



Ref: CERT/067/2018-19

15 February 2019

To,

The Board of Directors,
Suven Life Sciences Limited,
Door No. 8-2-334, 6th Floor,
SDE Serene Chambers, Road No. 5,
Avenue 7, Banjara Hills,
Hyderabad – 500 034, Telangana, India.

INDEPENDENT AUDITOR'S CERTIFICATE IN RELATION TO NON-APPLICABILITY OF VALUATION REPORT PRESCRIBED IN PARA I(A)(4) OF ANNEXURE I TO SEBI CIRCULAR NO. CFD/DIL3/CIR/2017/21 DATED MARCH 10, 2017 ("SEBI SCHEME CIRCULAR") TO THE DRAFT SCHEME OF ARRANGEMENT BETWEEN SUVEN LIFE SCIENCES LIMITED AND SUVEN PHARMACEUTICALS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. This is in connection with the proposed Scheme of Arrangement ("**Scheme**") between Suven Life Sciences Limited ("**Company**" or "**Demerged Company**") and Suven Pharmaceuticals Limited ("**Resulting Company**") and their respective shareholders and creditors in terms of the provisions of Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and pursuant to Para I(A)(4)(a) of Annexure I to the SEBI Scheme Circular, wherein it is mandated for listed companies to submit a Valuation Report from an Independent Chartered Accountant in case of a scheme of arrangement involving listed companies.

Further, as per Para I(A)(4)(b) of Annexure I to the SEBI Scheme Circular, Valuation Report is not required in cases where there is no change in the shareholding pattern of the listed entity / resultant company.

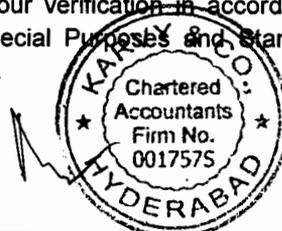
2. In relation to the requirement stated in Paragraph 1 above, we have been provided by the Company, a copy of the Scheme which is pending for sanction by the Hon'ble National Company Law Tribunal ("**NCLT**") (as attached herewith) and certified copy of the Undertaking provided by the management of the Company on non-applicability of Valuation Report dated 5th February 2019 ("**Undertaking**"). We have initialed the Undertaking for identification purposes only. We have relied on the Undertaking and have performed no further procedures in this regard.

Management's Responsibility for the Undertaking

3. The Management of the Company is responsible for the preparation of the Undertaking that is free from material misstatement and for ensuring compliance with the requirements of the SEBI Scheme Circular including providing proper reasons in the Undertaking for non-applicability of provisions of Para I(A)(4)(a) of Annexure I to the SEBI Scheme Circular.

Auditor's Responsibility

4. Our responsibility, for the purpose of this certificate, is limited to certifying the particulars contained in the Undertaking on the basis of our examination of the Scheme and the confirmations provided to us. Our examination did not include the evaluation of the adherence by the Company with all applicable guidelines. We conducted our verification in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards of Auditing issued by the Institute of Chartered Accounts of India.



Conclusions

5. In relation to the above, we have verified the following documents provided by the management:
- Copy of the Scheme
 - Certified copy of the Undertaking
6. Basis our verification as stated above and according to the information, explanations and the Undertaking provided to us by the Management of the Company, we certify that the requirements of Para I(A)(4)(a) of Annexure I to the SEBI Scheme Circular regarding submission of Valuation Report from an Independent Chartered Accountant by the Company is not applicable as there is no change in the shareholding pattern of the listed entity / resultant company.

As per the Undertaking given by the Company in this behalf, the following are the reasons for non-applicability of requirement of valuation report:

- The Scheme involves demerger of the Contract Research and Manufacturing Services Undertaking of Suven Life Sciences Limited to Suven Pharmaceuticals Limited, whose entire share capital is held by Suven Life Sciences Limited (i.e. Suven Pharmaceuticals Limited is a wholly owned subsidiary of Suven Life Sciences Limited).
- The Resulting Company shall issue and allot equity shares on a proportionate basis to each member of the Demerged Company, whose name is recorded in the Register of Members of the Demerged Company as holding equity shares on Record Date, as per the Share Entitlement Ratio Report.
- The existing shares held by Demerged Company in the Resulting Company will be cancelled pursuant to the Scheme.
- The shareholding of Resulting Company shall comprise only of the shareholders of Demerged Company.

This will ensure that shareholding pattern of the Resulting Company is identical and a mirror image of the Demerged Company.

7. A certified copy of the Undertaking and the Proposed Scheme form Annexures I and II, respectively, to this certificate.
8. This Certificate is issued at the request of the Management of the Company for onward submission to the BSE Limited and the National Stock Exchange of India Limited, if required and should not be used for any other purpose without our prior written consent.

Thanking you,

Yours faithfully,
For **KARVY & CO.,**
Chartered Accountants
Firm registration number: 001757S

(AJAYKUMAR KOSARAJU)
Partner
Membership No 021989
UDIN: 19021989AAAAAC6984



Place: Hyderabad
Date : 15/02/2019

UNDERTAKING IN RELATION TO NON-APPLICABILITY OF VALUATION REPORT PRESCRIBED IN PARA 1(A)(4) OF ANNEXURE I TO SEBI CIRCULAR NO. CFD/DIL3/CIR/2017/21 DATED MARCH 10, 2017 ("SEBI SCHEME CIRCULAR") TO THE DRAFT SCHEME OF ARRANGEMENT BETWEEN SUVEN LIFE SCIENCES LIMITED AND SUVEN PHARMACEUTICALS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This is in connection with the proposed Scheme of Arrangement ("**Scheme**") between Suven Life Sciences Limited ("**Company**" or "**Demerged Company**") and Suven Pharmaceuticals Limited ("**Resulting Company**") and their respective shareholders and creditors in terms of the provisions of Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, and pursuant to Para 1(A)(4)(a) of Annexure I to the SEBI Scheme Circular, wherein it is mandated for listed companies to submit a Valuation Report from an Independent Chartered Accountant.

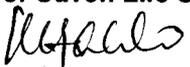
Further, as per Para 1(A)(4)(b) of Annexure I to the SEBI Scheme Circular, Valuation Report is not required in cases where there is no change in the shareholding pattern of the listed entity / resultant company.

Suven Life Sciences Limited hereby undertakes that the requirement stated at Para 1(A)(4)(a) of the SEBI Scheme Circular is not applicable to the Scheme, for the following reasons:

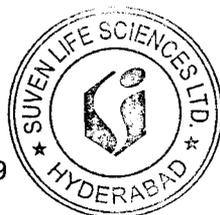
- The Scheme involves demerger of the Contract Research and Manufacturing Services Undertaking of Suven Life Sciences Limited to Suven Pharmaceuticals Limited, whose entire share capital is held by Suven Life Sciences Limited (i.e. Suven Pharmaceuticals Limited is a wholly owned subsidiary of Suven Life Sciences Limited).
- The shareholding of Resulting Company shall comprise only of the shareholders of Demerged Company.
- The Resulting Company shall issue and allot equity shares on a proportionate basis to each member of the Demerged Company, whose name is recorded in the Register of Members of the Demerged Company as holding equity shares on Record Date, as per the Share Entitlement Ratio Report.
- The existing shares held by Demerged Company in the Resulting Company will be cancelled pursuant to the Scheme.

This will ensure that shareholding pattern of the Resulting Company is identical and mirror image of the Demerged Company.

For Suven Life Sciences Limited


K Hanumantha Rao
 Company Secretary

Place: Hyderabad
 Date: 5 February 2019



Suven Life Sciences Limited

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



Ref: CERT/064/2018-19

5 February 2019

To

The Board of Directors
Suven Life Sciences Limited
6th Floor, SDE Serene Chambers,
Avenue – 7, Road No 5,
Banjara Hills,
Hyderabad – 500 034, Telangana

The Board of Directors
Suven Pharmaceuticals Limited
6th Floor, SDE Serene Chambers,
Avenue – 7, Road No 5,
Banjara Hills,
Hyderabad – 500 034, Telangana

Re: Share Entitlement Ratio Report for proposed demerger of “Contract Research and Manufacturing Services Undertaking” of Suven Life Sciences Limited into Suven Pharmaceuticals Limited

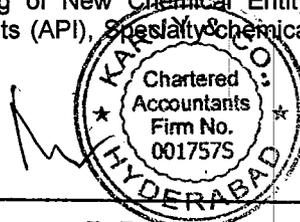
Dear Sirs,

We have been requested by the management of Suven Life Sciences Limited (hereinafter referred to as “SLSL”) and Suven Pharmaceuticals Limited (hereinafter referred to as “SPL”), (collectively referred to as “Companies”) to issue Share Entitlement Ratio Report for issue of equity shares of SPL, in connection with proposed Scheme of Arrangement (hereinafter referred to as “Scheme”) between Suven Life Sciences Limited and Suven Pharmaceuticals Limited and their respective shareholders and creditors under the provisions of section 230 to 232 read with section 66 of the Companies Act, 2013 and other applicable provisions for demerger of “Contract Research and Manufacturing Services Undertaking” (CRAMS) of SLSL into SPL.

1. BACKGROUND

1.1. Suven Life Sciences Limited

- SLSL was originally incorporated on March 9, 1989 under the Companies Act, 1956 in the State of Andhra Pradesh with the name “Suven Pharmaceuticals Pvt. Ltd”.
- Later on in the terms of Section 31(1) / 44 of the Companies Act, 1956, the name was changed to SUVEN PHARMACEUTICALS LIMITED on 4th January, 1995 and
- Later after passing special resolution in the AGM on September 20, 2003, the name had changed to Suven Life Sciences Limited.
- The Corporate Identity Number of SLSL is L24110TG1989PLC009713. The Registered Office of SLSL is situated at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad, Telangana 500034.
- The equity shares of SLSL are listed on BSE Limited (Stock Code: 530239) and National Stock Exchange of India Limited (Stock Code: SUVEN-EQ).
- SLSL has 2 (two) business verticals:
Contract Research and Manufacturing Services (CRAMS) – SLSL CRAMS is engaged in development and manufacturing of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API), Specialty Chemicals and formulated drugs under



Contract Research and Manufacturing Services for global pharmaceutical, biotechnology and chemical companies.

Discovery Research – SLSL Discovery Research is focused on discovering, developing and commercializing novel pharmaceutical products, which are first in class or best in class CNS (Central Nervous System) therapies using GPCR targets for the treatment of cognitive impairment associated with neurodegenerative disorders like Alzheimer's disease, Attention deficient hyperactivity disorder (ADHD), Huntington's disease, Parkinson and Schizophrenia, Major Depressive Disorders (MDD) and sleep disorders like Narcolepsy etc.

1.2. Suven Pharmaceuticals Limited

- SPL is a public limited company incorporated on November 6th, 2018 under the Companies Act, 2013 in the State of Telangana.
- The Corporate Identity Number of SPL is U24299TG2018PLC128171.
- The Registered Office of SPL is situated at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad, Telangana 500034.
- We understand that SPL is a wholly owned subsidiary of SLSL i.e. the entire share capital of SPL is held by SLSL.

The management of SLSL is considering demerger of its CRAMS Undertaking into SPL with effect from Appointed Date of 1 October 2018. We have been informed that the CRAMS Undertaking will be demerged to SPL and in consideration, equity shares of SPL would be issued to the equity shareholders of SLSL.

The existing share capital of SPL, which is held by SLSL, will be cancelled as a part of the proposed Scheme.

2. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

- a) Management Certified provisional position of assets and liabilities of CRAMS Undertaking of SLSL as on September 30, 2018 prepared in compliance with section 2(19AA) of the Income-tax Act, 1961.
- b) Current and proposed shareholding pattern of SPL.
- c) Draft Scheme of Arrangement between Suven Life Sciences Limited and Suven Pharmaceuticals Limited and their respective shareholders and creditors under the provisions of section 230 to 232 read with section 66 of the Companies Act, 2013 and other applicable provisions.
- d) Such other information and explanations as we required and which have been provided by the management of SLSL and SPL.

3. LIMITATION

- 3.1. Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 3.2. Our report is neither should it be construed as our opining nor certifying the compliance of the proposed Demerger of CRAMS Undertaking of SLSL with the provisions of any law including companies, RBI, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed Demerger.
- 3.3. The information contained herein and our report is intended only for the sole use and information of the Companies, and only in connection with the proposed demerger as aforesaid including for the purpose of obtaining requisite approvals. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed demerger as aforesaid, can be done only with our prior permission in writing.



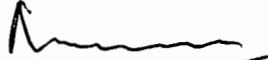
- 3.4. No investigation on the Companies claims to title of assets has been made for the purpose of this report and their claim to such rights has been assumed to be valid. Therefore, no responsibility is assumed for matters of a legal nature.
- 3.5. We have not carried out audit of the information provided for the purpose of this engagement. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.
- 3.6. Our work does not constitute certification of the historical financial statements including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Our analysis and results are specific to the purpose of this report as per agreed terms of our engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 3.7. Any third person/party intending to provide finance/invest in the shares/businesses of any of the Companies / CRAMS Undertaking, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 3.8. This report is prepared only in connection with the proposed demerger and transfer exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law.
- 3.9. M/s. Karvy & Co, Chartered Accountants, nor its partners, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which this report is being issued. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in this report.

4. BASIS FOR DETERMINATION OF RATIO AND CONCLUSION

- 4.1. In order to replicate the mirror shareholding of SLSL in SPL and considering that all the shareholders of SLSL are and will, upon demerger, be the ultimate beneficial owners of SPL in the same ratio (inter-se) as they hold shares in SLSL, we recommend a ratio of 1 (One) equity share of INR 1/- each fully paid up of SPL for every 1 (One) existing equity share of SLSL of INR 1/- each fully paid up to equity shareholders of SLSL in consideration for the demerger of CRAMS Undertaking.

Thanking you,

Yours faithfully,
For **KARVY & CO.**,
Chartered Accountants
Firm registration number: 0017575


(AJAYKUMAR KOSARAJU)
Partner
Membership No 021989
UDIN: 19021989AAAAAA7666



Place: Hyderabad
Date : 05/02/2019