SUVEN
LIFE SCIENCES LIMITED

MAKING PROGRESS

SUVEN
LIFE SCIENCES LIMITED

32ND ANNUAL REPORT
2020-21

SUVEN LIFE SCIENCES LIMITED
CIN: L24110TG1989PLC009713
SDE SERENE CHAMBERS
ROAD NO. 5, AVENUE 7
BANJARA HILLS
HYDERABAD - 500 034
TELANGANA

Content

LITTLE BY LITTLE A LITTLE BECOMES A LOT.

(Tanzanian proverb)

At Suven Life Sciences, this little each day makes a world of difference, to us, and the world we intend to serve. For we are dealing with something very critical that alters itself and its function little by little every hour of very day.

WE ARE DEALING WITH THE MOST COMPLEX ORGAN OF THE HUMAN BODY... THE BRAIN

The brain is the last and grandest biological frontier.

The most complex thing we have yet discovered in our universe.

It contains hundreds of billions of cells interlinked through trillions of connections.

Sitting on your shoulders is the most complicated object in the known universe. It is often described as more mysterious than the least explored regions of the deepest ocean.

As long as humans have existed, people have sought to comprehend the brain. Although scholars have tried to decipher its codes for centuries, we've only scratched the surface.

Weighing in at three pounds, on average, this spongy mass of fat and protein processes and controls everything you do. Movement. Body processes. Sleep. Reflex. Life Functions. Et all!

What is more intriguing is that our brain is constantly evolving. It form a million new connections every second of our lives. The pattern and strength of the connections is constantly changing.

Moreover, unlike most other organs **no two brains are alike.**

THE BRAIN BOGGLES THE MIND.

Much to our astonishment, we don't know how much of the brain we use. Earlier there was a myth that humans use about 10% of their brain.

Recent research has debunked this myth... it is believed that most of our brain is in use most of the time, even when a person is performing a very simple action. A lot of the brain is even active when a person is resting or sleeping.

IN REALITY THEN, WE DON'T KNOW TOO MUCH ABOUT THE MOST SUPERIOR ORGAN OF THE HUMAN BODY.

BRAIN DISORDERS COULD BE CATASTROPHIC

There are many ways that your family can be forced to endure extreme financial hardship. You can lose your job. Your home can be struck by a fire or flood. You can get divorced. But there's no bigger economic disaster than a serious, long-term illness, and there's no more economically devastating long-term illness than a brain disease or disorder.

The World Economic Forum estimated that, in 2010, the costs associated with treating brain disorders came to US$2.5 trillion globally.

The same WEF report projected that mental disorders will cost the world economy US$16 trillion in lost economic growth between 2011 and 2030.

Consulting firm Willis Towers Watson estimates that people suffering from brain disorders such as depression, anxiety, bipolar disorder and substance abuse make six times as many trips to the emergency room as the average person. Average health care claims for sufferers of depression total almost US$15,000 per year for sufferers of depression, as compared to just under US$6,000 for the population overall.

Dementia

Worldwide, around 50 million people have dementia, with nearly 60% living in low- and middle-income countries. Every year, there are nearly 10 million new cases. The total number of people with dementia is projected to reach 82 million in 2030 and 152 in 2050.

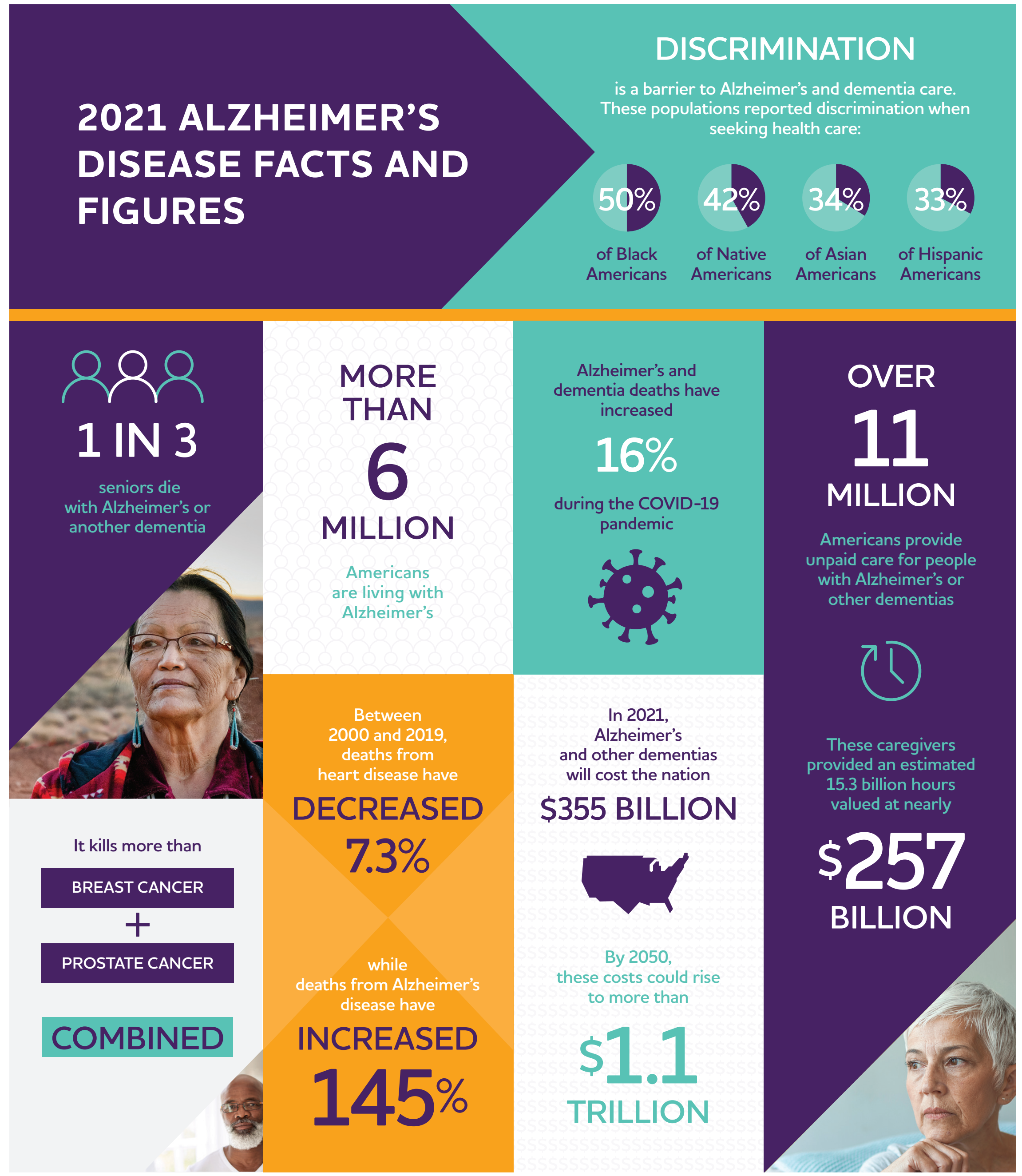
In 2015, the total global societal cost of dementia was estimated to be US$ 818 billion, equivalent to 1.1% of the global gross domestic product (GDP).

Narcolepsy

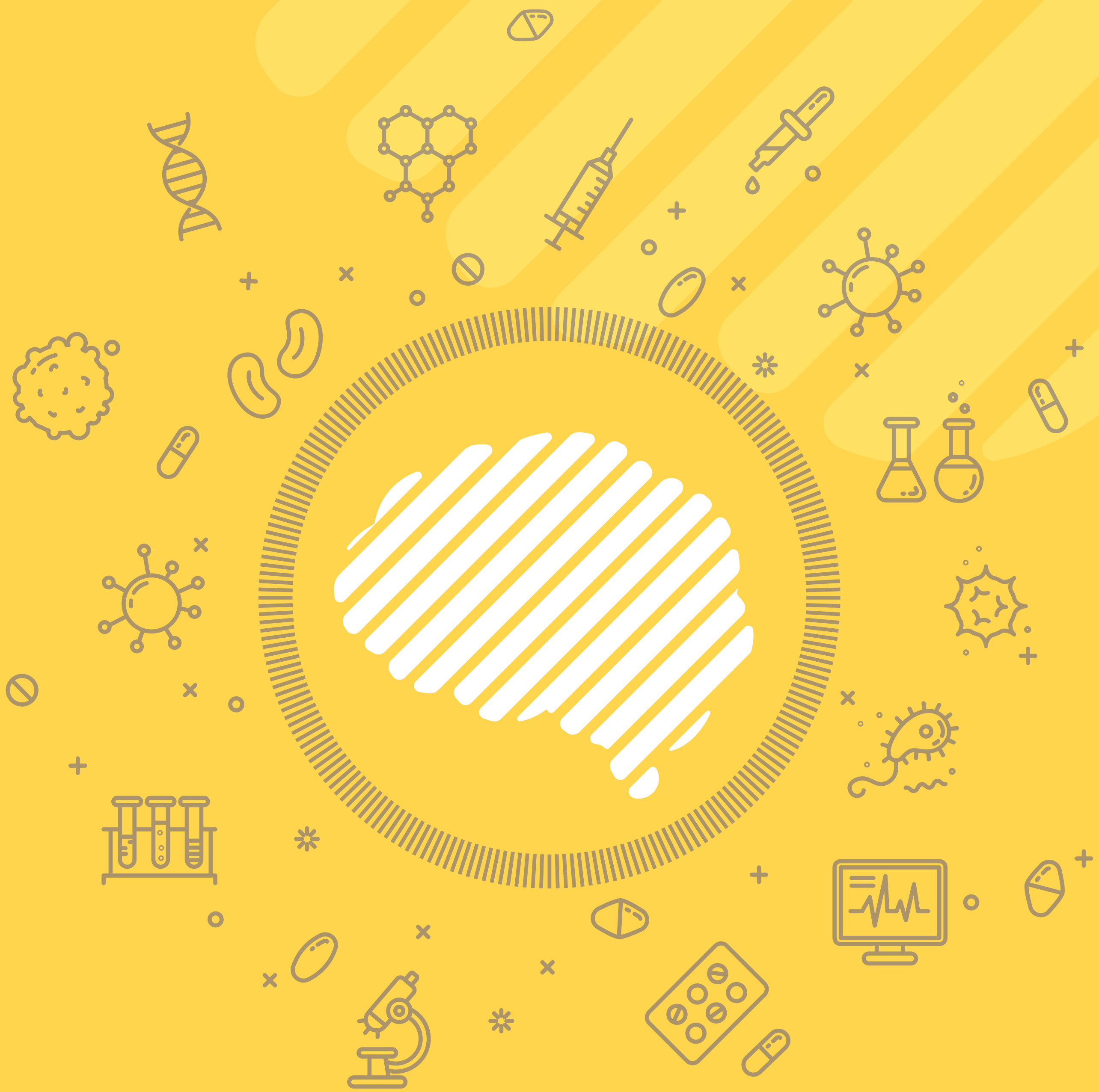
Narcolepsy affects approximately 3 million worldwide, which includes 0.02% of adults worldwide. The incidence of narcolepsy is approximately 1 in 2,000 and most researchers believe that the disorder remains undiagnosed or misdiagnosed in many affected individuals.

Alzheimer

There is a rapid growth in the number of people living with Alzheimer's disease, and only around one in four people with the disease get diagnosed. Reports from the National Institute on Aging indicate that the prevalence of Alzheimer's disease doubles every five years beyond the age of 65.



FOR THE PHARMA WORLD, THIS IS A LARGE AND GROWING OPPORTUNITY, BUT THE LESSER KNOWN BRAIN AND ITS AILMENTS, DETER MANY FROM VENTURING INTO THIS SPACE.



SUVEN LIFE SCIENCES, THE MAVERICK IN THE INDIAN PHARMA SPACE, HAS SELECTED THIS SPACE TO STRIVE AND SUCCEED.

We develop New Chemical Entities.
We focus on the complex CNS space.
We are headquartered in Hyderabad.

We are listed on The BSE Limited and The National Stock Exchange Limited.

Our resources

₹81.42 CRORE

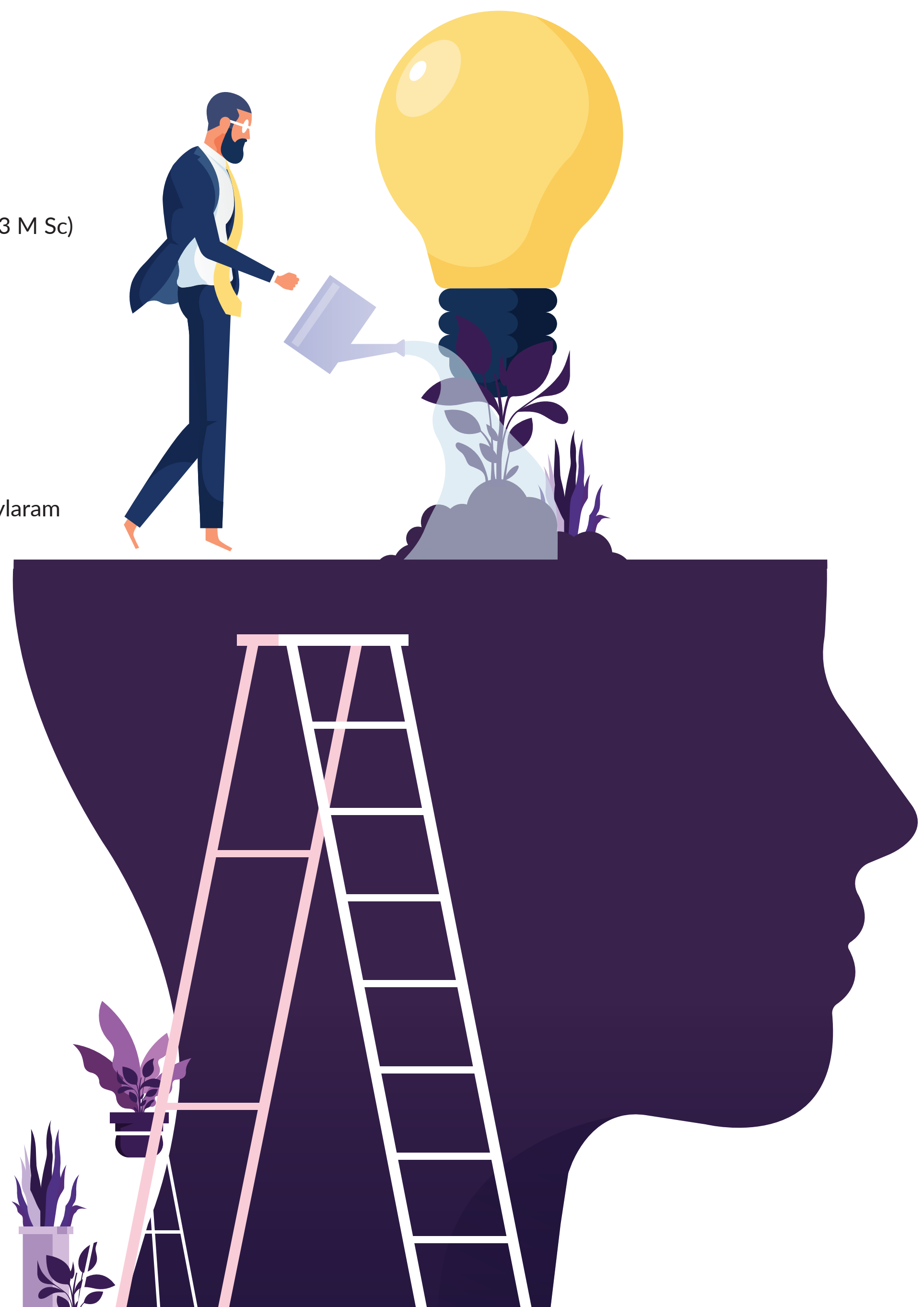
Cash and liquid assets for research investment
(March 31, 2021)

110

Research team
(comprising 7 PhDs and 103 M Sc)

2

Research units
(at Jeedimetla and Pashamylaram
in Telangana)



Our assets

OUR LEAD MOLECULES ADDRESS NICHE AREAS OF COGNITIVE IMPAIRMENT ASSOCIATED WITH NEURODEGENERATIVE DISORDERS

15 Molecules in the development & clinical pipeline

4 Molecules in the Clinical pipeline

11 Molecules in the Development pipeline

Our lead molecules

Candidates	Non-clinical	GLP Tox	Clinical Phase (US IND)			Indication
			I	II	III	
Masupirdine SUVN-502 5-HT$_6$ antagonist	→	→	→	→		Cognition (Alzheimer's Disease)
	→	→	→	→		Neuropsychiatric Symptoms (Dementia of Alzheimer's Type)
Samelisant SUVN-G3031 H$_3$ inverse agonist	→	→	→	→		Narcolepsy (Sleep Disorders)
	→	→	→			Cognitive Disorders
Ropanicant SUVN-911 α4β2 nAChRs antagonist	→	→	→			Depressive Disorders
Usmarapride SUVN-D4010 5-HT$_4$ partial agonist	→	→	→			Cognitive Disorders
SUVN-I6107 M1 PAM	→	→				Cognitive Disorders and Schizophrenia
SUVN-M8036 Serotonin/ Dopamine modulator	→					Psychiatric Disorders
SUVN-D1044* 5-HT$_4$ agonist	→					Gastrointestinal Disorders

* Non brain penetrant

₹71 crore
Investment in FY21

US$40 million
Investment in Clinical Trials

₹609 crore
Investment in Development efforts

OUR PROGRESS...

> "Failure is simply the opportunity to begin again, this time more intelligently."
>
> *—Henry Ford*

MASUPIRDINE

(SUVN-502)

Masupirdine is a pure 5-HT^6 antagonist. Our lead clinical candidate underwent Phase 2 study for Alzheimer's disease dementia without meeting the primary end point. It was immensely disappointing, but not the end of the road. We knew we have a good molecule.

What the first trial indicated about Masupirdine:

- It significantly reduced agitation/aggression in patients having baseline symptoms
- Beneficial effects were observed in several NPI domains related to agitation/ aggression
- It significantly attenuated delusions and/or hallucinations
- It showed beneficial effects on cognition in patients with psychotic symptoms
- It showed sustained and durable efficacy on neuropsychiatric symptoms for the entire study duration of 26 weeks
- It was generally safe and well tolerated
- Findings suggest further exploration of Masupirdine for the treatment of neuropsychiatric symptoms in Alzheimer's disease patients

Making progress

After an in-depth analysis of the clinical data and intense dialogue with key opinion leaders, we have planned a Phase 2/3 Clinical Trial for the treatment of Agitation in Dementia of the Alzheimer's Type.

This multi-center study (sites in the US and Europe) comprising about 387 patients is likely to commence by August 2021 and is expected to be completed in about 36 months (Q3 of 2024). We have entered into an agreement with a US-based Clinical Research Organisation (CRO) for the conduct of this study.

US$ 25 to 30 mn

Cost of Phase 2/3 Clinical Trial

Did you know?

In July 2013, an FDA panel of advisers rejected the bid to gain approval of AbbVies's Humira (adalimumab) for treatment of active non-radiographic axial spondyloarthritis in adults with signs of inflammation by elevated CRP or MRI.

Currently, Humira, an arthritis medication with indications for colitis and psoriasis is the world's best-selling drug benefiting millions earning about US$20 bn for the innovator.

"It does not matter how slowly you go, so long as you do not stop."

—Confucius

SAMELISANT

(SUVN-G3031)

Samelisant is an innovatively designed, best-in-class clinical candidate. It is a potent and selective histamine H_3 receptor inverse agonist with excellent ADME and safety properties. In animals, this compound has been shown to promote wakefulness, and increase cognitive performance.

This front-running molecule targeted against Narcolepsy (excessive daytime sleep disorder) is undergoing a Phase 2, Double-blind, Placebo-controlled, Parallel-group, Multi-center study to evaluate safety, tolerability, pharmacokinetics and efficacy (NCT04072380).

Suven is also planning a second Phase 2 PoC study for potential treatment of Cognitive Disorders.

Making progress

The ongoing Phase 2 study in the US was presented to the Data Monitoring committee (DMC) for interim analysis. The DMC did not find any safety related issues and recommended to continue the study. For better outcome of the trial, they suggested, a key secondary endpoint ESS (Epworth Sleepiness Scale) in addition to the Primary endpoint of MWT (Maintenance of Wakefulness Test) which is being tested at present. This has increased the patient pool from 114 to 171.

Unfortunately, prevailing COVID pandemic conditions in the US halted patient enrollment. Besides, an increase of 57 patients will extend the study time by 18 months.

2022

Tentative completion of study

Did you know?

Aripiprazole Lauroxil was studied in a randomized, double-blind, placebo-controlled trial for acute exacerbation of schizophrenia. Based on an unblinded interim analysis carried out at 50% of planned sample size, the sample was increased to 623 from the originally planned enrollment of 540. In 2015, US FDA approved ARISTADA (Aripiprazole Lauroxil) for the treatment of schizophrenia.

“It’s a journey. No one is ahead of you. You are exactly where you need to be. It is not a contest.”

—Unknown

USMARAPRIDE

(SUVN-D4010)

Usmarapride is a potent, selective, orally bio-available and brain penetrant 5-HT_4 receptor partial agonist. It shows robust efficacy in diverse animal models of cognition and has disease modifying potential. It has excellent safety margin. Usmarapride has potential for the treatment of cognitive disorders.

Usmarapride has been evaluated for its safety, tolerability, and pharmacokinetics under US-IND (NCT02575482) following single and multiple oral administration in healthy subjects.

Effect of food, gender and age on the pharmacokinetics of Usmarapride was evaluated in healthy subjects (US-IND; NCT03031574)

- It is safe and well tolerated in healthy subjects (adult male, female, and elderly)
- It has excellent human pharmacokinetics suitable for once a day oral treatment
- It has dose proportional increase in exposures at steady state
- It steady state concentrations were attained on the third day after once a day oral dosing
- It food, gender and age has no effects on human pharmacokinetics of Usmarapride

Making progress

After a successful Phase 1 Clinical Trial, Suven is planning a Phase 2 PoC study for potential treatment of Cognitive Disorders.

Did you know?

The U.S. Food and Drug Administration (USFDA) approved Aduhelm (aducanumab) for the treatment of Alzheimer’s, a debilitating disease affecting 6.2 million Americans. Aduhelm represents a first-of-its-kind anti-amyloid, disease-modifying treatment approved for Alzheimer’s disease, since 2003.

"Keep walking the walk, one step at a time."

— Joyce Meyer

ROPANICANT

(SUVN-911)

Ropanicant is a potent and selective α4β2 nAChRs antagonist/partial agonist with excellent ADME and safety properties and robust efficacy in various animal models of depression. It addresses major limitations of current depressive disorder therapeutics by offering rapid onset of action, no sexual dysfunction and pro-cognitive effects.

Ropanicant has been evaluated for its safety, tolerability, and pharmacokinetics under US-IND (NCT03155503) following single and multiple oral administration in healthy subjects.

Effect of food, gender and age on the pharmacokinetics of Ropanicant was also evaluated in healthy subjects (US-IND; NCT03551288)

- It is safe and well tolerated in healthy adult male subjects with dose dependent pharmacokinetics
- The projected human efficacy concentrations achieved in Phase 1 study
- Food, gender and age has no effect on pharmacokinetics
- Ropanicant Phase 2 enabling rodent and non-rodent safety studies has been completed without any concern for further development.

Making progress

The molecule has completed Phase 1 and planning to initiate Phase 2 POC study for the treatment of depressive disorders by Q2 2022.

Did you know?

In September 2013, the USFDA approved Brintellix (vortioxetine) for the treatment of adult patients with Major Depressive Disorder – the latest solution for this ailment.

In July 1999 Prozac (fluoxetine) was approved by FDA for use in children with depression – it is the only drug for children.

OUR ASSETS IN THE DEVELOPMENT PIPELINE

SUVN-I6107

Muscarinic Positive Allosteric Modulator (M1 PAM) for potential treatment of Cognitive Disorders and Schizophrenia.

SUVN-I6107 is a potent and selective muscarinic M1 PAM with no agonist-like activity. It has excellent ADME properties and robust efficacy in preclinical animal models. In preclinical studies, no cholinergic side effects like salivation, emesis or diarrhea were observed. It has excellent margin of safety in preliminary safety studies. IND enabling GLP toxicity studies will be completed by end of 2021

Making progress: The Company plans to initiate Phase 1 Study by Q1 2022.

SUVN-M8036

Serotonin/Dopamine modulator for the potential treatment of Psychiatric Disorders.

SUVN-M8036 is the lead compound with excellent affinity for serotonin and dopamine receptors. SUVN-M8036 showed efficacy in animal models of psychosis and address both positive and negative symptoms. It has robust antidepressant effects in non-clinical models. The efficacy doses were devoid of motor impairment. SUVN-M8036 has excellent safety margin in the short-term non-clinical safety studies.

Making progress: The Company is planning for GLP Toxicity studies.

SUVN-D1044

5-HT_4 receptor agonist for potential treatment of Gastrointestinal Disorders.

SUVN-D1044 is potent and selective 5-HT_4 receptor agonist. It has excellent 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 excellent safety margin in short-term non-clinical safety studies.

Making progress: The Company is planning for GLP Toxicity studies.

Muscarinic M1 positive allosteric modulator

Potential treatment of Gastrointestinal Disorders

We are working on two chemically-diverse novel series which are non-brain penetrant and showing promise as positive allosteric modulator at Muscarinic M1 receptor . Further structure activity relationship is ongoing. Preliminary preclinical covering in vitro affinity, pharmacokinetic profiling in rats and efficacy in rodent models has been completed.

Making progress: We are at the lead optimisation stage.

P2X7 Antagonist

Potential treatment for Pain and Inflammation

We are working on three 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.

Making progress: We are at the lead optimisation stage.

5-HT_{1A} receptors-partial agonist

Potential treatment for Depressive Disorders

We are working on two chemically-diverse novel series which are showing promise as 5-HT_{1A} receptors partial agonist. Further structure activity relationship is ongoing. Preliminary preclinical covering in vitro affinity, pharmacokinetic profiling in rats and efficacy in depression models have been completed.

Making progress: We are at the lead optimisation stage.

Muscarinic 4 positive Allosteric Modulator

Potential treatment for Psychosis

We are working on 2-3 chemically diverse novel series which are showing promise as M4 PAM. Further structure activity relationship is ongoing.

Making progress: We are at the hit to lead stage.

Multimodal

Potential non-dopaminergic treatment for Bipolar Disorders

We have identified two chemically diverse and novel series which are showing promising affinities towards serotonergic receptors and selectivity over dopaminergic receptor.

Making progress: We are at the hit optimisation stage.

"I TAKE IMMENSE PRIDE IN STATING THAT THE SUVEN LIFE SCIENCES TEAM COMPRISES OF MAVERICKS WHO DARE TO LOOK AT THE WORLD DIFFERENTLY; WE ARE SINGULARLY FOCUSED ON DEVELOPING A LIFE-CHANGING REMEDY THAT COULD BENEFIT MILLIONS ACROSS THE WORLD."

Venkateswarlu Jasti
Chairman & CEO

Dear Shareholders,

I hope you are safe and healthy. For the carefree world as we knew it, has completely changed with the sudden spread of the pandemic across the globe.

While I am saddened by the colossal loss to mankind by this microscopic enemy, I am pleased with the progress made by the research fraternity across the world who came together in this time of crisis to develop relevant solutions for this ailment and effective vaccines that minimise the impact on humans from this contagion. This is very heartening progress for it builds confidence to survive and succeed.

From a dispassionate perspective, this pandemic has proved that progress, in this highly competent world, is the key to survival. It is clear that a lack of progress will result in the gradual decline of success. It must also be noted that progress is not a one-time act, it is a repetitive process and must always be the foremost goal of any society for it to achieve the greatest peak.

This is the belief we nurture at Suven Life Sciences. Every day we strive to progress – in our successes and learnings (we have no failures).

In FY21, we achieved considerable progress in our research endeavours which fills our hearts and minds with considerable satisfaction.

Our lead molecule Masupirdine, is readying for its Phase 2/3 Clinical Trial.

Although patient enrollment for the Clinical Trial of our second lead molecule Samelisant (SUVN-G3031) faced headwinds, we had some positives for this molecule. The Data Safety Monitoring Board (DSMB) confirmed that the molecule does not have any side effect. An important positive for us. Further, they suggested that we increase the patient pool for adding one more indication. While this will delay the end result by about 18 months, but some journeys are definitely worth the wait.

Internally, we will continue to progress our existing assets further along the development path. Our two molecules are ready at the Phase 2 Proof of Concept stage. We hope to initiate Clinical Trials for them shortly.

We invested US$6.18 mn in clinical trials in FY21. We plan to pump in another US$10 mn in FY22.

Many have asked what drives us to burn out such sizeable funds, with no assured revenue visibility. Our perspective is that this is not a burn but the need of the hour. Because brain-related disorders are quietly but steadily become increasingly intense. And before we know it, will consume people, families and nations, if we do not push ourselves to develop relevant solutions now.

I take immense pride in stating that the Suven Life Sciences team comprises of mavericks who dare to look at the world differently; we are singularly focused on developing a life-changing remedy that could benefit millions across the world.

We are charged with the recent FDA approval for Aduhelm (aducanumab), a molecule of a global pharma company, to treat patients with Alzheimer's disease. It is the first novel therapy approved for Alzheimer's since 2003. It showcases progress. It provides hope. It gives a direction.

On funding our future journey, we have enough funds to carry our research for 12 months. Further, I have committed ₹147 Crore to Suven Life Sciences from my own resources. This should be sufficient to carry on for another 12-18 months. Hopefully by then our molecules would have made good progress to generate sufficient global interest.

In closing, I take this opportunity to express my sincere gratitude to my fellow Directors for their commitment is strengthening our ethical fabric and governance framework. I thank our esteemed shareholders, partners and other stakeholders for believing in our story and reposing their confidence in our capability and extending their support in our long but progressive journey.

Warm regards

Venkateswarlu Jasti
Chairman & CEO

MANAGEMENT DISCUSSION & ANALYSIS

Economic Overview

Even as we ink this piece, the second wave of the Covid-19 has caught India completely unprepared and gasping. This shock wave will weigh on India's economic momentum which had gathered momentum toward the close of FY21.

Rolling back to FY21, the fiscal was quiet a roller coaster from an economic perspective. India entered FY21 with a lockdown which brought everything to a complete standstill. The wheels of the economy remained throttled until the unlocking happened in a phased manner –we reached near normalcy by about October 2020 – reflection of which is visible in India's GDP growth.

From a negative growth of 24.4% and 7.3% respectively in the first and second quarters of FY21, the Indian economy emerged from recession and returned to growth in the quarter of October-December'20 – it grew by 0.4%.

As economic activity in general gained momentum, GST collections soared to an all-time high of ₹1.23 Lakh Crore in March 2020 – the last six months GST collections averaged in excess of ₹1 Lakh Crore.

On an annual basis though, India's GDP, as per the second advance estimates declined by about 8% in FY21 against a 4% growth in FY20. While the Industrial and Services sectors of India's GDP contracted over the previous year, agriculture is estimated to grow by 3% in 2020-21. However, it will be lower than 4.3% growth recorded in 2019-20.

In the entire health mayhem that prevailed during a large part of FY21, every individual looked upto the pharmaceutical and healthcare sectors to bail them out from the onslaught of the pandemic running riots across the Indian landmass.

In the last fiscal itself, the pharmaceutical sector contributed around 1.72 to the country's GDP, making a significant mark with the expectation to grow US$ 100 billion. It was around 1% a decade ago.

Considerable focus on research & development, important government initiatives and FDI inflows opened newer avenues for the industry to grow further. The pharmaceutical sector received about $ 16.5 billion FDI inflows during April 2000-June 2020.

Initial expectations for FY22 appeared very bright with most globally reputed economic experts projecting a double digit growth in India's GDP. But the second wave of the Covid-19 pandemic, which is far more aggressive in its spread and lethal in impact on lives, could significantly thwart India's resurgence in the first quarter of FY22. This could weigh down India's GDP growth in FY22.

Global pharmaceutical sector

The future level of global spending on medicines has implications for healthcare systems and policymakers across developed and emerging economies, and these issues are even more important in light of the ongoing global COVID-19 pandemic.

Stakeholders share common goals of improving health outcomes while controlling costs and expanding access to medicines, which is made more challenging with the numerous uncertainties surrounding the progress of the pandemic.

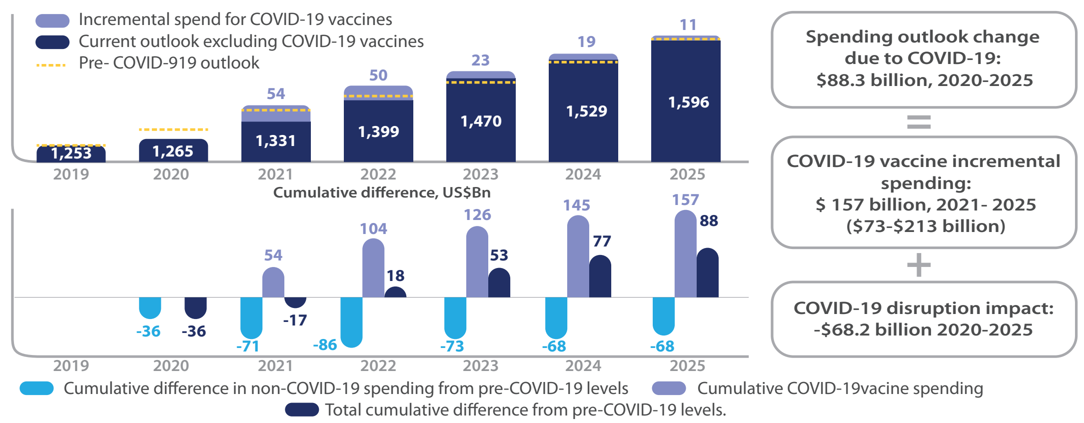
Estimates for 2025: The global medicine market – using invoice price levels – is expected to grow at 3–6% CAGR through 2025, reaching about US$1.6 trillion in total market size in 2025 excluding spending on COVID-19 vaccines. The total cumulative spending on COVID-19 vaccines through 2025 is projected to be US$157 billion, largely focused on the initial wave of vaccinations to be completed 2022.

In the coming years, booster shots are expected to be required on a biennial basis as the durability of immunity and the continued emergence of viral variants make an endemic virus the most likely outcome.

The impact of COVID-19 has defied expectations throughout 2020, but the evolution from pandemic to endemic is reasonably certain, even if it remains difficult to predict the interplay between vaccination levels and periodic outbreaks around the world.

Global medicine spending will rebound in 2021 including COVID-19 vaccines and exceed the pre-pandemic outlook through 2025

Exhibit 8: Changes in the Historical and Projected Global medicine Spending Model due to COVID-19, 2019-2025, US$Bn



Source: IQVIA Market prognosis, Sep 2020: IQVIA Institute, mar 2021

The CNS space… a rapid growth area.

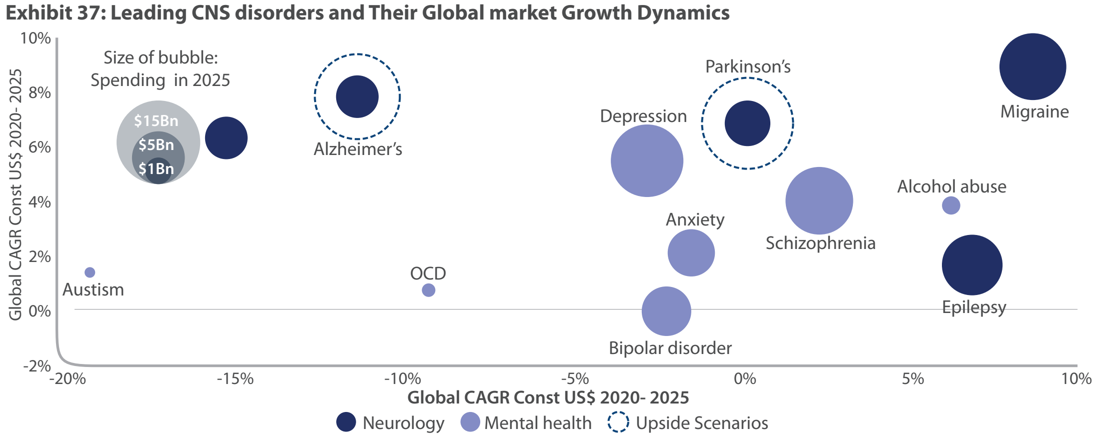
The golden era of primary care, from the early 1990s through mid-2000s, saw the first major wave of innovation in the pharmacological treatment of CNS disorders, including conditions such as depression, schizophrenia, bipolar disorder, migraine, epilepsy and Alzheimer's disease, but have seen very little innovation since that time. In the last five years a new wave of rare disease neurological treatments, including dozens with orphan designations have been approved.

There are still poorly controlled patient populations - for example, those suffering from treatment-resistant depression or migraine - while many debilitating conditions lack disease-modifying treatments, such as Alzheimer's or Parkinson's, as well as hundreds of rare neuromuscular diseases.

If new treatments were to emerge in these areas, there would be a significantly large demand and the spending on these areas could expand greatly.

New therapies are expected to contribute to rapid acceleration of the CNS market

Exhibit 37: Leading CNS disorders and Their Global market Growth Dynamics



Source: IQVIA A new Dawn: At the Cusp of the CNS Decade, jan 2021, https://www.iqvia.com/library/white-papers/a-new-daw-at-thecusp-of-thec-cns-decade, Accessed jan 2021

Innovation

Continuous innovation is one of the pharmaceutical industry's most defining characteristics. Innovation drives progress. When it comes to innovation in the development of new drugs and therapeutic biological products, Governments across the world supports the pharmaceutical industry at every step of the process. This is because the availability of new drugs and biological products often means new treatment options for patients and advances in health care for their people.

Global R&D expense

Funding for early and late-stage R&D increased significantly in 2020, unaffected by the disruptions of COVID-19.

The total number of first-time global launches of novel active substances (NAS) reached an all-time high of 66 in 2020.

Activity levels for clinical trial activity during 2020 remained historically high (especially in oncology), and the more than 800 interventional industry-sponsored trials for COVID-19 vaccines

While Clinical trial starts increased 8% in 2020 (similar growth to the prior three years) Clinical development productivity remained historically low as a result of rising trial durations, complexity of disease targets and their associated trial protocol designs, and declining success rates.

About the Company

Suven Life Sciences is a research focused pharmaceutical company developing NCE molecules in the CNS space. Based out of Hyderabad, the Company is managed by a team of highly skilled professionals.

Business operations

Suven Life Sciences' single-mindedly focus on drug discovery which as of now is a cost center. It will become a revenue spinner when the Company monetizes its molecules.

During FY21, the team continued to advance its innovation efforts on molecules which are in the development phase. But for the molecules under clinical trial, the progress was impeded by the pandemic which slowed the process.

For the molecule SUVN-G3031, the enrollment of patients for the clinical trial slowed due repeated pandemic globally which has resulted in an increase in the time by more than 18 months.

For Masupirdine (SUVN-502), the earlier study conducted on moderate Alzheimer's patients did not yield the desired primary endpoint but has given a positive secondary end point for Agitation. The Company chose to continue to develop the molecule for this new indication (treatment of Agitation and aggression in Alzheimer's type dementias) and the final protocol is being worked out. The enrollment into the study may begin by 3rd quarter this year.

Financial performance

Total Revenue stood at ₹21.23 Crore in FY21 against ₹28.45 Crore in FY20. The technical services contributed about ₹13.48 of the revenue earned. R&D expenses stood at ₹71.03 Crore in FY21 against ₹103.23 Crore in FY20. Net Loss for the year was at ₹72.46 Crore in FY21 against ₹94.51 Crore.

The Promoters have decided to put in ₹147.64 Crore into the Company. Of this, they ₹36.92 Crore was received from them.

The cash and liquid assets as on March 31, 2021 was ₹81.42 Crore, which is expected to fund business activities for the next 12 months.

Key financial ratios

In accordance with the amendments notified in the Regulation 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015, on 9th May, 2018, the details of significant changes in the key financial ratios as compared to the immediately previous financial year are reported hereunder:

Particulars	As at 31st March, 2021	As at 31st March, 2020	Change	Reason for change
Debtors turnover	47.71	57.49	(17)%	-
Interest coverage ratio	(46.79)	(43.69)	(7)%	-
Current ratio	10.25	5.19	97%	Fund infusion by the promoters towards the end of the fiscal
Debt-equity ratio	0.37%	0.52%	-	As the debt is very negligible to total equity, this ratio is negligible
Operating profit margin (%)	(170.19)%	(97.46)%	(75)%	A decline in revenue
Return on Net Worth (%)	(6.29)%	(3.62)%	(74)%	A decline in profits with an increase in Networth owing to equity infusion

Internal control and its adequacy

At Suven Life Sciences, the internal control procedures include internal financial controls, ensuring compliance with various policies, practices and statutes considering the organisation's growth and complexity of operations. The framework constantly monitors and assesses all aspects of risks associated with current activities and corporate profile, including scientific and developmental risks, partner interest risks, commercial and financial risks.

In addition, the Company has management reporting and internal control systems in place, that enable it to monitor performance, strategy, operations, business environment, organisation, procedures, funding, risk and internal control.

The internal auditors carry out extensive audits throughout the year across all locations and across all functional areas and submit their reports to the Audit Committee.

Human Resource

The Suven Life Science team comprises of passionate experts who dare to dream and persevere each day with the hope of leaving a mark in the global medicine space with their innovation, zeal and painstaking efforts.

The 131 member team continued to toil through the year while strictly adhering to Government protocols enforced during the pandemic. Despite the multitude of challenges, the team made healthy progress in its R&D efforts. The team comprises of 7 PhDs.

Risk management

Risk management is an integral part of Suven Life Science's DNA owing to its high-risk, high-return business model. Moving forward is a challenge as one is endeavouring to create a path which hitherto did not exist.

In such a scenario, three most critical risks which need to be addressed. They are discussed in details below.

1) Failure risk: What if the molecule does not secure the regulatory approval?

Management: There is no surety of success in this business space. As such, the Company's lead molecule Masupirdine (SUVN-502) could not make it through indicated primary end point of moderate Alzheimer's patients. To address this eventuality, the Company has a basket of 12 molecules which are at different stages of development and approval. The Company continues to focus on development various molecules under CNS, ongoing phase 2 clinical study of SUVN-G3031 and phase 2 ready molecules of SUVN-911 and SUVN-4010.

2) Finance risk: The Company could run out of financial resources.

Management: Unlike other businesses, there is no regular source of income for the Company. Income accrues only when the Company ties up with some pharmaceutical company for its new molecules. Till then it will need to fund its expenses. The Company has a fund pool of ₹81.42 Crore as on March 31, 2021 which is capable of meeting its expenses (product development and trial) for the next 12 months. During FY21, the promoter group committed ₹147 Crore in the business showcasing their conviction in the business model and its new molecules.

3) People risk: The research experts may leave, taking with them loads of knowledge.

Management: Suven Life Sciences provides a platform to its people to learn and express themselves through their work. This freedom has encouraged people to stay with the Company. Moreover, the Company takes care of the health and well-being of its team. More than 95% of the R&D team has been with the Company for more than 5 years.

CORPORATE INFORMATION

Board of Directors

Shri Venkateswarlu Jasti	Chairman & CEO
Smt. Sudharani Jasti	Whole-time Director
Dr. M. R. Naidu (upto 25th Jan, 2021)	Director
Prof Seyed E. Hasnain	Director
Shri M Gopalakrishna, IAS (Retd.)	Director
Shri Santanu Mukherjee	Director
Smt. J.A.S. Padmaja	Director

Chief Financial Officer

CMA M Mohan Kumar

Company Secretary

CS Shrenik Soni

Statutory Auditors

Tukaram & Co LLP

Chartered Accountants

209 & 409, Venkataram Towers
Basheer Bagh, Hyderabad - 500 029

Internal Auditors

Vemulapalli & Co.,

Chartered Accountants

Basheer Bagh, Hyderabad - 500 029 H. No. 14-1-90/435, Sai Dwarakamai, 1st Floor, Gayatri Nagar Colony, Allapur Borabanda, Hyderabad – 500 038

Secretarial Auditors

DVM & Associates LLP

Company Secretaries

6/3/154-159, Flat No. 303, 3rd Floor, Royal Majestic, Prem Nagar Colony, Hyderabad – 500 004

Bankers

State Bank of India

Bank of Bahrain & Kuwait

Research and Development Centre(s):

Research Centre – I

Plot No.18, Phase III, IDA Jeedimetla, Hyderabad, Telangana – 500 055

Research Centre – II

Plot No(s). 267- 268, IDA Pashamylaram, Sanga Reddy Dist. Telangana – 502 307

Registrars & Share Transfer Agents

KFin Technologies Private Limited

Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032

Registered Office

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

BOARD'S REPORT

To the Members of

Suven Life Sciences Limited

Your Company's Board of Directors has pleasure in presenting this 32nd Annual Report together with Ind AS compliant Audited Financial Statements of the Company for the financial year ended 31st March, 2021.

Financial Performance (₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Revenue from operations	1,348	1,441	1,348	1,441
Other income	775	1,404	775	1,404
Total Income	**2,123**	**2,845**	**2,123**	**2,845**
Less: R & D Expenses	2,517	2,594	7,102	10,323
Less: Other Expenses	1,885	2,379	2,252	2,696
Profit/(Loss) before Interest, Depreciation & Tax	**(2,280)**	**(2,128)**	**(7,231)**	**(10,174)**
Less: Depreciation and amortisation	434	417	434	417
Less: Finance cost	82	49	82	49
Net Profit/(Loss) before taxation	**(2,795)**	**(2,594)**	**(7,747)**	**(10,640)**
Tax Expense	(532)	(1,218)	(532)	(1,218)
Profit/(Loss) for the year	**(2,263)**	**(1,375)**	**(7,215)**	**(9,422)**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss	(47)	(45)	(47)	(45)
Income tax relating to items that will not be reclassified to profit or loss	16	16	16	16
Total Other Comprehensive Income	(31)	(30)	(31)	(30)
Total Comprehensive Income	(2,294)	(1,405)	(7,246)	(9,451)
Retained earnings - opening balance	22,077	23,482	(2,205)	7,246
Add: Profit/(Loss) for the year	(2,294)	(1,405)	(7,246)	(9,451)
Retained earnings - closing balance	**19,783**	**22,077**	**(9,451)**	**(2,205)**

Review of Operations

During the year under review, your Company's thrust on innovative R&D in CNS therapies continued its ongoing work on the pipeline of 15 molecules in various stages of clinical development programs. Your Company with an objective to meet the future R&D spending requirements has issued and allotted 1,81,00,000 fully convertible warrants to the promoter/promoter group of the Company on preferential basis. With the infusion of the fresh funds the Company's determination for accelerating the pipeline and R&D activities catalyse.

Your company has spent ₹2,517 Lakhs for the financial year ended 31st March, 2021 and will continue to spend on the Discovery R&D in the years to come. Your Company reported a loss of ₹2,263 Lakhs for the financial year 2020-21. The Earnings per Share (EPS) of your Company has come down to ₹(1.78) in fiscal 2020-21 per share from the previous year EPS of ₹(1.08) in fiscal 2019-20 per share.

Your Company's consolidated revenue from operations for the Financial Year 2020-21 remained the same as that of standalone revenue. The consolidated loss incurred ₹7,215 Lakhs are mainly due to clinical development expenditure incurred by Suven Neurosciences, Inc., (formerly Suven Inc.,) on various molecules in the clinical development programs.

The consolidated financial statements of the Company prepared in accordance with Indian Accounting Standards as specified in the Companies (Indian Accounting Standards) Rules, 2015, form part of the Annual Report.

Impact of the COVID-19 pandemic

The COVID-19 pandemic has continued affecting the global economy from almost more than a year and second wave of the COVID-19 continued the restrictions and disruption in the routine. We remain committed to the health and safety of our employees and their families, as well as, business continuity to safeguard the interests of our patients, partners, customers and other stakeholders. However, COVID-19 has impacted the ongoing clinical study of SUVN-G3031 in enrollment and withdrawal of patients from the study leading to increased time frame and cost.

Dividend

In view of the losses, the Board of Directors has not recommended any dividend for the year under review.

Transfer to Reserves

The Company has not transferred any amount to the general reserve during the current financial year.

Research and Development

During the year your company has spent ₹2,517 Lakhs on innovative R&D in CNS therapies. Suven is a R&D company focused on discovering, developing the new chemical entities for unmet global medical needs to treat neurodegenerative diseases in CNS therapeutic segment. Suven has 4 clinical stage compounds, a Phase 2 ongoing, SUVN-502 and SUVN-G3031 and Phase 2 ready, SUVN-D4010 and SUVN-911.

In addition to these clinical compounds the Company has eleven (11) internally-discovered therapeutic drug candidates currently in various stages of pre-clinical development targeting conditions such as ADHD, agitation, dementia, depression, Huntington's disease, Parkinson's disease and pain.

The Company also regularly secures various product patents across the world as part of Research & Development of the Company to secure its discovery related innovation. The details on patent updates could be accessed at Company's website http://www.suven.com/Patentupdates.aspx.

Share Capital

The paid up Equity Share Capital as on 31st March, 2021 was ₹1,272.82 Lakhs. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options or sweat equity shares.

Share Warrants: During the year under review, the Company issued the 1,81,00,000 fully convertible warrants to its promoter group at a price of ₹81.57/- per warrant, each convertible into 1 (One) Equity Share of face value of ₹1/- (Rupees One Only) each of the Company on preferential basis, in accordance with the provisions of Chapter V of SEBI ICDR Regulations. The Company allotted 1,81,00,000 fully convertible warrants to its promoter group on 02nd April, 2021 upon receipt of upfront payment of 25% of the warrant issue price from the warrant holder and balance 75% is payable by the Warrant Holder at the time of allotment of the Equity Share which may be exercised at any time before expiry of 18 months from the date of allotment of Warrants.

Annual Return

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the Annual Return as at 31st March, 2021 can be accessed at Company's website http://www.suven.com/annualreports.aspx

Number of Meetings of the Board and Audit Committee

During the year under review five Board Meetings were convened and held and four Audit Committee Meetings were convened and held. The details of Board meetings and Audit Committee meetings are presented in the Corporate Governance report, which forms part of this Annual Report.

The Audit Committee composed of all independent directors. Shri Santanu Mukherjee is the Chairperson of the Audit Committee and Shri M. Gopalakrishna, Smt. J.A.S. Padmaja are members of the Audit Committee. The time gap between the said meetings was within the period prescribed under the provisions of the Companies Act, 2013 and the SEBI guidelines thereof.

Directors Responsibility Statement

Your Directors state that:

(a) The applicable accounting standards have been followed in the preparation of the Annual Accounts.

(b) Such accounting policies have been selected and applied consistently and judgments and estimates made when required that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

(c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) The Directors have prepared the Annual Accounts on a going concern basis.

(e) Proper internal financial controls were in place to be followed by the Company and that the financial controls were adequate and were operating effectively.

(f) Proper systems devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Policy on Nomination & Remuneration

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration, specifying criteria for evaluation of performance and process. The Remuneration Policy is stated in the Corporate Governance Report and also available at Company website http://www.suven.com/policiesdocuments.aspx

Dividend Distribution Policy

The Board has adopted a suitable Policy for Dividend Distribution as per the requirements of SEBI Guidelines. The policy is stated in the Annual Report and has been uploaded on the Company's website and can be accessed at http://www.suven.com/policiesdocuments.aspx

Particulars of Loans, Guarantees or Investments

Details of loan given, investments made, guarantees given and securities provided are furnished in the Standalone Financial Statement which can be referred at Note No. 6 and 29 to the Standalone Financial Statement.

Apart from this, the Company did not give any Loans, or provided Guarantees or any security during the year under the provisions of Section 186 of the Companies Act, 2013.

Subsidiary companies

Your Company has one international wholly owned subsidiary company i.e. Suven Neurosciences Inc., as on 31st March, 2021. The consolidated financial statements of the Company prepared in accordance with Indian Accounting Standards as specified in the Companies (Indian Accounting Standards) Rules, 2015, form part of the annual report.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiary in Form No. AOC-1 is attached to the financial statements of the Company. Further, pursuant to the provisions of Section 136 of the Act, the separate audited financial statements in respect of the subsidiary company shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same or it can be also accessed on the website of your Company at http://www.suven.com/subsidiaryaccounts.aspx

Related Party Transactions

The Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed Form AOC-2 pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, forms part of this report as **"Annexure – A"**.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. http://www.suven.com/policiesdocuments.aspx

Material Changes and Commitments Affecting Financial Position of the Company

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company and date of this Report i.e. 04th May, 2021. There has been no change in the nature of business of the Company.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, forms part of this report as **"Annexure – B"**.

Risk Management Policy

Business risks are inevitable for any business enterprise. Suven is an IP creating and protecting company, strictly adheres to and harmonise with the global patent regime. The Company through its Risk Management policy identifies the various risks and challenges, internally as well as externally and takes appropriate measures with timely actions to mitigate them and also recommend the Board about risk assessment and minimisation procedures. The risk management procedure is reviewed by the Audit Committee and Board of Directors on quarterly basis. The audit committee has additional oversight in the area of financial risks and controls. To ensure the mitigation of risk the Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

Corporate Social Responsibility

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee composed of Shri M. Gopalakrishna as Chairperson, Prof. Seyed E. Hasnain, Shri Venkateswarlu Jasti, Smt. Sudharani Jasti and Smt. J.A.S. Padmaja as members. During the year under review the company ceases to be covered under subsection (1) of 135 of Companies Act, 2013 as post demerger the Company incurred the losses and could not satisfy the other parameters as well to make CSR contributions in terms of the provision of the Act. Hence, the Statement on CSR activities is not applicable. However, the CSR Committee reviewed the other compliance requirements viz. formulating & monitoring the CSR policy, etc. in accordance with the provisions of the law.

CSR policy of the Company can be accessed on the Company's website at the link: http://www.suven.com/corporatesocialresponsibility.aspx

Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and as per the SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The Independent Directors separately carried out evaluation of Chairperson, Non Independent Directors and Board as a whole. The performance of each Committee was evaluated by the Board, based on views received from respective Committee Members. The overall performance evaluation of the Individual Director was reviewed by the Chairperson of the Board and feedback was given to Directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Directors and Key Managerial Personnel

During the year under review, the Members of the Company had at the previous Annual General Meeting held on 17th day of September, 2020 approved the re-appointment of Smt. Sudharani Jasti as Whole-time Director for a period of 3 years, in partial modification of the resolution passed by the Members at the Annual General Meeting held on 14th August, 2019 for the re-appointment Smt. Sudharani Jasti. The tenure of the appointment was reduced to 3 years from the 5 years commencing from 1st November, 2019, in compliance with the Schedule V of the Act.

Further, during the year Dr. M. R. Naidu, Independent Director, resigned from the Directorship of the Company w.e.f. 25th January, 2021. The Board places on record its appreciation for the valuable contribution made by him during his tenure as Director of the Company.

The Company did not appoint any Key Managerial Personnel during the year under review. None of the Key Managerial Personnel has resigned during the year under review.

Declaration by Independent Directors:

All independent directors of the Company have given declarations under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI Listing Regulations.

Directors Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013, Shri Venkateswarlu Jasti, Chairman and CEO (DIN:00278028) of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The brief profile(s) of the director(s) seeking appointment/re-appointment at the ensuing Annual General Meeting are presented in the Annual Report.

Deposits

During FY 2020-21, the Company has not accepted any fixed deposits, and, as such, no amount on account of principal or interest on deposits was outstanding as on the date of the balance sheet.

Internal Financial Control Systems and their Adequacy

The Company has a comprehensive system of Internal Controls for effective conduct of business and ensure reliability of financial reporting. Your Company has laid down set of standards which enables to implement internal financial control across the organisation and ensure that the same are adequate and operating effectively (1) to provide reasonable assurances that: transactions are executed in conformity with generally accepted accounting principles/standards or any other criteria applicable to such statements, (2) to maintain accountability for assets; access to assets is permitted only in accordance with management's general or specific authorisation and the maintenance of records that are in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the assets that could have a material effect on the financial statements. The Audit Committee of the Board reviews reports submitted by the independent internal auditors and monitors the functioning of the system.

Vigil Mechanism

The Company promotes ethical behaviour in all its business activities. Towards this, the Company has adopted a policy on Vigil Mechanism and Whistle Blower to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company http://www.suven.com/policiesdocuments.aspx.

Particulars of Employees and Remuneration

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report as **"Annexure – C"**.

Corporate Governance

A detailed Report on Corporate Governance prepared in substantial compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges together with the Auditors' Certificate regarding the compliance of conditions of corporate governance, is presented in a separate section forming part of the Annual Report.

Management's Discussion and Analysis

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

AUDITORS

Statutory Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder the Company in its Annual General Meeting (AGM) held on 14th August 2017 has appointed M/s. TUKARAM & Co LLP, Chartered Accountants (Firm Registration No. 004436S), as statutory auditors of the Company, from the conclusion of the 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting to be held in the year 2022. The Companies (Amendment) Act, 2017 dispensed the ratification of auditor's appointment at every Annual General Meeting.

Auditors' Report: The Auditors' Report for the year under review does not contain any qualification, reservation or adverse remark.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. DVM & Associates LLP, Company Secretaries in Practice, Hyderabad to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report forms part of this report as **"Annexure – D".** The Secretarial Audit Report does not contain any qualifications, reservation or adverse remark.

Cost records & Audit

During the year under review in terms of Cost (Records and Audit) Amendment Rules, 2014 dated 31st December 2014 issued by the Central Government, the requirement of Cost Audit is not applicable to the Company.

The Company is maintaining such accounts and record as specified by the Central Government and as applicable to the Company under sub-section (1) of section 148 of the Companies Act, 2013.

Business Responsibility Report

Pursuant to the SEBI Listing Regulations, a detailed Business Responsibility Report (BRR) is prepared. As a green initiative the BRR is placed on website of your company and can be accessed at web link at http://www.suven.com/annualreports.aspx

Employees Stock Option Scheme

The Company grants share-based benefits to eligible employees with a view to attracting and retaining the best talent, encouraging employees to align individual performances with Company objectives, and promoting increased participation by them in the growth of the Company.

Suven Life Employee Stock Option Scheme 2020 ("SLSL ESOP 2020")

On September 17, 2020, pursuant to approval by the shareholders in the AGM, the Board has been authorised to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the SLSL ESOP 2020 scheme. In terms of the scheme the total number of options to be granted are 10,00,000 of face value of ₹1/- each.

The nomination and remuneration committee (NRC) has not granted any options under the SLSL ESOP 2020 scheme during the year ended 31st March, 2021. Upon the granting of the options it shall vest in one or more tranches based on the achievement of defined annual performance parameters as determined by the administrator (the NRC).

The total number of equity shares to be allotted to the employees of the Company and its subsidiaries under the SLSL ESOP 2020 does not cumulatively exceed 1% of the issued capital.

The SLSL ESOP 2020 in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time, and there has been no material change to the plans during the fiscal.

The details of the SLSL ESOP 2020, including terms of reference, and the requirement specified under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, are available on the Company's website, at www.suven.com.

As the Company not yet granted any options during the year ended 31st March, 2021, the details of the options granted, vested and exercised as per SLSL ESOP 2020 is not available in the Notes to accounts of the financial statements in this Annual Report.

Transfer of Unpaid and Unclaimed amounts to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, declared dividends which remained unpaid or unclaimed for a period of seven consecutive years have been transferred by the company to the IEPF, which has been established by the central government.

The above referred rules also mandate transfer of dividends remained unpaid and unclaimed for a period of seven consecutive years as well as the underlying equity shares to IEPF Authority. The company shall accordingly follow the procedures prescribed in this regard.

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee as specified under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

General

The Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India during the year under review.

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

i. Details of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.

ii. a statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed during the year".

iii. the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year.

iv. the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

v. There are no significant material orders passed by the Regulators/ Courts, which would impact the going concern status of the Company and its future operations.

Acknowledgements

Your Directors wish to place on record their gratitude to Shareholders for the confidence reposed by them and thank all the shareholders, customers, dealers, suppliers and other business associates for their contribution to your Company's activities. The Directors also wish to place on record their appreciation of the valuable services rendered by the executives, staff and workers of the Company.

Your Directors also thank the Central Government and State Government, the Financial Institutions and Banks for their support during the year and we look forward to its continuance.

For and on behalf of the Board of Directors

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Place: Hyderabad,
Date: 4th May, 2021

Annexure – A to the Board's Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. There are no contracts/arrangements/transactions entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which are not at arm's length basis- Nil.
2. The following are the contracts/arrangements/transactions entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which are at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrange-ments/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Suven Pharmaceuticals Limited; Entity under common control	Lease Agreement	5 Years	Rent Payable ₹104.87 Lakhs for Discovery Lab facilities	13th February, 2020	Nil
Suven Pharmaceuticals Limited; Entity under common control	Inter-corporate Loan	3 Years	Loan on interest rate @8% p.a. in accordance with prime lending rate of SBI and is payable on a quarterly rest on weighted average method; Outstanding Loan as on 31/03/2021 ₹4,144.82 Lakhs.	13th February, 2020	Nil
Suven Pharmaceuticals Limited; Entity under common control	Rendering of Analytical, Toxicology services, sourcing of manufactured materials	Continuous basis	Aggregate value of transactions shall be not exceeding ₹25 Crore in each financial year.	05th June, 2020	Nil

For and on behalf of the Board of Directors

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Place: Hyderabad,
Date: 4th May, 2021

Annexure – B to the Board's Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i) the steps taken or impact on conservation of energy;

Suven Life Sciences is involved in Drug Discovery and development of NCE's for unmet medical needs in CNS arena and not involved in any manufacturing activities hence does not need high energy requirements.

(ii) the steps taken by the company for utilising alternate sources of energy; Nil

(iii) the capital investment on energy conservation equipment's; Nil

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption;

SLS being a drug discovery and development of NCE's for unmet medical needs in CNS diseases, utilises many new technologies in the chosen area.

(ii) Benefits derived like product improvement, cost reduction, product development, import substitution;

Drug discovery lead to creation of intellectual property with the grant of 481 product patents globally and prioritising new chemical entities for clinical development to treat the unmet medical needs in CNS.

(iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year).

a)	Technology imported	NIL
b)	Year of import	NA
c)	Whether the technology been fully absorbed	NA
d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	NA

(iv) R & D EXPENDITURE (₹ in Lakhs)

Expenditure on R&D	FY 2020-21	
	Standalone	Consolidated
(a) Capital	144.24	144.24
(b) Recurring	4,049.82	8,635.51
(c) Total R&D expenditure	**4,194.06**	**8,779.75**

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the Foreign Exchange earned in terms of actual inflows and outflow is ₹930.88 Lakhs & ₹7,373.50 Lakhs respectively.

For and on behalf of the Board of Directors

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Place: Hyderabad,
Date: 4th May, 2021

Annexure – C to the Board's Report

Information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Sl. No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Shri Venkateswarlu Jasti–Chairman & CEO	0 : 1
2.	Smt. Sudharani Jasti–Whole-time Director	13 : 1

Dr. M. R. Naidu, (Upto 25th January 2021), Shri M. Gopalakrishna, Shri Santanu Mukherjee, Smt. J.A.S. Padmaja, Independent Directors and Prof Seyed E. Hasnain, Non-executive Director were paid only sitting fees for attending the Board/ Committee Meetings.

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sl. No.	Particulars	Percentage increase in remuneration
1.	Chairman & CEO	NIL
2.	Whole-time Director	NIL
3.	Chief Financial Officer	16.05
4.	Company Secretary	17.85

Dr. M. R. Naidu, (Upto 25th January 2021), Shri M. Gopalakrishna, Shri Santanu Mukherjee, Smt. J.A.S. Padmaja, Independent Directors and Prof. Seyed E. Hasnain, Non-executive Director were paid only sitting fees for attending the Board/ Committee Meetings.

(iii) The percentage increase in the median remuneration of employees in the financial year: 12.00

(iv) the number of permanent employees on the rolls of company;

There were 130 permanent employees as on 31st March 2021

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 12.00%. Whereas the remuneration of managerial personnel worked out 16.90% for the same financial year.

(vi) Affirmation that the remuneration is as per the remuneration policy of the company. Yes

Statement of particulars of employees pursuant to the provision of Sec 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended. List of top ten employees in terms of remuneration drawn will be provided upon request by any Member of the Company interested in obtaining the same.

Name of the employee	Age of the employee	Designation of the employee	Gross remuneration received (₹ in Lakhs)	Nature of employment, whether contractual or otherwise	Qualifications of the employee	Experience of the employee	Date of commencement of employment	The last employment held by such employee before joining the company
Smt. Sudharani Jasti	67 years	Whole-time Director	215.32	Regular	B. Sc.	40 years	09-03-1989	Business in USA
Dr. NVS Ramakrishna	59 years	Vice President (Discovery Research)	208.38	Regular	M. Sc., Ph. D	32 years	04-03-2002	Zydus Cadila

None of the employee is related to the Directors except Shri Venkateswarlu Jasti who is spouse of Smt. Sudharani Jasti.

For and on behalf of the Board of Directors

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Place: Hyderabad,
Date: 4th May, 2021

Annexure – D to the Board's Report

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2021

FORM NO. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Suven Life Sciences Limited
Hyderabad.

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by Suven Life Sciences Limited (hereinafter called as the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We have conducted online verification and examination of the books, papers, minutes books, forms, returns filed and other records as maintained and facilitated by the Company, due to COVID-19 pandemic and according to the examinations carried out by us and explanations and information furnished and representations made to us by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended 31st March, 2021 ("Audit Period") and we report that during the period under review the Company has complied with the provisions of the following Acts, Rules, Regulations, Guidelines and Standards:
   - 1.1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
   - 1.2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
   - 1.3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
   - 1.4. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment;
   - 1.5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
     - 1.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
     - 1.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
     - 1.5.3. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
     - 1.5.4. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
     - 1.5.5. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
     - 1.5.6. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
   - 1.6. The Secretarial Standards on the Meetings of the Board of Directors and the General Meetings issued by the Institute of Company Secretaries of India ('ICSI').
2. The Company is engaged in the Drug Discovery and Development of New Chemical Entities (NCEs) in Central Nervous System (CNS) disorders targeting global unmet medical needs. In view of the Management and on the basis of the Guidance Note issued by the ICSI, the following Industry Specific Acts are applicable to the Company:
   - 2.1. Drugs and Cosmetics Act, 1940 read with the Drugs and Cosmetics Rules, 1945;
   - 2.2. Narcotic Drugs and Psychotropic Substances Act, 1985 read with the Narcotic Drugs and Psychotropic Substances Rules, 1985;

   Based on our verification and in reliance of the Compliance Certificates given by the respective Functional Heads, the Company has complied with the said Industry Specific Acts.
3. We report that:
   - 3.1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors. The changes in the composition of the Board of Directors during the period under review were carried out in accordance with the applicable provisions.
   - 3.2. Adequate Notice along with agenda and detailed notes on agenda is given to all the Directors electronically to schedule the Board Meetings.
   - 3.3. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
   - 3.4. The Company has authorised Company Secretary of the Company to approve the transfer of shares and to instruct/ advise the Share Transfer Agent and attend Shareholders Grievances, from time to time and the Board has been taking note of the same.

3.5. The Company confirmed that the provisions relating to Corporate Social Responsibility activities are not applicable to the Company in view of not coming in the ambit of criteria prescribed under Section 135 during the immediately preceding financial year.

3.6. Decisions at the meetings of the Board of Directors and the Committees of the Board of the Company were taken unanimously.

3.7. In respect of matter as reported in our last report relating to the notice from the Securities and Exchange Board of India for the alleged violation of the Code of Conduct to Regulate, Monitor and Report Trading by Insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015, the said matter stands disposed-off.

3.8. In view of lockdown imposed and COVID-19 Pandemic, the Company has, wherever applicable, sought and availed temporary compliance relief, including filings under the Companies Fresh Start Scheme, 2020;

3.9. It is to be noted that for the Audit Period the following Acts are not applicable:

3.9.1. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

3.9.2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

3.9.3. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

3.10. There exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. We further report that during the audit period, there were no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as provided in Auditor's Report.

For DVM & Associates LLP
Company Secretaries
L2017KR002100

DVM Gopal
Partner
M No: F 6280
CP No: 6798
UDIN: F006280C000235674

Place: Hyderabad
Date: 4th May, 2021

Note: This letter is to be read with our letter of even date, which is annexed, and form an integral part of this report.

Annexure

To
The Members
Suven Life Sciences Limited
Hyderabad.

Our Report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on a random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DVM & Associates LLP
Company Secretaries
L2017KR002100

DVM Gopal
Partner
M No: F 6280
CP No: 6798
UDIN: F006280C000235674

Place: Hyderabad
Date: 4th May, 2021

POLICY FOR DIVIDEND DISTRIBUTION

POLICY in brief:

Your Company's Board follows the provisions of the Companies Act, 2013 and other applicable Regulations of SEBI LODR with regard to payment of dividends at its discretion during the fiscal year and may recommend the interim/special dividends paid as final dividends. Your Company observed all the parameters prescribed by SEBI in relation to the following key aspects for considering payment of dividend for any year.

(a) The circumstances under which the shareholders of the company may or may not expect dividend

(b) The financial parameters that shall be considered while declaring dividend

(c) Internal and external factors that shall be considered for declaration of dividend

(d) How the retained earnings shall be utilised

(e) Parameters that shall be adopted with regard to various classes of shares

For detailed policy please visit website of your Company at the web link:
http://www.suven.com/pdf/Policy-for-Dividend-Distribution.pdf

REPORT ON CORPORATE GOVERNANCE

1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company firmly believes that good corporate governance practices are ingredients for the balanced development of an organisation which would not only maximise the shareholder's value but also contributed to sustained and long lasting development of the organisation. The Board of Directors believes in ethical values and high moral standards in achieving the highest standards of corporate governance. All the **SUVEN** activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices.

2. BOARD OF DIRECTORS

Composition of Board

The Board represents an optimum mix of professionalism, knowledge and experience. As on 31st March, 2021, your company had a total strength of six (6) Directors on the Board, comprising of: two (2) Executive Directors (i.e. 33%), one (1) Non-executive Director (i.e. 17%) and three (3) Independent Directors (i.e. 50%). The Company immensely benefits from the professional expertise of the Independent Directors. The Board has an adequate combination of Executive Directors, Non-Executive and Independent Directors and composition is in compliance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), requiring not less than half the Board to be Independent.

All Directors have made necessary disclosures regarding Committee positions and Directorships held by them in other companies. None of the Directors on the Board is Member of more than ten Committees or Chairman of more than five Committees (Audit Committee and Stakeholders' Relationship Committee) across all the public companies in which they are Directors. None of the Company's Independent Directors served as Independent Director in more than seven listed companies.

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM held on 17th September, 2020	Director-ship in other Public Com-panies	No. of Committee positions held in all companies	
		Held	Attended			Chairman	Member#
Shri Venkateswarlu Jasti	Chairman & CEO Promoter	5	5	Yes	1	-	-
Smt. Sudharani Jasti	Whole-time Director Promoter	5	5	Yes	-	-	1
Dr. M. R. Naidu*	Independent Non-Executive Director	5	-	No	-	-	2
Prof Seyed E. Hasnain	Non-Executive Director	5	5	No	1	-	-
Shri M Gopalakrishna	Independent Non-Executive Director	5	5	Yes	6	2	7
Shri Santanu Mukherjee	Independent Non-Executive Director	5	5	Yes	4	1	5
Smt. J.A.S. Padmaja	Independent Non-Executive Director	5	5	Yes	-	-	2

* Dr. M. R. Naidu ceased to be Director of the Company w.e.f. 25th January, 2021.
# Committee membership includes chairperson position

Name of the other listed companies where the person is a director and the category of directorship

Name of the Director	Name of the other listed companies	Category
Shri Venkateswarlu Jasti	Suven Pharmaceuticals Limited	Chairman & Managing Director
Smt. Sudharani Jasti	Nil	-
Prof Seyed E. Hasnain	Nil	-
Shri M Gopalakrishna	1) The Andhra Petrochemicals Limited	Independent director
	2) Pitti Engineering Limited	Independent director
	3) BGR Energy Systems Limited	Independent director
	4) Olectra Greentech Limited	Independent director
Shri Santanu Mukherjee	1) Donear Industries Limited	Independent director
	2) Bandhan Bank Limited	Independent director
	3) Sumedha Fiscal Services Ltd	Independent director
Smt. J.A.S. Padmaja	Nil	-

Meetings of the Board

The Board met five times during the Financial Year on 5th June, 2020, 11th August, 2020, 27th October, 2020, 28th January, 2021 and 20th February, 2021.

The time gap between any two meetings did not exceed one hundred and twenty days as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the required information was suitably placed before the board meetings. The details relating to financial and commercial transactions where directors may have a potential interest, if any, were provided to the Board and interested directors abstained from the meetings.

Disclosure of relationships between directors inter-se

None of the Directors is related to other Directors, except Shri Venkateswarlu Jasti who is spouse of Smt. Sudharani Jasti.

No. of shares held by Non-Executive Directors

Sl. No.	Name of Director	No. of equity shares held as on 31st March, 2021
1.	Prof Seyed E. Hasnain	NIL
2.	Shri M Gopalakrishna	NIL
3.	Shri Santanu Mukherjee	NIL
4.	Smt. J.A.S. Padmaja	NIL

There were no convertible instruments held by non-executive directors.

Familiarisation programmes imparted to the independent directors

Your Company endeavours to organise necessary familiarisation programmes as and when required. The terms and conditions of appointment of the independent directors are disclosed on the website of the Company. The information on the familiarisation programmes can be accessed from our Company's website at Web link: http://www.suven.com/pdf/familiarization-program-for-independent-directors.pdf

A Chart or a Matrix setting out the skills/expertise/ competence of the board of directors

Your Company's Board identified certain multi-dimensional core skills/expertise/competencies as detailed below and available with the Board:

Sr. No	Name & Category of Directors	Skills / Expertise / Competencies
1	Shri Venkateswarlu Jasti Executive Director	Leadership and Management skills, industry/ R&D operational experience, Strategy development, risk expertise
2	Smt. Sudharani Jasti Executive Director	Decision making skills, industry experience, sustainability & governance
3	Prof Seyed E. Hasnain, Non-Executive Director	Knowledge in sector and governance
4	Shri M Gopalakrishna Independent Director	Financial skills, Public policy/ legal, member & stakeholder engagement
5	Shri Santanu Mukherjee Independent Director	Financial Skills, risk management and internal control expertise and decision making professional skills
6	Smt. J.A.S. Padmaja Independent Director	Human Resource, stakeholder engagement, control skills and financial skills

Confirmation from the Board

The Board of Directors verified the veracity of declarations given by the Independent Directors and in the opinion of the Board, the Independent Directors fulfil the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

Resignation of Independent Director from the Board of the Company

During the year under review, Dr. M. R. Naidu (DIN: 00143836), Independent Director resigned from the Board of Directors of the Company w.e.f. 25th January, 2021 (close of working hours) due to some personal reasons. Further, he also confirmed in his letter that there are no other material reasons for resignation other than provided above. Accordingly, Dr. M. R. Naidu was relieved from the Directorship of the Company and Board appreciated his contributions during his tenure as a Director.

Committees of the Board

The Board had constituted various committees under the regulatory framework and corporate governance norms to monitor the activities within the terms of reference and to take informed decisions in the best interest of the Company. The Board reconstituted the committees on 28th January, 2021 due to cessation of Dr. M. R. Naidu from the Directorship of the Company, in which he was the member. Hence the attendance of Dr. M. R. Naidu was not reported in the committees as reconstituted.

3. AUDIT COMMITTEE

Composition, name of members and chairperson & terms of reference

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act. The present Audit Committee comprises of all Independent Directors. All of whom possess accounting and financial management expertise/ exposure.

The terms of reference to the Audit committee given by the Board shall be as per the provisions of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and brief terms of reference are as viz. i) Oversight of financial reporting process, ii) Reviewing with the management, the quarterly & annual financial statements and auditors' report thereon before submission to the Board for approval, iii) Evaluation of internal financial controls and risk management systems, iv) reviewing the adequacy of internal audit functions v) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and effectiveness of the audit process, vi) Scrutiny of inter-corporate loans and investments. The Committee periodically reviews the information as specified under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

The composition of the Audit Committee is as follows

Name of Director & Designation	Category of Director	No. of Meetings	
		Held	Attended
Shri Santanu Mukherjee – Chairman	Independent & Non-Executive Director	4	4
Shri M Gopalakrishna – Member	Independent & Non-Executive Director	4	4
Smt. J.A.S. Padmaja – Member*	Independent & Non-Executive Director	4	1

* Smt. J.A.S. Padmaja was admitted as member of the Audit Committee s w.e.f. 27th October, 2020.

In addition to the members of the audit committee, these meetings are attended by the Heads of Accounts & Finance, Internal Auditors and Statutory Auditors of the Company and the Company Secretary acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee Shri Santanu Mukherjee attended the annual general meeting (AGM) held on 17th September, 2020.

Meetings and attendance during the year

During the year Audit Committee met four times on 5th June, 2020, 11th August, 2020, 27th October, 2020 and 28th January, 2021. The attendance of the Committee Members was presented in the above table.

4. NOMINATION AND REMUNERATION COMMITTEE

Composition, name of members and chairperson & terms of reference

The Nomination and Remuneration Committee (NRC) comprises of Independent, Non-executive and Executive Directors. The terms of reference of the NRC given by the Board covers all aspects specified under the provisions of the Companies Act, 2013 and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. Brief terms of reference are viz. criteria for determining qualifications, independence of Directors, recommend to the Board policy relating to remuneration of the Directors/KMPs, formulation of criteria for evaluation of performance of Board of Directors and independent Directors etc.

The composition of the Nomination and Remuneration Committee is as follows:

Name of Directors & Designation	Category of Director	No. of Meetings	
		Held	Attended
Shri Santanu Mukherjee – Chairman	Independent & Non-executive Director	2	2
Shri M. Gopalakrishna – Member	Independent & Non-executive Director	2	2
Prof Seyed E. Hasnain – Member	Non-Executive Director	2	1
Shri Venkateswarlu Jasti – Member	Executive Director	2	2

Meetings and attendance during the year

During the year Nomination and Remuneration Committee met two times on 5th June, 2020 and 11th August, 2020. The attendance of the Committee Members was presented in the above table.

The Chairman of the Nomination and Remuneration Committee Shri Santanu Mukherjee attended the annual general meeting (AGM) held on 17th September, 2020.

Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance in absence of Director being evaluated, its committees and of the independent directors on parameters such as level of engagement, contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process as well as the evaluation of the working of its Committees, information needs of the Board, execution and performance of specific duties, obligations and governance.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The committee reviews Initiatives taken with respect to payment of dividends and review of other services related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

The Constitution of Stakeholders' Relationship Committee is as follows

Name of the Director	Category of Director	No. of Meetings	
		Held	Attended
Shri M Gopalakrishna – Chairman	Independent & Non-executive Director	1	1
Smt. J.A.S. Padmaja – Member*	Independent & Non-executive Director	1	-
Smt. Sudharani Jasti – Member	Executive Director	1	1

* Smt. J.A.S. Padmaja was admitted as member of the Committee w.e.f. 05th June, 2020

During the year Stakeholders' Relationship Committee met on 5th June, 2020. The attendance of the committee members was presented in the above table. Shri M. Gopalakrishna, Chairman of the Committee attended the annual general meeting (AGM) held on 17th September, 2020.

Name and Designation of Compliance Officer

CS SHRENIK SONI
Company Secretary & Compliance Officer
Suven Life Sciences Limited
SDE Serene Chambers, 6th Floor, Road No. 5
Avenue 7, Banjara Hills, Hyderabad–500 034
CIN: L24110TG1989PLC009713
Tel: +91 40-2354 1142/ 3311, Fax: +91 40-2354 1152

Details of complaints/requests received and redressed

During the year 2020-21, number of shareholders' complaints received: 77; number not solved to the satisfaction of shareholders: 0; and number of pending complaints: 0; pertaining to the dividends, annual reports, change of bank/ address details and split shares etc. from shareholders and the complaints have been resolved to the satisfaction of the Complainants.

6. RISK MANAGEMENT COMMITTEE

The Risk Management Committee (RMC) comprises of Independent, Executive Directors and senior executives. The terms of reference of the RMC given by the Board covers all aspects specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. Brief terms of reference are viz. to formulate the risk management policy, systems in place to monitor and evaluate the risks, monitor and periodically review the risk management policy, etc.

The composition of the Risk Management Committee is as follows

Name of Directors	Designation	Category of Director
Shri Venkateswarlu Jasti	Chairman	Executive Director
Shri Santanu Mukherjee	Member	Independent & Non-executive Director
Shri M. Gopalakrishna	Member	Independent & Non-executive Director
Shri M. Mohan Kumar	Member	Chief Financial Officer

Meetings and attendance during the year

During the year under review Risk Management Committee did not meet as the provisions of the Regulation 21 of the Listing Regulations were not applicable to top 1000 listed Companies determined on the basis of market capitalisation as at the end of the immediate previous Financial Year i.e. as on 31st March, 2020.

7. REMUNERATION OF DIRECTORS

Remuneration Policy for selection and appointment of directors/ senior management and their remuneration

The Nomination and Remuneration (N&R) Committee has adopted a policy which, inter alia, deals with the manner of selection of all Directors and Senior management personnel and their remuneration as under, also covers the succession planning for appointment to the Board and policy on diversity of Board. Policy enables the management to engage HR consultants whenever external advise needed in this behalf.

Criteria of selection of all categories of Directors and Senior Management Personnel

- The incumbent must be a graduate or above with ability to understand the Board procedures and having rudimentary knowledge over financial statements.
- Must possess reasonable experience at the Board/ senior management level.
- Must have ethical behaviour and willingness to comply with all applicable statutory requirements like declaring their interests in the companies/ entities, following the requirements of Board procedures, attending Board/ Committee meetings and active participation in all matters placed before the Board.
- Must be able to exercise independent judgment over the matters reported to the Board.
- Where necessary recommend to the Board for an increase in the remuneration of non-executive directors subject to provisions of Companies Act, 2013.
- The Committee may review and give a guidance note on all salary increases and bonus payments for all direct reports to the CEO in line with the industry standards. The Committee may review and give a general guidance note on the quantum of salary increases and bonus payments for all other staff in line with the industry standards
- For criteria of making payments to non-executive directors please refer to web link at: http://www.suven.com/pdf/CompositionofVariousCommitteesofBoardofDirectors-2020.pdf

Remuneration paid to the Executive Directors and sitting fees paid to Non-Executive Directors during FY 2020-21 is as under:

Executive Directors

Name of the Director	Salary & Allowances	Commission	Contribution to Provident Fund	Perquisites	Total
Smt. Sudharani Jasti Whole-time Director	181.02	-	21.72	12.58	215.32
Shri Venkateswarlu Jasti Chairman & CEO	Nil	-	-	-	Nil

For details of other elements of remuneration please refer to Annual Return of the Company as placed on the website www.suven.com. The services of Chairman & CEO and Whole-time Director are governed by the resolutions as approved by the shareholders in the general meeting. Shri Venkateswarlu Jasti, Chairman & CEO opted not to draw any remuneration from the Company. There is no separate provision for payment of severance fee and notice period for termination of services.

Non-Executive Directors

Name of the Director	Sitting fee (₹ in Lakhs) #
Prof Seyed E. Hasnain	2.10
Shri M Gopalakrishna	2.80
Shri Santanu Mukherjee	2.60
Smt. J.A.S. Padmaja	2.10

Net of taxes

Except the above remuneration paid to Directors there were no other pecuniary relationships or transactions of Non-Executive Directors with the Company. The Company has not granted any stock options to its Non-Executive Directors.

8. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

To review the existing CSR Policy and to monitor progress of CSR activities undertaken if any, on priority basis by the Suven Trust as notified by CSR Committee of the Board from time to time.

The composition of the Corporate Social Responsibility Committee and the details of Members' participation at the Meeting of the Committee held on 5th June, 2020 are as under:

Name of the Director	Category of Director	No. of Meetings	
		Held	Attended
Shri M Gopalakrishna – Chairman	Independent & Non-executive Director	1	1
Prof Seyed E. Hasnain – Member	Non-executive Director	1	-
Shri Venkateswarlu Jasti – Member	Executive Director	1	1
Smt. Sudharani Jasti – Member	Executive Director	1	1
Smt. J.A.S. Padmaja – Member*	Independent & Non-executive Director	1	-

* Smt. J.A.S. Padmaja was admitted as member of the Committee w.e.f. 05th June, 2020

9. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 28th January, 2021, carried out inter alia, the following process:

Evaluation of performance of Non Independent Directors and the Board of Directors as a whole; evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors and evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All Independent Directors were present at the aforesaid meeting.

10. GENERAL BODY MEETINGS

Annual General Meeting: Location, date and time of last three Annual General Meetings (AGMs) and Special Resolutions passed there at:

For FY	Venue	Date and Time	No. of Special Resolutions passed
2019-20	Through Video Conferencing ("VC") / other Audio Visual Means ("OAVM"). The deemed venue for the AGM shall be the Registered Office of the Company.	17/09/2020 11:30 AM	3
2018-19	KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry [FAPCCI], 11-6-841, Red Hills, Hyderabad –500 004	14/08/2019 03:00 PM	1
2017-18	KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry [FAPCCI], 11-6-841, Red Hills, Hyderabad –500 004	14/08/2018 11:30 AM	NIL

Extra-ordinary General Meeting:

Financial Year	Venue	Date and Time	No. of Special Resolutions passed
2020-21	Through Video Conferencing ("VC") / other Audio Visual Means ("OAVM"). The deemed venue for the EGM shall be the Registered Office of the Company.	20/03/2021 11:30 AM	1

The members in the Extra-Ordinary General Meeting (EGM) of the Company held on March 20, 2021 have approved issue of Convertible Warrants on preferential basis to the Promoter / Promoter Group of the Company as special business item specified in the notice of EGM.

Postal Ballot:

(i). Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

No postal ballot was conducted during the FY 2020-21

(ii). Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

11. MEANS OF COMMUNICATION

Quarterly Results, Press Releases, Presentations and Publications:

The quarterly results are generally published in widely circulated national newspapers the Business Standard and in one vernacular Language newspaper Andhra Prabha (Telugu Daily). And also the half yearly and Annual Audited Financial Results are published in the same manner.

The Financial Results are also displayed on the Company's website www.suven.com official news releases; presentations made to the institutional investors/ analysts/ media if any are also displayed on the Company's website.

Management Discussion and Analysis detailed report is forming part of this Annual Report.

The Company is filing/ submitting its Shareholding Pattern, Financial Results, Reconciliation of Share Capital Audit Reports, etc. on quarterly/ half-yearly /yearly basis and was posted on the website of the Company as well as on the website of BSE/ NSE in accordance with the SEBI Regulations which may be accessed by the shareholders.

12. GENERAL SHAREHOLDERS INFORMATION

(i) Annual General Meeting:

Financial Year : 2020 – 2021
Day and Date : Friday, 06th August, 2021
Time : 11:30 A.M. IST
Venue : The Company is conducting meeting through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. For details please refer to the Notice of this AGM.

(ii) Financial Calendar (tentative)

Financial Year 1st April, 2021 to 31st March, 2022

Quarter Ending	Release of Results
30th June, 2021	latest by 14th August, 2021
30th September, 2021	latest by 14th November, 2021
31st December, 2021	latest by 14th February, 2022
31st March, 2022	15th May, 2022*

*instead of publishing quarterly un-audited results, the Company may opt to publish Audited Annual results within 60 days from the end of the financial year as per SEBI Regulations.

(iii) Dates of Book Closure: 04th August, 2021 to 06th August, 2021

(iv) Dividend Disclosure: The Board of Directors did not recommend any dividend for FY 2020-21.

(v) Listing on Stock Exchanges

The shares of the Company are listed on

BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

The Company confirms that it has paid annual listing fees due to the stock exchanges for the financial year 2021-2022.

(vi) Stock Code

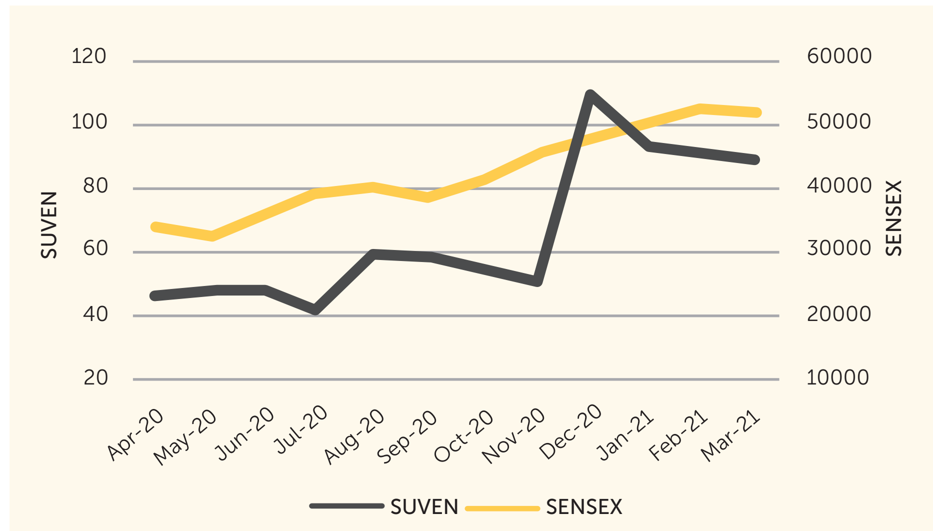
Stock Exchanges	Scrip Code	Scrip ID
BSE Limited	530239	SUVEN
National Stock Exchange of India Limited	SUVEN	SUVEN

Depository for Equity Shares : NSDL and CDSL
Demat ISIN Number : INE495B01038

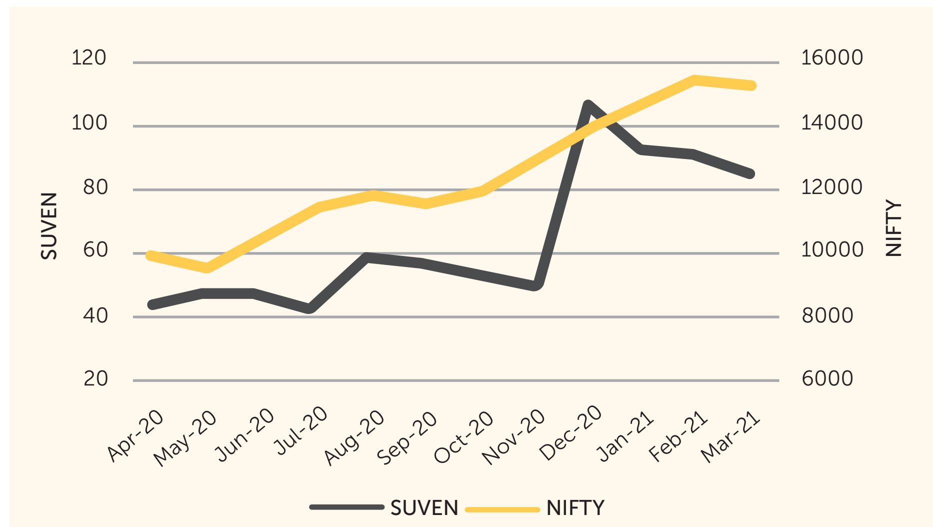
(vii) Stock Market Price Data BSE and NSE

Month		BSE Limited (BSE)			National Stock Exchange (NSE)		
		High	Low	Volume (No.)	High	Low	Volume (No.)
2020	April	45.95	19.35	14,83,638	45.95	19.35	1,43,99,334
	May	47.80	32.20	14,77,798	47.50	32.15	1,51,43,509
	June	47.10	30.45	44,96,972	47.00	30.50	2,41,35,706
	July	42.90	36.15	22,42,313	43.00	36.15	1,43,18,512
	August	58.70	37.10	43,77,113	58.65	37.50	3,22,23,166
	September	57.70	45.00	29,33,758	57.60	45.00	1,90,09,493
	October	54.30	46.10	11,08,555	54.30	46.00	1,16,50,743
	November	50.70	42.05	9,47,332	50.80	43.95	67,59,166
	December	109.00	46.50	71,20,721	108.00	46.45	5,23,57,861
2021	January	93.45	69.45	23,47,988	93.50	69.55	1,25,05,988
	February	91.30	70.70	17,87,058	91.45	70.50	1,54,72,713
	March	87.90	69.65	8,07,846	86.90	69.65	70,81,716

Stock Price Performance in comparison with BSE SENSEX



Stock Price Performance in comparison with NSE NIFTY



(viii) In case the securities are suspended from trading, the directors report shall explain the reason thereof

During the year under review there was no suspension of trading in the securities of the company.

(ix) Registrar and Share Transfer Agents: (RTA)

KFin Technologies Private Limited

(formerly known as Karvy Fintech Private Limited)

Unit: Suven Life Sciences Limited

Selenium, Tower B, Plot 31-32,

Gachibowli, Financial District,

Nanakramguda, Hyderabad - 500 032

Ph.: 1800 309 4001/ 040-6716 1565

Email: einward.ris@kfintech.com

Website: https://www.kfintech.com

(x) Share Transfer System

KFin Technologies Private Limited, (a SEBI Registered RTA) has been authorised to process all the valid transfer requisitions (as specified and permitted under law for the time being in force) on a weekly basis and a memorandum of transfers, if any, will be submitted to the Company. The share certificates duly transferred will be dispatched to the transferees. For this purpose, the Company authorised the Company Secretary of the Company to monitor the Memorandum of Share Transfers (MOT) as and when reported by RTA and he approves the Share transfers. Company Secretary submits a comprehensive report to the Board every quarter covering various activities relating to investor services.

SEBI, effective from 01st April 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in the physical mode to dematerialise their shares and update their bank accounts and email IDs with the respective depository participants to enable us to provide better service.

The Company has obtained and filed with the Stock Exchange(s), the half-yearly certificates from Company secretary in practice for due Compliance with the share transfer formalities as required under regulation 40(9)&(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xi) Distribution Shareholding Pattern as on 31st March 2021

Category (Amount)	Shareholders		Share Amount	
	Number	% to total	Amount	% to total
1 - 5000	76,557	98.59	2,48,11,196.00	19.49
5001 - 10000	595	0.77	44,33,599.00	3.48
10001 - 20000	282	0.36	40,65,324.00	3.19
20001 - 30000	86	0.11	20,77,711.00	1.63
30001 - 40000	31	0.04	11,17,939.00	0.88
40001 - 50000	18	0.02	8,54,043.00	0.67
50001 - 100000	48	0.06	33,96,920.00	2.67
100001 & above	33	0.04	8,65,25,746.00	67.98
TOTAL	**77,650**	**100.00**	**12,72,82,478.00**	**100.00**

(xii) Categories of shareholders as on 31st March 2021

Sl. No	Category	Cases	Holding	%To Equity
1	Promoters	6	7,63,70,000	60.00
2	Resident Individuals	75,851	4,31,72,115	33.92
3	Non Resident Indians	1,380	41,31,122	3.25
4	Corporate Bodies	305	15,20,624	1.19
5	Others	100	12,10,567	0.95
6	Foreign Portfolio Investors	6	6,08,082	0.48
7	Mutual Funds	2	2,69,968	0.21
	TOTAL	**77,650**	**12,72,82,478**	**100.00**

(xiii) Dematerialisation of shares and liquidity

As on 31st March, 2021, 99.68% of the paid up equity capital of the Company has been dematerialised and the trading of Equity shares in the Stock Exchanges is under compulsory dematerialisation.

Members are encouraged to opt for dematerialisation of shares to eliminate bad deliveries, forgery, fake transfers etc., in the market.

(xiv) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company obtained the approval of the Members of the Company in its Extra-Ordinary General Meeting (EGM) held on 20th March, 2021 for the issue of 1,81,00,000 Fully Convertible Warrants on preferential basis to the Promoter / Promoter Group of the Company in compliance with the provisions of the law. Post approval in the EGM the Board of Directors of the Company in its meeting held on 02nd April, 2021 allotted the 1,81,00,000 Fully Convertible Warrants to the promoter group entity upon the receipt of the 25% of the total consideration amount from the allottee. Further, in terms of the SEBI (ICDR) Regulations maturity date/ tenure of the warrants is 18 months from the date of allotment. Post conversion of warrants the paid up equity share capital of the Company will be increased to ₹14,53,82,478/- divided into 14,53,82,478 equity shares of ₹1/- each.

Except the Warrants as briefed above, the Company has not issued any GDRs/ ADRs or any other Convertible instruments in the past and hence as on 31st March, 2021, the Company does not have any outstanding GDRs/ ADRs or any other convertible instruments.

(xv) Commodity price risk or foreign exchange risk and hedging activities

Our Company is primarily engaged in Discovery R&D. The export receipts are being utilised towards immediate requirements for payment of imports. Hence, there is negligible foreign exchange risk and does not undertake any hedging activities.

(xvi) Research and Development Centre(s)

Research Centre – I	Research Centre – II
Plot No.18, Phase III, IDA Jeedimetla, Hyderabad – 500 055 Telangana	Plot No(s). 267- 268, IDA Pashamylaram Sanga Reddy Dist. Telangana – 502 307

(xvii) Address for Correspondence

Regd. Office: # 8-2-334, SDE Serene Chambers, 6th Floor, Road No. 5, Avenue 7,
Banjara Hills, Hyderabad – 500 034 Telangana
CIN: L24110TG1989PLC009713
Tel: +91 40-2354 3311 / 2354 1142,
Fax: +91 40-2354 1152
E-mail: info@suven.com,
investorservices@suven.com
Website: www.suven.com

(xviii) Credit Ratings

Since there are no subsisting loans against the Company the credit rating is not applicable.

(xix) Unpaid / Unclaimed Dividend

Pursuant to the provisions of Section 123 of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven consecutive years from the date of its transfer to unpaid dividend account, is required to be transferred by Company to the Investor Education and Protection Fund, established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. Pursuant to Section 124 of the Companies Act, 2013 the shares forming part of unclaimed dividends of the shareholders were transferred to IEPF Authority as per IEPF Rules.

In the interest of the shareholders, the Company sends periodical reminder to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website http://www.suven.com/unpaiddividend.aspx.

Shareholders of the Company who have either not received or have not en-cashed their dividend warrants, for the financial years 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 are requested to claim the unpaid/ unclaimed dividend from the Company before transfer to the fund.

(xx) Reconciliation of Share Capital Audit Report

A qualified practicing Company Secretary carried out a quarterly share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/ paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

13. OTHER DISCLOSURES

(i) Related Party Transactions

All related party transactions with related parties during the financial year were done in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, there were no materially significant transactions with related parties which was in conflict with the interest of the Company. None of the Non-Executive Directors has any pecuniary material relationship or material transactions with the Company for the year ended 31st March, 2021. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at Web link http://www.suven.com/policiesdocuments.aspx

(ii) Legal Compliance

There were no instances of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. However, all the Noticees were discharged of Show Cause Notice served by SEBI under PIT Regulations, in terms of final order dated 27th April, 2021 passed by Whole Time Member of SEBI. Consequently, the notice served on the company dated 27th May, 2019 under the SEBI (Prohibition of Insider Trading) Regulations, 2015 stands disposed of.

(iii) Whistle Blower Policy

The Company has a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. Pursuant thereto, anyone can approach directly Chairman of the Audit Committee or through Company Secretary to report any suspected or confirmed incident of fraud/ misconduct it is affirmed that no personnel has been denied access to the audit committee and can be accessed at Web link http://www.suven.com/policiesdocuments.aspx

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

Mandatory requirements

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is being reviewed from time to time.

Non-mandatory requirements

1. **The Board:**
   Office for non-executive Chairman at Company's expense: Not Applicable
2. **Shareholder Rights:**
   Half-yearly declaration of financial performance to each household of shareholders: Not complied
3. **Audit qualifications:**
   Complied as there are no audit qualifications
4. **Reporting of Internal Auditor:**
   The Internal auditors report directly to Audit Committee: Complied

(v) Web link policy for determining 'material' subsidiaries

The Board has approved a policy for determining 'material' subsidiaries which has been uploaded on the Company's website and it can be accessed at Web link: http://www.suven.com/policiesdocuments.aspx

(vi) Disclosure of commodity price risks and commodity hedging activities:

The Company did not undertake any commodity hedging activities during the year hence there were no commodity price risks involved.

(vii) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company has issued the 1,81,00,000 convertible warrants to the promoter/ promoter group of the Company on preferential basis and the allotment of the warrants was taken place in the Board Meeting held on 02nd April, 2021. Hence, there was nil utilisation of funds raised through preferential allotment as on 31/03/2021. Except the aforesaid allotment there were no other fund raising action as specified under Regulation 32 (7A) during the financial year 2020-21.

(viii) Certificate from a Company Secretary in Practice:

The Company has obtained a certificate from D. Renuka, Company Secretary in Practice that none of the Directors on the Board of the Company, have been disbarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The said certificate is attached to this report as **Annexure A**.

(ix) Instances of not accepted any recommendation of any committee of the Board

There is no such instance where Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

(x) Details of the fees paid to Statutory Auditors:

Tukaram & Co LLP, Chartered Accountants, (ICAI FRN: 004436S) have been appointed as the statutory auditor of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:

Particulars	Amount (₹ In Lakhs)
Audit Fee	5.00
Certifications (including limited review report)	2.00
Total	**7.00**

(ix) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a.	number of complaints filed during the financial year	Nil
b.	number of complaints disposed of during the financial year	N.A.
c.	number of complaints pending as on end of the financial year.	N.A.

14. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

Our company has complied with all requirements of corporate governance report for the FY 2020-21.

15. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 SHALL BE MADE IN THE SECTION ON CORPORATE GOVERNANCE OF THE ANNUAL REPORT

Our Company has complied with all the provisions of the above said Regulations of SEBI Listing Regulations for the FY 2020-21.

The Company does not have any Demat Suspense account/unclaimed suspense account.

16. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The auditor's certificate on corporate governance is provided as **Annexure B** to this corporate governance report.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To
The Members of
Suven Life Sciences Limited

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2021.

For Suven Life Sciences Limited

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Place: Hyderabad,
Date: 4th May, 2021

Annexure-A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of Suven Life Sciences Limited
Registered Office: # 8-2-334, SDE Serene Chambers,
6th Floor, Road No. 5, Banjara Hills, Hyderabad-500034

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Suven Life Sciences Limited having CIN L24110TG1989PLC009713 and having registered office at 8-2-334, SDE Serene Chambers, 6th Floor, Road No. 5, Banjara Hills, Hyderabad - 500034 Telangana (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment in Company
1	VENKATESWARLU JASTI	00278028	09/03/1989
2	SUDHARANI JASTI	00277998	09/03/1989
3	SEYED EHTESHAM HASNAIN	02205199	30/04/2010
4	GOPALAKRISHNA MUDDUSETTY	00088454	14/11/2012
5	SANTANU MUKHERJEE	07716452	15/05/2018
6	ANANTHASAI PADMAJA JASTHI	07484630	14/11/2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Name: **D. RENUKA**
Membership No.: A11963
CP No.: 3460
UDIN: A011963C000237265

Place: Hyderabad
Date : 4th May, 2021

Annexure-B

INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Suven Life Sciences Limited.

1. We, M/s. TUKARAM & CO LLP, Chartered Accountants, the Statutory Auditors of Suven Life Sciences Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (" SEBI Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. 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.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2021.

8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For TUKARAM & CO LLP
Chartered Accountants
(ICAI Firm Registration No: 004436S)

Rajender Reddy K
Partner
Membership No. 231834
UDIN: 21231834AAAABK1891

Place: Hyderabad
Date: 04/05/2021

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS` REPORT

To the Members of
Suven Life Sciences Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Suven Life Sciences Limited** ('the Company') which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its loss including other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 standalone 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 standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate 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	**Investment in Subsidiary:** The carrying value of investment in the subsidiary as at 31st March, 2021 is ₹29,502.55 Lakhs. This investment is reviewed at the end of each reporting period to determine whether there is any indication of impairment. If such evidence exists, impairment loss is determined and recognised in accordance with Note 2(p) of accounting policies to the standalone Ind AS financial statements. We have identified the assessment of impairment indicators and resultant provision, if any, in respect of investment in subsidiary as a key audit matter because of: • The significance of the amount of this investment in the Standalone Balance Sheet. • Performance and net worth of these entities and • The degree of management judgement involved in determining the recoverable amount of these investments including: – Valuation assumptions, such as discount rates. – Business assumptions used by management, such as sales growth and costs and the resultant cash flows projected to be generated from these investments.	Our audit procedures in respect of impairment of investment in subsidiary included the following: – Testing design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models; – Assessing the valuation methodology used by management and management review control is around making the assessment and testing the mathematical accuracy of the impairment models; – Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data; – Challenging the appropriateness of the business assumptions used by management, such as sales growth, cost and the probability of success of new products; – Evaluating past performances where relevant and assessed historical accuracy of the forecast produced by management; – Enquiring and challenging management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash flows; – Considering whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached and the associated disclosures; and – Performing sensitivity analysis of key assumptions, including future revenue growth rates, costs and the discount rates applied in the valuation models.

S. No	Key Audit Matters	Auditor's Response
2.	**Identification and disclosures of Related Parties:** (as described in Note-29 of the standalone 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 29 of the standalone 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 standalone Ind AS financial statements for compliance with Ind AS 24.

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

The 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 Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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 standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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 Standalone Ind AS Financial Statements

The 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether these standalone 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 standalone 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 standalone 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.

- 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 has 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 Company's ability 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 standalone 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 standalone 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("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 paragraphs 3 and 4 of the Order, to the extent applicable.

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.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021, from being appointed as a director 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 Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure-B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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 Company to its directors during the year is in accordance with the provisions of section 197 and Schedule V 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:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note 30 to the financial statements

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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

Rajender Reddy K
Partner
Membership No.231834
UDIN:21231834AAAABE9333

Place: Hyderabad
Date: 4th May, 2021

Annexure – A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March, 2021, we report that:

Re: Suven Life Sciences Limited ('the Company')

i. In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the management has physically verified a substantial portion of the fixed assets during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification of fixed assets as compared to the books of account were not material and have been properly dealt with in the books of accounts.

(c) In our opinion and according to the information and explanations given to us, all the title deeds of immovable properties are held in the name of the Company. On account of demerger, the following immovable property and Vehicles transferred to Suven Pharmaceuticals Limited (Resultant Company) are still in the name of Suven Life Sciences Limited.

S. No	Particulars	Amount ₹
1	Land	1,504.64 Lakhs
2	Buidings	8,505.85 Lakhs

ii. In respect of its inventories.: According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of accounts.

iii. The Company has granted unsecured loans to one company covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

a. In our opinion, the rate of interest and other terms and conditions on which the unsecured loan has been granted to the company listed in the register maintained under Section 189 of the Act is not, prima facie, prejudicial to the interest of the Company.

b. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.

c. The Principal and interest are not overdue in respect of loan granted to the company listed in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.

vi. In respect of Company, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act in respect of the Activities of the Company. Accordingly, paragraph 3(vi) of the order is not applicable to the Company.

vii. In respect of Statutory dues:

(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods & Service Tax, duty of customs, duty of excise, cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us by management, there are no dues outstanding of income-tax, Goods & service tax, service tax, customs duty, value added tax and cess that have not been deposited on account of any dispute.

viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks, governments and financial institutions. The Company did not have any debentures outstanding as at the year end.

ix. Based on the information and explanations given to us by the management, the Company has not raised any moneys by way of initial public offer or further public offer of equity shares, convertible securities and debt securities. No term loans were taken during the year by the Company.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud, by the Company or on the Company by its officers or employees, has been noticed or reported during the year.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has approved the issue of preferential allotment of share warrants in accordance with section 42 of the companies act 2013. As at 31st March 2021 company has received ₹36.92 Crores application money for which allotment is pending and the amount has been parked in a separate bank account in a scheduled bank.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45- IA of the Reserve Bank of India Act 1934.

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

Rajender Reddy K
Partner
Membership No.231834
UDIN:21231834AAAABE9333

Place: Hyderabad
Date: 4th May, 2021

Annexure – B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Suven Life Sciences Limited** ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is 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 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 Company's internal financial controls over financial reporting 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 standalone 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 Company's internal financial controls system over financial reporting.

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 standalone 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 standalone 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 standalone 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 Company 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, 2021, 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

Rajender Reddy K
Partner
Membership No.231834
UDIN:21231834AAAABE9333

Place: Hyderabad
Date: 4th May, 2021

STANDALONE BALANCE SHEET

as at 31st March, 2021

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,774.48	2,063.88
Capital work-in-progress	3	477.40	-
Intangible assets	4	13.60	15.13
Right of Use assets	5(a)	308.18	390.36
Financial assets			
(i) Investments	6(a)(i)	29,502.55	24,181.31
(ii) Loans	6(c)	-	9,125.25
Total Non-current assets		**32,076.21**	**35,775.93**
Current assets			
Inventories	9	14.15	-
Financial assets			
(i) Investments	6(a)(ii)	8.57	4.94
(ii) Trade receivables	6(b)	176.19	227.05
(iii) Cash and cash equivalents	6(d)(i)	129.07	70.76
(iv) Bank balances other than (iii) above	6(d)(ii)	3,730.12	41.66
(v) Loans	6(c)	4,144.87	4,200.70
Current tax asset(net)	8	534.78	458.10
Other current assets	10	724.63	196.56
Total Current assets		**9,462.39**	**5,199.76**
TOTAL ASSETS		**41,538.60**	**40,975.69**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	1,272.82	1,272.82
Warrants Pending allotment	11(b)	3,692.00	-
Other equity	11(c)	35,200.63	37,494.53
Total Equity		**40,165.46**	**38,767.35**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease Liability	5(b)	232.60	293.50
(ii) Borrowings	12(a)	39.25	108.49
Provisions	13	172.87	172.07
Deferred tax liabilities (net)	7	-	586.60
Other non-current liabilities	14	5.56	46.63
Total Non-current liabilities		**450.28**	**1,207.29**
Current liabilities			
Financial liabilities			
(i) Lease Liability	5(b)	110.11	104.87
(ii) Trade payables			
(a) Total outstanding dues to Micro and Small Enterprises	12(b)	19.60	28.42
(b) Total outstanding dues to creditors other than Micro and Small Enterprises	12(b)	279.95	549.78
(iii) Other financial liabilities	12(c)	362.55	180.12
Provisions	13	78.34	73.30
Other current liabilities	15	72.30	64.57
Total Current liabilities		**922.86**	**1,001.05**
TOTAL LIABILITIES		**1,373.14**	**2,208.34**
TOTAL EQUITY AND LIABILITIES		**41,538.60**	**40,975.69**
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

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

Rajender Reddy K
Partner
Membership No. 231834

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 : 4th May, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2021

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31st March, 2021	Year ended 31st March, 2020
Income			
Revenue from operations	16	1,347.83	1,441.47
Other income	17	775.37	1,403.63
Total Income		**2,123.20**	**2,845.10**
Expenses			
Employee benefits expense	18	1,528.50	1,459.51
Research & Development expenses	19	2,517.04	2,594.44
Finance costs	20	81.54	48.71
Depreciation and amortisation expense	21	434.62	416.87
Other expenses	22	356.99	919.19
Total Expenses		**4,918.69**	**5,438.71**
Profit/(Loss) before tax		**(2,795.49)**	**(2,593.61)**
Tax expense			
Current tax	23	-	197.18
Deferred tax	23	(570.12)	(1,446.34)
Tax of earlier years		37.84	30.87
Profit/(Loss) for the year		**(2,263.21)**	**(1,375.32)**
Other Comprehensive Income			
Items that will not be reclassified to Statement of profit or loss			
Remeasurements gains (losses) on defined benefit plans		(47.15)	(45.41)
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	15.87
Other Comprehensive Income for the year, (net of taxes)		**(30.67)**	**(29.54)**
Total Comprehensive Income for the year		**(2,293.88)**	**(1,404.86)**
Earnings per Equity share (Par value of ₹1 each)			
Basic	31	(1.78)	(1.08)
Diluted	31	(1.78)	(1.08)
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

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

Rajender Reddy K
Partner
Membership No. 231834

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 : 4th May, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2021

a. Equity share capital

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars	Number of Shares	Equity share capital
As at 1st April, 2019	**12,72,82,478**	**1,272.82**
Changes in equity share capital during the year	-	-
As at 31st March, 2020	**12,72,82,478**	**1,272.82**
Changes in equity share capital during the year	-	-
As at 31st March, 2021	**12,72,82,478**	**1,272.82**

b. Other Equity

Particulars	Note	Reserves & surplus			
		Securities Premium	General reserve	Retained earnings	Total Equity
Balance at 1st April, 2019		**11,081.49**	**4,336.12**	**23,481.78**	**38,899.39**
Profit /(Loss) for the year	11(c)	-	-	(1,375.32)	(1,375.32)
Other comprehensive income	11(c)	-	-	(45.41)	(45.41)
Income tax relating to items of other comprehensive income		-	-	15.87	15.87
Transfer to General Reserve	11(c)	-	-	-	-
Transfer from Retained Earnings	11(c)		-	-	-
Total comprehensive income for the year		**-**	**-**	**(1,404.86)**	**(1,404.86)**
Dividend paid	11(c)	-	-	-	-
Tax on distributed profit	11(c)	-	-	-	-
Balance at 31st March, 2020		**11,081.49**	**4,336.12**	**22,076.92**	**37,494.53**
Balance at 1st April, 2020		**11,081.49**	**4,336.12**	**22,076.92**	**37,494.53**
Profit/(Loss) for the year	11(c)	-	-	(2,263.21)	(2,263.21)
Other comprehensive income	11(c)	-	-	(47.15)	(47.15)
Income tax relating to items of other comprehensive income	11(c)	-	-	16.48	16.48
Transfer to General Reserve		-	-	-	-
Transfer from Retained Earnings		-	-	-	-
Total comprehensive income for the year		**-**	**-**	**(2,293.89)**	**(2,293.89)**
Dividend paid		-	-	-	-
Tax on distributed profit		-	-	-	-
Balance at 31st March, 2021		**11,081.49**	**4,336.12**	**19,783.03**	**35,200.63**

Refer Note 11(c) 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 : 4th May, 2021

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

STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31st March, 2021

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
A. Cash flow from operating activities			
Profit/(Loss) before tax		(2,795.49)	(2,593.61)
Adjustments :			
Depreciation and amortisation expense		352.44	396.33
Interest Income		(697.91)	(1,321.31)
Finance Cost		81.54	48.71
Unrealised/sale of Gain on Current Investment		(6.06)	(50.22)
Operating profit before working capital changes		**(3,065.49)**	**(3,520.10)**
Adjustments for (Increase)/decrease in operating assets			
Trade Receivables		50.86	37.38
Inventories		(14.15)	-
Other non current assets		82.18	(390.36)
Other current assets		(436.51)	116.83
Adjustments for Increase/(decrease) in operating liabilities			
Trade Payables		(278.64)	(130.39)
Long term provisions		0.80	23.43
Other non-current liabilities		(41.07)	(29.06)
Short term provision		(42.11)	(35.29)
Other financial liabilities		182.43	(309.86)
Other current liabilities		7.73	0.50
Cash generated from operating activities		**(3,553.97)**	**(4,236.94)**
Income taxes paid (net of refunds)		114.52	278.12
Net Cash flows from operating activities	(A)	**(3,668.49)**	**(4,515.06)**
B. Cash flow from Investing activities			
Payments for Purchase of property, plant and equipment, including intangible assets, capital work-in-progress		(630.47)	(238.51)
Other non current financial assets		9,125.25	(9,125.25)
Other current financial assets		55.83	549.12
Interest received		697.91	1,321.31
Changes in Investments		(5,321.24)	(10,544.97)
Sale/(purchase) of mutual funds		2.43	22,237.66
Bank balances not considered as cash and cash equivalents		(3,688.47)	4.13
Net cash flow from /(used in) investing activities	(B)	**241.23**	**4,203.49**

STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31st March, 2021

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
C. Cash flows from financing activities			
(Repayment)/Proceeds from borrowings		(69.24)	(69.04)
Proceeds from Share Warrants		3,692.00	-
Changes In Lease Liability		(55.66)	398.36
Finance Cost		(81.54)	(54.03)
Net cash flow from /(used In) financing activities	**(C)**	**3,485.56**	**275.29**
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	58.31	69.49
Cash and cash equivalents as at the beginning of the year (Refer Note 6(d) (i))		70.76	1.27
Cash and cash equivalents at the end of the year		**129.07**	**70.76**
Cash and cash equivalents (Refer Note 6(d)(i))		129.07	70.76
Balances per statement of cash flows		**129.07**	**70.76**

This is the Statement of Cash Flows 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 : 4th May, 2021

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 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 commercialisation 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 characterised 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 commercialisation 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

Suven is a 32-year-old company, has demerged its CRAMS business undertaking during the previous year to Suven Pharmaceuticals Limited (Resulting Company as per Scheme) integrated with CDMO business of Resulting Company.

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 commercialisation 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.

2 Significant accounting policies

a) Basis of preparation of Financial Statements

(i) Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

(ii) Basis of measurement

The 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
- 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 Company 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

- 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 27 for the segment information presented.

d) Foreign currency translation

(i) Functional and presentation currency

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

(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:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

- 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 is 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 24)

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 recognised 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 derecognised 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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:

(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 capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(ii) Amortisation methods and periods

Intangible assets with finite useful live are amortised 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.

Estimated useful life :

Software 3 - 10 years

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 realisable 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 realisable 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 1st April, 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 recognised 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 recognises 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 recognises 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 recognised 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 amortised cost at the present value of the future lease

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 recognised 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 recognised 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).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 recognised in the statement of profit and loss.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

render the related service are recognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised as employee benefit expense when they are due. Prepaid

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Bonus plans

The group recognises a liability and an expense for bonuses. The group recognises 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 recognised amounts and there is an intention to settle on a net basis or realise 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 capitalised 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 capitalisation.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 authorised 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 1st April, 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 amortisation 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 STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

Particulars	Land - Free Hold	R&D Equipments	Furniture & Fixtures	Office Equipments	EDP Equipments	Total	Capital work-in-progress
Gross carrying amount							
At 1st April,2019	**31.79**	**7,223.92**	**40.96**	**18.30**	**14.64**	**7,329.60**	
Exchange differences	-	-	-	-	-	-	
Additions	-	179.78	4.42	1.29	7.75	193.23	-
Disposals	-	217.41	-	-	-	217.41	-
Balance as at 31st March,2020	**31.79**	**7,186.29**	**45.38**	**19.59**	**22.39**	**7,305.43**	**-**
Accumulated depreciation							
At 1st April,2019	**-**	**5,042.66**	**7.63**	**6.66**	**5.86**	**5,062.80**	**-**
Charge for the year	-	383.67	3.91	3.72	4.86	396.16	-
Disposals	-	217.41	-	-	-	217.41	-
Exchange difference	-	-	-	-	-	-	-
Balance as at 31st March,2020	**-**	**5,208.92**	**11.54**	**10.37**	**10.72**	**5,241.54**	**-**
Gross carrying amount							
At 1st April,2020	**31.79**	**7,186.29**	**45.38**	**19.59**	**22.39**	**7,305.43**	**-**
Exchange difference	-	-	-	-	-	-	-
Additions	-	144.24	0.29	1.28	7.26	153.07	477.40
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 and impairment							
Upto 1st 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	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	-
Balance as at 31st March,2021	**-**	**4,552.21**	**15.90**	**14.06**	**14.99**	**4,597.16**	**-**
Net Book Value for 31st March,2021	**31.79**	**1,694.68**	**29.76**	**6.81**	**11.45**	**1,774.48**	**477.40**
Net Book Value for 31st March, 2020	**31.79**	**1,977.37**	**33.84**	**9.22**	**11.67**	**2,063.88**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 4: Intangible assets

	Software	Total
Gross carrying amount		
At 1st April, 2019	**-**	**-**
Additions	15.30	15.30
Disposals	-	-
Balance as at 31st March, 2020	**15.30**	**15.30**
Accumulated amortisation		
Upto 1st April, 2019	**-**	**-**
Charge for the year	0.17	0.17
Balance as at 31st March, 2020	**0.17**	**0.17**
Gross carrying amount		
At 1st April, 2020	**15.30**	**15.30**
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2021	**15.30**	**15.30**
Accumulated amortisation and impairment		
Upto 1st 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**
Net Book Value for 31st March, 2021	**13.60**	**13.60**
Net Book Value for 31st March, 2020	**15.13**	**15.13**

Note 5: Leases

Note 5(a): Right of Use Assets

Particulars	31st March, 2021	31st March, 2020
Opening Balance	**390.36**	**-**
Addition on account of transition to IndAS 116	-	-
Addition	-	410.90
Less: Depreciation expense	82.18	20.54
Closing Balance	**308.18**	**390.36**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 5(b): Lease Liabilities

Particulars	31st March, 2021	31st March, 2020
Opening Balance	**398.36**	**-**
Addition on account of transition to IndAS 116	-	-
Addition	-	410.90
Add: Accretion of interest	49.21	13.35
Less: Payments	104.86	25.89
Closing Balance	**342.71**	**398.36**

Maturity analysis of lease liabilities is as follows (Undiscounted Basis)

Particulars	31st March, 2021	31st March, 2020
Within one year	110.11	104.87
After one year but not more than three years	331.43	347.12
More than four years	-	94.42

The following are the amounts recognised in statement of profit and loss:

Particulars	31st March, 2021	31st March, 2020
Depreciation expense on right-of-use assets	82.18	20.55
Interest expense on lease liabilities	49.21	13.35
Expense relating to short-term leases and low-value assets (included in other expenses)	-	-
Total amount recognised in statement of profit and loss	**131.39**	**33.90**

Statement showing impact of adoption of Ind AS 116 on statement of cash flows for the year ended 31st March, 2021

Particulars	Excluding impact of Ind AS 116	Impact due to adoption of Ind AS 116	As per financial statements
Cash flows from operating activities	-	131.39	131.39
Cash flows from financing activities	-	(131.39)	(131.39)

Statement showing impact of adoption of Ind AS 116 on statement of cash flows for the year ended 31st March, 2020

Particulars	Excluding impact of Ind AS 116	Impact due to adoption of Ind AS 116	As per financial statements
Cash flows from operating activities	-	33.90	33.90
Cash flows from financing activities	-	(33.90)	(33.90)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 6: Financial assets

6 (a) (i) Non-current investments

Particulars	31st March, 2021		31st March, 2020	
	Quantity	Amount	Quantity	Amount
Investment carried at cost				
Unquoted Equity Instruments - (Fully paid up)				
a) In Subsidiary Companies				
-Equity shares of Suven Neurosciences Inc. At par value USD 0.0001	10,00,000	0.07	10,00,000	0.07
-Additional paid-in capital in Suven Neurosciences Inc.	-	29,502.48	-	24,181.24
Total Investments carried at cost	**10,00,000**	**29,502.55**	**10,00,000**	**24,181.31**
Total Non-Current investments	**10,00,000**	**29,502.55**	**10,00,000**	**24,181.31**
Aggregate amount of quoted investments & market value thereof		-		-
Aggregate value of unquoted investments		29,502.55		24,181.31
Aggregate amount of impairement in value of Investment in unquoted equity investments		-		-

6 (a) (ii) Current investments carried at Fair value through profit and loss

Particulars	31st March, 2021		31st March, 2020	
	Quantity	Amount	Quantity	Amount
Investment in Mutual Funds- Unquoted (Fully paid up)				
SBI Infrastructure Fund	50,000	8.57	50,000	4.94
Total Current Investments	**50,000**	**8.57**	**50,000**	**4.94**
Aggregate amount of quoted investments & market value thereof		-		-
Aggregate value of unquoted investments		8.57		4.94
Aggregate amount of impairment in value of Investment in unquoted investments		-		-

6(b) Trade receivables

Particulars	31st March, 2021	31st March, 2020
Current Trade Receivables		
Unsecured, considered good*	176.19	227.05
Total receivables	**176.19**	**227.05**

*No Trade Receivables are due from directors or other officers of the Company, either severally or jointly with any other person. Refer Note No. 29 for dues from other related parties.

6(c) Loans

Particulars	31st March, 2021		31st March, 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to employees	0.05	-	0.70	-
Loan to Related party*	4,144.82	-	4,200.00	9,125.25
Total loans	**4,144.87**	**-**	**4,200.70**	**9,125.25**

*No loans are due from directors or other officers of the Company either severally or jointly with any other person. Refer Note No. 29 for dues from other related parties.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

6(d) (i) Cash and cash equivalents

Particulars	31st March, 2021	31st March, 2020
Balances with banks		
-in current accounts	128.36	69.52
Cash on hand	0.71	1.24
Total cash and cash equivalents	**129.07**	**70.76**

6(d) (ii) Other bank balances

Particulars	31st March, 2021	31st March, 2020
In unclaimed dividend accounts	38.12	41.66
Share warrant bank balances (Refer Note No. 35)	3,692.00	-
Total Other bank balances	**3,730.12**	**41.66**

*There are no amounts due for payment to Investor Education and Protection Fund under section 125 of Companies Act, 2013 as at 31st March, 2021.

Note 7: Deferred tax assets /(liabilities)

The balances comprises temporary differences attributable to :

Particulars	31st March, 2021	31st March, 2020
Carried Forward Loss	889.14	-
DST Loan	3.76	10.59
IndAS 116	12.07	2.80
Gratuty & Leave encashment	87.78	85.74
DST Grant	5.66	-
Other items		
Others-MAT credit	-	-
Total Deferred tax assets	**998.41**	**99.13**
Set-off of deferred tax liabilities pursuant to set-off provisions		
- Depreciation	590.08	685.73
- Unrealised capital gains on MF	1.27	-
Total Deferred tax Liabilities	**591.35**	**685.73**
Total deferred tax assets/(Liabilities) (net)	**407.06**	**(586.60)**

NOTE:

In accordance with the Ind AS 12 -The deferred tax asset arising from timing differences are recognised 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.

Note 8: Current tax asset (net)

Particulars	31st March, 2021	31st March, 2020
Advance tax balance	9,924.48	9,809.96
Less: Provision for income tax	9,389.70	9,351.86
Total Current tax asset (net)	**534.78**	**458.10**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 9: Inventories(Valued at lower of cost or Net Realisable Value)

Particulars	31st March, 2021	31st March, 2020
Lab Materials	14.15	-
Total inventories	**14.15**	**-**

Note 10: Other current assets

Particulars	31st March, 2021	31st March, 2020
Unsecured, considered good		
GST Receivable	399.43	102.30
Insurance Claim Receivable	228.42	-
Pre paid expenses	41.20	34.99
Advances to Material Suppliers	35.99	28.99
Advances to service providers	13.77	24.56
Others advances	5.81	5.72
Total other current assets	**724.63**	**196.56**

Note 11: Equity share capital and other equity

11(a) Equity share capital

Particulars	31st March, 2021	31st March, 2020
Authorised Capital		
200,000,000 Equity shares of ₹1 /- each (31st March, 2020: 200,000,000 Equity shares of ₹1 /- each)	2,000.00	2,000.00
	2,000.00	**2,000.00**
Issued, Subscribed and fully paid up		
12,72,82,478 Equity shares of ₹1/- each (31st March, 2020:12,72,82,478 Equity shares of ₹1/- each)	1,272.82	1,272.82
	1,272.82	**1,272.82**

11(a).1 Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	31st March, 2021		31st March, 2020	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	12,72,82,478	1,272.82	12,72,82,478	1,272.82
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**12,72,82,478**	**1,272.82**	**12,72,82,478**	**1,272.82**

11(a).2 Terms/ rights attached to equity shares

Equity shares have a par value of ₹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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

11(a).3 Shares of the Company held by holding company

Particulars	31st March, 2021	31st March, 2020
Jasti Property and Equity Holdings Private Limited		
76,365,000 Equity shares of ₹1/- each (Previous year:76,365,000)	7,63,65,000	7,63,65,000

11(a).4 Details of shareholders holding more than 5% shares in the Company

Particulars	31st March, 2021		31st March, 2020	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Jasti Property and Equity Holdings Private Limited	7,63,65,000	60.00%	7,63,65,000	60.00%

11(b) Warrants pending for allotment

For details of Issue of Warrants, refer note no: 35

11(c) Other equity

Particulars	31st March, 2021	31st March, 2020
Securities premium	11,081.49	11,081.49
General reserve	4,336.12	4,336.12
Retained earnings	19,783.03	22,076.92
Total other equity	**35,200.63**	**37,494.53**

(i) Securities premium

Particulars	31st March, 2021	31st March, 2020
Opening balance	11,081.49	11,081.49
Less: Transfer during the period	-	-
Closing Balance	**11,081.49**	**11,081.49**

(ii) General Reserve

Particulars	31st March, 2021	31st March, 2020
Opening balance	4,336.12	4,336.12
Less: Transfer during the period	-	-
Closing Balance	**4,336.12**	**4,336.12**

(iii) Retained earnings

Particulars	31st March, 2021	31st March, 2020
Opening balance	22,076.92	23,481.78
Net loss for the year	(2,263.21)	(1,375.32)
Other Comprehensive Income	-	-
- Remeasurements of post employment benefit obligation, net of tax	(30.68)	(29.54)
Closing balance	**19,783.03**	**22,076.92**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

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 to general reserve, dividends or other distribution to share holders.

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 12: Financial liabilities

12(a) Non-current borrowings

Particulars	31st March, 2021	31st March, 2020
Unsecured		
Loan from Department of Science & Technology, Government of India-I	92.61	125.43
Terms of repayment: 10 Annual installments of ₹50 Lakhs each commencing from October 2013 which is repayable by 1st October, 2022 at the Rate of Interest of 3%	-	-
Loan from Department of Science & Technology, Government of India-II	41.05	77.46
Terms of repayment: 10 Annual installments of ₹44.40 Lakhs each commencing from February 2013 which is repayable by 14th February, 2022 at the Rate of Interest of 3%		
Total non-current borrowings	**133.65**	**202.89**
Less: Current maturities of Non-current borrowings (included in note 12(c))	94.40	94.40
Non-current borrowings	**39.25**	**108.49**

12(b) Trade payables

Particulars	31st March, 2021	31st March, 2020
Dues to micro enterprises and small enterprises (Refer Note below)	19.60	28.42
Dues to creditors other than micro enterprises and small enterprises	279.95	549.78
Total trade payables	**299.56**	**578.20**

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 STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars	31st March, 2021	31st March, 2020
Principal amount remaining unpaid to any supplier as at the end of the accounting year	19.60	28.42
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.00	0.01
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	-	0.01
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	0.00
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 25 for the Company's liquidity Risk Management Process.)

12(c) Other Financial liabilities

Particulars	31st March, 2021	31st March, 2020
Current		
Current maturities of non-current borrowings(Refer Note 12(a))	94.40	94.40
Liabilities for expenses	113.94	44.06
Payable for Capital Goods	116.09	-
Unpaid dividend on equity shares	38.12	41.66
Total other current financial liabilities	**362.55**	**180.12**

Note 13: Provisions

Particulars	31st March, 2021		31st March, 2020	
	Current	Non-Current	Current	Non-Current
Provision for Employee benefits				
-Leave obligations	40.96	69.30	35.92	69.79
-Gratuity	37.37	103.57	37.37	102.27
	78.34	**172.87**	**73.30**	**172.07**

Employee Benefit Plans

(i) Defined Contribution plans

Particulars	31st March, 2021	31st March, 2020
Provident Fund	109.22	91.93
State Defined Contribution Plans		
Employees State Insurance	1.24	2.24

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

(ii) 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 recognised 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
1st April, 2019	**268.73**	**179.28**	**89.46**
Current service cost	24.77	-	24.77
Interest expense/(income)	18.88	13.77	5.10
Total amount recognised in profit or loss	**312.38**	**193.05**	**119.33**
Remeasurements			
- Experience adjustments	21.58	(18.84)	40.43
- Financials assumptions	22.05	-	22.05
Return on plan assets (excluding Interest Income)	-	(1.78)	1.78
Experience (gains)/loss	-	-	-
Total amount recognised in other comprehensive income	**356.01**	**172.43**	**183.58**
Employer contributions	-	-	-
Benefit payments	(43.93)	-	-43.93
Others	-	-	-
Interest adjustment	-	-	-
31st March, 2020	**312.08**	**172.43**	**139.65**
1st April, 2020	**312.08**	**172.43**	**139.65**
Current service cost	6.16	-	6.16
Interest expense/(income)	1.32	13.01	(11.69)
Total amount recognised in profit or loss	**319.56**	**185.44**	**134.12**
Remeasurements			
- Experience adjustments	12.55	-	12.55
- Financials assumptions	(3.23)	-	(3.23)
Return on plan assets (excluding Interest Income)	-	(1.74)	1.74
Experience (gains)/loss	-	-	-
Total amount recognised in other comprehensive income	**328.88**	**183.70**	**145.18**
Employer contributions	-	37.53	(37.53)
Benefit payments	(14.26)	(0.27)	(13.99)
Others	39.70	31.41	8.29
31st March, 2021	**354.32**	**252.37**	**101.95**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Reconcilation of Liability

Particulars	31st March, 2021	31st March, 2020
Present value of obligation as at the beginning of the period	312.08	268.73
Interest cost	20.77	18.88
Past service cost - (Vested Benefits)	-	-
Current service cost	26.41	24.77
Benefits paid	(14.26)	(43.93)
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Financial Assumptions	(3.23)	22.05
Actuarial (gain)/loss on obligation	12.55	21.58
Present value of obligation as at the end of the period	**354.32**	**312.08**

Reconcilation of Plan Assets

Particulars	31st March, 2021	31st March, 2020
Fair value at beginning	172.43	179.28
Interest income	13.01	13.77
Remeasurements-Experience adjustments		(18.84)
Employers contribution	37.53	-
Employer Direct Benefit Payments	13.99	43.93
Benefit Payments from Plan Assets	(0.26)	-
Benefit Payments from Employer	(13.99)	(43.93)
Return on plan assets	(1.74)	(1.78)
Adjustment to Opening Balance, Other Expenses & Increase/ Decrease due to Plan Combination	31.40	-
Fair value at the End	**252.37**	**172.43**

(iii) Post-employment benefits (pension and gratuity)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	31st March, 2021	31st March, 2020
Discount rate	6.91%	6.81%
Salary growth rate	9.00%	9.00%
Attrition rate	6.50%	6.50%

(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	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Discount rate	1%	1%	324.48	286.13	388.90	342.24
Salary growth rate	1%	1%	374.29	331.15	334.38	292.25
Attrition rate	1%	1%	354.24	310.63	354.38	313.67

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Expected cash flows over the next (valued on undiscounted basis):	Amount (INR)
1 year	33.67
2 to 5 Years	100.01
6 to 10 years	141.29

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:

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

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.Theses 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 ₹85.22 Lakhs (31st March, 2020 : ₹57.24 Lakhs).

Note 14: Government grants

Particulars	31st March, 2021	31st March, 2020
Opening Balance	75.70	104.76
Provision recognised/(reversed) during the year	59.49	29.06
Closing Balance	**16.21**	**75.70**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars	31st March, 2021	31st March, 2020
Current portion	10.64	29.06
Non-current portion	5.56	46.63

Note 15: Other current liabilities

Particulars	31st March, 2021	31st March, 2020
Government grants	10.64	29.06
Advance from customers	1.86	1.00
Statutory liability	59.80	34.50
Total other current liabilities	**72.30**	**64.57**

Note 16: Revenue from operations

Particulars	31st March, 2021	31st March, 2020
Sale of Services	1,347.83	1,441.47
	1,347.83	**1,441.47**

Note 17: Other income

Particulars	31st March, 2021	31st March, 2020
Interest income		
On Inter Corporate Deposit	697.91	1,321.31
Government Grants	59.49	29.06
Credit balances written back	-	3.04
Scrap sales	11.91	-
Gain on Financial Assets	6.06	50.22
	775.37	**1,403.63**

Note 18: Employee benefits expense

Particulars	31st March, 2021	31st March, 2020
Salaries, Wages & Bonus	1,403.76	1,298.11
Contribution to Provident & other funds	110.46	94.16
Gratuity Expense	7.48	42.93
Staff Welfare Expenses	6.80	24.30
	1,528.50	**1,459.51**

Note 19: Research & Development expenses

Particulars	31st March, 2021	31st March, 2020
R & D Materials	360.79	298.96
Patent Related Expenses	1,077.11	1,106.28
Lab Maintenance	655.00	527.07
R & D Other Expenses	424.13	662.13
	2,517.04	**2,594.44**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 20: Finance costs

Particulars	31st March, 2021	31st March, 2020
Interest & Expenses		
On Borrowings	32.33	35.35
On Lease Liability	49.21	13.35
	81.54	**48.71**

Note 21: Depreciation and amortisation expense

Particulars	31st March, 2021	31st March, 2020
Depreciation of property, plant and equipment (Refer Note 3)	350.91	396.16
Amortisation of intangible assets (Refer Note 4)	1.53	0.17
Depreciation on Right of Use assets (IndAS116) (Refer Note 5)	82.18	20.55
	434.62	**416.87**

Note 22: Other expenses

Particulars	31st March, 2021	31st March, 2020
Rent	-	-
Service Tax	-	178.67
Insurance	71.46	16.49
Communication Charges	28.82	16.68
Travelling & Conveyance	87.74	199.60
Bank Charges	9.66	5.32
Power & Fuel	-	163.21
Printing & Stationery	3.37	5.75
Professional Charges	35.14	7.28
Payments to Auditors (Refer note 22(a)below)	7.04	7.00
Repairs & Maintenance - others	10.31	2.27
Corporate Social Responsibility(Refer note 22(b)below)	-	268.78
Foreign Exchange Loss (Net)	41.38	19.38
Consumable stores	3.28	-
Clearing & Forwarding	0.41	-
General Expenses	58.39	28.74
	356.99	**919.19**

Note 22(a): Details of payments to auditors

Particulars	31st March, 2021	31st March, 2020
Payment to auditors		
As auditor:		
Statutory Audit fee	5.00	5.00
In other capacity		
Other services	2.00	2.00
Re-imbursement of out -of- pocket expenses	0.04	-
	7.04	**7.00**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 22(b): Corporate social responsibility expenditure

Particulars	31st March, 2021	31st March, 2020
Amount required to be spent as per section 135 of the Act	-	268.78
Amount spent during the year on	-	-
(i) Construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above	-	268.78

Note 23: 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.

(a) Income tax expense

Particulars	31st March, 2021	31st March, 2020
Current tax		
Current tax on profits for the year	-	197.18
Adjustments for current tax of prior periods	37.84	30.87
Total current tax expense	**37.84**	**228.05**
Deferred tax		
Decrease(increase) in deferred tax assets	-	-
Increase(decrease) in deferred tax liabilities	(570.12)	(1,446.34)
Total Deferred tax expense/(benefit)	**(570.12)**	**(1,446.34)**
Income tax expense	**(532.28)**	**(1,218.29)**
Income tax expense is attributable to:		
Profit from operations	**(532.28)**	**(1,218.29)**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	31st March, 2021	31st March, 2020
Profit from operations before income tax expenses	(2,795.50)	(2,593.61)
Tax at the Indian tax rate of 34.944% (2019-20 -33.384%)	**(976.86)**	**(865.85)**
Computed expected tax expense:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Deferred tax asset not recognised	407.06	-
Weighted deduction on research and development expenditure	-	(470.22)
Corporate social responsibility expenditure	-	89.73
Tax of earlier years	37.84	30.87
Others	(0.32)	(2.82)
Income tax expenses	**(532.28)**	**(1,218.29)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Financial instruments and risk management

Note 24: Fair value measurements

	31st March, 2021		31st March, 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments				
-Mutual funds	8.57	-	4.94	-
Trade Receivables	-	176.19	-	227.05
Loans	-	4,144.87	-	4,200.70
Cash and Cash equivalents	-	129.07	-	70.76
Bank Balances	-	3,730.12	-	41.66
Total Financial Assets	**8.57**	**8,180.25**	**4.94**	**4,540.17**
Financial Liabilities				
Borrowings	-	39.25	-	108.49
Current maturities of long-term debt	-	94.40	-	94.40
Unpaid dividends	-	38.12	-	41.66
Trade Payables	-	299.56	-	578.20
Lease liability	-	342.71	-	398.36
Total Financial Liabilities	**-**	**814.04**	**-**	**1,221.11**

(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 31st March, 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 fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at 31st March, 2021					
Financial Liabilities					
Borrowings		-	-	39.25	39.25
Current maturities of long-term debt		-	-	94.40	94.40
Unpaid dividends		-	-	38.12	38.12
Trade Payables		-	-	299.56	299.56
Total Financial Liabilities		**-**	**-**	**471.33**	**471.33**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Financial assets measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at 31st March, 2020					
Financial assets					
Investment in mutual funds			4.94	-	4.94
Trade Receivables				227.05	227.05
Loans				4,200.70	4,200.70
Total Financial Assets		**-**	**4.94**	**4,427.75**	**4,432.69**

Financial liabilities measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at 31st March, 2020					
Financial Liabilities					
Borrowings		-	-	108.49	108.49
Current maturities of long-term debt				94.40	94.40
Unpaid dividends				41.66	41.66
Trade Payables				578.20	578.20
Total Financial Liabilities		**-**	**-**	**822.75**	**822.75**

Level 1: Level 1 hierarchy includes Quoted prices taken from market.

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).

Note 25: 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.

The Company's risk management policies are established to identify and analyse the risks being faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the audit committee. The Company is exposed primarily to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Risk	Exposure arising from	Measurement	Management Comment
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised 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 research centers. 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.

Year ended 31st March, 2021

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	More than 120 days	Total
Gross carrying amount	74.96	49.36	38.04	4.34	9.49	176.19
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses(loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	**74.96**	**49.36**	**38.04**	**4.34**	**9.49**	**176.19**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Year ended 31st March, 2020

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	More than 120 days	Total
Gross carrying amount	19.49	110.21	97.35	-	-	227.05
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses(loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	**19.49**	**110.21**	**97.35**	**-**	**-**	**227.05**

(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 31st March, 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	230.03	-	268.15
	38.12	**623.99**	**39.25**	**701.36**

Year ended 31st March, 2020	On Demand	in next 12 months	>1 year	Total
(i) Borrowings	-	94.40	108.49	202.89
(ii) Trade payables	-	578.20	-	578.20
(iii) Other financial liabilities	41.66	44.06	-	85.72
	41.66	**716.66**	**108.49**	**866.81**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

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 31st March, 2021			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	-	-	-	-
Trade receivables(Net)	17.52	-	-	-
Financial Liabilities				
Borrowings	-	-	-	-
Trade payables	67.37	29.34	5.56	4.10
Other financial liabilities	-	-	-	-

Particulars	As at 31st March, 2020			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	-	-	-	-
Trade receivables	111.69	-	-	-
Financial Liabilities				
Borrowings	-	-	-	-
Trade payables	153.70	1.38	48.84	31.20
Other financial liabilities	-	-	-	-

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

(ii)(a) Interest Rate of Risk Exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31st March, 2021	31st March, 2020
Variable rate borrowings	-	-
Fixed rate borrowings	133.65	202.89
Total Borrowings	**133.65**	**202.89**

(ii)(b) Sensitivity

The Company has taken long term and short term borrowings on fixed rate of interest. Since, there is no interest rate risk associated with such fixed rate loans; an interest rate sensitivity analysis has not been performed.

Note 26: Capital Management

Risk management

The Company's objective when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: -Net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet)

Particulars	31st March, 2021	31st March, 2020
Net debt	133.65	202.89
Total Equity	40,165.46	38,767.35
Net debt to equity ratio	0.33%	0.52%

Note 27: Segment Information

Description of segments and principal activities

The Chief Executive Officer has been identified as being the chief operating decision maker(CODM). The CODM examines the Company's performance both from a product and a geographic perspective and has identified two reportable segments:

Operating segments

The Company is engaged in a single operating segment of providing Research and Development services. Accordingly, there are no additional disclosures to be provided Ind AS 108 'Operating Segments' other than those already provided in the financial statements.

Geographical Segment

The Company has identified the following geographical reportable segments:
(a) India-The company provides Analytical Services.
(b) USA -The company provides Analytical Services.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

(c) Europe-The company provides Analytical Services.

(d) Rest of the world -The company provides Analytical Services.

	Revenue for the year ended		Value of Non-current assets (Except Financial Instruments) as at		Additions to Non-current (Except Financial Instruments) during the year	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	FY 2020-21	FY 2019-20
INDIA	512.49	353.98	2,573.66	2,469.37	630.47	619.43
U S A	814.72	266.74	-	-	-	-
EUROPE	20.62	731.28	-	-	-	-
REST OF THE WORLD	-	89.47	-	-	-	-
	1,347.83	**1,441.47**	**2,573.66**	**2,469.37**	**630.47**	**619.43**

Note 28: Interest in Other Entities

The Company's subsidiaries as at 31st March, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company

Name of the entity	Place of Business/ Country of incorporation	Ownership interest held by the Company		Ownership interest held by Non-Controlling interests		
		31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	Principal activity
Suven Neurosciences Inc.,	USA	100%	100%	0%	0%	Clinical trials business

Note 29: Disclosure of Related Party Trasactions in accordance with Ind AS - 24 Related Party Disclosures

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	-	Independent Director
Mr. M. Gopalakrishna	-	Independent Director
Mr. Santanu Mukherjee	-	Independent Director
Mrs. J.A.S. Padmaja	-	Independent Director

(d) Entities under the control of Key Managerial Personnel : Suven Pharmaceuticals Limited
Suven Pharma Inc.,

(a) Trustee Company

Name	Type	Place of Incorporation	Ownership Interest	
			31st March, 2021	31st March, 2020
Jasti Property and Equity Holdings Private Limited	Trustee company	India	60.00%	60.00%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

(b) Subsidiaries

	31st March, 2021	31st March, 2020
Suven Neuro Sciences Inc.		
Opening	24,181.31	13,636.33
Investment in subsidiary	5,321.24	10,544.98
Balance outstanding	**29,502.55**	**24,181.31**

(c) Key Management Personnel compensation

	31st March, 2021	31st March, 2020
Mrs. Sudharani Jasti		
Short term employee benefits	215.32	88.19
Post-employment benefits	-	-
Long term employee benefits	-	-
Termination benefits	-	-
Total Compensation	**215.32**	**88.19**
Balance outstanding	**-**	**-**

(d) Companies under the Control of Key Managerial Personnel

Particulars	Companies under the control of KMP	
	31st March, 2021	31st March, 2020
(a) Loan Given and Repayment thereof		
Suven Pharmaceuticals Limited		
Loan given during the year	-	20,875.50
Receipts against Loan given	9,180.43	12,299.37
Interest Income on Loan given	697.91	1,321.31
Balance Outstanding Loan at the year end	4,144.82	13,325.25
(b) Rendering of services, purchases and other transactions		
Suven Pharmaceuticals Limited		
(i) Rent Expense	104.87	25.89
(ii) Service Income		
Service Income during the period (Towards Testing and Analysis charges)	248.46	-
(iii) Purchases	14.70	-
(c) Balance outstanding from the Companies under the Control of Key Managerial Personnel		
Suven Pharmaceuticals Limited		
Balance Loan receivable	4,144.82	13,325.25

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 30: Contingent Liabilities and contingent assets

	31st March, 2021	31st March, 2020
Contingent Liabilities and contingent assets	-	-
	-	-

Note 31: Earnings per share

	31st March, 2021	31st March, 2020
Profit / Loss After Tax (PAT)	(2,263.21)	(1,375.32)
Weighted average number of equity shares	1,272.82	1,272.82
Basic Earnings per share	(1.78)	(1.08)
Diluted Earnings per share	(1.78)	(1.08)

Note:

There is no dilution to the Basic Earnings per share as there are no dilutive potential equity shares

Note 32: 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 33: 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 $42.74 Mn (INR 295 crores) since 2015 in Suven Neurosciences, Inc., the wholly owned subsidiary in USA. and the investment there on continue to remain unimpaired.

Note 34: Covid impact on the business and going concern assumption of SLSL 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 35: Warrants and Utilisation of Funds:

During the year ended 31-03-2021 with the approval of members in EGM held on 20th March, 2021, the board has issued 1,81,00,000 share warrants to promoter group on a preferential basis @ ₹81.57 per warrant and received 25% of issue price amounting to ₹3,692.00 Lakhs on 26-03-2021 in accordance with SEBI Regulations

The amount received have been parked in a seperate bank account -SBI Share warrants.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 36: 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 scheme 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) ₹1/- each. Each option entitles the holder thereof to apply for one equity share of the Company of ₹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, 2021. 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 37 : Previous year figures have been regrouped and reclassified wherever considered necessary to conform to this year's classifications.

The accompanying notes form an integral part of the 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 : 4th May, 2021

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 FINANCIAL STATEMENTS

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, 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), 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 Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, the consolidated loss, consolidated total 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 Companies Act, 2013. 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 there under, 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 of the current period. 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 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-29 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 29 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 Group'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.

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, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. 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.

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.
- 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.

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 ₹805.75 Lakhs as at 31st March, 2021, total expenses of ₹4,951.91 Lakhs and total revenue of ₹ 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

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 Income), 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 Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March, 2021 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-A"** 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 and schedule V 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 30 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.

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

Rajender Reddy K
Partner
Membership No.231834
UDIN:21231834AAAABF8625

Place: Hyderabad
Date: 4th May, 2021

Annexure – A 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, 2021, 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.

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, 2021, 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

Rajender Reddy K
Partner
Membership No.231834
UDIN:21231834AAAABF8625

Place: Hyderabad
Date: 4th May, 2021

CONSOLIDATED BALANCE SHEET

as at 31st March, 2021

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,774.48	2,063.88
Capital work-in-progress	3	477.40	-
Intangible assets	4	13.60	15.13
Right of Use assets	5(a)	308.18	390.36
Financial assets			
(ii) Loans	6(c)	-	9,125.25
Total Non-current assets		**2,573.66**	**11,594.62**
Current assets			
Inventories	9	14.15	-
Financial assets			
(i) Investments	6(a)	8.57	4.94
(ii) Trade receivables	6(b)	176.19	227.05
(iii) Cash and cash equivalents	6(d)(i)	934.82	1,467.57
(iv) Bank balances other than (iii) above	6(d)(ii)	3,730.12	41.66
(v) Loans	6(c)	4,144.87	4,200.70
(vi) Other financial assets	6(e)	-	2.05
Current tax asset(net)	8	534.78	458.10
Other current assets	10	724.63	196.56
Total Current assets		**10,268.14**	**6,598.62**
TOTAL ASSETS		**12,841.80**	**18,193.24**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	1,272.82	1,272.82
Warrants	11(b)	3,692.00	-
Other equity	11(c)	5,835.74	13,062.02
Total Equity		**10,800.56**	**14,334.84**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease Liability	5(b)	232.60	293.50
(ii) Borrowings	12(a)	39.25	108.49
Provisions	13	172.87	172.07
Deferred tax liabilities (net)	7	-	586.60
Other non-current liabilities	14	5.56	46.63
Total Non-current liabilities		**450.28**	**1,207.29**
Current liabilities			
Financial liabilities			
(i) Lease Liability	5(b)	110.11	104.87
(ii) Trade payables			
(a) Total outstanding dues to Micro and Small Enterprises	12(b)	19.60	28.42
(b) Total outstanding dues to creditors other than Micro and Small Enterprises	12(b)	279.95	549.78
(iii) Other financial liabilities	12(c)	1,030.65	1,830.18
Provisions	13	78.34	73.30
Other current liabilities	15	72.30	64.57
Total Current liabilities		**1,590.95**	**2,651.11**
TOTAL LIABILITIES		**2,041.23**	**3,858.40**
TOTAL EQUITY AND LIABILITIES		**12,841.80**	**18,193.24**
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

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

Rajender Reddy K
Partner
Membership No. 231834

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 : 4th May, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2021

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31st March, 2021	Year ended 31st March, 2020
Income			
Revenue from operations	16	1,347.83	1,441.47
Other income	17	775.37	1,403.63
Total Income		**2,123.20**	**2,845.10**
Expenses			
Employee benefits expense	18	1,852.75	1,740.91
Research & Development expenses	19	7,102.73	10,322.64
Finance costs	20	81.54	48.71
Depreciation and amortisation expense	21	434.62	416.87
Other expenses	22	398.96	956.05
Total Expenses		**9,870.60**	**13,485.18**
Profit/(Loss) before tax		**(7,747.40)**	**(10,640.08)**
Tax expense			
Current tax	23	-	197.18
Deferred tax	23	(570.12)	(1,446.34)
Tax of earlier years		37.84	30.87
Profit/(Loss) for the year		**(7,215.12)**	**(9,421.79)**
Other Comprehensive Income			
Items that will not be reclassified to Statement of profit or loss			
Remeasurements gains (losses) on defined benefit plans		(47.15)	(45.41)
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	15.87
Other Comprehensive Income for the year, (net of taxes)		**(30.67)**	**(29.54)**
Total Comprehensive Income for the year		**(7,245.79)**	**(9,451.33)**
Earnings per Equity share (Par value of ₹1 each)			
Basic	31	(5.67)	(7.40)
Diluted	31	(5.67)	(7.40)
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

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

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M. Mohan Kumar
Chief Financial Officer
Membership No. A25096

Place : Hyderabad
Date : 4th May, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2021

a. Equity share capital

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars	Number of Shares	Equity share capital
As at 1st April, 2019	**12,72,82,478**	**1,272.82**
Changes in equity share capital during the year	-	-
As at 31st March, 2020	**12,72,82,478**	**1,272.82**
Changes in equity share capital during the year	-	-
As at 31st March, 2021	**12,72,82,478**	**1,272.82**

b. Other Equity

Particulars	Note	Reserves & surplus				
		Securities Premium	General reserve	Retained earnings	Exchange differences on translating the financial statement of foreign operations	Total Equity
Balance at 1st April, 2019		**11,081.49**	**4,336.12**	**7,246.27**	**(23.71)**	**22,640.16**
Profit /(Loss) for the year	11(c)	-	-	(9,421.79)	-	(9,421.79)
Other comprehensive income	11(c)	-	-	(45.41)	-	(45.41)
Income tax relating to items of other comprehensive income		-	-	15.87	-	15.87
Transfer to General Reserve	11(c)	-	-	-	-	-
Transfer from Retained Earnings	11(c)	-	-	-	-	-
Deferred tax adjustment		-	-	-	-	-
Total comprehensive income for the year		-	-	(9,451.33)	-	(9451.33)
Foreign exchange translation reserve	11(c)	-	-	-	(126.81)	(126.81)
Balance at 31st March, 2020		**11,081.49**	**4,336.12**	**(2,205.06)**	**(150.52)**	**13,062.02**
Balance at 1st April, 2020		**11,081.49**	**4,336.12**	**(2,205.06)**	**(150.52)**	**13,062.02**
Profit/(Loss) for the year	11(c)	-	-	(7,215.12)	-	(7,215.12)
Other comprehensive income	11(c)	-	-	(47.15)	-	(47.15)
Income tax relating to items of other comprehensive income		-	-	16.48	-	16.48
Transfer to General Reserve	11(c)	-	-	-	-	-
Transfer from Retained Earnings	11(c)	-	-	-	-	-
Total comprehensive income for the year		-	-	(7,245.79)	-	(7,245.79)
Foreign exchange translation reserve	11(c)	-	-	-	19.52	19.52
Dividend paid		-	-	-	-	-
Tax on distributed profit		-	-	-	-	-
Balance at 31st March, 2021		**11,081.49**	**4,336.12**	**(9,450.86)**	**(131.00)**	**5,835.74**

Refer Note 11(c) 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 : 4th May, 2021

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 CASH FLOWS

for the year ended 31st March, 2021

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
A. Cash flow from operating activities			
Profit/(Loss) before tax		(7,747.41)	(10,640.08)
Adjustments :			
Depreciation and amortisation expense		352.44	396.33
Interest Income		(697.91)	(1,321.31)
Finance Cost		81.54	48.71
Unrealised/sale of Gain on Current Investment		(6.06)	50.22
Operating profit before working capital changes		(8,017.40)	(11,466.13)
Adjustments for (Increase)/decrease in operating assets			
Trade Receivables		50.86	37.38
Inventories		(14.15)	-
Other non current assets		82.18	(390.36)
Other current assets		(436.51)	116.83
Adjustments for Increase/(decrease) in operating liabilities			
Trade Payables		(278.64)	(130.39)
Long term provisions		0.80	23.43
Other non-current liabilities		(41.07)	(29.06)
Short term provision		(42.11)	(35.29)
Other financial liabilities		(799.53)	(1,306.06)
Other current liabilities		7.73	0.50
Cash generated from operating activities		**(9,487.85)**	**(13,179.17)**
Income taxes paid (net of refunds)		114.52	278.12
Net Cash flows from operating activities	(A)	**(9,602.36)**	**(13,457.28)**
B. Cash flow from Investing activities			
Payments for Purchase of property, plant and equipment, including intangible assets, capital work-in-progress		(630.47)	(238.51)
Other non current financial assets		9,125.25	(9,125.25)
Other current financial assets		57.88	548.96
Interest received		697.91	1,321.31
Sale/(purchase) of mutual funds		2.43	22,237.66
Foreign currency translation reserve		19.52	(126.81)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March, 2021

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
Bank balances not considered as cash and cash equivalents		(3,688.47)	4.13
Net cash flow from /(used in) investing activities	**(B)**	**5,584.04**	**14,621.50**
C. Cash flows from financing activities			
(Repayment)/Proceeds from borrowings		(69.24)	(69.04)
Proceeds from Share Warrants		3,692.00	-
Changes In Lease Liability		(55.66)	398.36
Finance Cost		(81.54)	(48.71)
Net cash flow from /(used In) financing activities	**(C)**	**3,485.56**	**280.61**
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	(532.76)	1,444.83
Cash and cash equivalents as at the beginning of the year (Refer Note 6(d) (i))		1,467.57	22.75
Cash and cash equivalents at the end of the year		**934.82**	**1,467.57**
Cash and cash equivalents (Refer Note 6(d)(i))		934.82	1,467.57
Balances per statement of cash flows		934.82	1,467.57

This is the Statement of Cash Flows 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 : 4th May, 2021

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. 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 commercialisation 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 characterised 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 commercialisation 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

Suven is a 32-year-old company, has demerged its CRAMS business undertaking during the year to Suven Pharmaceuticals Limited (Resulting Company as per Scheme) now integrated with CDMO business of Resulting Company.

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 commercialisation 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.

2 Significant accounting policies

a) Basis of preparation of Financial Statements

(i) Subsidiaries

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 31st March, 2021 and 31st 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 31st March, 2021 and for the year ended 31st March, 2020, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 grouping 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 27 for the segment information presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 Company's 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 24).

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 recognised 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 derecognised 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:

(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 capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised 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) Amortisation methods and periods

Intangible assets with finite useful live are amortised 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.

Estimated useful life :

Software 3 - 10 years

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 realisable 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 realisable 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 1st April, 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 recognised 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 recognises 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 recognises 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 recognised 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 amortised 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 recognised 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 recognised 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- **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 recognised 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 recognised 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognised 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 recognised 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 period 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 recognised 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 recognised 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 recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Bonus plans

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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 recognised amounts and there is an intention to settle on a net basis or realise 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 capitalised 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 capitalisation. 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 :

- 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 authorised 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 1st April, 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 amortisation 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

(All amount in ₹ Lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

Particulars	Land - Free Hold	R&D Equipments	Furniture & Fixtures	Office Equipments	EDP Equipments	Total	Capital work-in-progress
Gross carrying amount	-	-	-	-	-	-	-
At 1st April,2019	**31.79**	**7,223.92**	**40.96**	**18.30**	**14.64**	**7,329.60**	**-**
Exchange differences	-	-	-	-	-	-	-
Additions	-	179.78	4.42	1.29	7.75	193.23	-
Disposals	-	217.41	-	-	-	217.41	-
Balance as at 31st March,2020	**31.79**	**7,186.29**	**45.38**	**19.59**	**22.39**	**7,305.43**	**-**
Accumulated depreciation							
At 1st April,2019	**-**	**5,042.66**	**7.63**	**6.66**	**5.86**	**5,062.80**	**-**
Charge for the year	-	383.67	3.91	3.72	4.86	396.16	-
Disposals	-	217.41	-	-	-	217.41	-
Exchange difference	-	-	-	-	-	-	-
Balance as at 31st March,2020	**-**	**5,208.92**	**11.54**	**10.37**	**10.72**	**5,241.54**	**-**
Gross carrying amount							
At 1st April,2020	**31.79**	**7,186.29**	**45.38**	**19.59**	**22.39**	**7,305.43**	**-**
Exchange difference						-	
Additions	-	144.24	0.29	1.28	7.26	153.07	477.40
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 and impairment							
Upto 1st 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	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	-
Balance as at 31st March,2021	**-**	**4,552.21**	**15.90**	**14.06**	**14.99**	**4,597.16**	**-**
Net Book Value for 31st March,2021	**31.79**	**1,694.68**	**29.76**	**6.81**	**11.45**	**1,774.48**	**477.40**
Net Book Value for 31st March,2020	**31.79**	**1,977.37**	**33.84**	**9.22**	**11.67**	**2,063.88**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 4: Intangible assets

	Software	Total
Gross carrying amount		
At 1st April,2019	**-**	**-**
Additions	15.30	15.30
Disposals	-	-
Balance as at 31st March, 2020	**15.30**	**15.30**
Accumulated amortisation		
Upto 1st April,2019	-	-
Charge for the year	0.17	0.17
Disposals	-	-
Balance as at 31st March, 2020	**0.17**	**0.17**
Gross carrying amount		
At 1st April,2020	**15.30**	**15.30**
Additions	-	-
Disposals	-	-
Balance as at 31st March, 2021	**15.30**	**15.30**
Accumulated amortisation and impairment		
Upto 1st April,2020	0.17	0.17
Charge for the year	1.53	1.53
Balance as at 31st March, 2021	**1.70**	**1.70**
Net Book Value for 31st March, 2021	**13.60**	**13.60**
Net Book Value for 31st March, 2020	**15.13**	**15.13**

Note 5:

Note 5(a): Right of Use Assets

Particulars	31st March, 2021	31st March, 2020
Opening Balance	**390.36**	**-**
Addition on account of transition to IndAS 116	-	-
Addition	-	410.90
Less Depreciation expense	82.18	20.54
Closing Balance	**308.18**	**390.36**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 5(b): Lease Liabilities

Particulars	31st March, 2021	31st March, 2020
Opening Balance	**398.36**	**-**
Addition on account of transition to IndAS 116	-	-
Addition	-	410.90
Add: Accretion of interest	49.21	13.35
Less: Payments	104.86	25.89
Closing Balance	**342.71**	**398.36**

Maturity analysis of lease liabilities is as follows (Undiscounted Basis)

Particulars	31st March, 2021	31st March, 2020
Within one year	110.11	104.87
After one year but not more than three years	331.43	347.12
More than four years	-	94.42

The following are the amounts recognised in statement of profit and loss:

Particulars	31st March, 2021	31st March, 2020
Depreciation expense on right-of-use assets	82.18	20.55
Interest expense on lease liabilities	49.21	13.35
Expense relating to short-term leases and low-value assets (included in other expenses)	-	-
Total amount recognised in statement of profit and loss	**131.39**	**33.90**

Statement showing impact of adoption of Ind AS 116 on statement of cash flows for the year ended 31st March, 2021

Particulars	Excluding impact of Ind AS 116	Impact due to adoption of Ind AS 116	As per financial statements
Cash flows from operating activities	-	131.39	131.39
Cash flows from financing activities	-	(131.39)	(131.39)

Statement showing impact of adoption of Ind AS 116 on statement of cash flows for the year ended 31st March, 2020

Particulars	Excluding impact of Ind AS 116	Impact due to adoption of Ind AS 116	As per financial statements
Cash flows from operating activities	-	33.90	33.90
Cash flows from financing activities	-	(33.90)	(33.90)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 6: Financial assets

6 (a) Current investments carried at Fair value through Profit and Loss

Particulars	31st March, 2021		31st March, 2020	
	Quantity	Amount	Quantity	Amount
Investment in Mutual Funds- Unquoted (Fully paid up)				
SBI Infrastructure Fund	50,000	8.57	50,000	4.94
Total Current Investments	**50,000**	**8.57**	**50,000**	**4.94**
Aggregate amount of quoted investments & market value thereof		-		-
Aggregate value of unquoted investments		8.57		4.94
Aggregate amount of impairment in value of Investment in unquoted investments		-		-

6(b) Trade receivables

Particulars	31st March, 2021	31st March, 2020
Current Trade Receivables		
Unsecured, considered good*	176.19	227.05
Total receivables	**176.19**	**227.05**

*No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Refer Note 29 for dues from related parties.

6(c) Loans

Particulars	31st March, 2021		31st March, 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to employees	0.05	-	0.70	-
Loan to Related Party*	4,144.82	-	4,200.00	9,125.25
Total loans	**4,144.87**	**-**	**4,200.70**	**9,125.25**

*No loans are due from directors or other officers of the Company either severally or jointly with any other person. Refer Note 29 for dues from related parties.

6(d) (i) Cash and cash equivalents

Particulars	31st March, 2021	31st March, 2020
Balances with banks		
-in current accounts	934.11	1,466.34
Cash on hand	0.71	1.24
Total cash and cash equivalents	**934.82**	**1,467.57**

6(d) (ii) Other bank balances

Particulars	31st March, 2021	31st March, 2020
In unclaimed dividend accounts	38.12	41.66
Share warrant bank balances (Refer Note 35)	3,692.00	-
Total Other bank balances	**3,730.12**	**41.66**

*There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of Companies Act, 2013 as at the year end..

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

6(e) Other financial assets

Particulars	31st March, 2021		31st March, 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Security Deposits	-	-	2.05	-
Total Other Financial assets	**-**	**-**	**2.05**	**-**

Note 7: Deferred tax assets /(liabilities)

The balances comprises temporary differences attributable to :

Particulars	31st March, 2021	31st March, 2020
Carried Forward Loss	889.14	-
DST Loan	3.76	10.59
IndAS 116	12.07	2.80
Gratuity & Leave encashment	87.78	85.74
DST Grant	5.66	-
Other items		
Others-MAT credit	-	-
Total Deferred tax assets	**998.41**	**99.13**
Set-off of deferred tax liabilities pursuant to set-off provisions		
- Depreciation	590.08	685.73
- Unrealised capital gains on MF	1.27	-
Total Deferred tax Liabilities	**591.35**	**685.73**
Total deferred tax assets/(Liabilities) (net)	**407.06**	**(586.60)**

NOTE:

In accordance with the Ind AS 12 -The deferred tax asset arising from timing differences are recognised 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.

Note 8: Current tax asset (net)

Particulars	31st March, 2021	31st March, 2020
Advance tax balance	9,924.48	9,809.96
Less: Provision for income tax	9,389.70	9,351.86
Total Current tax asset (net)	**534.78**	**458.10**

Note 9: Inventories(Valued at lower of cost or Net Realisable Value)

Particulars	31st March, 2021	31st March, 2020
Lab Materials	14.15	-
Total inventories	**14.15**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 10: Other current assets

Particulars	31st March, 2021	31st March, 2020
Unsecured, considered good		
GST Receivable	399.43	102.30
Insurance Claim Receivable	228.42	-
Pre paid expenses	41.20	34.99
Advances to Material Suppliers	35.99	28.99
Advances to service providers	13.77	24.56
Others advances	5.81	5.72
Total other current assets	**724.63**	**196.56**

Note 11: Equity share capital and other equity

11(a) Equity share capital

Particulars	31st March, 2021	31st March, 2020
Equity Share Capital		
Authorised Capital		
200,000,000 Equity shares of ₹1 /- each	2,000.00	2,000.00
(31st March, 2020: 200,000,000 Equity shares of ₹1 /- each)		
	2,000.00	**2,000.00**
Issued, Subscribed and fully paid up		
12,72,82,478 Equity shares of ₹1/- each	1,272.82	1,272.82
(31st March, 2020:12,72,82,478 Equity shares of ₹1/- each)		
	1,272.82	**1,272.82**

11(a).1 Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	31st March, 2021		31st March, 2020	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	12,72,82,478	1,272.82	12,72,82,478	1,272.82
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**12,72,82,478**	**1,272.82**	**12,72,82,478**	**1,272.82**

11(a).2 Terms/ rights attached to equity shares

Equity shares have a par value of ₹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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

11(a).3 Shares of the Company held by holding company

Particulars	31st March, 2021	31st March, 2020
Jasti Property and Equity Holdings Private Limited		
76,365,000 Equity shares of ₹1/- each (Previous year:76,365,000)	7,63,65,000	7,63,65,000

11(a).4 Details of shareholders holding more than 5% shares in the Company

Particulars	31st March, 2021		31st March, 2020	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Jasti Property and Equity Holdings Private Limited	7,63,65,000	60.00%	7,63,65,000	60.00%

11(b) Warrants pending for allotment

For details of Issue of Warrants, refer note no: 36

11(c) Other equity

Particulars	31st March, 2021	31st March, 2020
Securities premium	11,081.49	11,081.49
General reserve	4,336.12	4,336.12
Retained earnings	(9,450.86)	(2,205.06)
Foreign Exchange Translation Reserve	(131.00)	(150.52)
Total other equity	**5,835.74**	**13,062.02**

(i) Securities premium

Particulars	31st March, 2021	31st March, 2020
Opening balance	11,081.49	11,081.49
Less: Transfer during the period	-	-
Closing Balance	**11,081.49**	**11,081.49**

(ii) General Reserve

Particulars	31st March, 2021	31st March, 2020
Opening balance	4,336.12	4,336.12
Less: Transfer during the period	-	-
Closing Balance	**4,336.12**	**4,336.12**

(iii) Retained earnings

Particulars	31st March, 2021	31st March, 2020
Opening balance	(2,205.06)	7,246.27
Net loss for the year	(7,215.12)	(9,421.79)
Other Comprehensive Income	-	-
- Remeasurements of post employment benefit obligation, net of tax	(30.68)	(29.54)
Closing balance	**(9,450.86)**	**(2,205.06)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

(iv) Foreign Exchange Translation Reserve

Particulars	31st March, 2021	31st March, 2020
Opening balance	(150.52)	(23.71)
Exchange differences on translating the financial statement of foreign operations	19.52	(126.81)
Closing Balance	**(131.00)**	**(150.52)**

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 to general reserve, dividends or other distribution to share holders.

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 12: Financial liabilities

12(a) Non-current borrowings

Particulars	31st March, 2021	31st March, 2020
Unsecured		
Loan from Department of Science & Technology, Government of India-I	92.61	125.43
Terms of repayment: 10 Annual instalments of ₹50 Lakhs each commencing from October 2013, which is repayable by 1st October, 2022 at the Rate of Interest of 3%		
Loan from Department of Science & Technology, Government of India-II	41.05	77.46
Terms of repayment: 10 Annual instalments of ₹44.40 Lakhs each commencing from February 2013, which is repayable by 14th February, 2022 at the Rate of Interest of 3%		
Total non-current borrowings	**133.65**	**202.89**
Less: Current maturities of Non-current borrowings (included in note 12(c))	94.40	94.40
Non-current borrowings	**39.25**	**108.49**

12(b) Trade payables

Particulars	31st March, 2021	31st March, 2020
Dues to micro enterprises and small enterprises (Refer Note below)	19.61	28.42
Dues to creditors other than micro enterprises and small enterprises	279.95	549.78
Total trade payables	**299.56**	**578.20**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

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.

Particulars	31st March, 2021	31st March, 2020
Principal amount remaining unpaid to any supplier as at the end of the accounting year	19.61	28.42
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.00	0.01
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	-	0.01
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	0.00
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 25 for the Company's liquidity Risk Management process)

12(c) Other Financial liabilities

Particulars	31st March, 2021	31st March, 2020
Current		
Current maturities of non-current borrowings(Refer Note 12(a))	94.40	94.40
Liabilities for expenses	782.04	1,694.12
Payable for Capital Goods	116.09	-
Unpaid dividend on equity shares	38.12	41.66
Total other current financial liabilities	**1,030.65**	**1,830.18**

Note 13: Provisions

Particulars	31st March, 2021		31st March, 2020	
	Current	Non-current	Current	Non-current
Provision for Employee benefits				
-Leave obligations	40.96	69.30	35.92	69.79
-Gratuity	37.37	103.57	37.37	102.27
	78.34	**172.87**	**73.30**	**172.07**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Employee Benefit Plans

(i) Defined Contribution plans

Particulars	31st March, 2021	31st March, 2020
Provident Fund	109.22	91.93
State Defined Contribution Plans		
Employees State Insurance	1.24	2.24

(ii) Defined Benefit plans

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 recognised 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
1st April, 2019	**268.73**	**179.28**	**89.46**
Current service cost	24.77	-	24.77
Interest expense/(income)	18.88	13.77	5.10
Total amount recognised in profit or loss	**312.38**	**193.05**	**119.33**
Remeasurements			
- Experience adjustments	21.58	(18.84)	40.43
- Financials assumptions	22.05	-	22.05
Return on plan assets (excluding Interest Income)	-	(1.78)	1.78
Experience (gains)/loss	-	-	-
Total amount recognised in other comprehensive income	**356.01**	**172.43**	**183.58**
Employer contributions	-	-	-
Benefit payments	(43.93)	-	(43.93)
Others	-	-	-
Interest adjustment	-	-	-
31st March, 2020	**312.08**	**172.43**	**139.65**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars	Present Value of obligation	Fair Value of Plan Assets	Net amount
1st April, 2020	**312.08**	**172.43**	**139.65**
Current service cost	6.16	-	6.16
Interest expense/(income)	1.32	13.01	(11.69)
Total amount recognised in profit or loss	**319.56**	**185.44**	**134.12**
Remeasurements			
- Experience adjustments	12.55	-	12.55
- Financials assumptions	(3.23)	-	(3.23)
Return on plan assets (excluding Interest Income)	-	(1.74)	1.74
Experience (gains)/loss	-	-	-
Total amount recognised in other comprehensive income	**328.88**	**183.70**	**145.18**
Employer contributions	-	37.53	(37.53)
Benefit payments	(14.26)	(0.27)	(13.99)
Others	39.70	31.41	8.29
31st March, 2021	354.32	252.37	101.95

Reconcilation of Liability

Particulars	31st March, 2021	31st March, 2020
Present value of obligation as at the beginning of the period	312.08	268.73
Interest cost	20.77	18.88
Past service cost - (Vested Benefits)	-	-
Current service cost	26.41	24.77
Benefits paid	(14.26)	(43.93)
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Financial Assumptions	(3.23)	22.05
Actuarial (gain)/loss on obligation	12.55	21.58
Present value of obligation as at the end of the period	**354.32**	**312.08**

Reconcilation of Plan Assets

Particulars	31st March, 2021	31st March, 2020
Fair value at beginning	172.43	179.28
Interest income	13.01	13.77
Remeasurements-Experience adjustments		(18.84)
Employers contribution	37.53	-
Employer Direct Benefit Payments	13.99	43.93
Benefit Payments from Plan Assets	(0.26)	-
Benefit Payments from Employer	(13.99)	(43.93)
Return on plan assets	(1.74)	(1.78)
Adjustment to Opening Balance, Other Expenses & Increase/ Decrease due to Plan Combination	31.40	-
Fair value at the End	**252.37**	**172.43**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

(iii) Post-employment benefits (pension and gratuity)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	31st March, 2021	31st March, 2020
Discount rate	6.91%	6.81%
Salary growth rate	9.00%	9.00%
Attrition rate	6.50%	6.50%

(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	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Discount rate	1%	1%	324.48	286.13	388.90	342.24
Salary growth rate	1%	1%	374.29	331.15	334.38	292.25
Attrition rate	1%	1%	354.24	310.63	354.38	313.67

Expected cash flows over the next (valued on undiscounted basis):	Amount (INR)
1 year	33.67
2 to 5 Years	100.01
6 to 10 years	141.29

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:

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount 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. Theses 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 ₹85.22 Lakhs (31st March, 2020 : ₹57.24 Lakhs).

Note 14: Government grants

Particulars	31st March, 2021	31st March, 2020
Opening Balance	75.70	104.76
Provision recognised/(reversed) during the year	59.49	29.06
Closing Balance	**16.21**	**75.70**

Particulars	31st March, 2021	31st March, 2020
Current portion	10.64	29.06
Non-current portion	5.56	46.63

Note 15: Other current liabilities

Particulars	31st March, 2021	31st March, 2020
Government grants	10.64	29.06
Advance from customers	1.86	1.00
Statutory liability	59.80	34.50
Total other current liabilities	**72.30**	**64.57**

Note 16: Revenue from operations

Particulars	31st March, 2021	31st March, 2020
Sale of Services	1,347.83	1,441.47
	1,347.83	**1,441.47**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 17: Other income

Particulars	31st March, 2021	31st March, 2020
Interest income		
On Inter Corporate Deposit	697.91	1,321.31
Government Grants	59.49	29.06
Credit balances written back	-	3.04
Scrap sales	11.91	-
Gain on Financial Assets	6.06	50.22
	775.37	**1,403.63**

Note 18: Employee benefits expense

Particulars	31st March, 2021	31st March, 2020
Salaries, Wages & Bonus	1,728.01	1,579.52
Contribution to Provident & other funds	110.46	94.16
Gratuity Expense	7.48	42.93
Staff Welfare Expenses	6.80	24.30
	1,852.75	**1,740.91**

Note 19: Research & Development expenses

Particulars	31st March, 2021	31st March, 2020
R & D Materials	360.79	298.96
Patent Related Expenses	1,077.11	1,106.28
Lab Maintenance	655.00	527.07
R & D Other Expenses	424.13	662.13
Clinical Development expenses	4,585.68	7,728.20
	7,102.73	**10,322.64**

Note 20: Finance costs

Particulars	31st March, 2021	31st March, 2020
Interest Expense		
On Borrowings	32.33	35.35
On Lease Liability	49.21	13.35
	81.54	**48.71**

Note 21: Depreciation and amortisation expense

Particulars	31st March, 2021	31st March, 2020
Depreciation of property, plant and equipment (Refer Note 3)	350.91	396.16
Amortisation of intangible assets (Refer Note 4)	1.53	0.17
Depreciation on Right of Use assets (IndAS116) (Refer Note 5)	82.18	20.55
	434.62	**416.87**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 22: Other expenses

Particulars	31st March, 2021	31st March, 2020
Rent	0.85	8.14
Service Tax	-	178.67
Insurance	86.53	30.84
Communication Charges	28.82	16.68
Travelling & Conveyance	98.13	205.85
Bank Charges	12.54	6.43
Power & Fuel	-	163.21
Printing & Stationery	3.37	5.75
Professional Charges	42.20	7.28
Payments to Auditors (Refer note 22(a)below)	11.50	12.50
Repairs & Maintenance - others	10.31	2.27
Corporate Social Responsibility(Refer note 22(b) below)	-	268.78
Foreign Exchange Loss (Net)	41.38	19.38
Consumable stores	3.28	-
Clearing & Forwarding	0.41	-
General Expenses	59.65	30.26
	398.96	**956.05**

Note 22(a): Details of payments to auditors

Particulars	31st March, 2021	31st March, 2020
Payment to auditors		
As auditor:		
Statutory Audit fee	5.00	5.00
In other capacity		
Other services	2.00	2.00
Re-imbursement of out -of- pocket expenses	0.04	-
	7.04	**7.00**

Note 22(b): Corporate social responsibility expenditure

Particulars	31st March, 2021	31st March, 2020
Amount required to be spent as per section 135 of the Act	`	268.78
Amount spent during the year on		-
(i) Construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above	-	268.78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 23: 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.

(a) Income tax expense

Particulars	31st March, 2021	31st March, 2020
Current tax		
Current tax on profits for the year	-	197.18
Adjustments for current tax of prior periods	37.84	30.87
Total current tax expense	**37.84**	**228.05**
Deferred tax		
Decrease(increase) in deferred tax assets	-	-
Increase(decrease) in deferred tax liabilities	(570.12)	(1,446.34)
Total Deferred tax expense/(benefit)	**(570.12)**	**(1,446.34)**
Income tax expense	(532.28)	(1,218.29)
Income tax expense is attributable to:		
Profit/(Loss) from operations	**(532.28)**	**(1,218.29)**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	31st March, 2021	31st March, 2020
Profit from operations before income tax expenses	(2,795.50)	(2,593.61)
Tax at the Indian tax rate of 34.944% (2019-20 -33.384%)	**(976.86)**	**(865.85)**
Computed expected tax expense:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	-	-
Deferred tax asset not recognised	407.06	-
Weighted deduction on research and development expenditure	-	(470.22)
Corporate social responsibility expenditure	-	89.73
Tax of earlier years	37.84	30.87
Others	(0.32)	(2.82)
Income tax expenses	**(532.28)**	**(1,218.29)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Financial instruments and risk management

Note 24: Fair value measurements

	31st March, 2021		31st March, 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments				
-Mutual funds	8.57	-	4.94	-
Trade Receivables	-	176.19	-	227.05
Loans	-	4,144.87	-	4,200.70
Cash and Cash equivalents	-	934.82	-	1,467.57
Bank Balances	-	3,730.12	-	41.66
Total Financial Assets	**8.57**	**8,986.00**	**4.94**	**5,936.98**
Financial Liabilities				
Borrowings	-	39.25	-	108.49
Current maturities of long-term debt	-	94.40	-	94.40
Unpaid dividends	-	38.12	-	41.66
Trade Payables	-	299.56	-	578.20
Lease Liability	-	342.71	-	398.36
Total Financial Liabilities	**-**	**814.04**	**-**	**1,221.11**

(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 31st March, 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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Financial liabilities measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at 31st March, 2021					
Financial Liabilities					
Borrowings		-	-	39.25	39.25
Current maturities of long-term debt		-	-	94.40	94.40
Unpaid dividends		-	-	38.12	38.12
Trade Payables		-	-	299.56	299.56
Total Financial Liabilities		**-**	**-**	**471.33**	**471.33**

Financial assets measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at 31st March, 2020					
Financial assets					
Investment in mutual funds			4.94	-	4.94
Trade Receivables				227.05	227.05
Loans				4,200.70	4,200.70
Total Financial Assets		**-**	**4.94**	**4,427.75**	**4,432.69**

Financial liabilities measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at 31st March, 2020					
Financial Liabilities					
Borrowings		-	-	108.49	108.49
Current maturities of long-term debt				94.40	94.40
Unpaid dividends				41.66	41.66
Trade Payables				578.20	578.20
Total Financial Liabilities		**-**	**-**	**822.75**	**822.75**

Level 1: Level 1 hierarchy includes Quoted prices taken from market.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 25: 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.

The Company's risk management policies are established to identify and analyse the risks being faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the audit committee. The Company is exposed primarily to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk).

Risk	Exposure arising from	Measurement	Management Comment
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised 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 through 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

(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.

Year ended 31st March, 2021

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	More than 120 days	Total
Gross carrying amount	74.96	49.36	38.04	4.34	9.49	176.19
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses(loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	**74.96**	**49.36**	**38.04**	**4.34**	**9.49**	**176.19**

Year ended 31st March, 2020

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	Morethan 120 days	Total
Gross carrying amount	19.49	110.21	97.35	-	-	227.05
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses(loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables(net of impairment)	**19.49**	**110.21**	**97.35**	**-**	**-**	**227.05**

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

The table below summarises the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

Year ended 31st March, 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**

Year ended 31st March, 2020	On Demand	in next 12 months	>1 year	Total
(i) Borrowings	-	94.40	108.49	202.89
(ii) Trade payables	-	578.20	-	578.20
(iii) Other financial liabilities	41.66	1,694.12	-	1,735.78
	41.66	**2,366.72**	**108.49**	**2,516.67**

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 reporting period expressed in INR as follows:

Particulars	As at 31st March, 2021			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	805.74	-	-	-
Trade receivables(Net)	17.52	-	-	-
Financial Liabilities				
Borrowings	-	-	-	-
Trade payables	67.37	29.34	5.56	4.10
Other financial liabilities	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31st March, 2020			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	1,396.81	-	-	-
Trade receivables	111.69	-	-	-
Financial Liabilities				
Borrowings	-	-	-	-
Trade payables	153.70	1.38	48.84	31.20
Other financial liabilities	-	-	-	-

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates.

(ii)(a) Interest Rate of Risk Exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31st March, 2021	31st March, 2020
Variable rate borrowings	-	-
Fixed rate borrowings	133.65	202.89
Total Borrowings	**133.65**	**202.89**

(ii)(b) Sensitivity

The Company has taken long term and short term borrowings on fixed rate of interest. Since, there is no interest rate risk associated with such fixed rate loans; an interest rate sensitivity analysis has not been performed.

Note 26: Capital Management

Risk management

The Company's objective when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: -Net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet)

	31st March, 2021	31st March, 2020
Net debt	133.65	202.89
Total Equity	10,800.56	14,334.84
Net debt to equity ratio	1.24%	1.42%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 27: Segment Information

Description of segments and principal activities

The Chief Executive Officer has been identified as being the chief operating decision maker(CODM). The CODM examines the Company's performance both from a product and a geographic perspective and has identified two reportable segments:

Operating segments

The Company is engaged in a single operating segment of providing Research and Development services. Accordingly, there are no additional disclosures to be provided Ind AS 108 'Operating Segments' other than those already provided in the financial statements.

Geographical Segment

The Company has identified the following geographical reportable segments:

(a) India-The company provides Analytical Services.

(b) USA -The company provides Analytical Services.

(c) Europe-The company provides Analytical Services.

(d) Rest of the world -The company provides Analytical Services.

	Revenue for the year ended		Value of Non Current Assets(Except Financial Instrument) as at		Additions to Non current(Except Financial Instrument) during the year	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	FY 2020-21	FY 2019-20
INDIA	512.49	353.98	2,573.66	2,469.37	630.47	619.43
U S A	814.72	266.74	-	-	-	-
EUROPE	20.62	731.28	-	-	-	-
REST OF THE WORLD	-	89.47	-	-	-	-
	1,347.83	**1,441.47**	**2,573.66**	**2,469.37**	**630.47**	**619.43**

Note 28: Interest in Other Entities

The Company's subsidiaries as at 31st March, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company

Name of the entity	Place of Business/ Country of incorporation	Ownership interest held by the Company		Ownership interest held by Non-Controlling interests		
		31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	Principal activity
Suven Neurosciences Inc.,	USA	100%	100%	0%	0%	Clinical trials business

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 29: Disclosure of Related Party Transactions inaccordance with Ind AS - 24 Related Party Disclosures

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	-	Independent Director
		Mr. M. Gopalakrishna	-	Independent Director
		Mr. Santanu Mukherjee	-	Independent Director
		Mrs. J.A.S. Padmaja	-	Independent Director
(d) **Entities under the control of Key Managerial Personnel**	:	Suven Pharmaceuticals Limited Suven Pharma Inc.,		

(a) Trustee Company

Name	Type	Place of Incorporation	Ownership Interest	
			31st March, 2021	31st March, 2020
Jasti Property and Equity Holdings Private Limited	Trustee Company	India	60.00%	60.00%

(b) Key Management Personnel compensation

	31st March, 2021	31st March, 2020
Mrs. Sudharani Jasti		
Short term employee benefits	215.32	88.19
Post-employment benefits	-	-
Long term employee benefits	-	-
Termination benefits	-	-
Total Compensation	**215.32**	**88.19**
Balance outstanding	**-**	**-**

(c) Companies under the Control of Key Managerial Personnel

Particulars	Companies under the control of KMP	
	31st March, 2021	31st March, 2020
(a) Loan Given and Repayment thereof		
Suven Pharmaceuticals Limited		
Loan Given During the year	-	20,875.50
Receipts against Loan given	9,180.43	12,299.37
Interest Income on Loan given	697.91	1,321.31
Balance Outstanding Loan at the year end	4,144.82	13,325.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Particulars	Companies under the control of KMP	
	31st March, 2021	31st March, 2020
(b) Rendering of services, purchases, and other transactions		
Suven Pharmaceuticals Limited		
(i) Rent Expense	104.87	25.89
(ii) Service Income		
Service Income during the period(Towards Testing and Analysis charges)	248.46	-
(iii) Purchases	14.70	-
(c) Balance outstanding from the Companies under the Control of Key Managerial Personnel		
Suven Pharmaceuticals Limited		
Balance Loan receivable	4,144.82	13,325.25

Note 30: Contingent Liabilities and contingent assets

	31st March, 2021	31st March, 2020
Contingent Liabilities and contingent assets	-	-
	-	-

Note 31: Earnings per share

	31st March, 2021	31st March, 2020
Profit / (Loss) after Tax	(7,215.12)	(9,421.79)
Weighted average number of equity shares	1,272.82	1,272.82
Basic Earnings per share	(5.67)	(7.40)
Diluted Earnings per share	(5.67)	(7.40)

Note:

There is no dilution to the Basic Earnings per share as there are no dilutive potential equity shares.

Note 32: 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 33 : 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 loss	Amount
31st March, 2021								
Parent								
Suven Life Sciences Ltd.	98.73%	10,662.91	31.37%	(2,263.21)	100.00%	(30.67)	31.66%	(2,293.88)
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%**	**(30.67)**	**100.00%**	**(7,245.79)**
31st March, 2020								
Parent								
Suven Life Sciences Ltd.	101.75%	14,586.04	14.60%	(1,375.32)	-100.00%	(29.54)	14.86%	(1,404.86)
Subsidiaries:								
Suven Neurosciences Inc	-1.75%	-251.20	85.40%	(8,046.47)	0.00%	-	85.14%	(8,046.47)
TOTAL	**100.00%**	**14,334.84**	**100.00%**	**(9,421.79)**	**-100.00%**	**(29.54)**	**100.00%**	**(9,451.33)**

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 $42.74 Mn (INR 295 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 SLSL 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 31-03-2021 with the approval of members in EGM held on 20th March,'2021,the board has issued 1,81,00,000 share warrants to promoter group on a preferential basis @ ₹81.57 per warrant and received 25% of issue price amounting to ₹3,692.00 Lakhs on 26-03-2021 in accordance with SEBI Regulations

The amount received have been parked in a seperate bank account -SBI Share warrants.

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 scheme 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) ₹1/- each. Each option entitles the holder thereof to apply for one equity share of the Company of ₹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, 2021. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amount in ₹ Lakhs, unless otherwise stated)

Note 38 : 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 : ₹71.60

Date of Incorporation : 15th September 2015

Particulars	31st March, 2020	31st March, 2021
Share capital	4,27,40,000	3,55,40,000
Reserves & surplus	(4,25,47,750)	(3,58,79,229)
Total assets	11,25,344	18,89,078
Total Current liabilities	9,33,094	22,28,307
Investments	-	-
Turnover / Total Income	-	-
Profit/(loss) before taxation	(66,68,521)	(1,17,01,783)
Provision for Taxation	-	-
Profit/ (loss) after taxation	(66,68,521)	(1,17,01,783)
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 LLP**
Chartered Accountants
Firm registration number: 004436S

Rajender Reddy K
Partner
Membership No. 231834

Place : Hyderabad
Date : 4th May, 2021

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 32nd ANNUAL GENERAL MEETING of the Members of SUVEN LIFE SCIENCES LIMITED will be held on Friday, the 06th August, 2021, at 11:30 A.M., IST through Video Conferencing ("VC") / other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

ITEM NO. 1: Adoption of Financial Statements

To receive, consider and adopt the audited standalone and consolidated financial statement of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and the Auditor's thereon and in this regard, *to consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution*:

"RESOLVED THAT the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and the Auditor's thereon, as circulated to the members, be and are hereby considered and adopted."

ITEM NO. 2: To appoint Shri Venkateswarlu Jasti, (DIN: 00278028) as a Director liable to retire by rotation:

To appoint a director in place of Shri Venkateswarlu Jasti, (DIN: 00278028) who retires by rotation, and being eligible, offers himself for re-appointment.

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, Shri Venkateswarlu Jasti (DIN: 00278028) who retire by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

By order of the Board of Directors

Shrenik Soni
Company Secretary
Membership No. A53989

Place: Hyderabad
Date: 04th May, 2021

Registered Office
8-2-334, SDE Serene Chambers
6th Floor, Road No.5, Avenue 7
Banjara Hills, Hyderabad – 500 034
CIN: L24110TG1989PLC009713

NOTES FOR MEMBERS' ATTENTION:

1. Considering the present COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India ("MCA"), and the Securities and Exchange Board of India ("SEBI"), have allowed companies to conduct Annual General Meetings ("AGM") through video conference ("VC")/ other audio-visual means ("OAVM"), without the physical presence of Members at a common venue.

   This AGM is being convened in compliance with applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder; provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"); the General Circular No. 14/2020 dated 8th April 2020; General Circular No.17/2020 dated 13th April 2020; General Circular No. 20/2020 5th May 2020 and General Circular No. 02/2021 dated 13th January, 2021 issued by the MCA and Circular No. SEBI/HO/ CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 and Circular No. SEBI/HO/ CFD/CMD2/ CIR/P/2021/11 dated 15th January 2021 issued by SEBI ("MCA and SEBI Circulars").

2. Since the AGM will be held through VC/ OAVM, the Route Map of the venue of the Meeting is not annexed hereto. The deemed venue for the AGM shall be the Registered Office of the Company.

3. **e-AGM:** Company has appointed M/s KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.

5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

7. In terms of Section 152 of the Companies Act, 2013, Shri Venkateswarlu Jasti, (DIN: 00278028) Director, retire by rotation at the meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. Brief profile of Director and relevant details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are given at the end of the notes.

8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

9. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

10. Pursuant to provisions of the Companies Act, 2013 as amended the ordinary business pertaining to ratification of auditor's appointment from the conclusion of this AGM till the conclusion of next AGM is not placed before the AGM. The remuneration of the auditors during their tenure of office will continue to be fixed by the Board of Directors of your company on mutually agreed terms. The disclosure relating to auditors remuneration for the year 2020-21 is given in the notes to the accounts.

11. The Company has notified that the Register of Members of the Company and share transfer books will remain closed from **04th August, 2021 to 06th August, 2021 (both days inclusive)** for the purpose of annual general meeting.

12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Friday, 30th July, 2021 through email on investorservices@suven.com. The same will be replied by the Company suitably.

13. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

    All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investorservices@suven.com.

14. Members holding shares in physical mode desirous of making nomination are advised to submit Nomination Form (SH-13) to RTA or to the Company in respect of their shareholding in the Company and those Members holding shares in electronic mode may contact their respective DPs for availing the nomination facility as provided under Section 72 of the Act.

15. Pursuant Regulation 40 of SEBI Listing Regulations, as amended securities of listed companies can be transferred only in dematerialised form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members are requested to send correspondence concerning shares related matter to Company's Registrars M/s. KFin Technologies Private Limited, Hyderabad.

16. **To support the "Green Initiative", Members who have not registered their e-mail addresses so far are requested to register same with their DPs in case the shares are held by them in electronic form and with Kfin Tech in case the shares are held by them in physical form for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.**

17. **Unclaimed Dividends/ Transfer to Investor Education and Protection Fund:**

    a) The Company has transferred the unpaid dividends declared up to financial years 2012-13, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 17th September, 2020 (date of last Annual General Meeting) on the website of the Company (www.suven.com), and also on the website of the Ministry of Corporate Affairs.

    b) It may be noted that unclaimed dividend for the financial year 2013-14 declared on 12th August, 2014, will be transferred to the IEPF authority within the due date of transfer in accordance with the IEPF rules.

    c) Please note in accordance with the procedure prescribed under the provisions of the IEPF Rules issued by the Ministry of Corporate Affairs, the shares of the shareholders whose dividend remains unpaid or unclaimed by them for a period of seven consecutive years or more would also be transferred to the IEPF Demat account of IEPF Authority.

       Members/ claimants whose shares, unclaimed dividend etc. have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time. The Member/ Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / KFin Technologies Private Limited, Hyderabad.

19. **Dispatch of Notice and Annual Report through electronic mode**

    i. In accordance with the General Circular No. 14/2020 dated 8th April 2020; General Circular No.17/2020 dated 13th April 2020; General Circular No. 20/2020 5th May 2020 and General Circular No. 02/2021 dated 13th January, 2021 issued by the MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May

2020 and Circular No. SEBI/HO/ CFD/ CMD2/CIR/P/2021/11 dated 15th January 2021 issued by SEBI ("MCA and SEBI Circulars") owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the KFinTech (RTA) or the Depositories. As physical copies of the Annual Report 2020-21 will not be sent the Annual Report along with notice of the AGM will be available on the Company's website www.suven.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFinTech at https://evoting.kfintech.com

ii. Members who have still not registered their email ID are requested to update the same at the earliest:

a) Members holding shares in physical mode and who have not registered / updated their email ID with the Company are requested to register / update their email ID with KFinTech by sending requests at einward.ris@kfintech.com, with details of folio number and attaching a self-attested copy of PAN card or by logging onto https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx

b) Members holding shares in dematerialised mode are requested to register / update their email ID with their respective Depository Participant.

20. Procedure for joining the AGM through VC / OAVM

i. The Company will provide VC / OAVM facility to its Members for participating at the AGM.

a) Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM at https://emeetings.kfintech.com by using their remote e-voting login credentials and selecting the 'EVENT' for the Company's AGM.

Members are requested to follow the procedure given below:

I. Launch internet browser (chrome/ firefox/safari) by typing the URL: https://emeetings.kfintech.com

II. Enter the login credentials (i.e., User ID and password for e-voting).

III. After logging in, click on **"Video Conference"** option

IV. Then click on camera icon appearing against AGM EVENT of **Suven Life Sciences Limited**, to attend the Meeting.

b) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the e-voting instructions.

c) Members may join the AGM through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox.

Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. Members will be required to grant access to the web-cam to enable two-way video conferencing.

d) Facility to join the Meeting will be opened fifteen minutes before the scheduled time of the AGM and will be kept open throughout the proceedings of the AGM.

e) Members will be allowed to participate in the AGM through VC / OAVM on first come, first served basis. Large Members (i.e. Members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, etc. will not be subject to the aforesaid restriction of first-come-first- serve basis.

f) Members who would like to express their views or ask questions during the AGM may register themselves as speakers by logging on to https://emeetings.kfintech.com and clicking on the **'Speaker Registration'** option available on the screen after log in. The Speaker Registration will be open **Friday, 30th July, 2021 (9.00 a.m. IST) to Sunday, 01st August, 2021 (5.00 p.m. IST)**. Only those members who are registered as Speakers will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of Speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

g) Alternatively, members may also visit https://emeetings.kfintech.com and click on the tab **'Post Your Queries'** and post their queries/ views/questions in the window provided, by mentioning their name, demat account number/ folio number, email ID and mobile number. The window will be closed on **Sunday, 01st August, 2021 (5.00 p.m. IST)**.

h) Members who need assistance before or during the AGM, may contact KFinTech at evoting@kfintech.com or call on toll free number 1800-309-4001.

ii. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

iii. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF Format) of its board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The scanned image of the abovementioned documents should be in the name format "Corporate Name_EVENT NO." The said resolution/authorisation shall be sent to the Scrutiniser by email through its registered email ID address to scrutiniser. prenukaacs@gmail.com with a copy marked to naveen.muthyala@kfintech.com and investorservices@suven.com.

21. Instructions for remote e-voting and e-voting at the AGM

i. In compliance with the provisions of section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, the Company is pleased to provide to its Members facility to exercise their right to vote on the resolution proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services arranged by KFinTech. The Members may cast their votes remotely, using an electronic voting system ("remote e-voting") on the dates mentioned herein below.

ii. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility (Insta Poll) during the AGM.

iii. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC/OAVM, but shall not be entitled to cast their vote again. A member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or e- voting at the Meeting. If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".

iv. **The remote e-voting period commences on Monday, 02nd August 2021 (9.00 a.m. IST) and ends on Thursday, 05th August, 2021 (5.00 p.m. IST).** During this period, Members of the Company holding shares either in physical form or in dematerialised form, as on Friday, 30th July, 2021, i.e., Cut-Off Date, may cast their vote by remote e-voting. A person who is not a Member as on the Cut-Off Date should treat this Notice for information purpose only. The remote e-voting module will be disabled by KFinTech for voting thereafter. Once the vote on a resolution is cast by the Member, he will not be allowed to change it subsequently.

v. Smt. D. Renuka, Practicing Company Secretary (Membership No. A11963), has been appointed as the Scrutiniser to scrutinise the voting during the AGM (Insta Poll) and remote e-voting process in a fair and transparent manner. The process and manner for remote e-voting is as under:

For Non Individual Shareholders and Shareholders holding shares in physical form:

A. In case a Member receives an email from KFinTech (for Members whose e-mail addresses are registered with the RTA/ Depository Participants):

i. Launch internet browser by typing the URL: https://evoting.kfintech.com

ii. Enter the login credentials (i.e., User ID and Password). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and Password for casting your vote.

iii. After entering these details appropriately, Click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password should comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT", i.e., Suven Life Sciences Limited.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-Off Date under "FOR/AGAINST" or, alternatively, you may partially enter any number in "FOR" and partially in "AGAINST", but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned herein above. You may also choose the option "ABSTAIN". If you do not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/ demat accounts may choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the Notice separately. In case, you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your login any number of times till you have voted on the resolution.

B. In case, a Member whose email ID are not registered with the Company/Depository Participant), then such Member is requested to register/update their email ID with the Depository Participant (in case of shares held in dematerialised form) or inform KFinTech at the email ID evoting@kfintech.com (in case of shares held in physical form):

i. Upon registration, Member will receive an email from KFinTech which includes details of e-Voting Event Number (EVEN), User ID and Password.

ii. Please follow all steps from Note. No. A(i) to (xi) above to cast the vote by electronic means.

· **The instructions for remote e-voting are as under for Individual Shareholders holding shares in demat mode:**

As per the SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

NSDL	CDSL
1. User already registered for IDeAS facility: **	**1. Existing user who have opted for Easi / Easiest ****
I. URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under 'IDeAS' section. III. On the new page, enter existing User ID and Password. Post successful authentication, click on "Access to e-Voting". IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.	I. URL: https://web.cdslindia.com/myeasi/home/login Or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with user id and password IV. Option will be made available to reach e-Voting page without any further authentication. V. Click on e-Voting service provider name to cast your vote.
2. User not registered for IDeAS e-Services	**2. User not registered for Easi/Easiest**
I. To register click on link: https://eservices.nsdl.com (Select "Register Online for IDeAS") or https://eservices.nsdl.com/SecureWeb /IdeasDirectReg.jsp II. Proceed with completing the required fields **(Post registration is completed, follow the process as stated in point no.1 above)	I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. **(Post registration is completed, follow the process as stated in point no.1 above)
3. First time users can visit the e-Voting website directly and follow the process below:	**3. First time users can visit the e-Voting website directly and follow the process below:**
I. URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	I. URL: www.cdslindia.com II. Provide demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress. V. Click on company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Individual Shareholders (holding securities in demat mode) login through their depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note:

Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542/43.

· **Other instructions:**

I. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on **Cut-Off Date, i.e., Friday, 30th July, 2021**.

II. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-Off Date only shall be entitled to avail the facility of remote e-voting as well as e-voting (Insta Poll) at the AGM.

III. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of the AGM and holding shares as of the Cut-Off Date, i.e., Friday, 30th July, 2021, may obtain User ID and Password in the manner as mentioned below:

a) If the mobile number of the member is registered against Folio No./DP ID-Client ID, the member may send SMS: MYEPWD<SPACE>e-voting Event Number + Folio No. or DP ID-Client ID to +91 9212993399.
Example for NSDL :
MYEPWD<SPACE>IN12345612345678
Example for CDSL
MYEPWD<SPACE>1402345612345678
Example for Physical :
MYEPWD<SPACE>XXX1234567890

b) If email address of the Member is registered against Folio No./DP ID-Client ID, then on the home page of https://evoting.kfintech.com, the member may click 'Forgot Password" and enter Folio No. or DP ID-Client ID and PAN to generate a password.

c) Members may call KFinTech toll-free number 1800-309-4001.

d) Members may send an e-mail request to evoting@kfintech.com. If the Member is already registered with the KFinTech's e-voting platform, then such member can use his/her existing User ID and Password for casting the vote through remote e-voting.

e) In case of any queries, please visit Help and FAQs section available at KFinTech website https://evoting.kfintech.com. For any grievances related to e-voting, please contact Mr. Naveen Muthyala, Manager, KFin Technologies Private Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032 at evoting@kfintech.com, Toll Free No: 1800-309-4001.

IV. Subject to receipt of requisite number of votes, the Resolution proposed in the Notice shall be deemed to be passed on the date of meeting, i.e. **06th August, 2021**.

22. Information and instructions for e-voting facility at AGM (Insta Poll)

i. Facility to cast vote through e-voting system at AGM (Insta Poll) will be made available on the video conference screen and will be activated once the e-voting is announced at the Meeting.

ii. Those members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the AGM (Insta Poll).

iii. The procedure for e-voting during the AGM (Insta Poll) is same as the instructions mentioned above for remote e-voting since the AGM is being held through VC/OAVM. The e-voting window shall be activated upon instructions of the Chairman of the AGM during the AGM. E-voting during the AGM (Insta Poll) is integrated with the VC/OAVM platform and no separate login is required for the same.

iv. The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The result of e-voting along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: www.suven.com and on the website of KFinTech at: https://evoting.kfintech.com. The result will simultaneously be communicated to the stock exchanges.

For ease of participation by Members, provided below are key details regarding the AGM for reference:

Sr. No.	Particulars	Details of access
1.	Link for live webcast of the AGM and for participation through VC/ OAVM	https://emeetings.kfintech.com by using e-voting credentials and clicking on video conference
2.	Link for posting AGM queries and speaker registration and period of registration	https://emeetings.kfintech.com by using e-voting credentials and clicking on 'Speaker registration'. Period of registration: **Friday, 30th July, 2021 (9.00 a.m. IST) to Sunday, 01st August, 2021 (5.00 p.m. IST)** https://emeetings.kfintech.com by using e-voting credentials and clicking on 'Post Your Queries'. The window will close on, Sunday, 01st August, 2021 (5.00 p.m. IST)
3.	Link for remote e-voting	https://evoting.kfintech.com
4.	Username and password for VC	Members may attend the AGM through VC by accessing the link https://emeetings.kfintech.com by using the remote e-voting credentials. Please refer the instructions provided in the Notice.
5.	Helpline number for VC participation and e-voting	Contact KFin Technologies Private Limited at 1-800-3454-001 or write to them at evoting@kfintech.com
6.	Cut-off date for e-voting	**Friday, 30th July, 2021**
7.	Time period for remote e-voting	Commences on **Monday, 02nd August 2021 (9.00 a.m. IST) and ends on Thursday, 05th August, 2021 (5.00 p.m. IST)**
8.	Link for Members to update email ID (for physical shareholders)	https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx or sent email on einward.ris@kfintech.com
9.	Registrar and Transfer Agent - Contact details	**KFin Technologies Private Limited** Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 Toll free No: 1800-309-4001 Website : www.kfintech.com
10.	Suven Life Sciences Limited-contact details	Registered Office: 8-2-334, SDE Serene Chambers, 6th Floor, Road No.5, Avenue 7, Banjara Hills, Hyderabad – 500 034, Telangana. Email: investorservices@suven.com

Annexure to Notice of AGM

Additional information on director recommended for appointment/re-appointment at the Annual General Meeting as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable secretarial standards

ITEM NO. 2

Brief profile of Shri Venkateswarlu Jasti seeking Re-Appointment at the Annual General Meeting:

Name of the Director	Shri Venkateswarlu Jasti
Director Identification Number (DIN)	00278028
Age	72 years
Date of Appointment at current designation/ Date of first appointment on the Board	09/03/1989
Profile / Qualifications, Experience and Expertise in specific functional areas	Mr. Venkat Jasti is the Chairman and CEO of the company. He holds a dual PG degree in Pharmacy, from Andhra University, Visakhapatnam, India and St. John University, New York specialised in Industrial Pharmacy. He was a registered pharmacist in the state of New York and New Jersey and owned and operated six community pharmacies in New and New Jersey until 1989. Since 1989 he is running the operations of Suven. He was also involved in various industrial associations such as: • President of Indian Pharmaceutical Association, • Chairman of Local Organising Committee for the 52nd Indian Pharmaceutical Congress, Hyderabad, • President of Bulk Drug Manufacturers Association of India (BDMA) • Chairman for Pharmexcil (Pharmaceutical Export Promotion Council) Also Mr. Venkat Jasti has been instrumental as the chief architect for the formation of the then A.P. Chief Minister's task force for Pharma during 2001 and responsible for the creation of Pharma City at Vizag by the erstwhile Government of Andhra Pradesh and Pharmexcil (Pharmaceutical Export Promotion Council) by the Government of India with HQ at Hyderabad.
Terms and conditions of appointment / re-appointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013.
Remuneration proposed to be paid	As approved by the Members of the Company in 30th Annual General Meeting held on 14th August, 2019. However, post demerger he is not drawing any remuneration from the Company. Hence remuneration details are not provided.
Names of listed entities in which the person also holds the directorship in other Companies	Suven Pharmaceuticals Limited
Chairmanship/Membership of Committees in other companies in which position of Director is held	Member of Nomination & Remuneration Committee and Corporate Social Responsibility Committee and Chairman of the Risk Management Committee.
Shareholding in the Company	1000 shares
Relationship with Other Directors, Manager and other Key Managerial Personnel of the company.	Shri Venkateswarlu Jasti is the Chairman & CEO and promoter Director of the Company. He is spouse of Smt. Sudharani Jasti, Whole Time Director of the Company. Except Shri. Venkateswarlu Jasti and Smt. Sudharani Jasti their relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in anyway concerned or interested, financially or otherwise in the passing of the Resolution at Item No. 2 of the Notice.
The number of Meetings of the Board attended/held during the FY 2020-21 i.e. upto 31st March, 2021	5/5

Note