	-	4,144.87
Cash and Cash equivalents	-	527.35	-	934.82
Bank Balances	-	24.73	-	3,730.12
Total Financial Assets	**4,516.20**	**681.88**	**8.57**	**8,986.00**
Financial Liabilities				
Borrowings	-	-	-	39.25
Current maturities of long-term debt	-	48.43	-	94.40
Unpaid dividends	-	24.73	-	38.12
Trade Payables	-	198.67	-	299.56
Lease liability	-	272.43	-	342.71
Total Financial Liabilities	**-**	**544.26**	**-**	**814.04**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets measured at fair value & Amortised cost	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
As at March 31, 2022					
Financial assets					
Investment in mutual funds	6(a)(ii)	-	4,516.20	-	4,516.20
Trade Receivables	6(b)	-	-	129.79	129.79
Loans	6 (c)	-	-	-	-
Total Financial Assets		**-**	**4,516.20**	**129.79**	**4,645.99**

Financial liabilities measured at amortised cost & Fair Value	Notes	Level 1	Level 2	Level 3	Total
As at March 31, 2022					
Financial Liabilities					
Borrowings	13 (a)	-	-	-	-
Current maturities of long-term debt	13 (b)	-	-	48.43	48.43
Unpaid dividends	13 (d)	-	-	24.73	24.73
Trade Payables	13 (c)	-	-	198.67	198.67
Lease liability	5 (b)	-	-	272.43	272.43
Total Financial Liabilities		-	-	**544.26**	**544.26**

Financial assets measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at March 31, 2021					
Financial assets					
Investment in mutual funds	6(a)(ii)	-	8.57	-	8.57
Trade Receivables	6(b)	-	-	176.19	176.19
Loans	6 (c)	-	-	4,144.87	4,144.87
Total Financial Assets		-	**8.57**	**4,321.06**	**4,329.64**

Financial liabilities measured at amortised cost & Fair Value	Notes	Level 1	Level 2	Level 3	Total
As at March 31, 2021					
Financial Liabilities					
Borrowings	13 (a)	-	-	39.25	39.25
Current maturities of long-term debt	13 (b)	-	-	94.40	94.40
Unpaid dividends	13 (d)	-	-	38.12	38.12
Trade Payables	13 (c)	-	-	299.56	299.56
Lease liability	5 (b)	-	-	342.71	342.71
Total Financial Liabilities		-	-	**814.04**	**814.04**

Level 1: Inputs are Quoted prices(unadjusted) in active market for identical assets or liabilities

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data(unobservable inputs).

(All amounts in ₹ lakhs, unless otherwise stated)

Note 26: Financial Risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

Risk	Exposure arising from	Measurement	Management Comment
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost	Ageing analysis	Diversification of bank deposits and monitoring of credit limits of customers
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupees	Cash flow forecasting Sensitivity analysis	All USD related Import commitment are covered by snapping from the export USD thru EEFC account
Market risk - interest risk	Long-term borrowings at variable rates	Sensitivity analysis	Interest rates were Libor plus rate of interest fixed for the full term of the loan
Market risk - security prices	Investments in Mutual funds	Sensitivity analysis	Portfolio diversification

The company's risk management is carried out by the management. Company treasury identifies, evaluates and hedges financial risk in close cooperation with the company's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

(A) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

(i) Trade Receivables

The company has used an expected credit loss (ECL) model for assessing the impairment loss. For the purpose , the company uses a provision matrix to compute the expected credit loss amount. The provisions matrix takes into account external and internal risk factors and historical data of credit losses from various customers

Movement in the expected credit loss allowance	March 31,2022	March 31,2021
Balance at the beginning of the year	-	-
Movement in expected credit loss allowance on trade receivables	-	-
Balance at the end of the year	-	-

(ii) Financial Instruments and Cash Deposits

The company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have good credit ratings. The company does not expect any loss from non performance by these counter parties and does not have any significant concentration of exposure to specific industry sectors or specific country risks

(B) Liquidity Risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying business, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position(comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below summarises the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

Year ended March 31, 2022	On Demand	in next 12 months	>1 year	Total
(i) Borrowings	-	48.43	-	48.43
(ii) Trade payables	-	198.67	-	198.67
(iii) Other financial liabilities	24.73	295.70	-	247.10
	24.73	**542.80**	**-**	**494.19**

Year ended March 31, 2021	On Demand	in next 12 months	>1 year	Total
(i) Borrowings	-	94.40	39.25	133.65
(ii) Trade payables	-	299.56	-	299.56
(iii) Other financial liabilities	38.12	898.13	-	936.25
	38.12	**1,292.08**	**39.25**	**1,369.46**

C) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

(i) Foreign Currency Risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, GBP and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign forecast transactions.

The company's risk management policy is to hedge part of forecasted foreign currency sales for the subsequent months. As per the risk management policy, foreign exchange forward contracts are taken to hedge part of the forecasted sales by taking consultancy from external treasury management forms . The imports were hedged naturally by payment through EEFC account.

(i)(a) Foreign currency risk exposure:

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

Particulars	As at March 31, 2022			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	237.31	-	-	-
Trade receivables(Net)	49.81	-	-	-
Financial Liabilities				
Borrowings	-	-	-	-
Trade payables	14.47	-	-	-
Other financial liabilities	-	-	-	-

Note 30: Disclosure of Related Party Trasactions inaccordance with Ind AS - 24 Related Party Disclosures

(i) Name of the Related Party and Nature of Relationship

(a) Trustee Company	: Jasti Property and Equity Holdings Private Limited (In its capacity as sole trustee of Jasti Family Trust)	
(b) Subsidiaries:	: Suven Neurosciences Inc.,	
(c) Key Management personnel(KMP)	: Mr. Venkateswarlu Jasti	Chairman & CEO
	Mrs. Sudha Rani Jasti	Whole-time Director
	Prof. Dr. Seyed E. Hasnain	Non-Executive Director
	Mr. M. Gopalakrishna	Independent Director
	Mr. Santanu Mukherjee	Independent Director
	Mrs. J.A.S. Padmaja	Independent Director
(d) Companies under the control of Key Managerial Personnel	: Suven Pharmaceuticals Limited	
	: Suven Pharma Inc.,	

(a) Trustee Company

Name	Type	Place of Incorporation	Ownership Interest	
			31 March 2022	31 March 2021
Jasti Property and Equity Holdings Private Limited	Immediate and Ultimate parent entity	India	64.98%	60.00%

(b) Subsidiaries

	31 March 2022	31 March 2021
Opening	29,502.55	24,181.31
Investment in subsidiary	8,566.62	5,321.24
Balance outstanding	**38,069.16**	**29,502.55**

(c)Key Management Personnel compensation

	31 March 2022	31 March 2021
Short term employee benefits	227.89	215.32
Post-employment benefits	-	-
Long term employee benefits	-	-
Termination benefits	-	-
Total Compensation	**227.89**	**215.32**
Balance outstanding	**-**	**-**

(d) Companies under the Control of Key Managerial Personnel

Particulars	Companies under the control of KMP	
	31 March 2022	31 March 2021
(i) Loan Given and Repayment thereof		
Suven Pharmaceuticals Limited		
Loan Given during the year	-	-
Receipts against Loan Given	4,144.82	9,180.43
Interest income on Loan given	112.16	697.91
Balance outstanding Loan at the year end	-	4,144.82

(ii) Rendering of services , purchases and other transactions		
Suven Pharmaceuticals Limited		
(i) Lease Rental Expense	109.78	104.87
(ii) Purchase of material	126.22	-
(iii) Service Income		
Service Income during the period (towards testing and analysis charges)	514.87	248.46

Note 31: Contingent Liabilities and contingent assets

	31 March 2022	31 March 2021
Contingent Liabilities and contingent assets	-	-
	-	-

Note 32: Earnings per share

	31 March 2022	31 March 2021
Profit /(Loss) After Tax	(12,199.51)	(7,215.12)
Weighted average number of equity shares	1,274.81	1,272.82
Basic Earnings per share	(9.57)	(5.67)
Diluted Earnings per share	(9.57)	(5.67)

Note:

There is no dilution to the Basic Earnings per share as there are no dilutive potential equity shares

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 33: Scheme of Arrangement (Demerger)

The National Company Law Tribunal, Hyderabad Bench vide its order dated January 06th, 2020 has approved the scheme of arrangement for demerger of CRAMS undertaking of Suven Life Sciences Limited to the Company with effect from October 01st ,2018 (the appointed date). Pursuant to the Scheme, all the assets, liabilities, income and expenses of the CRAMS undertaking have been transferred to the Resulting Company i.e., Suven Pharmaceuticals Limited with effect from the appointed date.

Note 34: Impairment of the Investment in Suven Neurosciences, Inc.:

The company stay focused on clinical development of NCEs targeting various Neurodegenerative diseases under Central Nervous System disorders and keep developing protocols for continuing the studies on clinical development programs for various indications, for which the company has invested $54.24 Mn (INR 381 crores) since 2015 in Suven Neurosciences, Inc., the wholly owned subsidiary in USA. and the investment there on continue to remain unimpaired.

Note 35: Covid impact on the business and going concern assumption of the company and its subsidiary:

COVID-19 had not impacted the company's research operations, which includes our subsidiary, Suven Neurosciences, Inc. However, we are foreseeing certain delays in enrollment of ongoing phase 2 clinical studies conducted in USA.

Note 36: Warrants and Utilisation of Funds:

During the year ended 31-03-2022 the Board of Directors in its meeting held on 28th March'2022 has approved the conversion of 1,81,00,000 share warrants into equal number of equity shares to promoter group.

Note 37: Employee Stock Option Scheme (ESOP):

Suven Life Employee Stock Option Scheme 2020 (SLSL ESOP 2020) was approved by shareholders at the 31st Annual General Meeting held on 17th September, 2020. The nomination & remuneration committee of the board of Suven Life Sciences Limited administers the ESOP plans and grant stock options to the eligible employees . In terms of the SLSL ESOP 2020 scheme the total number of options to be granted are 10,00,000 of (Face value) Rs. 1/- each. Each option entitles the holder thereof to apply for one equity share of the Company of Rs. 1/- each upon payment of the exercise price during the exercise period. However, the Company has not granted any options under the scheme during the year ended 31st March, 2022. Therefore, the disclosure requirement for the summary of options granted under the scheme, outstanding options, fair value of options granted, expenses incurred from share based payment transactions and Earning Per Share is not applicable

Note 38 : Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/Associates

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or	Amount
31 March 2022								
Parent								
Suven Life Sciences Ltd.	99.11%	9,528.55	29.71%	(3,624.86)	100.00%	(15.05)	29.80%	(3,639.91)
Subsidiaries:								
Suven Neurosciences Inc.,	0.89%	85.98	70.29%	(8,574.65)	0.00%	-	70.20%	(8,574.65)
TOTAL	**100.00%**	**9,614.54**	**100.00%**	**(12,199.51)**	**100.00%**	**(15.05)**	**100.00%**	**(12,214.56)**
31 March 2021								
Parent								
Suven Life Sciences Ltd.	98.73%	10,662.91	31.37%	(2,263.21)	100.00%	(30.68)	31.66%	(2,293.89)
Subsidiaries:								
Suven Neurosciences Inc.,	1.27%	137.65	68.63%	(4,951.91)	0.00%	-	68.34%	(4,951.91)
TOTAL	**100.00%**	**10,800.56**	**100.00%**	**(7,215.12)**	**100.00%**	**(30.68)**	**100.00%**	**(7,245.80)**

Note 39 : Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(viii)The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 40: Previous year figures have been regrouped and reclassified wherever considered necessary to conform to this year's classifications.

Statement pursuant to first proviso to sub-section(3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules,2014 in the prescribed Form AOC-1 relating to Subsidiary companies.

PART A : Subsidiaries

Name of the subsidiary : Suven Neurosciences Inc.

Reporting currency : USD

Exchange rate as on the date of the relevant financial year in the case of foreign subsidiaries : INR 75.20

Date of Incorporation : 15th September 2015

Particulars	31 March 2022	31 March 2021
Share capital	54,240,000	42,740,000
Reserves & surplus	(54,125,663)	(42,547,750)
Total assets	315,577	1,125,344
Total Current liabilities	201,240	933,094
Investments	-	-
Turnover / Total Income	-	-
Profit/(loss) before taxation	(11,577,913)	(6,668,521)
Provision for Taxation	-	-
Profit/ (loss) after taxation	(11,577,913)	(6,668,521)
Proposed dividend	-	-
% of share holding	100%	100%

1.Names of the subsidaries which are yet to commence operations : NIL

2.Names of the subsidaries which have been liquidated or sold during the year : NIL

PART B: Associates /Joint Ventures: NIL

The accompanying notes form an integral part of the financial statements

As per our report of even date

For TUKARAM & CO
Chartered Accountants
Firm registration number: 004436S

Rajender Reddy K
Partner
Membership No. 231834

For and on behalf of the Board of Directors of
Suven Life Sciences Limited

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Shrenik Soni
Company Secretary
Membership No. A53989

M.Mohan kumar
Chief Financial Officer
Membership No. A25096

Place : Hyderabad
Date : 7th May,2022

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios compared on the basis of amounts derived from the Audited Consolidated Financial Statements and Unaudited Consolidated June Financial Results. For details, see "*Financial Statements*" on page 84.

Accounting Ratios

Particulars	Consolidated	
	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Basic earnings per share (₹)	(9.57)	(5.67)
Diluted earnings per share (₹)	(9.57)	(5.67)
Return on Net Worth (%)	(126.89%)	(101.50%)
Net Asset Value per Equity Share (₹)	6.61	5.58
EBITDA (₹ in lakhs)	(11,707.18)	(7,231.24)

Particulars	Consolidated	
	As at and for the quarter ended June 30, 2022	As at and for the quarter ended June 30, 2021
Basic earnings per share (₹)	(1.12)	(3.08)
Diluted earnings per share (₹)	(1.12)	(3.08)
Return on Net Worth (%)	(20.47%)	(124.12%)
Net Asset Value per Equity Share (₹)	5.48	2.48
EBITDA (₹ in lakhs)	(1,464.34)	(3,802.13)

The formulae used in the computation of the above ratios are as follows:

Basic earnings per share	Profit/(loss) after tax as per consolidated statement of profit and loss attributable to Equity Shareholders (after adjusting non-controlling interest) from continued operations after exceptional item, as applicable / Weighted average number Equity shares outstanding at the end of the period as adjusted for treasury shares, if any.
Diluted earnings per share	Profit/(loss) after tax as per consolidated statement of profit and loss attributable to Equity Shareholders (after adjusting non-controlling interest) from continued operation after exceptional item, as applicable/ Weighted average number of Equity Shares outstanding at the end of the period as adjusted for treasury shares and for the effects of all dilutive potential equity shares.
Return on net worth (in %)	Profit/(loss) after tax for the year as per consolidated statement of profit and loss attributable to Equity Shareholders from continued operations and discontinued operations (prior to other comprehensive income)/ Net worth at the end of the year on consolidated basis.
Net asset value per Equity Share	Net Worth divided by the number of Equity Shares outstanding for the year.
EBITDA	Profit/(Loss) for the year before finance costs, tax, depreciation and amortization expenses and exceptional items from continued operations and discontinued operation as presented in the consolidated statement of profit and loss

Calculation of Return on Net Worth

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit/(loss) after Tax attributable to Equity Shareholders (A)	(12,199.51)	(7,215.12)
Equity share capital (B)	1,453.82	1,272.82
Other equity (including non-controlling interest) (C)	8,160.71	5,835.74
Net Worth (D=B+C)	9,614.53	7,108.56
Return of Net Worth (A/D) * 100 (%)	(126.89%)	(101.50%)

(₹ in lakhs)

Particulars	For the year ended June 30, 2022	For the year ended June 30, 2021
Net Profit/(loss) after Tax attributable to Equity Shareholders (A)	(1,632.62)	(3,920.85)
Equity share capital (B)	1,453.82	1,272.82
Other equity (including non-controlling interest) (C)	6,520.21	1,886.18
Net Worth (D=B+C)	7,974.03	3159.00
Return of Net Worth (A/D) * 100 (%)	(20.47%)	(124.12%)

Calculation of Net asset value per Equity Share

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Worth (A) (₹in lakhs)	9,614.53	7,108.56
No. of Equity Shares outstanding for the year(B) (in numbers)	14,53,82,478	12,72,82,478
Net Assets Value (₹) [(A x 100,000) / B]	6.61	5.58

Particulars	For the year ended June 30, 2022	For the year ended June 30, 2021
Net Worth (A) (₹in lakhs)	7974.03	3159.00
No. of Equity Shares outstanding for the year(B) (in numbers)	14,53,82,478	12,72,82,478
Net Assets Value (₹) [(A x 100,000) / B]	5.48	2.48

Calculation of EBITDA

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit/ Loss after Tax	(12,199.51)	(7,215.12)
Add: Taxes	0.00	(532.28)
Add: Finance Cost	53.01	81.54
Add: Depreciation and Amortisation Expenses	439.32	434.62
EBITDA	(11,707.18)	(7,231.24)

(₹ in lakhs)

Particulars	For the quarter ended June 30, 2022	For the quarter ended June 30, 2021
Net Profit/ Loss after Tax	(1632.62)	(3920.85)
Add: Taxes	-	-
Add: Finance Cost	10.17	15.29
Add: Depreciation and Amortisation Expenses	158.11	103.43
EBITDA	(1464.34)	(3802.13)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 84.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 17 and 13 respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards like IFRS and U.S. GAAP. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, (i) the financial information for Financial Year 2022 included herein is based on the Audited Consolidated Financial Statements and (ii) Unaudited Consolidated June Financial Results of our Company and Subsidiary for the quarter ended June 30, 2022 included in this Letter of Offer. For further information, see "Financial Statements" beginning on page 84.

Unless otherwise indicated, industry and market data used in this section has been derived from the report "North America and APAC CNS Therapeutics" dated September 14, 2022 prepared and released by Grand View Research (India) Private Limited. Certain data in this Letter of Offer is based on reports prepared by third party sources and management estimates. Neither we, nor the Lead Manager, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Presentation of Financial and Other Information –Industry and Market Data" beginning on page 12.

OVERVIEW

Overview

We are a bio-pharmaceutical company, focused on discovering and developing novel pharmaceutical products, for central nervous system ("**CNS**") disorders using G Protein-Coupled Receptor targets. Our focus has been on discovery and development of innovative molecules targeting diseases and areas, which has undiscovered medical treatment opportunities. Our Company singularly focuses on development of "New Chemical Entities" **("NCEs")** molecules for CNS diseases such as Alzheimer's, various forms of Dementia, Narcolepsy, Major Depressive Disorder ("**MDD**"), Attention Deficient Hyperactivity Disorder ("**ADHD**"), Huntington's disease, Parkinson, Bipolar disorder and different forms of neuropsychiatry disorders, gastro and pain.

Incorporated in the year 1989 as a bulk drug manufacturer in the pharmaceuticals industry, initially our Company was focused on service-oriented business model Contract Research and Manufacturing Services ("**CRAMS**"), aligned with global pharmaceutical and biotechnology companies and subsequently diversified in discovery and development of innovative molecules targeting diseases. Our Company has more than three decades of experience in the pharmaceutical industry.

We started the drug discovery business in the year 2003 and incorporated our wholly owned subsidiary Suven Neurosciences, Inc. (formerly know Suven Inc) in the year 2015 in New Jersey, USA. Suven Neurosciences, Inc. a Delaware company, is a clinical-stage biopharmaceutical company focused on acquisition, development and commercialization of novel therapeutics for the treatment of neurodegenerative disorders.

We were *inter alia* engaged in two business verticals, namely, the CRAMS and the Discovery Research. In order to facilitate focused growth, operational efficiencies, business synergies and increased operational and customer focus in relation to the CRAMS and the Discovery Research business separately it was decided to demerge the CRAMS business. Accordingly, pursuant to the Scheme of Arrangement between Suven Life Sciences Limited and Suven Pharmaceuticals Limited and their respective shareholders and creditors, sanctioned by the NCLT on January 6, 2020, the CRAMS business was demerged from Suven Life Sciences Limited to Suven Pharmaceuticals Limited with effective date of October 1, 2018.

We started our path into this complex world of CNS way back in 2003 with a commitment to provide solutions for global unmet medical needs. An NCE activity involves several stages of innovation starting from drug discovery, clinical trials, regulatory approvals and commercialization. In our drug discovery as pre-clinical

research we cover Synthetic and Medicinal Chemistry, Analytical Chemistry, In vitro Biology, ADME, Pharmacology, Toxicology, Bioanalysis and NCE formulations. Our proprietary drugs are in various stages of pre-clinical and clinical trials. Since the year 2003, our Company has spent ₹ 76,063.00 lakhs until June 30, 2022, on development of our NCE molecules. As on the date of this Letter of Offer, we have 15 molecules, out of which 7 molecules are in clinical development phase and rest 8 molecules are on various stages of discovery and pre-clinical studies.

The list of molecules in clinical development stage and its current status are as follows:

Molecule	Indication	Status	Latest study initiation
SUVN-502	Cognitive disorders/ Agitations	Completed 2 phase 1 studies and 1 phase 2 study. Initiated phase 3 study.	Phase 3 study activities for Agitation in Alzheimers started in May 2021
SUVN-G3031	Cognitive disorders/ Narcolepsy	Completed 1 phase 1 study and ongoing phase 2 study	Phase 2 study activities for Narcolepsy started in April 2019
SUVN-D4010	Cognitive disorders	Completed 1 phase 1 study and ready for phase 2 study	Completed phase 1 study in 2017 and phase 2 study not initiated yet.
SUVN-911	Depressive disorders	Completed 1 phase 1 study and ready for phase 2 study	Completed phase 1 study in 2018 and phase 2 study not initiated yet.
SUVN-I6107	Cognitive disorders/ Schizophrenia	Completed pre-clinical studies and getting ready for phase 1 study	Completed pre-clinical studies in 2021
SUVN-M8036	Psychiatric disorders	Ready for pre-clinical studies	Studies not yet started
SUVN-D1044	Gastrointestinal disorders	Ready for pre-clinical studies	Studies not yet started

Our Company has invested ₹ 35,857.00 lakhs till June 30, 2022 for the phase 2 clinical trials of the 2 molecules ie. SUVN-502 and SUVN-G3031. Presently all the clinical development activities of the molecules from Phase 1 onwards are carried out by our Subsidiary located in New Jersey, USA. Prior to incorporation of our Subsidiary in the year 2015, all the phase 1 studies and clinical trial contracts were directly initiated from Suven Life Sciences Limited. Presently all the regulatory filings are made by Suven Life Sciences Limited and all the contractual obligations, management and monitoring, safety reporting and result outcomes in relation to all the human clinical trials are handled by our Subsidiary from 2015.

In addition to discovery and development of innovative molecules targeting diseases, as a service model, we also provide a wide range of support services to global pharmaceutical and biotechnology companies by leveraging our expertise into discovery and development of innovative molecules. Our integrated drug discovery and development support services helps these pharmaceutical and biotechnology companies to conduct discovery (from hit to candidate selection) and development (including analytical and bio-analytical evaluation and stability studies). Our total revenue from the drug discovery and development support services in fiscal year ending on March 31, 2022 and March 31, 2021 were ₹ 1,716.14 lakhs and ₹ 2,123.20 lakhs respectively. Further our total revenue from the drug discovery and development support services in quarter ending on June 30, 2022 and June 30, 2021 were ₹ 397.50 lakhs and ₹ 284.56 lakhs respectively.

Significant factors affecting our results of operations

Pharmaceutical regulatory framework applicable for our business operations

We operate in a highly regulated sector and we have to comply with extensive regulation in each of the markets we operate to obtain necessary approvals to run our clinical trials and to successfully complete the different phases of clinical trials. The success of the new drug discovery depends on internal and external factors, the important ones being, government policies, laws, rules and regulations affecting the business or industry in which we operate, human resources with expertise in the strategic therapy area, early decision making, commercial viability, differences in the responses observed in animal/human models vis-à-vis responses in patient population, national policies, infrastructure both in terms of internal and external e.g. clinical trial set up, approvals/delay in approval by ethics committees, site selection, patient recruitment rate during clinical trials, etc, efficacy and safety outcomes in clinical trials, changing treatment landscape, additional data requirement by regulatory authorities after new drug application submissions. Any failure at any of the stages of the process may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose. We cannot

assure you that our activities in the drug innovation business will be successful. In the event that any drug which we are innovating fails at any of the stages of innovation or any alternative drug is commercialised in the market, we stand to lose all or most of our investments, time and effort made for all the R&D activities which may adversely affect our future revenues.

In addition, although we have adopted standard operating procedures that are designed to satisfy regulatory requirements, no system of procedures can provide complete assurance of achieving our regulatory compliance objectives in all respects because compliance involves human diligence and procedures and is subject to human errors and lapses in judgement. Such errors and lapses might result in claims against us for professional misconduct, including financial obligations for personal injury in accordance with local regulatory guidelines, and could have a material adverse effect on our cash flows, results of operations, financial condition and reputation.

While our quality practices and quality management systems are designed and conducted in a manner intended to satisfy these regulatory guidelines, we cannot assure you that our efforts will be able to prevent adverse outcomes in future, such as inspection, observations, corrective action requests, warning letters or import bans from these regulatory agencies. In addition, if we are unable to obtain clearance from the FDA, EMA or other regulatory agencies during regulatory inspections of our research centres, our ability to offer services to clients looking to generate data for regulatory submissions in the United States, Europe or other markets may be limited.

R&D and innovation efforts in development of our new molecules

Our business model focuses on building a pipeline in various therapies targeted at both emerging markets and more regulated markets. Accordingly, our business depends to a significant degree on our ability to be successful in our research and development efforts. Research and development are both time consuming and costly, and involves a high degree of business risk. To develop our product pipeline, we commit substantial time, funds and other resources. In addition, our research staff is critical to the success of our research and development efforts.

Our investments in research and development for future products could result in higher expenses without a proportionate increase in revenues. Our ability to develop and manufacture new molecule is critical to launch new products and grow revenues. Our research and development efforts have resulted in 2,509 product patents, in various jurisdictions for 53 inventions under our drug discovery activities. To grow our product portfolio, we need to continually invest in research and development to add to our existing offering and improve our technology. Our profitability therefore largely depends on the success of our research and development activities, including commercialization of new molecule for different therapeutic segments.

Obtaining additional funding for our R&D and innovation efforts

The cost of bringing a new molecule to the market is very high and there isn't sufficient risk capital available. In case our Company is unable to obtain additional funding to support our operations as and when required, we may be required to reduce our research and development activities or curtail our operations thereby affecting our business, operating results and financial condition adversely. We have expended substantial funds to discover and develop our drug candidates and additional substantial funds will be required for further development, including pre-clinical testing and clinical trials of any product candidates we develop internally. Because the successful development of our products is uncertain, we are unable to precisely estimate the actual funds we will require to develop them. Hence, any lack of such funds required for innovative research and development may adversely affect our business.

Success in growth of our business lines

If we do not successfully licence/commercialise our molecules under development, or if our licensing /commercialisation is delayed, it will harm our operating results. Our future results of operations will depend upon our ability to successfully develop and licence innovative pharmaceutical products. We must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals. Our drug candidates are at early stages of development and we may not successfully develop a drug candidate that becomes a commercially viable drug. If our licensing /commercialisation is delayed this may harm our operating results. Our future results of operations will depend upon our ability to successfully develop and licence innovative pharmaceutical products/drug delivery systems. The drug discovery and development process is highly uncertain and we may not be successful in developing a drug candidate that ultimately leads to a commercially viable drug. Promising results in preclinical development or early clinical trials may not be predictive of results which may be

obtained in later clinical trials. If we do not successfully licence/commercialise our products under development, or if our licensing /commercialisation is delayed, it will affect our operating results.

The decisions by regulatory authorities regarding whether and when to approve our drug applications, the speed with which regulatory authorizations, pricing approvals and product launches may be achieved and competitive developments could affect the availability or commercial potential of our products. The development and commercialisation process is both time consuming and costly, as also uncertain. If we do not successfully licence/commercialise our products under development, or if our licensing /commercialisation is delayed, it will affect our operating results.

Competition in the pharmaceutical industry

The drug research and development industry are highly competitive and we compete globally with some companies that offer a broader range of capabilities and have better access to resources than we do. The pharmaceutical industry is characterized by rapid and continuous technological innovation. We compete with many companies worldwide that are engaged in the research and discovery, licensing, development and commercialization of drug candidates. We could face increased global competition in the future as new companies enter the market and advanced technologies become available.

Our ability to generate revenue from our products will be impacted by the launch of competitive products by our competitors. Our ability to increase our revenue from operations is dependent on our ability to launch new products and to successfully identify new markets for expansion. Further, our competition may have access to greater financial resources and expertise dedicated towards research and development. If our pharmaceutical products become uncompetitive, and we are unable to effectively introduce new products, our\ business and results of operations could be adversely affected. In addition, we must adapt to rapid changes in our industry due to technological advances and scientific discoveries. Although we strive to keep our technology, facilities and equipment's current with the latest international standards, the technologies, facilities and equipment's we currently employ may become obsolete. The cost of implementing new technologies, upgrading our research centres and retaining our research staff could be significant and could adversely affect our profitability.

Risk associated with our clinical trials and our dependency on CROs

Drug discovery process is a long process spread over a period of 5-15 years involving heavy expenditure at each stage. Revenues in the clinical trial are highly unpredictable and there is no certainty of success. Our drug molecules are at early stages of development and we may not successfully develop a drug candidate that becomes a commercially viable molecule. Promising results in preclinical development or early clinical trials may not be predictive of results which may be obtained in later clinical trials. Clinical trials might be subject to side effects that may harm the health and safety of the trial volunteers / patients for whom our Company is liable. While all care is taken while designing and administering clinical trials there still may be unpleasant, serious or even life-threatening adverse events in experimental treatments to clinical trials. In case of any such adverse event, including injury or loss of limb or life or damage to any volunteer's / patient's health in case of any clinical trial conducted by us, we may be required to provide complete medical care to such volunteer / patient and to compensate the volunteer / patient for the same. This may significantly impact our business and its reputation.

We usually outsource conducting of clinical trials to CROs, who in turn work with multiple investigators and investigator sites i.e. doctors and hospitals. We are highly dependent on these CROs, investigators and investigator sites for conducting trials to evaluate the performance i.e. safety and efficacy of our drugs and the observations obtained from these studies form the basis of our Company's decision to license the same. There is a possibility that the observations from these studies may be inaccurate thereby affecting the decision of our Company to license the same.

Significant accounting policies

Our significant accounting policies for the financial year ended March 31, 2022 and as at March 31, 2022 are described in the section entitled "*Notes to Consolidated Financial Statements*" of Annual Report of March 2022.

Key accounting policies that are relevant and specific to our business and operations are described below:

Significant accounting policies

a) Basis of preparation of Financial Statements

1) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases."

The financial statements of the Group are consolidated on line-by-line basis. Intragroup transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognized as per Ind AS 12, Income Taxes. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

2) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in statement of profit or loss.

3) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These consolidated financial statements comprise the Consolidated Balance Sheets as at 31 March 2022 and 31 March 2021, the Consolidated Statements of Profit and Loss, Statements of Changes in Equity and the Consolidated Statements of Cash Flows for the year ended 31 March 2022 and for the year ended 31 March 2021, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "Financial Statements").

These consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in these consolidated financial statements

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or noncurrent classification of assets and liabilities. The consolidated statement of cash flows has been prepared under indirect method.

(iv) Basis of measurement

The consolidated financial statements have been prepared on a historical cost and on accurual basis, except for the following items in the balance sheet:

● Certain financial assets are measured either at fair value or at amortised cost depending on the classification

● Employee defined benefit assets/ (liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation; and

● Share-based payments which are measured at fair value of the options

● Right-of-use the assets are recognized at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred, if any.

b) Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/ noncurrent classification. An asset is treated as current when it is:

● Expected to be realised or intended to sold or consumed in normal operating cycle

● Held primarily for the purpose of trading

● Expected to be realised within twelve months after the reporting period, or

● Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

● It is expected to be settled in normal operating cycle

● It is held primarily for the purpose of trading

● It is due to be settled within twelve months after the reporting period, or

● There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in Cash and Cash equivalents. The Company has identified twelve months as its operating cycle.

c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as being the Chief Operating Decision Maker.

d) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is also the functional currency of the Parent Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non- monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as

part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

e) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

● In the principal market for the asset or liability, or

● In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

● Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

● Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

● Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing
categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

f) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Capital Work-in-Progress represents Property, Plant and Equipment that are not ready for their intended use as at the balance sheet date.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the

cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

On transition to Ind AS, the Company elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at 1st April, 2015 (“transition date”) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Depreciation methods, estimated useful lives and residual value

Depreciation on Property, Plant & Equipment is provided on straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

The residual values are not more than 5% of the original cost of the asset. The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in Statement of profit or loss when the assets is derecognised."

Estimated useful life:

- R & D Equipment 10 years

- EDP Equipment 3 years

- Office Equipment 5 years

- Furniture &fittings 10 years

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Estimated useful lives by major class of finite life intangible assets are as follows:

Estimated useful life:

Software 3 - 10 years

(i) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use

- Management intends to complete the software and use or sell it

- There is an ability to use or sell the software

- It can be demonstrated how the software will generate probable future economic benefits

- Adequate technical, financial and other resources to complete the development and to use or sell the software are available and;

- The expenditure attributable to the software during its development can be reliably measured

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use."

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

(ii) Amortization methods and periods

Intangible assets with finite useful live are amortized over their respective individual estimated useful lives (3-10 years in case of computer softwares) on a straight-line basis."

(iii) Research and development

Research expenditure and development expenditure that do not meet the criteria in (i) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent period.

h) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognised in the statement of profit and loss, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

i) Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first in-first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

K) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management

L) Income Taxes

Income tax comprises of current and deferred income tax. Income tax expense is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in other comprehensive income. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when:

- taxable temporary differences arising on the initial recognition of goodwill;

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction; and

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax assets is recognised to the extent it is probable that future

taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Dividend Distribution Tax:

Tax on Dividends declared by the Company are recognised as an appropriation of Profit. Dividend Distribution Tax is not applicable from April 1, 2020."

m) Equity

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company"

Securities premium

The amount received in excess of the par value of equity shares has been classified as securities premium."

n) Leases

The Company as a lessee

The Company’s lease asset classes primarily consist of leases for Buildings and Facility charges. The Company assesses whether a contract contains a lease at the inception of a contract.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset."

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short term leases) and low-value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised

ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a

corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

O) Investments and other financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

● Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

● Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Income recognition

Interest income

Interest income from the debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

Royalty

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangement."

P) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

● Financial assets at fair value

● Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option

● Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

● Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option

● Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

● Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's statement of financial position) when:

● The rights to receive cash flows from the asset have expired, or

● The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Investments in units of mutual funds

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds"

q) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

r) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations.

Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following postemployment schemes:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund.

Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the current in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Bonus plans

The group recognizes a liability and an expense for bonuses. The group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation."

(v) Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised is the period in which the absences occur.

s) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

t) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

u) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates after taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company derives revenues primarily from rendering of services

Service income

Service income, which primarily relates to revenue from contract research, is recognised as and when the underlying services are performed. There was no change in the point of recognition of revenue upon adoption of Ind AS 115. Upfront non-refundable payments received under these arrangements continue to be deferred and are recognised over the expected period that related services are to be performed.

v) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred."

w) Research and Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product’s technical feasibility has been established, in which case such expenditure is capitalised. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product’s technical feasibility has been established, in which case such expenditure is capitalised. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

- Its intention to complete and its ability and intention to use or sell the asset

- How the asset will generate future economic benefits

- The availability of resources to complete the asset

- The ability to measure reliably the expenditure during development.

The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

x) Government Grants:

Government grants are recognised at fair value as and when there is a reasonable assurance that grant will be received and all attached conditions will be complied with. When the grant is related to an expense item, it is recognised as income on systematic basis over the period of related costs, for which it is intended to compensate, are expensed. when the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

The benefit of Government loan at a lower market rate of interest is treated as Government grant, measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

y) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

z) Earning per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

• The profit attributable to owners of the company

• By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

● The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

● The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

aa) Cash flow statement

Cash flows are reported using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing activities of the company are segregated.

ab) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirements of Schedule III, unless otherwise stated.

ac) Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities

Contingent liabilities are disclosed, unless the possibility of outflow of resources is remote, when there is

- A possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or

- A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or reliable estimate of the amount cannot be made

Contingent Assets

A contingent asset is disclosed, where an inflow of economic benefits is probable.

ad) Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to the significance of their nature or amount.

ae) Recent Accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

af) Critical estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The areas involving critical estimates or judgements are:

1. Estimation of current tax expense and payable

2. Estimated Useful life of Depreciable assets / intangible assets

3. Estimation of defined benefit obligation

4. Recognition of revenue

5. Recognition of deferred tax assets for carried forward losses

6. Recoverability of advances/receivable

7. Evaluation of indicators for Impairment of assets

8. Valuation of inventories

9. Determination of cost for right-of-use assets and lease term

10. Contingencies

11. Financial instruments

12. Fair value measurement of financial instruments

13. Share based payments

14. Depreciation on property, plant, equipment, and amortization of intangible assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Principal components of our statement of profit and loss

Income

Our Income comprises of:

Revenue from operations

Revenue from operations includes revenue from sale of services such as i.e. drug discovery and development support services and drug discovery and research.

Other Income

Other income primarily comprises of interest income from fixed deposits, inter corporate deposits and others, government grants, insurance claim received, scrap sales, liabilities no longer required written back and gain on financial assets.

Expenses

Our expenses primarily comprise of employee benefit expenses, research and development expenses, finance costs, depreciation and amortization expenses and other expenses.

Employee benefits expenses

Employee benefits expenses includes salaries, wages and bonus, contribution to provident fund and other funds, gratuity expenses and staff welfare expenses.

Research and development expenses

Research and development expenses includes R&D Materials, patent related expenses, lab maintenance, Research and development other expenses and clinical development expenses.

Finance Cost

Finance cost primarily includes interest on borrowings and interest on lease liability. Interest expense generally comprises interest on unsecured loans.

Depreciation and amortization expense

Depreciation and Amortization Expenses includes depreciation of property, plant and equipment, amortisation of intangible assets and depreciation on right of use assets.

Other expenses

Other Expenses comprises of expenses related to rates and taxes, insurance, communication charges, travelling and conveyance, bank charges, printing and stationery, professional charges, payment to auditor and repair and maintenance

Tax expenses

Tax expense comprises of current tax, deferred tax and tax of earlier years. Current tax is the amount of tax payable on the profits for the year and includes adjustments for current tax of prior periods as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

Three-month period ended June 30, 2022 compared to three month period ended June 30, 2021

(₹ in lakhs)

	Particulars	**Three-month period ended June 30, 2022**	**% of total income**	**Three-month period ended June 30, 2021**	**% of total income**
1.	**Income**				
	Revenue from operations	353.92	89.04%	200.61	70.50%
	Other Income	43.58	10.96%	83.95	29.50%
	Total income	**397.50**	100%	**284.56**	100%
2.	**Expenses**				
	a) Cost of materials consumed	-			
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-			
	c) Employee benefits expense	485.13	122.05%	505.53	177.65%
	d) Finance costs	10.17	2.56%	15.29	5.37%
	e) Depreciation and amortization expense	158.11	39.78%	103.43	36.35%
	f) Manufacturing Expenses				
	g) R & D Expenses	1,824.96	459.11%	3852.23	1353.75%
	h) Other Expenses	151.75	38.18%	100.50	35.32%
	Total expenses	**2,630.12**	**661.67%**	**4576.98**	**1608.44%**
3.	**Profit before exceptional items, Tax (1-2)**	**(2,232.62)**	**(561.67%)**	**(4292.42)**	**(1508.44%)**
4.	**Exceptional Items**	**600.00**	**150.94%**	**371.57**	**130.58%**
5.	**Profit before Tax (3-4)**	**(1,632.62)**	**-410.72%**	**(3920.85)**	**(1377.86%)**
6.	**Tax Expenses**	-			
7.	**Net Profit (Loss) for the period/year (5-6)**	**(1,632.62)**	**-410.72%**	**(3920.85)**	**(1377.86%)**
8.	**Total other Comprehensive Income**	**(3.76)**		**(11.79)**	**(4.14%)**
9.	**Total Comprehensive Income for the period (7+ 8)**	**(1,636.38)**	**-411.67%**	**(3932.64)**	**(1382.01%)**

Total Income

Our total income increased by 39.69% to ₹ 397.50 lakhs for the three-month period ended June 30, 2022 from ₹ 284.56 lakh for the three-month period ended June 30, 2021. The changes are due to following reasons:

Revenue from operations

Our revenue from operations increased by 76.42% to ₹ 353.92 lakh for the three-month period ended June 30, 2022 from ₹ 200.61 lakh for the three-month period ended June 30, 2021 primarily due to the change in type of services delivered during the quarter. The type services rendered by company always changes in each quarter and they are not comparable and hence such variations.

Other income

Our other income decreased by 48% to ₹ 43.58 lakh for the three-month period ended June 30, 2022 from ₹ 83.95 lakh for the three-month period ended June 30, 2021 primarily due to reduced deployment of short-term cash in deposits and investments.

Expenses

Our total expenses decreased by 42.54% to ₹ 2,630.12 lakh for the three months period ended June 30, 2022 from ₹ 4,576.98 lakh for the three-month period ended June 30, 2021, due to following reasons:

R&D expenses

Our R&D expenses decreased by 52.63% to ₹ 1,824.96 lakh for the three months period ended June 30, 2022 from ₹ 3,852.23 lakh for the three-month period ended June 30, 2021, primarily due to change in mix of research activities including clinical development programs during the quarter.

Other expenses

Our other expenses increased by 51% to ₹ 151.75 lakh for three-month period ended June 30, 2022 from ₹ 100.50 lakh for three-month period ended June 30, 2021, primarily due to increase in general corporate expenses including additional cardiovascular toxicity studies for the quarter.

Employee benefit expense

Our employees benefit expense decreased by 4.04% to ₹ 485.13 lakh for three-month period ended June 30, 2022 from ₹ 505.53 lakh for three-month period ended June 30, 2021, primarily due to changes in staffing structure at discovery lab.

Finance cost

Our finance cost decreased by 33.49% to ₹ 10.17 lakh for three-month period ended June 30, 2022 from ₹ 15.29 lakh for three-month period ended June 30, 2021 due to reduction in loans.

Depreciation and amortisation expense

Our depreciation and amortisation expenses increased by 52.87% to ₹ 158.11 lakh for three-month period ended June 30, 2022 from ₹ 103.43 lakh for three-month period ended June 30, 2021, primarily due to additions of fixed assets.

Exceptional item:

The reported exceptional item relates to adhoc payment as and when received on account of insurance claim set up for fire accident occurred in April 2020.

Profit/(Loss) for the period

Our loss for the period decreased by 58.36% to ₹ 1,632.62 lakhs for three-month period ended June 30, 2022 from ₹ 3,920.85 lakhs for three-month period ended June 30, 2021 due to the abovementioned reasons.

Period ended March 31, 2022 compared to period ended March 31, 2021

(₹ in lakhs)

Particulars	Fiscal 2022		Fiscal 2021	
	Amount	% of Total Income	Amount	% of Total Income
Revenue from operations	1,184.43	69.02	1,347.83	63.48
Other income	531.71	30.98	775.37	36.52
Total Income	**1,716.14**	**100.00**	**2,123.20**	**100.00**
Employee benefits expenses	2,102.08	122.49	1,852.75	87.26
Research and development expenses	10,636.75	619.81	7,102.73	334.53
Finance costs	53.01	3.09	81.54	3.84
Depreciation and amortization expenses	439.32	25.60	434.62	20.47
Other expenses	684.49	39.89	398.96	18.79
Total Expenses	13,915.65	810.87	9,870.60	464.89
Profit/(Loss) before tax	**(12,199.51)**	**(710.87)**	**(7,747.40)**	**(364.89)**
Tax expenses				
Current tax	-		-	
Deferred tax	-		(570.12)	
Tax of earlier year			37.84	
Profit/(Loss) for the year	**(12,199.51)**	**(710.87)**	**(7,215.12)**	**(339.82)**

Fiscal 2022 compared to Fiscal 2021

Total income

Our total income for the Fiscal 2022 was ₹ 1,716.14 lakhs as compared to ₹ 2,123.20 lakhs for the Fiscal 2021, representing a decrease of 19.17%. Total income comprises of:

Revenue from operations

Our revenue from operations decreased by 12.12% to ₹ 1,184.43 lakhs for Fiscal 2022 from ₹ 1,347.83 lakhs for the Fiscal 2021. This decrease was primarily due to decrease in sale of services on account of less analytical testing analysis orders and contract research taken by our Company for the pharmaceutical companies.

Our revenue from operations is dependent upon disaggregation of revenue based on location of customer from India, USA, Europe and other parts of world.

(₹ in lakhs)

Particulars	Fiscal 2022		Fiscal 2021	
	Amount	% of total revenue from operations	Amount	% of total revenue from operations
India	629.83	53.18%	512.49	38.02%
USA	444.27	37.51%	814.72	60.45%
Europe	13.90	1.17%	20.62	1.53%
Rest of the world	96.43	8.14%	-	-
Total	**1,184.43**	**100**	**1,347.83**	**100**

Other income

Other income for the Fiscal 2022 was ₹ 531.71 lakhs as compared to ₹ 775.37 lakhs for the Fiscal 2021, representing a decrease of 31.42%. The decrease in other income was primarily due to repayment of inter corporate deposits extended by our Company.

Our income from fixed and inter corporate deposits besides other interest income for the Fiscal 2022 was ₹ 112.16 lakhs as compared to ₹ 697.91 lakhs for the Fiscal 2021. The decrease in inter corporate deposit in Fiscal 2022 by ₹ 585.75 lakhs was mainly on account of repayment of inter corporate deposits by Suven Pharmaceuticals Limited. We have also received government grants of ₹ 10.64 lakhs for the Fiscal 2022 as compared to ₹ 59.49 lakhs for the Fiscal 2021. The decrease in government grants for Fiscal 2022 was mainly on account of repayment of government grants from Department of Science & Technology, Government of India-I and Department of Science & Technology, Government of India-II. Further we have received an insurance claim of ₹ 371.58 lakhs in the Fiscal 2022 against the fire incident occurred in one of the buildings in our research centre located at Jeedimetla, Hyderabad on April 26, 2020.

Expenses

Our total expenditure increased by 40.98% to ₹ 13,915.65 lakhs for the Fiscal 2022 from ₹ 9,870.60 lakhs for the Fiscal 2021, representing an increase of employee benefit expenses, research and development expenses and other expenses. Total expenditure comprises of:

Employee benefit expenses

Employee benefit expense increased by 13.46% to ₹ 2,102.08 lakhs for the Fiscal 2022 from ₹ 1,852.75 lakhs for the Fiscal 2021, primarily as a result of an increase annual compensation given to our employees. Our number of employees decreased to 117 employees as of March 31, 2022 from 130 employees as of March 31, 2021. Expense towards salary, wages and bonus increased by 12.39% to ₹ 1,942.03 lakhs for the Fiscal 2022 from ₹ 1,728.01 lakhs for the Fiscal 2021.

Research and development expenses

Research and development expenses increased by 49.76% to ₹ 10,636.75 lakhs for the Fiscal 2022 from ₹ 7,102.73 lakhs for the Fiscal 2021, primarily as a result of an increase in clinical development expenses. The clinical development expenses increased by 78.46% to ₹ 8,183.33 lakhs for the Fiscal 2022 from ₹ 4,585.68 lakhs for the Fiscal 2021 mainly due to commencement of Phase 3 study SUVN-502 for agitations in Alzheimer's type patients. Expenses towards R&D materials decreased by 25.64% to ₹ 268.29 lakhs for Fiscal 2022 from ₹ 360.79 lakhs for the Fiscal 2021 mainly due to reduction in pre-clinical activities which were there earlier. Our patent related expenses decreased by 27.25% to ₹ 783.58 lakhs for Fiscal 2022 from ₹ 1,077.11 lakhs for the Fiscal 2021 mainly due to reduction in patent filing. Our lab maintenance expenses for the Fiscal 2022 was ₹ 525.58 lakhs as compared to ₹ 655.00 lakhs for the Fiscal 2021 due to reduced activities on certain labs. Other expenses for R&D centres increased by 106.53% to ₹ 875.97 lakhs for Fiscal 2022 from ₹ 424.13 lakhs for the Fiscal 2021 mainly due to early stage development of 3 molecules into lead optimization stage.

Finance costs

Finance cost decreased by 34.98 % to ₹ 53.01 lakhs for Fiscal 2022 from ₹ 81.53 lakhs for the Fiscal 2021, on account of repayment of inter corporate deposits thereby leading to decrease in interest expenses on borrowings and leased liabilities. Interest on borrowings for the Fiscal 2022 was ₹ 13.50 lakhs as compared to ₹ 32.32 lakhs for the Fiscal 2021. Interest on lease liabilities for the Fiscal 2022 was ₹ 39.51 lakhs as compared to ₹ 49.21 lakhs for the Fiscal 2021.

Depreciation and amortization expenses

Depreciation and amortization expense marginally increased by 1.08% to ₹ 439.32 lakhs for the Fiscal 2022 from ₹ 434.62 lakhs for the Fiscal 2021, primarily on account of capital expenditure incurred towards expanding research capacities at our centres located in Hyderabad, Telangana at Pashamylaram and Jeedimetla.

Other expenses

Other expenses increased by 71.56% to ₹ 684.49 lakhs for the Fiscal 2022 from ₹ 398.97 lakhs for the Fiscal 2021, primarily due to an increase in other repairs and maintenance to ₹ 243.26 lakhs for the Fiscal 2022 from ₹ 10.31 lakhs for the Fiscal 2021, an increase in general expenses to ₹ 87.92 lakhs for the Fiscal 2022 from ₹ 49.27 lakhs for the Fiscal 2021, an increase in consumable stores to ₹ 16.10 lakhs for the Fiscal 2022 from ₹ 3.28 lakhs for the Fiscal 2021 and an increase in insurance expenses to ₹ 90.95 lakhs for the Fiscal 2022 from ₹ 86.53 lakhs for the Fiscal 2021.

Repairs and maintenance charges increased by 2,258.33% to ₹ 243.26 lakhs for the Fiscal 2022 from ₹ 10.31 lakhs for the Fiscal 2021 primarily due to repair of the buildings in our research centre located at Jeedimetla, Hyderabad damaged due to fire incident occurred on April 26, 2020.

Profit/ (loss) before tax

The profit/(loss) before tax for Fiscal 2022 was ₹ (12,199.51) lakhs as compared to ₹ (7,747.40) Lakhs for Fiscal 2021.

Profit/ (loss) for the year

For the reasons discussed above, the profit/(loss) after tax for the Fiscal 2022 was ₹ (12,199.51) lakhs as compared to ₹ (7,215.12) lakhs for the Fiscal 2021.

Cash Flows

The following table summarizes our statements of cash flows for the periods presented:

(₹ in lakhs)

	Financial year	
	2022	**2021**
Net cash generated from or (used in) operating activities	(12,753.70)	(9,602.36)
Net cash generated from or (used in) investing activities	(2,222.92)	5,584.04
Net cash generated from financing activities	14,569.16	3,485.56
Net increase or (decrease) in cash and cash equivalents	527.36	934.82

Fiscal 2022 compared to Fiscal 2021

Operating Activities

Net cash used in operating activities was ₹ (12,753.70) lakhs for Fiscal 2022 as compared to net cash used in operating activities ₹ (9,602.36) lakhs for Fiscal 2021. The increase in cash from operating activities is mainly due to extended operating loss before working capital changes in Fiscal 2022 by 53.53% to ₹ (12,308.95) lakhs as compared to ₹ (8,017.40) lakhs in Fiscal 2021 and decrease in trade payable to ₹ (100.89) lakhs for Fiscal 2022 as compared to ₹ (278.64) lakhs in Fiscal 2021.

Investing Activities

Net cash used in investing activities decreased to ₹ (2,222.92) lakhs for Fiscal 2022 as against net cash generated from investing activities ₹ 5,584.04 lakhs for Fiscal 2021 primarily due to the payments for purchase of property, plant and equipment's, cash flow received from repayment of loans, purchase of mutual funds and bank balances not considered as cash and cash equivalents in the Fiscal 2022.

Financing Activities

Net cash from financing activities was ₹ 14,569.16 lakhs for Fiscal 2022 as against ₹ 3,485.56 lakhs for Fiscal 2021. This was primarily due to proceeds from warrant converted into share capital and share premium in the Fiscal 2022 which was partially offset by proceeds received from sale of share warrants and repayment from borrowings in the Fiscal 2021.

Reservations, Qualifications, Matter of Emphasis, Adverse Remarks / Other Observations in CARO

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted in the auditor's reports on the consolidated financial statements as of and for the year ended March 31, 2022 and for the quarter ended June 30, 2022.

Related party transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including our affiliates. Such transactions are for, amongst others, provision of professional services and brand license fees and incurrence of indebtedness.

For details of our related party transactions, see notes to our financial statements.

Off-Balance Sheet commitments and arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "*Significant factors affecting our results of operations"* and the uncertainties described in the chapter titled "*Risk Factors*" beginning on pages 154 and 17, respectively. To our knowledge, except as disclosed in this Letter of Offer, there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Quantitative and qualitative analysis of market risks

Our business exposes us to a variety of financial risks, including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a customer contract or a financial instrument, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables and other financial assets, such as cash equivalents and deposits. Credit risk is managed by us through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which we grant credit terms in the normal course of business. We have made diversification of bank deposits and monitoring of credit limits of customers.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure that we will have sufficient liquidity to meet our liabilities. We monitor the net liquidity position through forecasts on the basis of expected cash flows. We require substantial amounts of working capital for our business operations such as maintaining and operating our research centres, marketing and distributing our products, developing new products and enhance existing products and the failure to obtain such capital may adversely affect our growth prospects and future profitability.

Foreign exchange rate risk

Changes in currency exchange rates influence our results of operations. A significant portion of our revenue from operations is denominated in currencies other than Indian Rupees, including the US Dollar. Similarly, a significant portion of our revenues are denominated in currencies other than Indian Rupees. Although we selectively enter into hedging transactions to minimise our foreign currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other relevant foreign currencies.

Inflation risk

High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in our material prices, employee benefit payments or expected salary or other expenses as a result of increase in inflation in India or overseas jurisdiction where we operate, which we are unable to pass on to our customers, whether entirely or in part, may adversely affect our business and financial condition.

Significant developments after June 30, 2022 that may affect our future results of operations

Except as set forth below in the "*Material Developments*" on page 183, no circumstances have arisen since the date of the Unaudited Consolidated June Financial Results as disclosed in this Letter of Offer which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company and our Subsidiary are subject to various legal proceedings from time to time.

*Our Company has a "Policy for determining materiality for disclosures of events or information" framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by the Board. Notwithstanding such materiality policy ("**Materiality Policy**") approved by the Board, our Company has, solely for the purposes of this Issue, disclosed in this section, all outstanding civil, regulatory and tax proceedings involving our Company and Subsidiary where the amount involved in such proceedings amount equivalent to or in excess of 1% of the total income of our Company, on a consolidated basis, for the Financial Year 2022, which is determined to be ₹ 17.00 lakhs ("**Materiality Threshold**") or where amount is not quantifiable or is below the Materiality Threshold but which materially and adversely affect the operations or the financial position of the Company.*

Except as disclosed below, there is no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company or its Subsidiary; (ii) material violations of statutory regulations by our Company or its Subsidiary; (iii) economic offences where proceedings have been initiated against our Company or its Subsidiary; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position or that of our Subsidiary;.

Pre-litigations notices received by our Company and/ or our Subsidiary from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) has not been evaluated for materiality until such time our Company and/ or our Subsidiary are impleaded as defendants in litigation proceedings before any judicial/ arbitral forum.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer.

Litigations involving our Company

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability

i. Criminal Litigations initiated against our Company

As on the date of this Letter of Offer, there are no criminal litigations initiated against our Company.

ii. *Criminal Litigations initiated by our Company*

As on the date of this Letter of Offer, there are no criminal litigations initiated by our Company.

B. Matters involving material violations of statutory regulations by our Company

As on the date of this Letter of Offer, there are no proceedings/matters involving material violations of statutory regulations by our Company.

C. Economic offences where proceedings have been initiated against our Company

As on the date of this Letter of Offer, there are no economic offences initiated against our Company.

D. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

Civil Litigations initiated against our Company

As on the date of this Letter of Offer, there are no outstanding civil litigations initiated against our Company.

Civil Litigations initiated by our Company

As on the date of this Letter of Offer, there are no outstanding civil litigations initiated by our Company.

Tax Proceedings initiated against our Company

As on the date of this Letter of Offer, there are no outstanding tax proceedings initiated against our Company.

Litigation involving our Subsidiary

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Subsidiary, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability

As on the date of this Letter of Offer, there are no proceedings/matters involving material violations of statutory regulations involving our Subsidiary.

B. Matters involving material violations of statutory regulations by our Subsidiary

As on the date of this Letter of Offer, there are no proceedings/matters involving material violations of statutory regulations by our Subsidiary.

C. Economic offences where proceedings have been initiated against our Subsidiary

As on the date of this Letter of Offer, there are no economic offences initiated against our Subsidiary.

D. Other proceedings involving our Subsidiary which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

As on the date of this Letter of Offer, there are no proceedings involving our Subsidiary which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

GOVERNMENT AND OTHER APPROVALS

Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations ("**Approvals**") for carrying on its present business activities. The requirement for the Approvals may vary based on factors such as the legal requirements in the jurisdiction, in which the Research Centres are located. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

There are no material pending government and regulatory approvals pertaining to the Objects of the Issue.

MATERIAL DEVELOPMENTS

Other than as in this Letter of Offer, no material developments have occurred since the date of the last balance sheet i.e., March 31, 2022 which materially or adversely affect or are likely to affect the profitability of the Company or the value of its assets or its ability to pay its liabilities within the next 12 months.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at its meetings held on June 24, 2022, pursuant to Section 62(1) (a) of the Companies Act, 2013. The terms and conditions of the Issue including the rights entitlement ratio, Issue Price, Record Date and other related matter have been approved by a resolution passed by the Rights Issue Committee at its meeting held on October 12, 2022 and the Issue Schedule has been approved by a resolution passed by the Rights Issue Committee at its meeting held on October 18, 2022.

The Rights Issue Committee, in its meeting held on October 12, 2022 has resolved to issue the Equity Shares to the Eligible Equity Shareholders, at ₹ 55 per Rights Equity Share (including a premium of ₹ 54 per Rights Equity Share) and the Rights Entitlement as 1 (One) Rights Equity Share for every 2 (Two) fully paid-up Equity Share, as held on the Record Date aggregating to ₹39,980.18 lakhs. The Issue Price is ₹ 55 per Rights Equity Share and has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

The Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their letters dated October 6, 2022 and October 7, 2022, respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN: INE495B20012 for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, please see the section entitled "*Terms of the Issue*" on page 192.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, the Promoter Group and our Directors have not been and are not debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Letter of Offer.

None of the companies with which our Promoters or our Directors are associated with as promoters or directors have been debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoters nor any of our Directors have been declared a Wilful Defaulter or Fraudulent Borrower or Fugitive Economic Offender as defined under SEBI ICDR Regulations.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market.

Prohibition by RBI

Neither our Company, nor our Promoter or any of our Directors have been categorised or identified or declared as a Wilful Defaulter or Fraudulent Borrower or Fugitive Economic Offender.

Eligibility for the Issue

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares of our Company are currently listed on BSE and NSE. Our Company is eligible to offer the Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations.

Our Company satisfies the condition set out at Clause 3(a) of Part B of Schedule VI to the SEBI ICDR Regulations. Consequently, our Company is required to make disclosures in this Letter of Offer in accordance with Part B of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the Stock Exchanges and has received their 'in-principle' approvals for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE Limited is the Designated Stock Exchange for the Issue.

Compliance with conditions of Fast Track Issue

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations, and accordingly, our Company is eligible to make this Issue by way of a 'fast track issue':

1. Our Equity Shares have been listed on BSE and NSE, each being a recognized stock exchange having, nationwide trading terminals, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

2. The entire shareholding of the members of the Promoter Group is held in dematerialized form as at the date of filing this Letter of Offer with the Designated Stock Exchange;

3. The average market capitalization of the public shareholding (as defined under the SEBI ICDR Regulations) of our Company is at least ₹ 250 crore, in at least one of the recognized stock exchanges with nationwide trading terminal, where its securities are listed, calculated as per Explanation (i) of the Regulation 99 of SEBI ICDR Regulations;

4. The annualized trading turnover of our Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 2% of the weighted average number of Equity Shares listed during such six-months period on each of the Stock Exchanges;

5. The annualized delivery-based trading turnover of our Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 10% of the annualized trading turnover of Equity Shares during such six-month period on each of the Stock Exchanges;

6. Our Company has been in compliance with the equity listing agreement entered into with the Stock Exchanges and the SEBI Listing Regulations, for a period of at least three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

7. Our Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month at the date of filing this Letter of Offer with the Designated Stock Exchange;

8. No show-cause notices, excluding proceedings for imposition of penalty, have been issued by SEBI and are pending against our Company, its Promoters or whole-time Directors. Further, no show cause notices have been issued by the SEBI or an Adjudicating Officer in a proceeding for imposition of penalty and/or no prosecution proceedings have been initiated by SEBI, against our Company, its Promoters or whole-time Directors;

9. Our Company, our Promoters, the Promoter Group or our Directors have not settled any alleged violations of securities laws through the settlement mechanism with SEBI during the three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

10. Our Equity Shares have not been suspended from trading as a disciplinary measure during three years immediately preceding the date of filing this Letter of Offer with the Designated Stock Exchange;

11. There is no conflict of interest between the Lead Manager and our Company or its Group Companies in accordance with applicable regulations;

12. Our Promoters and Promoter Group shall mandatorily subscribe to their rights entitlement and shall not renounce their rights, except to the extent of renunciation within the Promoter Group or for the purpose of complying with minimum public shareholding norms prescribed under the SCRR;

13. Our Promoter, Venkateswarlu Jasti, vide his letter dated October 18, 2022 on behalf of the Promoters and Promoter Group of the Company, has undertaken and confirmed in relation to this Issue to subscribe on their own account, and not through any nominated entity or person to:

    a. the full extent of their Rights Entitlement in the Issue in accordance with Regulation 10(4)(a) of the SEBI Takeover Regulations; and

    b. the full extent of any rights entitlement in the Issue that may be renounced in their favor by any of the members of the Promoter Group of the Company in accordance with Regulation 10(4)(b) and other applicable provisions of the SEBI Takeover Regulations.

Our Promoter, viz., Venkateswarlu Jasti, vide Promoter Subscription Letter on behalf of the Promoters and Promoter Group of the Company, has confirmed that such acquisition of Equity Shares will not result in a change of control or the management of the Company, and any such acquisition shall be subject to the aggregate shareholding of the Promoters and Promoter Group of the Company not exceeding 75% of the issued, outstanding and fully paid-up equity share capital of the Company after the Issue.

14. There were no audit qualifications in respect of the financial years for which accounts are disclosed in this Letter of Offer.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

a. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

b. The reports, statements and information referred to above are available on the websites of BSE and NSE;

c. Our Company's management has not undergone any change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or the SEBI Takeover Regulations, as applicable. Our Company is not making a rights issue of specified securities for the first time subsequent to any such change; and

d. Our Company has not been listed consequent to the relaxation granted by SEBI under sub-rule (7) of Rule 19 of the SCRR for listing of its specified securities pursuant to a scheme sanctioned by a High Court under sections 391 to 394 of the Companies Act, 1956 or approved by a tribunal under sections 230-234 of the Companies Act, as applicable. Our Company is not making a rights issue of specified securities for the first time subsequent to any such listing.

e. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS LETTER OF OFFER TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. THE LEAD MANAGER, ERNST & YOUNG MERCHANT BANKING SERVICES LLP, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 18, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATONS, WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THIS LETTER OF OFFER OF THE SUBJECT ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

   a. **THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;**

   b. **ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   c. **THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID – <u>COMPLIED WITH;</u>**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – <u>NOT APPLICABLE</u>;**

5. **WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF**

FILING THE LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER – NOT APPLICABLE;

6. **ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER – NOT APPLICABLE;**

7. **ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE – NOT APPLICABLE;**

8. **NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE;**

9. **THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – COMPLIED WITH TO THE EXTENT APPLICABLE;**

10. **FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:**

    a. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR VOTING RIGHTS EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SUPERIOR VOTING RIGHTS EQUITY SHARES – COMPLIED WITH (THE COMPANY HAS NOT ISSEUD ANY SUPERIOR VOTING RIGHTS EQUITY SHARES); AND**

    b. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI – COMPLIED WITH;**

11. **WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS – NOTED FOR COMPLIANCE;**

12. **IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM, IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS – NOT APPLICABLE;**

13. **NONE OF THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY – COMPLIED WITH;**

14. **THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF SEBI ICDR REGULATIONS. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS**

SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THE LETTER OF OFFER - COMPLIED WITH;

15. **THE ABRIDGED LETTER OF OFFER CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS –COMPLIED WITH;**

16. **ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THE LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE RIGHTS EQUITY SHARES OFFERED THROUGH THE ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH THE PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN - COMPLIED WITH AND NOTED FOR COMPLIANCE;**

17. **AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE RIGHTS EQUITY SHARES OF THE COMPANY - COMPLIED WITH.**

THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS LETTER OF OFFER.

Disclaimer from our Company, our Directors and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information, including our Company's website https://www.suven.com would be doing so at their own risk.

Investors who invest in this Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares and will not sell, issue, pledge or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representative accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares and such investors are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

No information which is extraneous to the information disclosed in this Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

Caution

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Hyderabad, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Disclaimer Clause of BSE

"BSE Limited ("**the Exchange**") has given, vide its letter dated October 06, 2022 permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
2. Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
3. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause of NSE

"As required, a copy of this letter of offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref. No. NSE/LIST/32797 dated October 07, 2022 permission to the Issuer to use the Exchange's name in this letter of offer as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Filing

This Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations. Our Company will simultaneously do an online filing of the Letter of Offer through Lead Manager with SEBI through the SEBI intermediary portal at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and through email at cfddil@sebi.gov.in, in accordance with the instructions issued by SEBI on March 27, 2020, in relation to '*Easing of Operational Procedure – Division of Issues and Listing – CFD*'

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011 and shall comply with the SEBI circular bearing reference CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer and transmission of shares and effective exercise of voting rights. KFin Technologies Limited is our Registrar to the Issue. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 days from the date of receipt of the complaint.

Investors may contact the Registrar to the Issue, or our Company Secretary and Compliance Officer for any Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole / first holder, folio number or demat account number, serial number of the Application Form, number of the Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see 'Terms of the Issue' on page 192.

The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

KFin Technologies Limited
Selenium Tower B, Plot No- 31 and 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad, Rangareddi - 500 032,
Telangana, India
Tel: +91 40 6716 2222
Email: suven.rights@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221
URL of SEBI
website:https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10

In accordance with the SEBI Rights Issue Circular, frequently asked questions, and online / electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar https://rights.kfintech.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 1800 309 4001.

Company Secretary and Compliance Officer

Shrenik Soni
8-2-334, SDE Serene Chambers,
6th Floor, Road No. 5, Avenue 7, Banjara Hills,
Hyderabad–500 034, Telangana, India.
Tel: +91 40-2354 3311/ 1142
Email: investorservices@suven.com

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer.

Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

Investors are requested to note that application in this Issue can only be made through ASBA facility.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice or security certificate and rules as may be applicable and introduced from time to time.

Important:

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

Investors can access this Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

1. our Company at www.suven.com;
2. the Registrar at https://rights.kfintech.com;
3. the Lead Manager at www.ey.com/in/mb; and
4. the Stock Exchanges at www.bseindia.com and www.nseindia.com.

Shareholders who have not received the Application Form may apply, along with the requisite Application Money, by using the Application Form available on the websites above, or on plain paper, with the same details as mentioned in the Application Form available online.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar i.e., https://rights.kfintech.com, by entering their DP ID and Client ID or Folio Number (for

Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date), PAN and such other credentials. The link for the same shall also be available on the website of our Company i.e., www.suven.com.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue related materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Form or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without the requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see '*Terms of the Issue - Making an Application through the ASBA process*' on page 193.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see '*Term of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*' on page 205.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN, or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see '*Terms of the Issue - Grounds for Technical Rejection*' on page 201. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected. Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. For details, see '*Terms of the Issue - Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*' on page 196.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

2. Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

3. Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

4. Apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or

5. Renounce its Rights Entitlements in full.

Making an Application through the ASBA process

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with a SCSB prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the

SCSB or online / electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be responsible for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Investors applying through ASBA:

1. Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.

2. Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated, as the Rights Equity Shares will be allotted in the dematerialized form only.

3. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

4. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

5. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

6. Ensure that you have a bank account with a SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

7. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

8. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

9. Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021

Don'ts for investors applying through ASBA:

1. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

3. Do not send your physical Application to the Lead Manager, the Registrar, the Banker to the Issue (assuming that such Banker to the issue is not a SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

5. Do not submit Application Form using third party ASBA account.

Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the websites of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected.
Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Suven Life Sciences Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;

4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;

5. Number of Equity Shares held as on Record Date;

6. Allotment option - only dematerialised form;

7. Number of Rights Equity Shares entitled to;

8. Number of Rights Equity Shares applied for within the Rights Entitlements;

9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

10. Total number of Rights Equity Shares applied for;

11. Total amount paid at the rate of ₹ 55 per Rights Equity Share;

12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);

16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500 032, Telangana, India; and

17. All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (United States), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold only in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act (Regulation S) to existing shareholders who are located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in 'Restrictions on Purchases and Resales' on page 219.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the U.S. Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

I/ We acknowledge that we, the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor.

The plain paper Application format will be available on the website of the Registrar at https://rights.kfintech.com.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish details of their demat account to the Registrar or our Company at least 2 Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 day before the Issue Closing Date. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder. For further details, see '*Terms of the Issue – Credit of Rights Entitlement in dematerialised account of Eligible Equity Shareholders*' on page 205.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than 2 Working Days prior to the Issue Closing Date;

2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least 1 day before the Issue Closing Date; and

3. The remaining procedure for Application shall be same as set out in '*Terms of the Issue - Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process'* on page 196.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in '*Terms of the Issue - Basis of Allotment*' beginning on page 213.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making an Application

1. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.

2. The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

3. Application should be made only through the ASBA facility.
4. An Investor, wishing to participate in this Issue, is required to have an ASBA enabled bank account with a SCSB, prior to making the Application.

5. Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and / or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

6. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under '*Terms of the Issue - Making an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*' on page 196.

7. Applications should be submitted to the Designated Branch of the SCSB or made online / electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. or such extended time as permitted by the Stock Exchanges.

8. Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

9. Applications should not be submitted to the Banker(s) to the Issue (assuming that such Banker to the issue is not an SCSB), our Company or the Registrar or the Lead Manager.

10. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income Tax Act, 1961, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been

verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

11. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and / or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match 3 parameters i.e., (a) names of the Investors (including the order of names of joint holders), (b) DP ID, (c) Client ID and PAN Number, then such Application Forms are liable to be rejected.**

12. By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

13. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his / her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

14. Investors should provide correct DP ID Client ID and PAN Number / Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID should match the demat account details in the records available with Company and / or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

15. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

16. All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first / sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

17. Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

18. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

19. Do not submit the General Index Registrar number instead of the PAN as the application is liable to be rejected on this ground.

20. Avoid applying on the Issue Closing Date due to risk of delay / restrictions in making any physical Application.

21. Do not pay the Application Money in cash, by money order, pay order or postal order.

22. Do not submit multiple Applications.

23. No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

24. An Applicant being an Overseas Corporate Body (OCB) is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

25. Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar

2. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

3. Sending an Application to our Company, the Lead Manager, Registrar, Banker to the Issue (assuming that such Banker to the issue is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

4. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

5. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to a regulatory order.

6. Account holder not signing the Application or declaration mentioned therein.

7. Submission of more than one Application Form for Rights Entitlements available in a particular demat account

8. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

9. Submitting the General Index Registrar number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

10. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

11. Applications by SCSB on its own account, other than through an ASBA Account in its own name with any other SCSB.

12. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

13. Physical Application Forms not duly signed by the sole or joint Investors, as applicable

14. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

15. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

16. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and / or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

17. Applications which have evidence of being executed or made in contravention of applicable securities laws.

18. Applicants holding physical shares not submitting the documents. For further details, see '*Terms of the Issue - Application by Eligible Equity Shareholders holding Equity Shares in physical form*' on page 198.

19. Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with / without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see *'Procedure for Applications by Mutual Funds*' on page 204.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by our Promoters to meet the minimum subscription requirements applicable to this Issue as described in '*Capital Structure*' on page 39.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the

investor will also be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 74%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

a. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

b. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and the SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to a rights issue. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to a rights issue. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any Allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Circular 2020 has been recently amended to state that all investments by entities incorporated in a country which shares a land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

*Procedure for Applications by Systemically Important Non-Banking Financial Companies ("**NBFC-SI**")*

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of Reserve Bank of India Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is Thursday, November 10, 2022 i.e., Issue Closing Date. Our Board and, or, the Rights Issue Committee may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with a SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as set out in entitled '*Terms of the Issue - Basis of Allotment*' on page 213.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified, and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period on or after T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of the Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.com) by entering their DP ID and Client ID and PAN. The link for the same shall also be available on the website of our Company (i.e., www.suven.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for subscription of Rights Equity Shares offered under the Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than 2 Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "Rights Entitlements Suspense Escrow Demat Account") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical

form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

In this regard, our Company has made necessary arrangements with CDSL and NSDL for crediting the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE495B20012. The ISIN for the Rights Entitlements shall remain frozen (for debit) until the Issue Opening Date. The ISIN for the Rights Entitlements shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details / records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than 2 Working Days prior to the Issue Closing Date, i.e., by Friday, November 4, 2022 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation"**); or (b) through an off-market transfer (the "**Off Market Renunciation"**), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or

stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Lead Manager, The Registrar and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE495B20012 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Monday, October 31 2022 to Thursday, November 3, 2022 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE495B20012 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The on-Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and SEBI.

Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE495B20012, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the CDSL and NSDL from time to time.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

The Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income Tax Act, 1961. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents / NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR / NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see '*The Issue*' on page 33.

Separate ISIN for the Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the Call notice. The ISIN representing the Rights Equity Shares will be terminated after the last Call Record Date. On payment of the Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 (One) Rights Equity Shares for every 2 (Two) Equity Shares held as on the Record Date. As per the SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 2 (Two) Equity Shares or is not in the multiple of 2 (Two) Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for the Additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of the Rights Equity Shares in this Issue post allocation towards the Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 1 (One) Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for the Additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for the Additional Rights Equity Shares, subject to availability of the Rights Equity Shares in this Issue post allocation towards the Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government and other statutory and regulatory authorities from time to time, the terms of the Listing Agreement entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and allotted under this Issue shall, upon being fully paid up, rank pari passu with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in principle approval from the BSE and the NSE through letters bearing reference number DCS/RIGHT/VJ/FIP/2666/2022-23 and NSE/LIST/32797 dated October 6, 2022 and October 7, 2022 respectively.

Our Company will apply to the Stock Exchange for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 530239) and NSE (Scrip Code: SUVEN) under the ISIN INE495B01038. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing / trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the existing ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within 4 days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded / unblocked within 4 days after our Company becomes liable to repay it, our Company and every Director of our Company who is an officer-in-default shall, on and from the expiry of the 4th day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and Promoter Group

For details of the intent and extent of subscription by our Promoter, see '*Capital Structure - Subscription to the Issue by the Promoters and the Promoter Group* ' on page 40.

Rights of Holders of the Rights Equity Shares of our Company

Subject to applicable laws, the Rights Equity Shareholders shall have the following rights:

1. The right to receive dividend, if declared;
2. The right to vote in person, or by proxy, except in case of the Rights Equity Shares credited to the demat;
3. The right to receive surplus on liquidation;
4. The right to free transferability of the Rights Equity Shares;
5. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and
6. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for the Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where 2 or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as

appearing in the records of the Depository) to be considered as valid for allotment of the Rights Equity Shares offered in this Issue**.**

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Telugu language daily newspaper with wide circulation (Telugu being the regional language of Telangana, where our Registered Office is situated).

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on its website.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including Additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for Allotment of the Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of the Rights Equity Shares and issue of the Rights Entitlement Letters / letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar, at KFin Technologies Limited (Formerly KFin Technologies Private Limited), Selenium, Tower B, Plot No- 31 and 32, Financial District Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500032, Telangana, India. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such Allotments made by relying on such approvals.

In accordance with the SEBI ICDR Regulations, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company. In case such Eligible Equity Shareholders

have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then this Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access this Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchange. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which the Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, OCBs have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to einward.ris@kfintech.com.

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE '*TERMS OF THE ISSUE - ALLOTMENT ADVICE OR REFUND / UNBLOCKING OF ASBA ACCOUNTS*' ON PAGE 214.

ISSUE SCHEDULE

Particulars	**Day and Date**
Last Date for credit of the Rights Entitlements	Friday, October 28, 2022
Issue Opening Date	Monday, October 31, 2022
Last Date for On Market Renunciation of the Rights Entitlements[#]	Thursday. November 3, 2022
Issue Closing Date[*]	Thursday, November 10, 2022
Finalization of Basis of Allotment (on or about)	Thursday, November 17, 2022
Date of Allotment (on or about	Friday, November 18, 2022
Date of credit (on or about)	Monday, November 21, 2022
Date of listing (on or about)	Thursday, November 24, 2022

[#] *Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

[*] *Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date) or such*

other time as may be permitted as per applicable law. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager. Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than 2 clear Working Days prior to the Issue Closing Date, i.e., Friday, November 4, 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 day before the Issue Closing Date, i.e., Wednesday, November 9, 2022 . If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e. www.suven.com).

BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Equity Shares in the following order of priority:

1. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

2. Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with 'zero' entitlement, would be given preference in allotment of 1 additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (1) above. If number of Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (1) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

3. Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Rights Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

4. Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

5. Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

ALLOTMENT ADVICE OR REFUND / UNBLOCKING OF ASBA ACCOUNTS

Our Company will send / dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT / CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST 2 WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated June 29, 2000 with CDSL and an agreement dated August 04, 2000 with NSDL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.
The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in the Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Rights Equity Shares in physical form / with IEPF authority / in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice / refund intimation will be directly sent to the Investors by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

IMPERSONATION

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10,00,000 or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than 6 months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than 3 years) and fine of an amount not less than the amount involved in the fraud, extending up to 3 times of such amount. Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than 3 years. In case the fraud involves (i) an amount which is less than ₹ 10,00,000 or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to 5 years or a fine of an amount extending up to ₹ 50,00,000 or with both.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

a. All monies received out of this Issue shall be transferred to a separate bank account;
b. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
c. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the timeline specified by SEBI.

3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6. Adequate arrangements shall be made to collect all ASBA Applications.

7. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.

8. Other than any Equity Shares that may be issued pursuant to exercise options under the Suven Life Employee Stock Option Scheme 2020, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.

9. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

10. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer, carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed '**Suven Life Sciences Limited - Rights Issue**' on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

KFin Technologies Limited
(Formerly KFin Technologies Private Limited)
Selenium Tower B, Plot No- 31 and 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad, Rangareddi - 500 032,
Telangana, India
Tel: +91 40 6716 2222
Email: suven.rights@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221
URL of SEBI website:
https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10

Company Secretary and Compliance Officer

Shrenik Soni
8-2-334, SDE Serene Chambers,
6th Floor, Road No.5, Avenue 7, Banjara Hills,
Hyderabad–500 034, Telangana, India.
Tel: +91 40-2354 3311/ 1142
Email: investorservices@suven.com

In accordance with the SEBI Rights Issue Circular, frequently asked questions, and online / electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar https://rights.kfintech.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 1800 309 4001.

The Investors can visit following links for the below-mentioned purposes:

i. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://rights.kfintech.com
ii. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx
iii. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://rights.kfintech.com
iv. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: einward.ris@kfintech.com

This Issue will remain open for a minimum 7 days. Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (FDI) through press notes and press releases.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (FDI Circular 2020), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Circular 2020 will be valid until the DPIIT issues an updated circular. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Circular 2020 and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Circular 2020; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any Allotments made by relying on such approvals.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, OCBs have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND RESALES

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Equity Shares in any jurisdiction where action for such purpose is required, except that this Letter of Offer will be filed with the Stock Exchanges.

The Rights Entitlements and the Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States.

The Rights Entitlements or the Equity Shares may not be offered or sold, directly or indirectly, and none of this Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of the Equity Shares, applying for excess Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Equity Shares.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Equity Shares, or who purchases the Rights Entitlements, or the Equity Shares shall do so in accordance with the restrictions set out below.

Cayman Islands

This Letter of Offer does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Rights Entitlements and the Rights Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

European Economic Area (EEA) and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a Relevant State), no Rights Entitlement or Rights Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Rights Entitlement or Rights Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Rights Entitlement or the Rights Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017 / 1129 (and any amendment thereto) (Prospectus Regulation):

1. To any legal entity that is a qualified investor, as defined in the Prospectus Regulation;

2. To fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of our Company for any such offer; or

3. In any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of the Rights Entitlement or the Rights Equity Shares shall result in a requirement for the publication by our Company or the Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Regulation. Each person who initially acquires any Rights Entitlement or the Rights Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Lead Manager and the Company that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

In case any of the Rights Entitlement or the Rights Equity Shares are being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, each such financial intermediary will also be deemed

to have represented, acknowledged and agreed that the Rights Equity Shares have not been subscribed for on a non-discretionary basis on behalf of, nor have they been subscribed for with a view to their offer or resale to persons in circumstances which may give rise to an offer of the Rights Equity Shares to the public other than their offer or resale in a Relevant State to the qualified investors (as so defined) or in circumstances in which the prior consent of our Company has been obtained to each such proposed offer or resale.

For the purposes of this section, the expression an 'offer to the public' in relation to any Rights Entitlement or rights Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Rights Entitlement or the Rights Equity Shares so as to enable an investor to decide to purchase or subscribe for the Rights Entitlement or the Rights Equity Shares. Our Company, the Lead Manager and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

United Kingdom

In the United Kingdom, this Letter of Offer and any investment or investment activity to which this Letter of Offer relates is directed only at, being distributed and made available only to, and will be engaged in only with, persons who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and who (i) fall within the definition of "investment professionals" contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended; (ii) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended; or (iii) to whom it can otherwise lawfully be communicated (all such persons together be referred to as relevant persons). Persons who are not relevant persons should not take any action on the basis of this Letter of Offer and should not act or rely on it or any of its contents.

Hong Kong

The Rights Entitlement or Rights Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) (CO), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (SFO) and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" within the meaning of the CO and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made thereunder.

This Letter of Offer has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Letter of Offer has not been, and will not be, registered as a "prospectus" in Hong Kong under the CO nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the SFO. Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of this Letter of Offer, they should obtain independent professional advice.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Rights Entitlement or the Rights Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Rights Entitlement or the Rights Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to the Professional Investors.

No person who has received a copy of this Letter of Offer may issue, circulate or distribute this Letter of Offer in Hong Kong or make or give a copy of this Letter of Offer to any other person. No person allotted the Rights Equity Shares may sell, or offer to sell, such Rights Equity Shares to the public in Hong Kong within 6 months following the date of issue of such Rights Equity Shares.

Mauritius

Neither the Rights Entitlements nor the Rights Equity Shares may be offered, distributed or sold, directly or indirectly, in Mauritius or to any resident of Mauritius, except as permitted by applicable Mauritius law, including

but not limited to the Mauritius Securities Act. No offer or distribution of securities will be made to the public in Mauritius.

Singapore

This Letter of Offer has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) of Singapore (SFA). The offer of the Rights Entitlements and the Rights Equity Shares pursuant to the Rights Entitlements to the Eligible Equity Shareholders in Singapore is made in reliance on the offering exemption under Section 273(1)(cd) of the SFA.

The Eligible Equity Shareholders in Singapore may apply for the Additional Rights Equity Shares over and above their Rights Entitlements only: (i) if they are an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274 of the SFA; (ii) if they are a relevant person pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where any Additional Rights Equity Shares over and above their Rights Entitlements are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired such Rights Equity Shares pursuant to an offer made under Section 275 of the SFA except: (a) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA or to any person arising from referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (b) where no consideration is or will be given for the transfer; (c) where the transfer is by operation of law; (d) as specified in Section 276(7) of the SFA; or (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore, our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Rights Entitlements and the Rights Equity Shares are 'prescribed capital markets products' (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged or transferred in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state of the United States. The Rights Entitlements and the Rights Equity Shares are being offered and sold only to persons outside the United States in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

For investors outside the United States

Each person accepting the Rights Entitlements and subscribing to the Rights Equity Shares outside the United States shall be deemed to have represented, warranted, agreed and acknowledged as follows:

1. It is entitled to accept the Rights Entitlements and subscribe to the Rights Equity Shares under the laws of all relevant jurisdictions that apply to it and that it has fully observed such laws and has complied with all necessary formalities to enable it to accept the Rights Entitlements and subscribe to the Rights Equity Shares;

2. It was outside the United States at the time the offer of the Rights Entitlements and the Rights Equity Shares was made to it and it was outside the United States when its buy order for the Rights Entitlements (if applicable) and the Rights Equity Shares was originated;

3. It did not accept the Rights Entitlements or subscribe to the Rights Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S);

4. The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities law of any state of the United States and that the offer of the Rights Entitlements and the offer and sale of the Rights Equity Shares to it is made in reliance on the Regulation S;

5. It will not offer, sell or otherwise transfer the Rights Entitlements except in India in a transaction complying with Rule 903 or Rule 904 of the Regulation S;

6. It subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If in the future it decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, it shall only offer, sell, pledge or otherwise transfer such Equity Shares: (a) outside the United States in a transaction complying with Rule 903 or Rule 904 of the Regulation S and in accordance with all applicable laws of any other jurisdiction, including India; or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws;

7. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, it: (a) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (b) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (c) will have possessed and carefully read and reviewed all information relating to our Company and the Rights Entitlements and the Rights Equity Shares that it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (d) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, Lead Manager or its affiliates (including any research reports) (other than with respect to our Company and any information contained in this Letter of Offer); and (e) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of the Rights Equity Shares being subscribed.

8. Without limiting the generality of the foregoing, it acknowledges that: (a) the Equity Shares are listed on BSE and NSE and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE and NSE (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with press releases, announcements, investor education presentations and annual reports, which collectively constitutes Exchange Information), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (b) neither our Company nor the Lead Manager or any of its affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

9. It acknowledges that: (a) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, Information), has been prepared solely by our Company; and (b) none of the Lead Manager or any of its affiliates has verified the Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by the Lead Manager or its affiliates.

10. It will not hold our Company and the Lead Manager or its affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Manager or its affiliates to it.

11. It understands and acknowledges that the Lead Manager is assisting our Company in respect of this Issue and that the Lead Manager is acting solely for our Company and no one else in connection with this Issue and, in particular, is not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue, the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from its engagement with our Company and in connection with this Issue.

12. It understands and acknowledges that the Lead Manager is not making, will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements or the Rights Equity Shares.

13. If it acquired any of the Rights Entitlements or Rights Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account;

14. It shall indemnify and hold our Company and the Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Rights Entitlements and Rights Equity Shares; and

15. It acknowledges that our Company, the Lead Manager and others will rely upon the truth and accuracy of the foregoing representations, warranties and acknowledgements.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by the Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date.

Material Contracts

1. Issue Agreement dated October 12, 2022 entered between our Company and the Lead Manager.

2. Registrar Agreement dated July 28, 2022 entered between our Company and the Registrar to the Issue.

3. Banker to the Issue Agreement dated October 12, 2022 entered amongst our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue.

4. Monitoring Agency Agreement dated October 17, 2022 entered between our Company and the Monitoring Agency.

Material Documents in Relation to the Issue

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.

2. Certificate of incorporation of our Company dated March 9, 1989, and fresh certificates of incorporation consequent to change of name dated January 4, 1995 and September 25, 2003.

3. Annual Reports of our Company for the last 5 Fiscals.

4. Resolution of our Board dated June 24, 2022 in relation to approval of the Issue and other related matters.

5. Resolution passed by our Rights Issue Committee dated October 18, 2022 approving the implementation schedule and means of finance as appearing in the Objects of the Issue

6. Resolution passed by our Rights Issue Committee dated October 12, 2022 finalizing the terms of the Issue including the Record Date, Issue Price and Rights Entitlement Ratio.

7. Consents of our Directors, Company Secretary and Compliance Officer, Lead Manager, Statutory Auditor, Previous Statutory Auditor, Banker to the Issue, Monitoring Agency, Legal Counsel to the Issue and Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.

8. Report titled North America and APAC CNS Therapeutics dated September 14, 2022 issued by Grand View Research (India) Private Limited and consent letter dated September 14, 2022 in respect of such report.

9. In principle listing approvals dated October 6, 2022 and October 7, 2022 issued by BSE and NSE, respectively under Regulation 28(1) of the SEBI Listing Regulations.

10. Statement of special tax benefits available to our Company and its shareholders dated October 17, 2022 from M/s Karvy & Co, Chartered Accountants, the Statutory Auditors of our Company.

11. Due diligence certificate dated October 18, 2022 addressed to SEBI from the Lead Manager.

12. Tripartite Agreement dated August 04, 2000 between our Company, RTA and NSDL.

13. Tripartite Agreement dated June 29, 2000 between our Company, RTA and CDSL.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Venkateswarlu Jasti

Chairman and Chief Executive Officer and Executive Director

Date: October 18, 2022
Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Sudharani Jasti

Whole-time Director

Date: October 18, 2022
Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Seyed Ehtesham Hasnain

Non-Executive Non-Independent Director

Date: October 18, 2022
Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Gopala Krishna Muddusetty

Independent Director

Date: October 18, 2022
Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Santanu Mukherjee

Independent Director

Date: October 18, 2022
Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Ananthasai Padmaja Jasthi

Independent Director

Date: October 18, 2022
Place: Hyderabad

DECLARATION

I hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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M. Mohan Kumar

Chief Financial Officer

Date: October 18, 2022
Place: Hyderabad