

19th Annual Report



In search of new CNS therapies for better living

2007 - 08



Suven Life Sciences Limited



CEO'S COMMUNIQUE



Dear Shareholders,

CNS DISORDERS - GLOBAL SCENARIO

According to the World Health Organization (WHO), over 180 million people worldwide suffer from **CNS disorders** that exhibit significant impairment of memory and other Cognitive functions. These disorders include neurological diseases associated with aging, Such as Alzheimer's disease and certain psychiatric diseases including schizophrenia and Depression. The market **opportunity is over \$50 Billion** and continued to grow.

We expect the market for drugs treating these diseases to grow significantly over the next Several decades as the baby boomer generation ages, life expectancies increase and the need for improved therapies.

As you are all well aware that your company is focusing on discovering drugs for the Diseases related to central nervous system (CNS) disorders. These disorders are affecting People from all ages more so in the older population and all ethnicities all over the world. The rapid aging of the population threatens to increase this burden significantly in the Coming decades when all the baby boomers (born between 1946 and 1964) will be over age 65. There are lots of unmet medical needs in this field and one such is **Alzheimer's disease (AD)**.

CNS DISORDERS SUVEN'S FOCUS AREAS

Alzheimer's (AHLZ-high-merz) is a disease of the brain that causes problems with Memory, thinking and behavior. It is not a normal part of aging. Alzheimer's gets worse over time. Although symptoms can vary widely, the first problem many people notice is forgetfulness severe enough to affect their ability to function at home or at work, or to enjoy lifelong hobbies. Other symptoms include confusion, getting lost in familiar places, misplacing things and trouble with language.

Alzheimer's disease is a progressive, ultimately fatal disorder with a profound impact on individuals, families, the health care system, and society as a whole.

Every 71 seconds, someone is diagnosed with Alzheimer's disease (AD).

One in 6 women and One in 10 men who live to be at least age 55 will develop AD.

More than 5.5 million Americans ages 65 and older are currently battling AD

By the year 2050, the number of Americans with **AD could** rise to as many as 16 million.

Financial costs of AD are high: Some experts estimate direct and indirect costs of AD and other dementias to be more than \$150 billion annually in USA alone.



SUVEN'S RESEARCH GOAL

Suven's research goal is to gain a greater understanding of cognition and memory in older people, and to develop new and better ways to both **prevent and treat** memory loss and cognitive decline in patients with **Alzheimer's Disease (AD)**.

Ultimately we aim to maintain independence in older people as long as possible during life, and to compress disability into the shortest possible period of life.

Therapies for the treatment of **Alzheimer's disease**, schizophrenia and depression have been available for a number of years. However, many of the approved drugs for these diseases appear to have limited efficacy in the overall patient population and can produce significant side effects, leading to poor tolerability and low patient compliance. In addition, in the case of Alzheimer's disease, these therapies may lose their effectiveness over a time.

Suven is focused on the discovery and development of CNS drugs that impact biological targets believed to play a critical role in memory formation and cognition which may also be implicated in other CNS conditions.

Based on our understanding of neuronal pathways, we are targeting specific subcategories of neurotransmitter receptors and specific enzymes. We screen, optimize and develop highly selective compounds for these targets.

SUVEN DRUG DEVELOPMENT APPROACH

Through this approach, we believe we can address many of the debilitating symptoms of several neurological and psychiatric disorders and potentially slow or halt the progression of some of these diseases.

Our goal is to develop drug candidates that provide enhanced efficacy and may have an improved side effect profile compared to the current treatments.

Our interdisciplinary drug discovery and development approach enables us to generate drug development programs focused on multiple targets and clinical indications. Through this approach, we believe that we are able to identify and optimize promising drug candidates quickly and efficiently.

We use our extensive knowledge of the neuronal pathways involved in memory formation to identify highly relevant targets in the cascade of events leading to long-term memory formation.

We have created a dynamic, interdisciplinary environment in which experts in neuroscience, molecular biology, medicinal chemistry and pre-clinical drug development work closely together to screen, identify and optimize drug candidates.

HOW DO WE ACCOMPLISH THIS?

We complement our scientific disciplines with leadership by individuals who have extensive expertise and experience in drug discovery and development, related technologies and collaboration management.

We design our drug discovery process with the goal of significantly enhancing our ability to develop high quality drug candidates on an accelerated basis and to reduce our risk of failure in the clinical trial process.



SUVEN STRATEGY

Suven's goal is to be a leading biopharmaceutical company focused on the discovery and development of drug candidates for the treatment of CNS disorders related to the impairment of memory and other cognitive functions. In order to achieve this goal, we:

Aggressively pursue the discovery and development of drug candidates in large disease markets with commercial opportunity.

Leverage our extensive technical expertise in neuroscience capabilities with our interdisciplinary accelerated drug development approach to yield multiple promising drug candidates.

Seek to selectively in-license or acquire additional compounds.

Establish collaborations with leading pharmaceutical and biotechnology companies to advance our drug candidates through clinical development and commercialization.

COLLABORATIVE RESEARCH PARTNERSHIPS

As you are well aware that your company, which has established first Drug Discovery research collaboration in the CNS arena with Eli Lilly in 2006, has successfully expanded that relationship into a **second drug discovery collaboration** for a new therapeutic area again in CNS arena during the fiscal year 2007/08.

We hope to establish one more such collaboration with another global major during the current year 2008/09.

FUTURE

Not only to establish new collaborations but also to move SUVN-502 into clinic as stated earlier while moving other Suven compounds into IND enabling studies.

I thank all the shareholders for supporting me in this endeavor to develop drugs to treat the people for a better living.

Your Sincerely

Venkat Jasti



BOARD OF DIRECTORS

Shri Bodhishwar Rai	Chairman
Shri Venkateswarlu Jasti	Vice-Chairman & CEO
Smt. Sudha Rani Jasti	Wholetime Director
Shri T. R. Prasad	Director
Dr. M.R. Naidu	Director
Dr. K.V. Raghavan	Director
Dr.S.Ramachandran	Director

REGISTERED OFFICE

SDE Serene Chambers,
Road No.7,
Banjara Hills
Hyderabad - 500 034.

FACTORY

Unit 1 : Dasaigudem (V), Suryapet (M),
Nalgonda Dist, Andhra Pradesh - 508 213

Unit 2 : Plot No.262, 263 IDA, Pashamylaram,
Isnapur, Medak Dist. Pin - 502 300.

RESEARCH CENTRE - I

Plot No.18/B, Phase III
IDA Jeedimetla
Hyderabad - 500 055.

RESEARCH CENTRE - II

Bio-Pharmaceutical Lab
5th Floor, SDE Serene Chambers,
Road No.7, Banjara Hills, Hyderabad

AUDITORS

Karvy & Company
Chartered Accountants
No.2, Bhooma Plaza, Street No.4
Avenue 7, Banjara Hills, Hyderabad - 500 034.

COST AUDITOR

K.S.N. Sarma
216, HMT Satavahana Nagar
Kukatpally, Hyderabad - 500 072.

BANKERS

State Bank of India
Overseas Branch
Abids, Hyderabad.

REGISTRARS & SHARE TRANSFER AGENTS

Karvy Computershare Pvt. Limited
Plot No. 17 to 24
Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081.

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NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of Suven Life Sciences Limited will be held on Thursday the 18th day of September 2008 at 3.00 p.m. at **KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry [FAPCCI], 11-6-841, Red Hills, Hyderabad -500 004** to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 and the Audited Profit & Loss Account for year ended 31st March, 2008 together with Director's Report and Auditor's Report thereon.
2. To declare a Dividend.
3. To appoint a director in place of Dr M R Naidu, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Dr S Ramachandran, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint M/s. Karvy & Co., Chartered Accountants, Hyderabad, the retiring Auditors as Auditors for the year 2008-09 and to fix their remuneration.

Special Business

ITEM NO 6

To consider and if thought fit, to pass, with or without modification, the following resolution as a special resolution.

"RESOLVED that pursuant to the provisions of Section 81(1A) and other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provision of the Articles of Association of the Company, the Listing Agreement entered into between the Company and various stock exchanges, the guidelines and clarifications issued by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Government of India (GOI) and any other statutory/regulatory authorities, and subject to all such other approvals, permissions, consents and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall also include any committee thereof), the consent and approval of the Company be and is hereby accorded to the Board for issuance of the Company's securities (as defined below) in pursuance of one or more International or Domestic Public Offerings, by way of direct

issuance and allotment of shares including in the form of Global Depository Receipts (GDRs) and / or American Depository Receipts (ADRs) and / or any other securities linked to shares and / or any other convertible instrument or securities such as Convertible Debentures, Bonds, Foreign Currency Convertible Bonds (FCCBs), Convertible Warrants (hereinafter referred to as securities) to be subscribed by foreign / domestic investors including but not limited to NRIs, FIIs, Qualified Institutional Buyers (QIBs), Mutual Funds, Banks, Insurance Companies, other institutions/ corporate bodies and / or individuals or otherwise whether or not such investors are members of the Company, in any Foreign Currency or Indian Rupees, subject to such conditions as the Board may consider appropriate, provided that the amount for which the Securities to be issued shall not exceed U.S. \$ 50 million (U.S.Dollar Fifty million) or its equivalent of any other Foreign / Indian currencies in one or more tranches and shall be in accordance with all applicable laws and regulations. The Board be and is hereby authorized subject to applicable laws and regulations to issue the aforesaid securities to the investors, in such manner as they may deem appropriate in their absolute discretion in one or more tranches and at a premium to market price(s), and if necessary, in consultation with Lead Managers and / or Underwriters and / or other Advisors of the Company concerned with the offering, as they may deem appropriate."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issuance of the securities may have to be subject to such terms or conditions as are in accordance with prevalent market practices and applicable laws and regulations including but not limited to the terms and conditions relating to payment of interest, dividend, premium on redemption, the terms for issue of additional shares or variations in the price or period of conversion of Securities into Equity shares or terms pertaining to voting rights or options for redemption of Securities or conversion rights and that the Company is also entitled to enter into and execute all such arrangements with any Lead Managers, Underwriters, Guarantors, Depositories, Custodians and all such Agencies as may be involved or concerned in such offerings of securities and to remunerate all such agencies including by way of commission, brokerage, fees or the like, also to seek the listing of such securities or securities representing the same in one or more Domestic / International Stock Exchanges, in accordance with all applicable laws and regulations."

"RESOLVED FURTHER THAT the Company and / or any Agency or Bodies as are authorized by the Board may issue Depository Receipts (including by way of GDRs or ADRs or FCCBs) represented by underlying shares in the capital of the company or such other Securities as may be required with such features and attributes as are prevalent in International / Domestic capital markets for instruments of this nature and to provide the tradability and free transferability thereof in accordance with market practices and subject to applicable laws and regulations and the Articles of Association of the Company."



"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of securities as may be required to be issued and allotted upon conversion of any Securities (referred to above) or as may be necessary in accordance with the terms of offering."

"RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board is hereby authorised to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary or desirable for such purpose, including but not limited to entering into arrangements for managing, underwriting, marketing, listing, trading, and appointing Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees and such other agencies and to issue any Prospectus or Offering Document and sign the same and all other required applications, filings, deeds, documents and writings and to pay any fees, commissions, remuneration and expenses and to resolve any doubts or question that may arise in the issue and allotment of securities relating to the Offerings ".

"RESOLVED FURTHER THAT the consent of the Company be and is hereby accorded, in terms of Section 293 and other applicable provisions, if any, of the Companies Act, 1956 and subject to compliance with all applicable laws and regulations to the Board to issue Securities or raise loans, by the creation of mortgage(s) and / of charges and / or lien(s) on all or any of the Company's immovable and / or movable assets both present and future in such form and manner and on such terms and conditions as may be deemed fit and appropriate by the Board."

"RESOLVED FURTHER that the Board be and is hereby empowered to delegate all or any of the powers described above to any Committee of Directors or to Vice-Chairman and CEO or any Director or any officers of the Company. "

By Order of the Board

Place : Hyderabad
Date : 25th July 2008

K Hanumantha Rao
Company Secretary

NOTES

1. A member entitled to attend and vote at this Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself on a poll and Proxy need not be a member of the Company. The instrument of Proxy in order to be valid, duly completed and signed, must be deposited at the Registered Office of the Company atleast 48 hours before the commencement of the meeting.
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special businesses is annexed hereto.
3. Members holding shares in physical form are requested to notify any change in their address/bank details immediately to the Registrars and Transfer Agents Karvy Computershare Pvt. Ltd., Hyderabad and in case of Members holding shares in electronic form are requested to notify any change in mailing address/bank/ details to their respective Depository Participants.
4. The Members are requested to bring their copies of the Annual Report to the meeting, and handover the attendance slips at the entrance hall of the meeting.
5. The Register of Members of the Company and share transfer books will remain closed from 13th September 2008 to 15th September 2008 (both days inclusive). Share transfer requisitions received at M/s. Karvy Computershare Pvt. Ltd., or at the Registered Office of the Company by 5.30 p.m. on 12th September 2008 will be in time for payment of dividend subject to provisions of section 206A of the Companies Act, 1956.
6. Dividend if declared at the Annual General Meeting, will be paid to the members whose names appear on the Register of Members as on the Book Closure date in respect of shares held in physical form and in respect of shares held in electronic form (Demat), dividend will be paid to the beneficial owners as per the list to be provided by the Depositories, as on the book closure date.
7. Members desiring to have any information on the accounts are requested to make a request for the same at least one week before the date of meeting. So that the requisite information will be made available at the meeting.
8. Corporate Members are requested to send a duly certified copy of the Board Resolution / power of attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting
9. Members are requested to send all correspondence concerning registration of transfers, transmission, subdivision or any other shares related matter to Company's Registrars.
10. The entire Annual Report is also available at the Company's website www.suven.com



EXPLANATORY STATEMENT

(Pursuant to section 173(2) of the Companies Act, 1956)

ITEM NO 6

It may be recalled that in the last AGM held on 27th September 2007, the members have approved and authorized the Board to raise funds to the tune of U.S. \$ 50 million (U.S.Dollar Fifty million) or its equivalent of any other Foreign / Indian currencies, since then the management of your company has been waiting for right time to raise the funds. In order to keep the resolution in force, the Board of Directors has decided to seek fresh mandate from the members in the general meeting to raise funds as above said either from the international capital markets by way of the issue of American Depository Receipts (ADRs) / Global Depository Receipts (GDRs) / Foreign Currency Convertible Bonds (FCCBs) and / or other securities (debt instruments) to international investors and / or through domestic offerings to various investors, for the purpose of meeting its R&D expenditure and for creation of dedicated Drug Discovery Centre and/or for meeting company's on going expansion and upgradation plans.

The ADRs / GDRs / FCCBs / or other securities will be listed in one or more foreign stock exchanges and will be convertible into equity shares of your company at a conversion price to be decided between the Company and such investors.

The detailed terms and conditions for the offer and the rights and privileges of the holders of ADRs / GDRs / FCCBs will be determined in consultation with the lead managers , advisors

and underwriters to be appointed by the Company. Since the pricing of these debt instruments could be decided at a later stage, the resolution did not state the issue price or the precise number of securities to be issued. The Board of Directors or any committee constituted for this purpose shall finalize the terms and conditions in consultation with the agencies afore said in accordance with the applicable laws, guidelines, rules and regulations in this regard.

As per Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and as per the terms of listing agreement with the stock exchanges, the further issue of shares / offer and allotment of shares to the persons other than the existing shareholders would require approval of the members in the general meeting authorizing the Board of Directors to issue securities as stated in the resolution.

The Board recommends the resolution for your approval.

None of the Directors of the company is in any way concerned or interested in the resolution.

By Order of the Board

Place : Hyderabad
Date : 25th July 2008

K Hanumantha Rao
Company Secretary

Brief profile of the Director seeking appointment/re-appointment at the Annual General Meeting

Dr. M.R. Naidu is a Doctorate in Science and Graduate in Mechanical Engineering. He had memberships in Professional Bodies like American Society of Mechanical Engineers, Planning Executives Institute and Indian Institute of Engineers. Dr. M.R. Naidu was a former Chairman and Managing Director of M/s. Bharat Heavy Plates and Vessels Limited (BHPV) and Hindustan Machine Tools Limited (HMT) and having vast experience in Technical and Administrative Sectors. He held the position of President, The Andhra Petrochemicals Ltd, the U.B.Group. He is assisting the company in all technical aspects.

Dr.M.R.Naidu is a member of Audit Committee and Investor Grievance Committee of the board of your Company and he

is holding 7,000 shares in the Company. Dr.M.R.Naidu is also a Director on the Board of Nile Limited.

Dr.S. Ramachandran M.Sc.,Ph.d is a renowned Synthetic Organic Chemist having 40 years of experience and is of immense value to the Company in R & D activities for Drug Intermediates and Fine Chemical Intermediates planned for the Company.

Dr.S.Ramachandran is a member of Audit Committee and Chairman of Investor Grievance Committee of the board of your Company and he is holding 20,000 shares in the Company. Dr.S. Ramachandran is also a Director on the Board of Vasudha Pharma Chem Limited.



DIRECTORS' REPORT

Your Company's Board of Directors has pleasure in presenting this 19th Annual Report together with Audited Accounts of the Company for the financial year 2007-08.

Financial statements for the year 2007-08 prepared in substantial compliance with US GAAP are also included in this Annual Report.

FINANCIAL RESULTS

	Current Year Ended 31-03-08 (Rs in Millions)	Previous Year Ended 31-03-07 (Rs in Millions)
Sales and other incomes	1231.61	1145.19
Gross Profit	158.53	178.50
Less: Interest	50.59	30.27
Depreciation	44.35	40.14
Profit before Tax	63.59	108.09
Less: Provision for Taxation	(19.94)	(5.09)
Profit after Tax	83.53	113.17
Add: Balance brought forward	80.34	45.88
Profit available for appropriation	163.87	159.05
Appropriations:		
Dividend	28.93	28.82
Dividend tax	4.92	4.89
Transfer to General Reserve	10.00	45.00
Balance carried forward	120.02	80.34

REVIEW OF OPERATIONS

During the year under review, your company has achieved a total income of Rs 1231.61 Mn comprising exports revenue of Rs 874.69 Mn from CRAMS and DDDSS business model which consists of Contract Technical Services, Clinical Trials Services, Process Development Services and Collaborative Research Partnership (CRP) services, domestic revenue of Rs 325.13 Mn, and other income of Rs 31.79 Mn. Profit before tax has been decreased by 69.97% to Rs 63.59 Mn from previous year's profit before tax of Rs 108.09 Mn primarily due to heavy R&D spend which accounts for 25% of total turnover, increase in raw materials cost nearly by 7% and increase in other overheads. The EPS of your Company has come down to Re 0.72 per share from the previous year EPS of Re 0.98 per share.

EXPORTS

Exports continue to be major chunk of revenue for the year 2007-08 despite adverse foreign exchange fluctuations with Rs 874.69 Mn representing 72.90% of total turnover of Rs 1199.81 Mn.

DIVIDEND

Your Directors are pleased to recommend a dividend @ 25% on face value of equity share of Re 1/- each (Re 0.25 paise per share) for the financial year 2007-08 which will absorb a sum of Rs 33.84 Mn including tax on dividend on paid up capital of the Company. If approved in the Annual General Meeting the dividend will be paid to the shareholders who are on the Register of Members of the Company as on the book closure date.

ESOPS

During the year, Compensation Committee of the Board has granted 300,000 stock options to the eligible employees of your Company as well as to the employees of Wholly Owned Subsidiary at USA. The disclosures as required under the SEBI Guidelines on ESOPs are annexed to the Directors Report.

INCREASE IN SHARE CAPITAL

During the year under review, the issued and paid up capital of your Company has gone up from Rs 2,88,16,625 to Rs 11,57,10,200 due to sub-division of shares from Rs 2/- each to Re 1/- each and issue of Bonus Shares in the ratio of 1:1 and allotment of equity shares to employees of your company and its subsidiaries who have exercised the stock options.

RESEARCH AND DEVELOPMENT

Your Company is a pioneer in Contract Research And Manufacturing Services (CRAMS) since 1995 in its endeavor to become collaborative research partner (CRP) for global life science companies has embarked on new business model "Drug Discovery and Development Support Services" (DDDSS) with the onset of Intellectual Property Regime in India since January 2005

The focal point of Suven's R&D remains on Central Nervous System (CNS) disorders through novel mechanisms with R&D spend of Rs 300.55 Mn. representing about 25.05 % of the turnover for the year under review. Your Company is pursuing innovative ways to develop treatments for a variety of CNS disorders like Alzheimer's, Schizophrenia, Depression, Cognitive disorders, Sleep, Neurodegeneration and Obesity through CNS targets. Your Company has signed up two CRPs as of now with Lilly a global pharma major, this alliance envisages to work jointly in the therapeutic areas of CNS. During the year under review Suven secured three (3) global product patents from USA, European Union and Australasia.

QUALITY ASSURANCE

At SUVEN Safety, Health and Environment (SHE) is of paramount importance. To validate SHE policy as a global standard, your Company has appraised the systems through an external agency. Your Company's comprehensive



environmental management system complies with the requirements as stipulated in the standard: ISO 14001: 2004 and Occupational Health and Safety management system (OHSAS) complies with the requirements as stipulated in the standard: OHSAS 18001: 1999 for all three units of Suven. In addition Suven has recertified its quality system ISO 9001:2000. cGMP & GMP practices across Suven manufacturing facilities. Your Company's cGMP compliant plant at Pashamylaram has been audited & approved by USFDA in April 2007. Certificate of Suitability from EDQM for one product is in final stage of review & expected to receive certificate in during the year. This certificate enables Suven to explore European markets, as this is acceptable for all European countries. Various quality audits conducted by the international customers during the year were successful. The Focus on "Customer satisfaction" remains as our top priority.

SUBSIDIARY

The consolidated and standalone financials of Suven Life Sciences USA LLC a Wholly Owned Subsidiary (WOS) at New Jersey are also presented in this Annual Report.

SOCIAL RESPONSIBILITY

Your company has put in place various safety measures in its plant locations and got re-certified for the ISO 14001 and OHSAS 18001 compliances. Your Company continues to shoulder its social responsibility and has made contributions to various charities like education, sports, spiritual and cultural programmes and supplied drinking water to the neighboring villages around the plant facilities during the year.

DIRECTORS

As per the provisions of the Companies Act, 1956 and Articles of Association of the Company, Dr M.R.Naidu and Dr S Ramachandran retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

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

INVESTOR SERVICE

Your Company's share registry operations (physical as well as electronic form of holdings) will continue with Karvy Computershare Private Limited, Registrars and Transfer Agents. They can be contacted at plot no-17 to 24, Vittalrao Nagar, Madhapur, Hyderabad -500 081 (Phone Nos. 040-23420818, 23420828 fax no.040-23420814) for any query relating to Shares.

The shares of the Company are listed on National Stock exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE).

REPORT ON CORPORATE GOVERNANCE

A detailed Report on Corporate Governance prepared in substantial compliance with the provisions of Listing Agreements with the Stock Exchanges together with the Auditors' Certificate regarding the compliance of conditions of corporate governance, forms part of Annual Report. A Report on Management Discussion and Analysis is prepared and attached to the Director's Report.

COST AUDIT

In pursuance of Section 233B of the Companies Act, 1956, the Central Government has directed audit of the Cost Accounting Records of your Company. The Cost Audit Report for the Financial Year 2007-08 is in process and the Report will be submitted to the Central Government within the prescribed time limit.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Board of Directors confirms that:

- i) The applicable accounting standards have been followed in the preparation of the Annual Accounts.
- ii) Accounting policies have been selected and applied consistently and judgements 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.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Annual Accounts have been prepared on a going concern basis.

PUBLIC DEPOSITS

Your Company has not accepted any Deposits from the Public during the year under review.

AUDITORS

The Auditors, Karvy & Company, Chartered Accountants retire at the conclusion of this Annual General meeting and being eligible, offer themselves for reappointment.



PERSONNEL

Statement of particulars of employees pursuant to the provision of Sec 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 as amended.

Name of Employee	Age	Designation/ Nature of Duties	Gross Remuneration Rs. in Millions	Qualification	Experience in years	Date of Commence- ment	Particulars of last Employment
Mr. Venkateswarlu Jasti	59	Vice-Chairman & CEO.	3.53	M.Pharm.M.S (Indus. Pharmacy)	34 Years	09-03-1989	Business in U.S.A
Mrs. Sudha Rani Jasti	54	Wholetime Director	3.44	B.Sc.	27 Years	09-03-1989	Business in USA
Dr. N.V.S.Ramakrishna	47	Vice-President (Discovery Research)	5.00	M.Sc, P.hd	19 Years	04-03-2002	Vice-President (Discovery Research) Zyodus Cadila
Dr A.Veera Reddy	53	Vice-President (Process R&D)	2.80	M.Sc, Phd	26 Years	04-04-2001	General Manager (R&D Chemicals) Unichem Laboratories Limited

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

The information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 with respect to these matters is enclosed herewith and forms part of the Report.

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 growth. 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.

On behalf of the Board of Directors

Place : Hyderabad,
Date : 25th July 2008

Venkateswarlu Jasti
Vice- Chairman & CEO

Sudha Rani Jasti
Wholetime Director



ANNEXURE TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY

Information under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

Power and Fuel Consumption

			Current year ending 31.03.2008	Previous year ending 31.03.2007
1	Power and fuel Consumption			
a)	Purchased Units	In KWH	10,135,257.00	8,539,762.00
	Total Amount	Rs.	35,830,156.60	31,123,624.60
	Rate/Unit	Rs.	3.54	3.64
b)	Own Generation -	Units		
	Diesel Generator	In KWH	555,627.00	770,840.00
	Units / Liter of Diesel Oil	In KWH	4.04	4.24
	Cost/Unit	Rs.	8.88	8.30
2	a) Steam coal 'C' Grade Used in Boiler to generate steam for the process			
	Quantity	In Mts	7,492.47	6,952.99
	Total Cost	Rs.	26,026,015.00	17,923,664.00
	Average Rate/MT	Rs.	3,473.63	2,577.84
	b) Furnace Oil			
	Quantity	In KL	540.00	372.00
	Total Cost	Rs.	13,272,269.00	7,495,886.00
	Average Rate/KL	Rs.	24,578.28	20,150.23
	c) Consumption per unit of Production	Company is manufacturing different Products using the same facilities at the same time it is not possible to give Consumption per unit of production		

TECHNOLOGY ABSORPTION

I Research and Development

1. Specific areas in which R&D is carried out by the Company.

- Specializing in Central nervous System (CNS) diseases to develop drugs for unmet medical needs in the areas of Alzheimer, Schizophrenia and obesity.
- Development of patentable process developmental activity.

2. Benefits derived as a result of the above R&D.

- Filed 5 product patents and 2 process patents globally.
- IND filed for SUVN-502 for Alzheimer's disease in Switzerland and got the approval to conduct Phase 1 clinical trial.
- IND enabling studies were initiated for SUVN-504 an anti obesity drug.

3. Future plan of Action.

- To develop drugs for unmet medical needs in Schizophrenia and depression.
- To collaborate with global pharma in other areas of CNS diseases.
- To collaborate with partners in developing non-infringing process based intermediates.



4. Expenditure on Research and Development.

	Current Year Ended 31-03-08 (Rs. in Millions)	Previous Year Ended 31-03-07 (Rs. in Millions)
a) Capital	98.86	80.36
b) Recurring	201.69	190.02
c) Total	300.55	270.38
d) Total R&D expenditure as a percentage of total turnover	25.05%	23.91%

II. Technology Absorption, Adoption and Innovation

- Efforts, in brief, made towards technology absorption, adoption and innovation.
 - Many new technologies for preclinical activities in Drug discovery area has been adopted
- Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.
 - The new technologies speeded up our drug discovery process. In addition we have been able to use the same technologies for offering DDDSS activities to other partners thus providing additional revenues.
- In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished.

a) Technology imported	Nil
b) Year of import	NA
c) Has technology been fully absorbed	NA
d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action.	NA

FOREIGN EXCHANGE EARNINGS & OUTGO

For details of foreign Exchange Earnings and out go, please refer to Notes on Accounts- Schedule 'T'

On behalf of the Board of Directors

Place : Hyderabad,
Date : 25th July 2008

Venkateswarlu Jasti
Vice- Chairman & CEO

Sudha Rani Jasti
Wholetime Director



ANNEXURE TO THE DIRECTORS' REPORT

Details of Stock Options

Pursuant to SEBI guidelines on Stock Options

Employees Stock Option Plan - 2004 as on 31st March 2008

Sl.No	Description	2004 Plan
	No of Options earmarked under the plan	48,16,750
(a)	Options granted	45,00,000
(b)	The pricing formula	At Market price; as per SEBI pricing formula
(c)	Options vested	15,90,000
(d)	Options exercised	6,26,950
(e)	The total number of shares arising as a result of exercise of option	6,26,950
(f)	Options lapsed	5,21,250
(g)	Variation of terms of options	Nil
(h)	Money realised by exercise of options	Rs.1,51,60,687
(i)	Total number of options in force	28,02,500
(j)	Employee wise details of options granted to Senior managerial personnel during the year.	Nil
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil
	(iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Nil



ANNEXURE TO THE DIRECTORS' REPORT

Sl.No	Description	2004 Plan	
(k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on Exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share'].	Rs.0.72	
(l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on Profits and on EPS of the company shall also be disclosed.	The company has used the intrinsic value method to compute the employee compensation cost on account of ESOP in the financial year 2008. Had the company used the fair value method, the ESOP cost in the financial year would have been Rs 2,71,67,602 and net profit would have reduced by this amount. The EPS (in Rs) would have been 0.48.	
(m)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Number of outstanding options as on March 31st 2008 were 28,02,500. The weighted average exercise price of the outstanding options as on March 31st 2008 was Rs 78.29 and the weighted average fair value of the outstanding options as on March 31st 2008 was Rs 26.10	
(n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: (i) risk-free interest rate, (ii) expected life, (iii) expected volatility, (iv) expected dividends, and (v) the price of the underlying share in market at the time of option grant.	The company has opted to use the Intrinsic value method for accounting of compensation cost arising out of ESOP. However for disclosures in Para (l) above the following assumptions have been made 6.5% 48 months 50% 1.33% Date of grant Market price 18-09-2004 Rs. 74.85 30-07-2005 Rs. 88.65 29-04-2006 Rs. 82.45 30-09-2006 Rs. 101.15 03-05-2007 Rs. 41.00 28-01-2008 Rs. 36.40	



MANAGEMENT'S DISCUSSION AND ANALYSIS

Industry Outlook and opportunities ----- Global

There has been a renewed focus on R&D in the new patent regime, which came into effect in January 2005, and many pharmaceutical companies have stepped up their drug discovery plans. Global pharma despite having a sound R&D base are grappling with rising R&D expenditure, cost of defending Intellectual Property, cost of manufacturing, declining R&D productivity and spiraling drug discovery and development costs.

Collaborative Research Partnerships (CRPs) between Big Pharma and the companies in India have come to stay in the global pharma landscape, as there is sufficient evidence of how the Indian research engine is enabling innovation for Big Pharma through strategic collaborations.

Global pharma is witnessing a gradual shift from western nations to lower cost destinations like India because of low cost infrastructure comparable to world standards. Underlining the perception of India as a low cost destination for R&D, Clinical Trials and Biopharmaceutical manufacturing, India today stands at the threshold of opportunities in the areas of Drug Discovery and Development Support Services (DDSS), Contract Research and Manufacturing Services (CRAMS) and Collaborative Research Partnerships (CRPs).

Suven has signed up two CRPs as of now with Lilly a global pharma major and this alliance envisages to work jointly in the therapeutic area of CNS. It is a win-win model as it creates more value for both partners and enables Lilly to maximize their R&D budget and for Suven to expand the product portfolio. Suven is pursuing various collaborative research deals with global pharma so as to broaden the basket of CRP offerings in the global markets.

Industry Outlook and opportunities----- India

The Indian Pharmaceutical Industry today is in the fast track with outsourcing and off shoring has taken off in 2007; it will be accelerated even more in the years to come. Global pharma companies are getting more and more comfortable in doing business with Indian partners both in manufacturing, services and R&D.

In the service sector a number of Contract Research Organizations (CROs) have started providing the services in clinical research by providing trial monitoring, project management, data management, safety reporting, drug distribution and central laboratory services etc.

SWOT Analysis of Indian Pharmaceutical Industry:

Strengths & Opportunities:-

Strengths :-

1. Cost Competitiveness
2. Developed Industry with Strong Manufacturing Base
3. Well Established R&D infrastructure
4. Access to pool of highly trained scientists,
5. Strong marketing & distribution network Rich biodiversity
6. Competencies in Chemistry and process development

Opportunities :-

1. Significant export potential.
2. Licensing deals with MNCs for NCES and NDDS.
3. Marketing alliances for MNC products in domestic market and international market.
4. Contract manufacturing arrangements with MNCs
5. Potential for developing India as a centre for international clinical trials.
6. Niche player in global pharmaceutical R&D.

Weaknesses & Threats

Weaknesses:-

1. Low investments in innovative R&D.
2. Lack of resources to compete with MNCs for New Drug Discovery, Research and commercialization of molecules on a worldwide basis.
3. Lack of strong linkages between industry and academia.
4. Low medical and healthcare expenditure in the country
5. Inadequate regulatory standards.
6. Production of spurious and low quality drugs.

Threats :-

1. Product patent regime poses serious challenge to domestic industry unless it invests in research and development
2. R&D efforts of Indian pharmaceutical companies hampered by lack of enabling regulatory requirement.



3. Drug Price Control Order puts unrealistic ceilings on product prices and profitability
4. Export effort hampered by procedural hurdles in India as well as non-tariff barriers imposed abroad.
5. Lowering of tariff protection

Financial and Operating performance

During the year under review, your company has achieved a total income of Rs 1231.61 Mn comprising exports revenue of Rs 874.69 Mn from CRAMS and DDDSS business model which consists of Contract Technical Services,, Clinical Trials Services, Process Development Services and Collaborative Research Partnership (CRP) services, domestic revenue of Rs 325.13 Mn, and other income of Rs 31.79 Mn. Profit before tax has been decreased by 69.97% to Rs 63.59 Mn from previous year's profit before tax of Rs 108.09 Mn primarily due to heavy R&D spend which accounts for 25% of total turnover, increase in raw materials cost nearly by 7% and increase in other overheads. The EPS of your Company has come down to Re 0.72 per share from the previous year EPS of Re 0.98 per share.

Internal Controls

The company and its subsidiaries have put in place sound internal controls. Qualified team ensures that the internal controls are complied with. The objectives of the internal control system is to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that: transactions are executed in accordance with management's general or specific authorization; transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles/standards or any other criteria applicable to such statements, and (2) to maintain accountability for assets; access to assets is permitted only in accordance with management's general or specific authorization; action taken with respect to any differences. in accordance with generally accepted accounting principles and 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets that could have a material effect on the financial statements

An independent firm of chartered accountants conducts the internal audit. The Audit Committee of the Board of Directors

monitors the internal audit performance and places special emphasis on the protection of Intellectual Property developed.

Subsidiary

Suven Life Sciences USA LLC, a 100% subsidiary of Suven Life Sciences offering front-end project management services to overseas customers on real time basis. It has been our effective channel for procuring and managing high-end works in C-R-A-M-S and DDDSS.

Human Resources

Without highly educated, technical and trained human resources, accompany like ours who is engaged in innovation will not sustain. The need of the hour is to train the man power to our requirements . Since the area we are in is new and many trained people are not available. Hence the focus at Suven has been to train the fresh graduates into our requirements by multitasking training to new recruits before they were assigned with a specific area of research. It is a long drawn process but it is worth progressing this way .

Risk Management

The company endeavors to adopt best risk management practices. Several risks have been recognized impacting its business operations and have taken adequate measures to cover various risks associated with its business operations. The risk covers are reviewed periodically by the management to ensure that the risks are mitigated effectively.

Safety, Health and Environment.

At SUVEN Safety, Health and Environment (SHE) is of paramount importance. To validate SHE policy as a global standard, your Company has appraised the systems through an external agency. Your Company's comprehensive environmental management system complies with the requirements as stipulated in the standard: ISO 14001: 2004 and Occupational Health and Safety management system (OHSAS) complies with the requirements as stipulated in the standard: OHSAS 18001: 1999 for all three units of Suven. In addition Suven has recertified it's quality system ISO 9001:2000. cGMP & GMP practices across Suven manufacturing facilities. Your Company's cGMP compliant plant at Pashamylaram has been audited & approved by USFDA in April 2007. Certificate of Suitability from EDQM for one product is in final stage of review & expected to receive certificate in during the year. This certificate enables Suven to explore European markets, as this is acceptable for all European countries. Various quality audits conducted by the international customers during the year were successful. The Focus on "Customer satisfaction" remains as our top priority.



REPORT ON CORPORATE GOVERNANCE

1) Company's Philosophy

Your Company firmly believes that good corporate governance practices are ingredients for the balanced development of an organization which would not only maximize the shareholder's value but also contributed to sustained and long lasting development of the organization. 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.

Simultaneously, in keeping with best practices, your Company committed to provide full spectrum of quality services and products in Drug Discovery and Development services (DDDSS), Contract Research and manufacturing services (C-R-A-M-S), Clinical research operations (CRO) and Collaborative research partnership (CRP) by fulfilling customer's satisfaction.

2) Board of Directors

- a) **Composition of Board :** The Company meets the Composition criteria, as on March 31st 2008 the Company's Board of Directors Consists of 2 Executive Directors and 5 Non- Executive and Independent Directors and the following is the percentage of Executive and Non-Executive Directors of the Company.

Category of Directors	No of Directors	% of Total No of Directors
Executive Directors	2	29 %
Non-Executive and Independent	5	71 %

- b) **The Constitution of the Board and Attendance of directors is given below.**

Name of Director	Position	No. of Committee positions held in all Companies		No. of other Directorships	No. of Board meetings Held/ Attended		Whether attended at last AGM
		as Chairman	as Member				
Shri Bodhishwar Rai	Chairman Independent and Non-Executive Director	5	2	13	5	2	NO
Shri Venkateswarlu Jasti	Vice-Chairman & CEO Promoter	Nil	Nil	Nil	5	5	YES
Smt Sudha Rani Jasti	Whole Time Director Promoter	Nil	1	Nil	5	5	YES
Dr.M.R.Naidu	Independent and Non-Executive Director	Nil	2	1	5	3	NO
Shri T R Prasad	Independent and Non-Executive Director	2	5	8	5	5	YES
Dr K V Raghavan	Independent and Non-Executive Director	Nil	Nil	1	5	3	YES
Dr S Ramachandran	Independent and Non-Executive Director	1	1	1	5	4	YES

- c) During the year, 5 (Five) Board Meetings were held on the following dates: - April 26th 2007, July 31st 2007, September 27th 2007, October 30th 2007, January 28th 2008.
- d) Non of the Directors is related to other Directors, except Shri Venkateswarlu Jasti who is spouse of Smt Sudha Rani Jasti. The time gap between any two meetings never exceeded four months as per the requirements of clause 49 of the Listing agreement. The required information was suitably placed before the board. The details relating to financial and commercial transactions where Directors may have a potential interest were provided to the Board and interested Directors abstained from the proceedings.



3) Audit Committee

- a) The present composition of the Audit Committee is as follows

Name of Directors	Designation	Category of Director	No.of Meetings attended
Shri Bodhishwar Rai	Chairman	Non-Executive & Independent	2
Dr. M R Naidu	Member	Non-Executive & Independent	3
Shri T R Prasad	Member	Non-Executive & Independent	5
Dr. S Ramachandran	Member	Non-Executive & Independent	4

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.

- b) Terms of reference

The Committee reviews all matters such as Reports of Internal Auditors/Statutory Auditors, and discusses their findings, suggestions and other related issues. The Committee also determines major accounting policies followed by the Company and sets out control systems, scope of audit etc. The entire internal audit process has been reviewed by the Committee and Internal Auditors role induced with requisite adequacy.

- c) Meetings and attendance during the year

During the year Audit Committee met 5 times on April 26th 2007, July 31st 2007, September 27th 2007, October 30th 2007, January 28th 2008.

4) Remuneration of Directors

The Board of Directors of the company fixes the remuneration of the executive directors and sitting fee of the non-executive directors for attending the Board meetings and Committee meetings of the Company. Details of annual remuneration to Executive Directors and sitting fee to Non-Executive Directors are given hereunder.

- a) Executive Directors

(Amount in Rs.)

Particulars	Shri Venkateswarlu Jasti	Smt. Sudha Rani Jasti
Salary	31,01,250	27,60,000
Contribution to P.F.	4,32,000	3,31,200
Commission	-	3,53,326
Perquisites	-	4,533
Total	35,33,250	34,49,059

- b) Non Executive Directors: Sitting fee paid to the Directors in pursuance of the resolution passed by the Board.

During the year the following fee paid to the Non-Executive Directors

Name of the Director	Sitting fee (Rs/Millions)	No of shares held. as on 31st March 2008	No of Stock Options
Shri Bodhishwar Rai	30,000	29,000	15,000
Dr.M.R.Naidu	48,000	7,000	6,000
Shri T R Prasad	75,000	Nil	20,000
Dr K V Raghavan	30,000	2,000	6,000
Dr S Ramachandran	63,000	20,000	6,000



5) Investor Grievances Committee

- a) The present composition of the Investor Grievances Committee is as follows :

Name of Directors	Designation	No.of Meetings attended
Dr. S Ramachandran	Chairman	3
Dr. M R Naidu	Member	3
Smt Sudha Rani Jasti	Member	4

Shri K Hanumantha Rao Company Secretary act as Secretary of the Committee

- b) Terms of reference

In order to redress the grievances of Investors and to strengthen investor relations, your Company has constituted an Investor Grievances Committee to look into grievances relating to transfer of Shares, Dematerialization/Rematerialisation, Payment of Dividends, Non-receipt of Annual Reports and other related issues.

- c) Meetings

During the year, four meetings of the Investor Grievances Committee were held.

- d) Compliance Officer

Shri K.Hanumantha Rao has been designated as the Compliance Officer and your company has created an e-mail-ID investorservices@suven.com to address the various queries /grievances of investors in terms of SEBI's requirement. Shareholders may write their queries / grievances, if any, to this designated email id.

- e) No of Shareholders Complaints received

During the year 2007-2008, 269 complaints were received mainly pertaining to the Bonus/Split issues of shares from shareholder and the complaints have been resolved to the satisfaction of the Complainants. As on 31.03.2008 there were no pending Complaints to be resolved.

Opening Balance	Complaints received during the year 2007-2008	Complaints resolved during the year 2007-2008	Closing Balance
0	269	269	0

6) Share Transfers Committee

To ensure quicker investor services and expeditious disposal of the share transfer approvals, this Committee has been constituted with the following members of the Board.

Shri Venkateswarlu Jasti, Vice-Chairman & CEO is heading the Committee and

Smt. Sudha Rani Jasti, Whole Time Director is a member.

The Committee meets as and when the transfer date is intimated by the Karvy Computershare Pvt. Ltd. (Registrars and Transfer Agents) and accords its approvals to the share transfer requisitions reported in the memorandum of transfers.

The Committee met eight (8) times during the financial year 2007-08.

7) ESOP Compensation Committee

- a) The present composition of the ESOP Compensation Committee is as follows

Name of Directors	Designation	No.of Meetings attended
Dr M. R. Naidu	Chairman	2
Shri Venkateswarlu Jasti	Member	2
Dr S Ramachandran	Member	1

- b) Terms of reference

The Committee has been authorized to frame suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India including , The Securities and Exchange Board of India (Insider Trading) regulations 1992 ; and perform such functions required to be performed by the Compensation Committee under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines ,1999.



c) Meetings

During the year, two meetings of the ESOP Compensation Committee were held and granted 3,00,000 stock options to eligible employees of your company and its subsidiaries

8) General Body Meetings

a) The detailed particulars of the last three Annual General Meetings (AGMs) of the Company:

Financial Year / Date of the AGM	Venue	Time of meeting	No. of Special Resolutions
2006-07 27.09.2007	KLN Prasad Auditorium, FAPCCI, Hyderabad	10.30 a.m	One
2005-06 30.09.2006	Hotel Green Park, Greenlands, Begumpet, Hyderabad	3.00 p.m.	Two
2004-05 12.09.2005	Hotel Green Park, Greenlands, Begumpet, Hyderabad	3.00 p.m.	Two

b) No item of business relating to matters specified under clause 49 of the Listing agreement with the Stock Exchanges/ or the provisions contained in section 192A of the Companies Act 1956, requiring voting by postal ballot is included in the Notice Convening the 19th Annual General Meeting of the Company

9) Disclosures

- a) There were no instances of non-compliance by the Company and no penalties or strictures imposed on the Company by the Stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- b) Related party transactions : There was no significant related party transactions took place during the year that may have potential conflict with the interest of company at large.
- c) The Company has complied with all the mandatory requirements of clause 49 of the Listing agreement. So, far as non-mandatory requirements are concerned company reimbursed the office maintain expenditure of Chairman for effective contribution to the company

10) Means of Communication

- a) Quarterly results are published in the Business standard and Andhra Jyothi (Vernacular) newspapers in accordance with the guidelines of Stock Exchange(s).
- b) The Annual financial results of the Company are also communicated in the prescribed proforma to Stock Exchanges and also published in the newspapers
- c) The Financial results are displayed on the Company's website www.suven.com
- d) The Company is filing /submitting its Shareholding pattern ,Financial Results ,Report on Corporate Governance on quarterly basis and are posted on the website of BSE/NSE in accordance with the Listing agreement with the Stock Exchanges which may be accessed by the shareholders
- e) Management Discussion and Analysis forms part of this Annual Report and is attached to the Director's Report

11) General Information to Shareholders

a) Registered Office	SDE Serene Chambers, Road.no-7, Banjara Hills, Hyderabad-500034.
Date and Time of Annual General Meeting	Thursday, the 18th day of September 2008 at 3.00 p.m.
Venue of the Annual General Meeting	KLN Prasad Auditorium, FAPCCI, Red Hills, Hyderabad
Financial Year	1st April 2007 to 31st March 2008
Date of Book Closure	13th September 2008 to 15th September 2008
Last date of receipt of Proxy form	At least 48 hours before commencement of the meeting



b) Dividend Payment Date

The Dividend, if declared at the Annual General Meeting by the Members for the financial year ended 31st March 2008 will be paid to the eligible members within 30 days from the date of declaration.

c) Listing on Stock Exchanges:

i) The Company's Equity shares are listed on the following Stock Exchanges:

- Bombay Stock Exchange Limited (Scrip Code-530239)
- National Stock Exchange of India Limited (Stock Code-SUVEN)

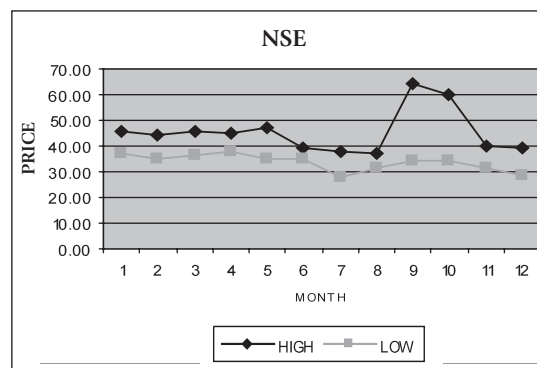
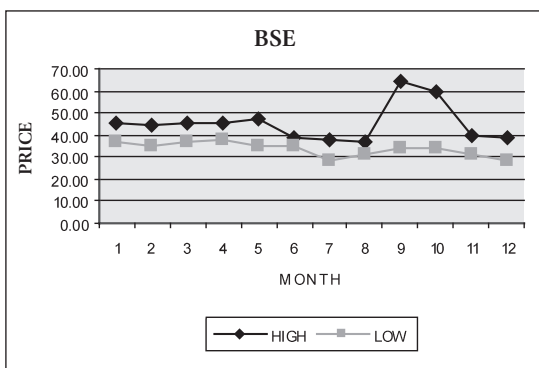
ii) The Company has paid the Listing fees for the year 2008-09 to both the Stock Exchanges

iii) Market Price Data

Monthly high and low equity share
(Rs 1/- per share) quotations on
Bombay Stock Exchange Limited
for the financial year 2007-08.

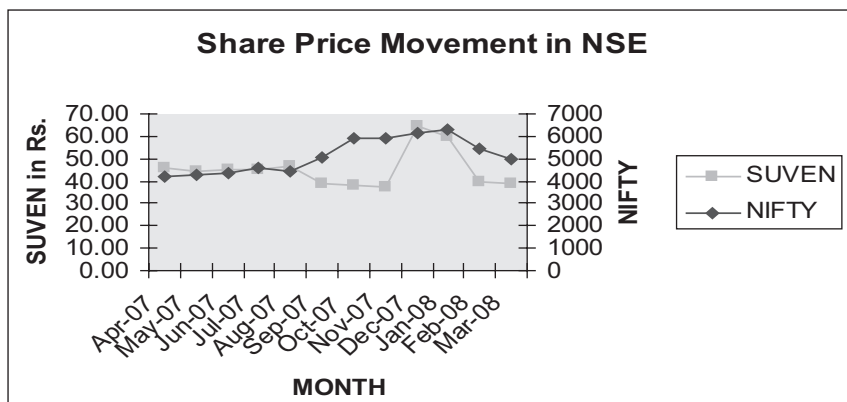
Monthly high and low equity share
(Rs 1/- per share) quotations on
National Stock Exchange of India Limited
for the financial year 2007-08

BSE			NSE		
BSE	HIGH	LOW	NSE	HIGH	LOW
Apr-07	45.70	37.10	Apr-07	44.10	37.65
May-07	44.00	35.00	May-07	40.05	35.35
Jun-07	45.45	36.55	Jun-07	43.85	39.30
Jul-07	45.00	38.10	Jul-07	43.15	38.90
Aug-07	46.90	35.15	Aug-07	41.35	36.20
Sep-07	38.95	35.00	Sep-07	36.80	35.30
Oct-07	37.90	28.00	Oct-07	35.50	31.10
Nov-07	37.00	31.15	Nov-07	34.85	32.00
Dec-07	64.45	34.50	Dec-07	61.50	34.80
Jan-08	59.90	34.10	Jan-08	56.60	35.35
Feb-08	40.00	31.40	Feb-08	38.30	33.20
Mar-08	39.20	28.65	Mar-08	37.25	30.55





iv) Performance of Suven Life Sciences Ltd in comparison with the Nifty is shown here below



d) **Registrar and Transfer Agents**
(Physical and Electronic)

KARVY COMPUTERSHARE PRIVATE LIMITED

Plot no.17 to 24,Vittal rao nagar,Madhapur,Hyderabad- 500 081.

Phone nos. 040-23420818,23420828 Fax no.040-23420814

Email : mailmanager@karvy.com

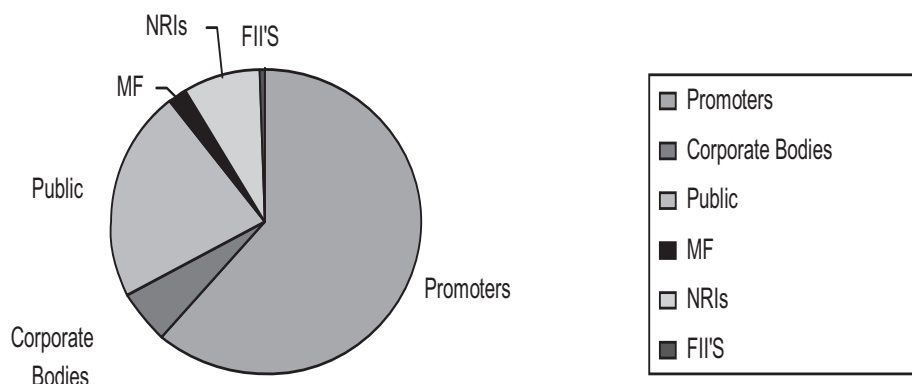
e) **Share Transfer System**

Karvy Computershare Pvt. Ltd, will process all the valid transfer requisitions on a weekly basis and a memorandum of transfers is put up for approval of the Share Transfer Committee of the Company. The share certificates duly transferred will be dispatched to the transferees after the Share Transfer Committee accords approval. For this purpose the Share Transfer Committee will meet as often as required

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 clause 47(c) of Listing agreement

f) **Statement showing Shareholding pattern**
hareholding pattern as on 31st March 2008

Sl. No	Category	No of Shares	% to Equity
1	Promoters	70915644	61.29
2	Corporate Bodies	6492107	5.61
3	Public	25964088	22.44
4	MF	2429380	2.1
5	FII'S	701756	0.61
6	NRI's	9207225	7.95
	Grand Total	115710200	100





g) Distribution of shareholdings as on 31st March, 2008

Share holding of nominal value of Rs.1/- each		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)	(2)	(3)	(4)	(5)	(6)
1	5,000	32219	97.03	15275578	13.2
5,001	10,000	570	1.72	4533781	3.92
10,001	20,000	215	0.65	3297203	2.85
20,001	30,000	50	0.15	1211479	1.05
30,001	40,000	41	0.12	1456858	1.26
40,001	50,000	23	0.07	1062520	0.92
50,001	1,00,000	38	0.11	2697076	2.33
1,00,001 and above		48	0.14	86175705	74.48
Total		33204	100	115710200	100

h) Dematerialization of shares and liquidity

85.72% of shares were dematerialised as on 31st March 2008. Members are encouraged to opt for dematerialisation of shares to eliminate bad deliveries, forgery, fake transfers etc., in the market and the ISIN of the Company: INE495B01038

i) ECS Mandate

All shareholders are requested to update their bank account details with their respective depository it enables the Company to serve the Investor better.

j) The Secretarial Audit report of the Company prepared in terms of SEBI Circular No.D&CC/FITTC/CIR-16/2002 dated December 31, 2002, reconciling the total shares in both the depositories viz., NSDL and CDSL and in Physical form with the total issued/paid up capital of the Company were placed before the Investor Grievance Committee and Meeting of Board of Directors every quarter and also submitted to Stock Exchange(s) every quarter

k) Additional Information

Plant Locations

Unit 1. Dasaigudem (V), Suryapet (M),
Nalgonda Dist, Andhra Pradesh - 508 213

Unit 2. Pashamylaram, Medak Dist, Andhra Pradesh

Research Centre (1)

18/B, Phase III, IDA,
Jeedimetla, Hyderabad - 500 055

Research Centre (2)

Bio-Pharmaceutical Lab, 5th Floor,
Serene Chambers, Road No 7,
Banjara Hills, Hyderabad - 500 034

Address for correspondence

Regd. Office:
SDE Serene Chambers,
Road No 7, Banjara Hills, Hyderabad - 500 034
Tel No(s): (040) 23541142 / 23543311
Fax No: (040) 23541152
Email : info@suven.com, investorservices@suven.com

Declaration Affirming Compliance of Provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the senior management personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior management personnel during the financial year ended March 31, 2008

Place : Hyderabad
Date : 25th July 2008

Venkateswarlu Jasti
Vice-Chairman & CEO



CERTIFICATE OF COMPLIANCE

To the Members of
M/s. Suven Life Sciences Limited

We have examined the Compliance of conditions of Corporate Governance by M/s. Suven Life Sciences Limited ('the Company') for the year ended on 31st March 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and the Hyderabad Stock Exchange Limited.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations 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.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the

Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company, based on the records maintained by the Investors Services Department and as certified by the Compliance officer of the Company.

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

For **KARVY & COMPANY**
Chartered Accountants

Place : Hyderabad
Date : 25-07-2008

K. Ajay Kumar
Partner
M. No. 21989



AUDITORS' REPORT

To
The Members of
M/s. SUVEN LIFE SCIENCES LIMITED

We have audited the attached Balance sheet of Suven Life Sciences Limited ("the Company") as at 31st March, 2008, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, (together the 'Order') issued by the Central Government Of India, in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that
 - a) We have 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 the books of the company;

- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of the written representations received from the Directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the Company's Accounting Policies and Notes hereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2008;
 - ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date

For **KARVY & COMPANY**
Chartered Accountants

K. Ajay Kumar
Partner
M. No. 021989

Place : Hyderabad
Date : 25-07-2008



ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 2 of our report

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 all the fixed assets during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such physical verification.
- c) The fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.

ii. In respect of its inventories:

- a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical inventory and book records were not material.

iii. a) According to the information and explanations given to us, during the year the Company has not granted any loans to companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (a) and (iii) (e) of the paragraph 4 of the Order are not applicable

- b) According to the information and explanations given to us, the Company has during the year not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (f) and (iii) (g) of the paragraph 4 of the Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the

company and nature of its business with regard to the purchase of inventory and fixed assets and also for the sale of goods and services, if any. During the course of our audit, no major weakness has been noticed in the internal control system.

v. In respect of the contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanation given to us:

- a) The particulars of the contracts or arrangements referred to in Section 301 that need to be entered in the register maintained under the said section have been so entered.
- b) In our opinion, and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

vi. According to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 58A and 58AA of the Companies Act, 1956 and Rules there under are not applicable to the Company.

vii. In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.

viii. We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of Bulk Drugs, pursuant to Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of cost records for any other product/services rendered by the Company.

ix. In respect of statutory dues:

- a) According to the records of the company and information and explanations given to us, the company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State



insurance, Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State insurance, Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date on which they become payable .
- c) According to the information and explanations given to us there are no amounts in respect of Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess that have not been deposited with the appropriate authorities on account of any dispute
- x. The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- xi. Based on our audit procedures and according to the information and explanations given to us, , we are of the opinion that the Company has not defaulted in the repayment of dues to Financial Institutions and Banks. The company did not have any outstanding debentures during the year.
- xii. In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/ Society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the company.

- xiv. The Company has not dealt or traded in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Order are not applicable to the company.
- xv. As per the information and explanations given to us, the Company has given Corporate Guarantee amounting to Rs.23.75 Crores for loans taken by M/s. Suven Nishtaa Pharma Private Limited from State Bank of India, Overseas Branch, Hyderabad. However the terms and conditions are not prima facie prejudicial to the interest of the Company.
- xvi. In our opinion and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
- xviii. The Company has not made any preferential allotment to parties and companies covered under register maintained under section 301 of the Companies Act, 1956.
- xix. The Company during the year has not issued any debentures. Accordingly, clause 4 (xix) of the Order are not applicable to the company.
- xx. The Company has not raised any money by public issues during the year.
- xxi. According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **KARVY & COMPANY**
Chartered Accountants

K. Ajay Kumar
Partner
M.No. 21989

Place : Hyderabad
Date : 25-07-2008



BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULE	AS AT 31/03/2008 Rs.	AS AT 31/03/2007 Rs.
I. SOURCES OF FUNDS			
1 SHAREHOLDERS' FUNDS			
a) Share Capital	A	115710200	57633250
b) Reserves & Surplus	B	1005991385	1015262773
2 LOAN FUNDS			
a) Secured Loans	C	546156134	414907989
3 DEFERRED TAX LIABILITY (NET)		24466318	52844138
T O T A L		1692324037	1540648150
II. APPLICATION OF FUNDS			
1 FIXED ASSETS	D		
a) Gross block		1412045087	1204712731
b) Less: Depreciation		314300907	248550108
c) Net block		1097744180	956162623
d) Capital work-in-progress		36590838	50238818
2 INVESTMENTS	E	81879439	108588833
3 CURRENT ASSETS, LOANS AND ADVANCES			
a) Inventories	F	244010957	228998358
b) Trade Receivables	G	354800537	160370996
c) Cash and Bank balances	H	30239643	97504550
d) Loans and Advances	I	197075122	186588660
e) Interest Accrued		584796	1238832
		826711055	674701396
Less: Current Liabilities and Provisions	J	350813993	249468552
Net Current Assets		475897063	425232844
4 MISCELLANEOUS EXPENDITURE			
Preliminary Expenditure		212517	425032
T O T A L		1692324037	1540648150
Notes on Accounts	T		

As per our report of even date
for **KARVY & COMPANY**
Chartered Accountants

for and on behalf of the Board of Directors

K. Ajay Kumar
Partner

Venkateswarlu Jasti
Vice Chairman & CEO

Sudha Rani Jasti
Wholetime Director

Place : Hyderabad
Date : 25-07-2008

K. Hanumantha Rao
Company Secretary



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	SCHEDULE	FOR THE YEAR ENDED 31st Mar 2008 Rs.	FOR THE YEAR ENDED 31st Mar 2007 Rs.
INCOME			
Income from Operations	K	1199811474	1130634350
Other Income	L	31799725	14561377
Increase/(Decrease) in Stocks	M	(363657)	(2552807)
T O T A L		1231247542	1142642920
EXPENDITURE			
Materials Consumed	N	445185366	419394791
Clinical Projects Expenses		12309159	19252786
Manufacturing Expenses	O	156373315	127003567
Research & Development Expenses		201685903	190015736
Central Excise Duty		27017882	13464310
Personnel Expenses	P	122543250	95281718
Selling Expenses	Q	20632246	21495664
Financial Expenses	R	50594768	30267511
Administrative & Other Expenses	S	86964353	78246073
Depreciation		44351146	40135133
T O T A L		1167657387	1034557289
Profit before Tax		63590155	108085631
Less: Provision for - Current Tax		6917000	11560000
Deferred Tax		(28377820)	(17900960)
Fringe Benefit Tax		1520000	1252000
Profit after Tax		83530975	113174591
Profit brought forward from previous year		80337134	45876553
Profit available for appropriation		163868109	159051144
Appropriations			
Proposed dividend		28927550	28816625
Tax on proposed dividend		4916237	4897385
Transfer to General Reserve		10000000	45000000
Surplus carried to Balance Sheet		120024322	80337134
		163868109	159051144
Basic and Diluted Earnings per share (in Rs)		0.72	0.98
Notes on Accounts	T		

As per our report of even date
for **KARVY & COMPANY**
Chartered Accountants

for and on behalf of the Board of Directors

K. Ajay Kumar
Partner

Venkateswarlu Jasti
Vice Chairman & CEO

Sudha Rani Jasti
Wholetime Director

Place : Hyderabad
Date : 25-07-2008

K. Hanumantha Rao
Company Secretary



SCHEDULES TO BALANCE SHEET

	AS AT 31st Mar 2008 (Rupees)	AS AT 31st Mar 2007 (Rupees)
SCHEDULE-A		
SHARE CAPITAL		
Authorised		
20,00,00,000 Equity Shares of Rs.1/- each	200000000	200000000
Issued, Subscribed and Paid up	115710200	57633250
11,57,10,200 Equity Shares of Rs.1/- each (Previous year 2,88,16,625 Equity Shares of Rs.2/- each)		
T O T A L	115710200	57633250

SCHEDULE-B

RESERVES & SURPLUS

General Reserve

Opening Balance	504114758	439249044		
Add: Additions during the year	10000000	45000000		
Capital Reserve	–	19865714		
Less: Employee retirement benefits	9184363	504930395	–	504114758

Share Premium	430810881	424136000		
Add: Additions	7859037	6674881		
Less Bonus Issue	57633250	381036668	–	430810881

Surplus in Profit & Loss A/c.	120024322	80337134		
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T O T A L	1005991385	1015262773		
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Of the 11,57,10,200 Equity Shares:

- 576,33,250 shares represent 288,16,625 shares whose face value was sub-divided from Rs.2/- to Re.1/- per share.
- 578,55,100 shares represent 578,55,100 shares of face value Re.1/- each which were issued as bonus shares by utilisation of Rs.576,33,250/- from Share Premium Account.
- 149,00,000 shares (including bonus issue of 74,50,000 shares) represent shares of face value Re.1/- each which were issued as fully paid up to the shareholders of Asian Clinical Trials Limited on its amalgamation with the Company, for consideration other than cash.
- 8,10,200 shares (including bonus issue of 4,05,100 shares) represents shares of face value Re.1/- each under Employee Stock Option Scheme, 2004.

SCHEDULE-C

SECURED LOANS

Corporate Loan From S.B.I. (Foreign Currency Loan)	116978240	209553252
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Corporate Loan From S.B.I. (Rupee Loan)	210459922	110000000
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(Both Loans secured by first and
Pari-pasu charge on Land, Buildings,
Plant & Machinery.)

Working Capital Loans from S.B.I. (Secured by first charge on Raw Materials, Stock in Process, Finished Goods, Receivables and Book Debts and second charge on Land, Buildings and Plant & Machinery.)	218717972	95354737
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T O T A L	546156134	414907989
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SCHEDULES TO BALANCE SHEET

SCHEDULE-D FIXED ASSETS		(Amount in Rupees)										
S.NO		GROSS BLOCK			DEPRECIATION			NET BLOCK				
		AS ON 01.04.2007	ADDITIONS	DEDUC- TIONS	AS ON 31.03.2008	UPTO 31.03.2007	FOR THE YEAR	DEDUC- TIONS	Upto 31.03.2008	AS ON 31.03.2008	AS ON 31.03.2007	
1	LAND	21915022	1742345-	-	23657367	-	-	-	-	23657367	21915022	
2	BUILDINGS-OFFICE AT FACTORY	4478375	-	-	4478375	772287	72998	-	845285	3633090	3706088	
3	BUILDINGS-FACTORY	152149484	22198618	-	174348102	14502481	5081793	-	19584274	154763828	137647003	
4	PLANT & MACHINERY	564269696	79138443	-	643408139	157299821	32112840	-	189412661	453995478	406969875	
5	FURNITURE & FIXTURES	16548312	1265549	-	17813861	5379673	1074283	-	6453956	11359905	11168639	
6	OFFCE EQUIPMENT	8127115	305605	-	8432720	2236405	391886	-	2628291	5804429	5890710	
7	LABORATORY EQUIPMENT* --UNIT I	17634547	-	-	17634547	3504880	837641	-	4342521	13292026	14129667	
8	LABORATORY EQUIPMENT* --UNIT II	354853614	98861404	-	453715018	38641995	20066410	-	58708405	395006613	316211619	
9	LABORATORY EQUIPMENT* --UNIT III	16692791	-	-	16692791	2138452	792908	-	2931360	13761431	14554339	
10	VEHICLES	12615733	-	590024	12025709	4073691	1150195	297306	4926580	7099129	8542042	
11	E.T.P. WORKS	13399635	-	-	13399635	6699657	707501	-	7407158	5992477	6699978	
12	MISC FIXED ASSETS	462203	-	-	462203	294041	21955	-	315996	146207	168162	
13	EDP-EQUIPMENTS	21566204	4410416	-	25976620	13006725	3737695	-	16744420	9232200	8559479	
T O T A L S		1204712731	207922380	590024	1412045087	248550108	66048105	297306	314300907	1097744180	956162623	

* Note: Depreciation on R & D Equipment of Rs. 216,96,959/- has been added to R & D Expenses (Previous Year Rs.1,36,00,248/-)



SCHEDULES TO BALANCE SHEET

	AS AT 31st Mar 2008 (Rupees)	AS AT 31st Mar 2007 (Rupees)
SCHEDULE-E		
INVESTMENTS: AT COST		
I. Trade Investments – (Long Term & Unquoted) :		
a. In Subsidiaries:		
Share Capital -		
in Suven Life Sciences USA LLC	59000520	59000520
b. Others:		
Share Application Money -		
in Suven Nishtaa Pharma Pvt Ltd	22363919	4825105
2. Non-Trade Investments :		
Long Term & Unquoted:		
a) Equity Shares:		
100 Equity Shares of Rs.20/- each in G.S.F.C.Limited	2,000	2,000
b) Mutual Funds:		
SBI Institutional Income Fund	–	44748208
Nil (Previous 44,60,324.7609 units)		
SBI Infrastructure fund	500000	–
c) National Savings Certificates	13,000	13,000
T O T A L	81879439	108588833
Aggregate value of Investments:		
Quoted Investment		
- Book Value	500000	44748208
- Market Value	500000	44748208
Un-quoted Investment		
- Book Value	81379439	63840625



	AS AT 31st Mar 2008 (Rupees)	AS AT 31st Mar 2007 (Rupees)
SCHEDULE-F		
INVENTORIES		
(As valued and certified by the Manangement)		
Raw Materials	63195402	59428322
Stores and Spares	14136832	2527656
Finished Goods	99287047	98816505
Stocks in Process	67391676	68225875
T O T A L	244010957	228998358

SCHEDULE-G
TRADE RECEIVABLES
(Unsecured, Considered good)

Exceeding six months	6925776	2160370
Others	347874761	158210626
T O T A L	354800537	160370996

SCHEDULE-H
CASH AND BANK BALANCES

Cash on hand	526744	442755
Balances with Scheduled Banks		
--- in current accounts	3352899	8961795
--- in Deposits	26360000	88100000
T O T A L	30239643	97504550

SCHEDULE-I
LOANS AND ADVANCES
(Unsecured, considered good, advances recoverable in cash or in kind or for value to be received)

Advances for Purchases	12780028	13407643
Advances for Expenses	17325265	1252844
Other Advances	9642954	27472239
Other Receivables	47765520	43331960
Deposits	12754514	11208673
Advance Tax	96806841	89915301
T O T A L	197075122	186588660



SCHEDULES TO BALANCE SHEET

	AS AT 31st Mar 2008 (Rupees)	AS AT 31st Mar 2007 (Rupees)
SCHEDULE-J		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Liabilities for Capital Works	10043009	33669866
Liabilities for Purchases	108049733	46728756
Liabilities for Expenses	83261455	38320017
Unclaimed Dividend	886743	811653
Liabilities for statutory dues	5412091	4317621
Advance Received from Customers	-	5470156
(A)	207653031	129318069
B. PROVISIONS		
-- for Taxation	94873473	86436473
-- for Dividend	28927550	28816625
-- for Corporate Dividend Tax	4916237	4897385
-- for Gratuity	7883899	-
-- for Leave encashment	6559803	-
(B)	143160962	120150483
T O T A L (A+B)	350813993	249468552



SCHEDULES TO PROFIT & LOSS ACCOUNT

	Current Year 31st Mar 2008 (Rupees)	Previous Year 31st Mar 2007 (Rupees)
SCHEDULE-K		
INCOME FROM OPERATIONS		
Exports	874683629	973842844
Domestic	325127845	156791506
TOTAL	1199811474	1130634350
SCHEDULE-L		
OTHER INCOME		
Interest-(Gross)	3682361	1488795
(Tax Deducted at Source Rs. 7,95,752/- Previous year Rs. 2,73,123/-)		
Dividend Income from Mutual Funds	1020110	3831448
Foreign Exchange Fluctuations Gain (Net)	22614665	9241134
Foreign Exchange Derivatives Gain (Net)	4482589	-
T O T A L	31799725	14561377
SCHEDULE-M		
INCREASE/DECREASE IN STOCKS		
Opening Stock:		
Work - in - Progress	68225875	69701351
Finished Goods	98816505	99893836
A	167042380	169595187
Closing Stock:		
Work - in - Progress	67391676	68225875
Finished Goods	99287047	98816505
B	166678723	167042380
Increase in Stocks (B-A)	(363657)	(2552807)



SCHEDULES TO PROFIT & LOSS ACCOUNT

	Current Year 31st Mar 2008 (Rupees)	Previous Year 31st Mar 2007 (Rupees)
SCHEDULE-N		
MATERIALS CONSUMED		
1) Raw Materials		
Opening Stock	59428322	51106257
Purchases	445162301	424179032
Less: Closing Stock	63195402	59428322
(A)	441395221	415856967
2) Packing Materials		
Opening Stock	156144	180228
Purchases	4339357	3513740
Less: Closing Stock	705356	156144
(B)	3790145	3537824
T O T A L (A+B)	445185366	419394791

SCHEDULE-O

MANUFACTURING EXPENSES

Power & Fuel	79451827	63435006
Consumable Stores	6718343	3572946
Factory Upkeep Expenses	27123897	21867255
Environment Management Expenses	7707261	4996801
Safety Expenses	1874858	1928058
Quality Control Expenses	12817671	6680938
Repairs & Maintenance :		
-- Buildings	210671	159226
-- Plant & Machinery	20468787	24363337
T O T A L	156373315	127003567

SCHEDULE-P

PERSONNEL EXPENSES

Salaries, Wages & Bonus	96539111	76746159
Staff Welfare Expenses	11735843	10266942
Contribution to PF & Other Funds	14268296	8268617
T O T A L	122543250	95281718



SCHEDULES TO PROFIT & LOSS ACCOUNT

	Current Year 31st Mar 2008 (Rupees)	Previous Year 31st Mar 2007 (Rupees)
SCHEDULE-Q		
SELLING EXPENSES		
Sales Promotion	6895453	9557191
Advertisement	750413	2590293
Carriage Outwards	7933178	7183344
Commission on Sales	5053202	2164836
T O T A L	20632246	21495664

SCHEDULE-R FINANCIAL EXPENSES

Interest -- on Term Loans	35854955	15019181
-- on Others	9859646	8358213
Finance Charges	4880167	6890117
T O T A L	50594768	30267511

SCHEDULE-S ADMINISTRATIVE & OTHER EXPENSES

Rent	8165726	7439152
Rates & Taxes	526695	274106
Insurance	6954546	8662221
Communication Charges	7157514	6497640
Travelling & Conveyance	20141668	15174407
Printing & Stationery	6004552	3696090
Vehicle Maintenance	2739959	2484677
Directors Remuneration	6982309	9706959
Professional Charges	11351924	7560950
Payments to Auditors :		
-- As Auditors	250000	250000
-- for Tax Matters	125000	150000
-- for other Services	50000	100000
-- for Expenses	6100	4312
Security Charges	3127659	2740132
Donations	148450	683952
Repairs & Maintenance - Others	4266401	3191834
Loss on Sale of Assets	92718	121344
Preliminary Expenses written off	212515	212515
General Expenses	8660617	9295782
T O T A L	86964353	78246073



SCHEDULE - T

Significant Accounting Policies and Notes to Accounts

I. Significant Accounting Policies :

(a) Basis of Accounting

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the accounting standards notified under section 211(3C) of the Companies Act, 1956 of India (the Act) and the relevant provisions of the Act.

(b) Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported value of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenditure for the year. The difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

(c) Revenue recognition

- i. Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of products are transferred to customers.
- ii. Revenue from Collaborative Research Projects, Contract Technical Services, Clinical Trials Services and Process Development Services are recognized on completion of the work.
- iii. Income from Investments
 - i. The Company recognises Interest on investments on accrual basis.
 - ii. Dividend income on investments is accounted for when the right to receive the payment is established

(d) Fixed Assets

Fixed assets are stated at cost and as reduced by accumulated depreciation. All costs including financing costs, up to the date of commissioning and attributable to the fixed assets are capitalised.

(e) Depreciation

Depreciation on fixed assets is provided on straight-line basis at the rates prescribed in Schedule XIV of the Companies Act, 1956. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

(f) Investments

Long-term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature.

Investments other than Long Term Investments are stated at cost or market value whichever is less. Any increase/reduction in the carrying cost is credited/charged to the Profit and Loss account.

(g) Inventories

- i. Stock of raw materials, Stores, spares and fuel are stated at cost and are valued on FIFO basis.
- ii. Work in process is stated at cost.
- iii. Finished Goods are valued at the lower of the Cost or net realisable value.

(h) Research & Development expenses

- i. Revenue expenditure on research and development activities is expensed as and when incurred.
- ii. The expenditure on capital assets having alternative use either in R&D activity or otherwise are capitalised and amortized at the rate specified in Schedule XIV of the Companies Act 1956.
- iii. Depreciation on R&D assets is included in R&D expenses.

(i) Foreign Currency Transactions

- i. Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transaction.
- ii. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.
- iii. Financial Derivative Contracts are accounted on the date of their settlement and realized gain/loss in respect of settled contracts are recognized in the profit and loss account, along with underlined transactions.

(j) Retirement benefits to employees

The company has Defined Contribution Plan for its employees' retirement benefits comprising of Provident Fund. The Company contributes to State Plans namely Employees' State Insurance Fund and Employees Pension Scheme, 1995.

The Company has Defined Benefit Plan comprising of Gratuity Fund. The Company contributes to



Gratuity Fund administered by LIC. The liability for the Gratuity Fund is determined on the basis of an independent actuarial valuation done at the year end. The Company has Leave Encashment Entitlements which are provided on the basis of independent actuarial valuation. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.

(k) Borrowing cost

Borrowing Costs that are directly attributable to the acquisition of a fixed asset are capitalised as part of the cost of the asset till the date the asset is ready for commercial use. All other borrowing costs are charged to revenue.

(l) Income taxes

The current charge for taxes is calculated in accordance with relevant tax regulations applicable to the company.

The deferred tax for the timing differences between the book and tax profits for the year end is accounted for, using the tax rates and laws that have been substantially enacted as of the balance sheet date.

Deferred tax assets arising from timing differences are recognized and carried forward only if there is reasonable certainty that they will be realized in future and reviewed for the appropriateness of their respective carrying value at each balance sheet date.

(m) Earnings per share

The basic earnings per share (EPS) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

(n) Impairment of Assets

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

(o) Provisions

Provisions are recognised when the company has present legal or constructive obligations, as a result

of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation.

(p) Segmental information - Basis of preparation

i. Segment Revenue and Expenses

Revenues and expenses are allocated on a reasonable basis to segments being common manufacturing facilities and sales force.

ii. Segment Assets and Liabilities

The fixed assets and net current assets are not identifiable for particular segment except R & D segment, because these assets can be used interchangeable among the segments. Hence the management feels that the assets cannot be segregated to particular segment and to disclose these under Un allocated assets.

(q) Employee Stock Option Schemes

In accordance with the Securities and Exchange Board of India guidelines, the excess of the market price of shares, at the date of grant of options under the Employee stock option schemes, over the exercise price is treated as employee compensation and amortised on a straight-line basis over the vesting period.

II. Notes to Accounts

1. Contingent Liabilities not provided for

(Amount in Rs.)		
Particulars	Current Year	Previous Year
Guarantees given by Banks	85,00,000	3,92,905
Corporate Guarantee given to Suven Nishta Pharma Private Limited	23,75,00,000	-
Un expired Letters of Credit	3,50,81,021	6,69,18,255
Disputed Income Tax demands against which Company is in Appeal	-	1,17,27,195

2. Capital commitments not provided for on account of pending execution (net of advance) Rs. 68,00,847/- (Previous year Rs.4,83,32,536/-)

3. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as of 31st March 2008 (Previous year Nil). During the year an amount of Rs. 89,100/- pertaining to unclaimed dividends for more than 7 years, has been transferred to Investor Education and Protection Fund.



4. There are no delays in payments to Micro and Small enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

5. **Managerial Remuneration:**

Particulars	Vice Chairman & CEO		Wholetime Director	
	2007-08	2006-07	2007-08	2006-07
Salary & Allowances	31,01,250	52,47,697	27,60,000	28,50,000
Commission	-	-	3,53,326	5,89,570
Contribution to Provident Fund	4,32,000	6,48,000	3,31,200	3,42,000
Perquisites	-	-	4,533	29,692
Total	35,33,250	58,95,697	34,49,059	38,11,262

Computation of Net Profit in accordance with Section U/S198 & 309 of the Companies Act, 1956.

Particulars	2007-08	2006-07
Profit before tax	6,35,90,155	10,80,85,631
Add: Loss on sale of Assets	92,718	1,21,344
	6,36,82,873	10,82,06,975
Less: Profit on sale of investments	-	-
	6,36,82,873	10,82,06,975
Add: Remuneration to Directors	69,82,309	97,06,959
Net Profit as per Section 309(5) for the year (A)	7,06,65,182	11,79,13,934
Maximum Remuneration payable:		
Vice Chairman & CEO (Maximum of 5% of (A))	35,33,259	58,95,697
Wholetime Director	34,49,059	38,11,262

6. National Savings Certificates to the extent of Rs. 3,000/- have been pledged with Government Authorities.

7. **Employee Stock Option Scheme**

The Company instituted the Employees Stock Option 2004 plan for all eligible employees. The Scheme covers all eligible employees of Suven Life Sciences Limited and its subsidiary. During the year there was a reduction in the face value of equity share from Rs.2/- to Re.1/- and also a Bonus issue in the ratio of 1:1 which resulted in the increase of ESOP shares from 7,75,350 shares to 31,01,400 shares.

Further during the current year company under this scheme has issued 3,00,000 options to its employees.

The movement in options during the year ended March 31, 2008 is set out below:

Particulars	Year ended March 31, 2008	Year ended March 31, 2007
Options outstanding at the beginning of the year	7,75,350	6,08,400
Increase due to split in face value	7,75,350	-
Adjusted options due to Bonus Issue	15,50,700	-
Granted during the year	3,00,000	3,00,000
Less: Lapsed	1,55,200	41,425
Converted into equity shares	4,43,700	91,625
Options outstanding at the end of the year	28,02,500	7,75,350



8. Hedging and Derivatives

Company has entered into derivative contract in across currencies of USD-CHF swap as a tool to reduce interest cost on the long term loans. The amount of derivate contract is USD.75.95 Lacs.

The following are the outstanding currency options contracts, which have been designated as cash flow Hedges, as at March 2008

Foreign Currency	No of Contracts	Notional Amount of option contracts in Foreign Currency	Rupee Equivalent
USD	1	35,99,960	14,14,21,320

9. Employee Benefits

In accordance with Accounting Standard 15 "Employees Benefits", the Company has classified various benefits provided to employees as under:

I. Defined Contribution Plans

- a. Provident Fund
- b. State Defined Contribution Plans
 - i. Employers' Contribution to Employees' State Insurance
 - ii. Employers' Contribution to Employees' Pension Scheme, 1995

During the year, the Company has recognized the following amounts in the Profit and Loss Account:

	Rs. Lakhs
- Employers' Contribution to Provident Fund	52.22
- Employers' Contribution to Employees' State Insurance	10.89
- Employers' Contribution to Employees' Pension Scheme, 1995	25.79

Included in Contribution to Provident Fund and Other Funds

II. Defined Benefit Plans

Contribution to Gratuity Fund (Funded Scheme).

In accordance with Accounting Standard 15, actuarial valuation was performed in respect of the aforesaid defined benefit plan based on the following assumptions:

Discount Rate (per annum)	8.00%
Rate of increase in Compensation levels	12.00%
Rate of Return on Plan Assets (for Funded Scheme)	
Expected Average remaining working lives of employees (years)	26.60

A) Changes in Present Value of Obligation

Opening Present Value of Obligation	88.58
Interest Cost	6.24
Current Service Cost	29.29
Past Service Cost	-
Curtailment Cost/(Credit)	-
Settlement Cost/(Credit)	-
Benefits Paid	(10.66)
Actuarial (Gain)/Loss on Obligations	20.69
Closing Present Value of Obligation	134.14

B) Changes in the Fair Value of Plan Assets

Opening Present Value of Plan Assets	40.82
Expected Return on Plan Assets	3.69
Actuarial Gain/(Loss)	0.04
Contributions	21.40
Benefits Paid	(10.66)
Assets Distributed on Settlement	-
Closing Fair Value of Plan Assets	55.30



C) Amount Recognised in the Balance Sheet	Rs. Lakhs
Present Value of Obligation as at the end of the year	134.14
Fair Value of Plan Assets as at the end of the year	(55.30)
Liability/(Asset) recognized in the Balance Sheet	78.84
D) Expenses recognized in the Profit and Loss Account	
Interest Cost	6.24
Current Service Cost	29.29
Past Service Cost	-
Expected Return on Plan Assets	(3.69)
Curtailment Cost/(Credit)	-
Settlement Cost/(Credit)	-
Net Actuarial(Gain)/Loss recognized for the period	20.64
Total Expenses recognized in the Profit and Loss Account	52.48
Included in Contribution to Provident Fund and Other Funds	

In accordance with the transactional provisions of Accounting Standard 15, changes in actuarial assumptions due to adoption of the revised accounting standard of Rs.47,75,328/- has been adjusted against General Reserve.

II. Other Employee Benefit Plan

The liability for Leave Encashment as at the year end is Rs.65,59,803/-.

10. Income taxes

a. Income tax Expense

Particulars	Year ended 31-03-2008	Year ended 31-03-2007
Current Tax	69,17,000	1,15,60,000
Deferred Tax	(2,83,77,818)	(1,79,00,960)
Fringe Benefit Tax	15,20,000	12,52,000
Total	(1,99,40,818)	(50,88,960)

b. Deferred tax Liabilities / Deferred tax Assets

Particulars	Year ended 31-03-2008	Year ended 31-03-2007
Deferred Tax Liabilities		
Depreciation	23,88,35,768	19,88,62,346
Total	23,88,35,768	19,88,62,346
Deferred Tax Assets		
Unabsorbed Dep. & Loss	19,00,55,476	12,74,24,208
MAT Credit	2,55,10,995	1,85,94,000
Disallowance u/s 40a (ia)	1,37,081	-
Provision for Gratuity and Leave Encashment	13,34,104	-
Total	21,43,69,448	14,60,18,208
Net Deferred Tax Liability	2,44,66,320	5,28,44,138

11. Excise Duty amounting to Rs.29,74,616/- on Closing Stock of finished Goods has been provided during the year to comply with 'Guidance Note on Accounting treatment for Excise duty' issued by Institute of Chartered Accountants of India.



12. Earning per Share

Particulars	Year ended 31-03-2008	Year ended 31-03-2007
Net Profit after tax available for Equity shareholders	8,35,30,973	11,31,74,591
Weighted average of number of Equity shares outstanding during the year	11,54,97,500	11,52,66,500
Basic and Diluted Earnings per Equity share (Re.1/- Face Value)	0.72	0.98*

* Restated consequent to the bonus issue during the current year.

13. Related Party Transactions

List of and relationship with related parties with whom transactions have taken place during the year:

- a) Wholly Owned Subsidiary Company : Suven Life Sciences USA LLC
- b) Associates : Suven Nishtaa Pharma Private Limited
- c) Key managerial Persons : 1) Mr. Venkateswarlu Jasti
2) Mrs. Sudha Rani Jasti
3) Mr. Bodhishwar Rai
- d) Enterprises where Key Managerial Persons have control or significant influence : Jubilant Organosys Limited

(Amount in Rs.)

Particulars	Enterprises where Key Managerial Persons have control or significant influence	Associates	Key Managerial Person	Total
Purchase of Goods	35,55,915 (-Nil-)	-	-	35,55,915 (-Nil-)
Remuneration	- -	- -	69,82,309 (97,06,959)	69,82,309 (97,06,959)
Guarantees and Collaterals	- -	23,75,00,000 (-Nil-)	-	23,75,00,000 (-Nil-)

Note: Figures in bracket indicates previous year figures.

14. Miscellaneous Expenditure

The preliminary expenditure on account of merger of Suven Synthesis Ltd, is amortized over a period of five years.

15. a) Segmental Information (2006-07)

Business Segment

Segments have been identified and reported taking into account the nature of products, the differing risk and returns, the organisation structure, and the internal financial reporting scheme. The company has identified the following segments as its reportable segments:

- a) Manufacturing (CRAMS)
 - b) Services (DDDSS)
 - c) Research and Development
- I. Manufacturing (CRAMS) - Intermediates under contract services products are developed and produced on an exclusive basis under contract Manufacturing services
 - II. Services (DDDSS) - Which consists of Collaborative Research Projects (CRP), Clinical Trials and Testing and Analysis services



Geographical Segment

The Company has identified the following geographical reportable segments:

- India-The company sells Bulk Drugs and Intermedites and Fine Chemicals.
- U.S.A -The company sells Intermediates
- Europe--The company sells Bulk Drugs and Intermedites
- Asia-The company sells Bulk Drugs and Intermedites

Information pertaining to Business Segment-primary

	Manufacturing (CRAMS)	Services (DDDSS)	Research and Development	Un allocated	Total
Segment Revenue					
External Sales	922734183 (1015085493)	277077291 (115548857)	-- --	-- --	1199811474 (1130634350)
Inter Segmental Adj.	-- --	-- --	-- --	-- --	-- --
Total	922734183 (1015085493)	277077291 (115548857)	-- --	-- --	1199811474 (1130634350)
Segment Result					
Operating Profit	198804484 (326903971)	110232211 (63148303)	(201685903) (-190015736)	(29845761) (-83134890)	77505031 (116901648)
Other Income	-- --	-- --	-- --	-- --	31799725 (14561377)
Interest Expense	-- --	-- --	-- --	-- --	45714601 (23377394)
Income Tax -Current Tax	-- --	-- --	-- --	-- --	6917000 (11560000)
-Deferred Tax	-- --	-- --	-- --	-- --	(28377820) (-17900960)
-Fringe Benefit Tax	-- --	-- --	-- --	-- --	1520000 (1252000)
Net Profit					83530975 (113174591)
Other Information					
Segment Assets	1226026118 (1116751151)	204239413 (62110588)	400939316 (313582415)	212431932 (297672548)	2043636779 (1790116702)
Segment Liabilities	161751789 (112921723)	37325404 (1500000)	45199362 (14896346)	106537437 (120150483)	350813992 (249468552)
Capital employed	1064274329 (1003829428)	166914009 (60610588)	355739954 (298686069)	105894495 (177522065)	1692822787 (1540648150)
Capital Expenditure	109060976 (105746706)	-- --	98861404 (83665790)	-- --	207922380 (189412496)
Depreciation	37902134 (32716362)	3224506 (1602861)	21696959 (13600248)	3224506 (5815910)	66048105 (53735381)

Note: Figures in braketcs relates to previous years.



1. Segment Assets do not include Income Tax Rs.9,68,06,841/- (previous year Rs.8,99,15,301/-)
2. Segment Liabilities do not include
 - a. Shareholders funds Rs.112,11,78,139/- (previous year Rs.107,28,96,023/-)
 - b. Secured Loans Rs.54,61,56,134/- (previous year Rs.41,49,07,989/-)
 - c. Unpaid Dividend Rs.8,86,743/- (previous year Rs.8,11,653/-)
 - d. Provision for Income Tax Rs.9,48,73,473/- (Previous year Rs.8,64,36,473/-)
 - e. Deferred Tax Liability(net) Rs.2,44,66,318/- (previous year Rs.5,28,44,138/-)
 - f. Proposed Dividend Rs.2,89,27,550/- (previous year Rs.2,88,16,625/-)
 - g. Provison for Tax on Dividend Rs.49,16,237/- (previous year Rs.48,97,385/-)

c) Geographical Information

(Amount in Rs.)

	Revenue		Location Assets		Additions to Fixed Assets	
	As on 31.03.2008	As on 31.03.2007	As on 31.03.2008	As on 31.03.2007	As on 31.03.2008	As on 31.03.2007
INDIA	325127845	156791506	1410364579	1203205379	207749224	189231578
U S A	431515844	233047295	1680508	1507352	173156	180918
EUROPE	402946407	394044820	-	-	-	-
ASIA	40221378	346750729	-	-	-	-
	1199811474	1130634350	1412045087	1204712731	207922380	189412496

16. Particulars required under Part II of Schedule VI to the Companies Act,1956 to the extent applicable:

i) Production

	Installed Capacity MT	Production for the year ended 31-03-2008 MT		Installed Capacity MT	Production for the year ended 31-03-2007 MT	
		For Sales	For Captive		For Sales	For Captive
a) Bulk Drugs*	162.000	111.622	0.070	162.000	69.617	0.000
b) Intermediates*	1144.000	621.886	4.826	1144.000	470.961	3.425
	1306.000	733.508	4.896	1306.000	540.578	3.425

*Installed Capacities are as certified by the Management and have not been verified by the Auditors as this is a technical matter.

ii) Turnover

	CURRENT YEAR		PREVIOUS YEAR	
	Quantity MT.	Value Rs.	Quantity MT.	Value Rs.
a) Bulk Drugs	111.796	179546510	72.552	133686930
b) Intermediates	619.790	741586984	466.495	880051138
c) Recoveries	-	1600689	-	1347425
d) Collaborative Research Project	-	206678625	-	21475000
e) Contract Technical Services	-	22476919	-	22877776
f) Clinical Trials Services	-	36242395	-	43434554
g) Process Development Charges	-	11679352	-	27761527
	731.586	1199811474	539.047	1130634350



iii) Stocks - Finished Goods

	As on 31-03-2008		As on 31-03-2007	
	Quantity MT.	Value Rs.	Quantity MT.	Value Rs.
a) Bulk Drugs	3.189	7321861	3.363	6728208
b) Intermediates	82.082	91965186	79.986	92088297
	85.271	99287047	83.349	98816505

iv) Raw Materials Consumed

	CURRENT YEAR		PREVIOUS YEAR	
	Quantity MT.	Value Rs.	Quantity MT.	Value Rs.
a) 2-Amino-5-chloro-2-Fluorobenzophenone	9.275	18072260	5.750	12669141
b) Cyclobutane-1,3-dione Dicyclohexyl Ammonium Salt	19.450	34832565	18.500	37667476
c) Others		388490396		365520350
		441395221		415856967

v) C I F value of Imports (Rupees)

	CURRENT YEAR		PREVIOUS YEAR	
	Value Rs.	% to Total	Value Rs.	% to Total
a) Raw Materials	36189759		198098544	
b) Components and Spare Parts	37827393		75018902	

vi) Value of Imported and indigeneous Raw Materials Stores and Spares consumed and percentage of each to total consumption.

	CURRENT YEAR		PREVIOUS YEAR	
	Value Rs.	% to Total	Value Rs.	% to Total
i) Imported	42929624	9.73	190348471	45.77
ii) Indegenious	398465597	90.27	225508496	54.23
	441395221	100.00	415856967	100.00

b) Stores and Spares :

	CURRENT YEAR		PREVIOUS YEAR	
	Value Rs.	% to Total	Value Rs.	% to Total
i) Imported	-	-	-	-
ii) Indegenious	6718343	100.00	3572946	100.00
	6718343	100.00	3572946	100.00



vii) Expenditure in Foreign Currency

	(Rupees)	
	CURRENT YEAR	PREVIOUS YEAR
Travel	10340847	5808368
Dividend	83500	68500
Sales Commission	2869567	2005935
Foreign Branch Expenses	37153514	40722061
Research & Development Expenses	30030752	62689673
	80478180	111294537

viii) Earnings in Foreign Currency

	(Rupees)	
	CURRENT YEAR	PREVIOUS YEAR
FOB Value of Exports	612345363	872345491

17. Previous year figures have been regrouped wherever considered necessary to conform to this year's classification.

Signatures of Schedules A to T

As per our report of even date
for **KARVY & COMPANY**
Chartered Accountants

K. Ajay Kumar
Partner

Place : Hyderabad
Date : 25-07-2008

for and on behalf of the Board of Directors

Venkateswarlu Jasti
Vice Chairman & C E O

Sudha Rani Jasti
Wholetime Director

K. Hanumantha Rao
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

(Rs. In lakhs)

	For the year ended 31.03.2008		For the year ended 31.03.2007	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax and Extraordinary Items		635.90		1,080.86
Adjustments for :				
Depreciation	660.48		401.35	
Interest Income	(36.82)		(14.89)	
Interest on Borrowings	505.95		302.67	
Loss on Disposal of Assets	0.93		1.21	
Dividend Income	(10.20)		(38.31)	
Miscellaneous Expenditure Amortised	2.12		2.13	
		1,122.46		654.16
Operating Profit Before Working Capital Changes		1,758.36		1,735.02
Adjustments for :				
Trade and Other Receivables	(1,980.24)		(345.74)	
Inventories	(150.13)		(16.09)	
Trade Payables and Other Liabilities	835.94		426.87	
Increase/(Decrease) in Net Current Assets		(1,294.43)		65.04
Cash Generated From Operations		463.93		1,800.06
Adjustments for :				
Income Tax & Fringe Benefit Tax	68.92		151.26	
		(68.92)		151.26
Net Cash From Operating Activities A		395.01		1,648.80
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of Investments		267.09		(86.56)
Purchase of Fixed Assets		(1,942.74)		(2,016.00)
Sale of Fixed Assets		2.00		3.50
Interest Received		43.37		14.89
Dividends Received		10.20		38.31
Net Cash Used In Investing Activities B		(1,620.08)		(2,045.86)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008 (CONTD.)

(Rs. In lakhs)

	For the year ended 31.03.2008		For the year ended 31.03.2007	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Borrowings (Net)		1312.48		1781.33
Interest Paid on borrowings		(505.95)		(302.67)
Issue of capital with Premium		83.03		68.58
Dividend Payouts (including Dividend Tax)		(337.14)		(285.06)
NET CASH USED IN FINANCING ACTIVITIES C		552.42		1262.18
Net Increase in Cash and Cash Equivalents (A+B+C)		(672.65)		865.12
Cash and Cash Equivalents at the beginning the year		975.05		109.93
Cash and Cash Equivalents at the end of the year		302.40		975.05

for and on behalf of the Board of Directors

for **KARVY & COMPANY**
Chartered Accountants

K. Ajay Kumar
Partner

Place : Hyderabad
Date : 25-07-2008

Venkateswarlu Jasti
Vice Chairman & C E O

Sudha Rani Jasti
Wholetime Director

K. Hanumantha Rao
Company Secretary



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.

		0	0	9	7	1	3
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Balance Sheet Date

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State Code

0	1
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II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS):

Public Issue <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L	Right Issue <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L
					N	I	L										
					N	I	L										
Bonus Issue <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L	Amalgamation & ESOP <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td>5</td><td>8</td><td>0</td><td>7</td><td>7</td></tr></table>				5	8	0	7	7
					N	I	L										
			5	8	0	7	7										

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS):

<p>Total Liabilities <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>6</td><td>9</td><td>2</td><td>3</td><td>2</td><td>4</td></tr></table></p> <p>SOURCES OF FUNDS</p> <p>Paid-up Capital <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>1</td><td>1</td><td>5</td><td>7</td><td>1</td><td>0</td></tr></table></p> <p>Secured Loans <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>5</td><td>4</td><td>6</td><td>1</td><td>5</td><td>6</td></tr></table></p> <p>APPLICATION OF FUNDS</p> <p>Net Fixed Assets <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>1</td><td>3</td><td>4</td><td>3</td><td>3</td><td>5</td></tr></table></p> <p>Net Current Assets <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>4</td><td>7</td><td>5</td><td>8</td><td>9</td><td>7</td></tr></table></p> <p>Accumulated Losses <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table></p>		1	6	9	2	3	2	4			1	1	5	7	1	0			5	4	6	1	5	6		1	1	3	4	3	3	5			4	7	5	8	9	7						N	I	L	<p>Total Assets <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>6</td><td>9</td><td>2</td><td>3</td><td>2</td><td>4</td></tr></table></p> <p>Reserves & Surplus <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>0</td><td>0</td><td>5</td><td>9</td><td>9</td><td>2</td></tr></table></p> <p>Deferred tax Liability <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td>2</td><td>4</td><td>4</td><td>6</td><td>6</td></tr></table></p> <p>Investments <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td>8</td><td>1</td><td>8</td><td>7</td><td>9</td></tr></table></p> <p>Miscellaneous Expenditure <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td></td><td>2</td><td>1</td><td>3</td></tr></table></p>		1	6	9	2	3	2	4		1	0	0	5	9	9	2				2	4	4	6	6				8	1	8	7	9						2	1	3
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IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS):

<p>Turnover (Gross Revenue) <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>2</td><td>3</td><td>1</td><td>2</td><td>4</td><td>7</td></tr></table></p> <p>Profit Before Tax <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td>6</td><td>3</td><td>5</td><td>9</td><td>0</td></tr></table></p> <p>Earning per share Rs. <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td>0</td><td>.</td><td>7</td><td>2</td></tr></table></p>		1	2	3	1	2	4	7				6	3	5	9	0					0	.	7	2	<p>Total Expenditure <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>1</td><td>6</td><td>7</td><td>6</td><td>5</td><td>7</td></tr></table></p> <p>Profit After Tax <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td>8</td><td>3</td><td>5</td><td>3</td><td>1</td></tr></table></p> <p>Dividend Rate (%) <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td>2</td><td>5</td><td>.</td><td>0</td><td>0</td></tr></table></p>		1	1	6	7	6	5	7				8	3	5	3	1				2	5	.	0	0
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			8	3	5	3	1																																										
			2	5	.	0	0																																										

V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS):

Item Code No. (ITC Code)	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>2</td><td>9</td><td>4</td><td>2</td><td>0</td><td>0</td><td>3</td><td>1</td></tr></table>	2	9	4	2	0	0	3	1									
2	9	4	2	0	0	3	1											
Product Description	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>T</td><td>H</td><td>E</td><td>O</td><td>B</td><td>R</td><td>O</td><td>M</td><td>I</td><td>N</td><td>E</td></tr></table>	T	H	E	O	B	R	O	M	I	N	E						
T	H	E	O	B	R	O	M	I	N	E								
Item Code No. (ITC Code)	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>2</td><td>9</td><td>3</td><td>3</td><td>9</td><td>9</td><td>0</td><td>0</td></tr></table>	2	9	3	3	9	9	0	0									
2	9	3	3	9	9	0	0											
Product Description	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>P</td><td>H</td><td>T</td><td>H</td><td>A</td><td>L</td><td>A</td><td>Z</td><td>I</td><td>N</td><td>E</td></tr></table>	P	H	T	H	A	L	A	Z	I	N	E						
P	H	T	H	A	L	A	Z	I	N	E								
Item Code No. (ITC Code)	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>2</td><td>9</td><td>2</td><td>6</td><td>9</td><td>0</td><td>0</td><td>0</td></tr></table>	2	9	2	6	9	0	0	0									
2	9	2	6	9	0	0	0											
Product Description	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>C</td><td>Y</td><td>A</td><td>N</td><td>O</td><td></td><td>A</td><td>C</td><td>E</td><td>T</td><td>I</td><td>C</td><td></td><td>A</td><td>C</td><td>I</td><td>D</td></tr></table>	C	Y	A	N	O		A	C	E	T	I	C		A	C	I	D
C	Y	A	N	O		A	C	E	T	I	C		A	C	I	D		

for and on behalf of the Board of Directors

Venkateswarlu Jasti
Vice Chairman & C E O

Sudha Rani Jasti
Wholetime Director

K. Hanumantha Rao
Company Secretary

Place : Hyderabad
Date : 25.07.2008



SUVEN LIFE SCIENCES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2008



AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS, SUVEN LIFE SCIENCES LIMITED

1. We have examined the attached consolidated balance sheet of SUVEN LIFE SCIENCES LIMITED and its wholly owned subsidiary (collectively "the Group") as at 31st March, 2008, the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the management of M/s. SUVEN LIFE SCIENCES LIMITED. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the Subsidiary. The financial statements of the subsidiary for the year ended 31st March, 2008 were audited by other auditors, whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included in respect of such subsidiary is solely based on the report of the other auditors.

4. We report that consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, as notified by Companies (Accounting Standards) Rules 2006.
5. On the basis of the foregoing and the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of SUVEN LIFE SCIENCES LIMITED and its subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with accounting principles generally accepted in India:
 - a) In the case of the consolidated balance sheet, of the consolidated state of affairs of the group as at 31st March, 2008,
 - b) In the case of the consolidated profit and loss account of the consolidated results of operations of the Group for the year ended on that date,

And

- c) In the case of the cash flow statement, of the consolidated cash flows of the Group for the year ended on that date.

For **KARVY & COMPANY**
Chartered Accountants

Place : Hyderabad
Date : 25-07-2008

K. Ajay Kumar
Partner
M.No. 21989



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULE	AS AT 31/03/2008 Rs.	AS AT 31/03/2007 Rs.
I. SOURCES OF FUNDS			
1 SHAREHOLDERS' FUNDS			
a) Share Capital	A	115710200	57633250
b) Reserves & Surplus	B	948178993	957558311
2 LOAN FUNDS			
Secured Loans	C	546156134	414907989
3 DEFERRED TAX LIABILITY (NET)		24466318	52844138
T O T A L		1634511645	1482943688
II. APPLICATION OF FUNDS			
1 FIXED ASSETS	D		
a) Gross block		1412045087	1204712731
b) Less: Depreciation		314300907	248550108
c) Net block		1097744180	956162623
d) Capital work-in-progress		36590838	50238818
2 INVESTMENTS	E	22878919	49588313
3 CURRENT ASSETS, LOANS AND ADVANCES			
a) Inventories	F	244010957	228998358
b) Trade Receivables	G	355859471	161420753
c) Cash and Bank balances	H	30368837	97750851
d) Loans and Advances	I	197075123	186588660
e) Interest Accrued		584796	1238832
		827899184	675997454
Less: Current Liabilities and Provisions	J	350813993	249468552
Net Current Assets		477085191	426528902
4 MISCELLANEOUS EXPENDITURE			
Preliminary Expenditure		212517	425032
T O T A L		1634511645	1482943688
Notes on Accounts	T		

As per our report of even date
for **KARVY & COMPANY**
Chartered Accountants

for and on behalf of the Board of Directors

K. Ajay Kumar
Partner

Venkateswarlu Jasti
Vice Chairman & CEO

Sudha Rani Jasti
Wholetime Director

Place : Hyderabad
Date : 25-07-2008

K. Hanumantha Rao
Company Secretary



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	SCHEDULE	FOR THE YEAR ENDED 31st Mar 2008 Rs.	FOR THE YEAR ENDED 31st Mar 2007 Rs.
INCOME			
Income from Operations	K	1199811474	1132622270
Other Income	L	31799725	14561377
Increase/(Decrease) in Stocks	M	(363657)	(2552807)
T O T A L		1231247542	1144630840
EXPENDITURE			
Materials Consumed	N	445185366	421382711
Manufacturing Expenses	O	156373315	127003567
Clinical Projects Expenses		12309159	19252786
Research & Development Expenses		201685903	190015736
Central Excise Duty		27017882	13464310
Personnel Expenses	P	122543250	95281718
Selling Expenses	Q	20632246	21495664
Financial Expenses	R	50594768	30292134
Administrative & Other Expenses	S	86964352	78753309
Depreciation		44351146	40135133
T O T A L		1167657387	1037077068
Profit before Tax		63590155	107553772
Less: Provision for - Current Tax		6917000	11560000
Deferred Tax		(28377820)	(17900960)
Fringe Benefit Tax		1520000	1252000
Profit after Tax		83530975	112642732
Profit brought forward from previous year		24363511	(9565211)
Profit available for appropriation		107894486	103077521
Appropriations			
Proposed dividend		28927550	28816625
Tax on proposed dividend		4916237	4897385
Transfer to General Reserve		10000000	45000000
Surplus carried to Balance Sheet		64050699	24363511
		107894486	103077521
Basic and Diluted Earnings per share (in Rs)		0.72	0.98
Notes on Accounts	T		

As per our report of even date
for **KARVY & COMPANY**
Chartered Accountants

for and on behalf of the Board of Directors

K. Ajay Kumar
Partner

Venkateswarlu Jasti
Vice Chairman & CEO

Sudha Rani Jasti
Wholetime Director

Place : Hyderabad
Date : 25-07-2008

K. Hanumantha Rao
Company Secretary



CONSOLIDATED SCHEDULES TO BALANCE SHEET

	AS AT 31st Mar 2008 (Rupees)	AS AT 31st Mar 2007 (Rupees)
SCHEDULE-A		
SHARE CAPITAL		
Authorised		
20,00,00,000 Equity Shares of Rs.1/- each	200000000	200000000
Issued, Subscribed and Paid up	115710200	57633250
11,57,10,200 Equity Shares of Rs.1/- each (Previous year 2,88,16,625 Equity Shares of Rs.2/- each)		
T O T A L	115710200	57633250

SCHEDULE-B RESERVES & SURPLUS

General Reserve				
Opening Balance	504114758		439249044	
Add: Additions on account of Amalgamation	–		19865714	
Transferred during the year	10000000		45000000	
Less: Employee retirement benefits adjusted (net of Deferred Tax)	9184363	504930395	–	504114758
Foreign Exchange Translation Reserve				
Opening Balance	(1730839)		(1703604)	
Add: Additions during the year	(107930)	(1838769)	(27235)	(1730839)
Share Premium	430810881			
Add: Additions during the year	7859037			
Less: Bonus Issue	57633250	381036668		430810881
Surplus in Profit & Loss A/c.		64050699		24363511
T O T A L	948178993			957558311

Of the 11,57,10,200 Equity Shares:

- 576,33,250 shares represent 288,16,625 shares whose face value was sub-divided from Rs.2/- to Re.1/- per share.
- 578,55,100 shares represent 578,55,100 shares of face value Re.1/- each which were issued as bonus shares by utilisation of Rs.576,33,250/- from Share Premium Account.
- 149,00,000 shares (including bonus issue of 74,50,000 shares) represent shares of face value Re.1/- each which were issued as fully paid up to the shareholders of Asian Clinical Trials Limited on its amalgamation with the Company, for consideration other than cash.
- 8,10,200 shares (including bonus issue of 4,05,100 shares) represents shares of face value Re.1/- each under Employee Stock Option Scheme, 2004.

SCHEDULE-C SECURED LOANS

Corporate Loan From S.B.I. (Foreign Currency Loan)	116978240	209553252
Corporate Loan From S.B.I. (Rupee Loan) (Both loans secured by first and Pari-pasu charge on Land, Buildings, Plant & Machinery.)	210459922	110000000
Working Capital Loans from S.B.I. (Secured by first charge on Raw Materials, Stock in Process, Finished Goods and Book Debts and second charge on Land, Buildings and Plant & Machinery.)	218717972	95354737
T O T A L	546156134	414907989



CONSOLIDATED SCHEDULES TO BALANCE SHEET

SCHEDULE-D FIXED ASSETS		(Amount in Rupees)									
S.NO		GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 01.04.2007	ADDITIONS	DEDUC- TIONS	AS ON 31.03.2008	UPTO 31.03.2007	FOR THE YEAR	DEDUC- TIONS	UPTO 31.03.2008	AS ON 31.03.2008	AS ON 31.03.2007
1	LAND	21915022	1742345	-	23657367	-	-	-	-	23657367	21915022
2	BUILDINGS-OFFICE	4478375	-	-	4478375	772287	72998	-	845285	3633090	3706088
3	BUILDINGS-FACTORY	152149484	22198618	-	174348102	14502481	5081793	-	19584274	154763828	137647003
4	PLANT & MACHINERY	564269696	79138443	-	643408139	157299821	32112840	-	189412661	453995478	406969875
5	FURNITURE & FIXTURES	16548312	1265549	-	17813861	5379673	1074283	-	6453956	11359905	11168639
6	OFFICE EQUIPMENT	8127115	305605	-	8432720	2236405	391886	-	2628291	5804429	5890710
7	* LABORATORY EQUIPMENT --UNIT I	17634547	-	-	17634547	3504880	837641	-	4342521	13292026	14129667
8	* LABORATORY EQUIPMENT --UNIT II	354853614	98861404	-	453715018	38641995	20066410	-	58708405	395006613	316211619
9	LABORATORY EQUIPMENT --UNIT III	16692791	-	-	16692791	2138452	792908	-	2931360	13761431	14554339
10	LABORATORY EQUIPMENT --LLC	-	-	-	-	-	-	-	-	-	-
11	VEHICLES	12615733	-	590024	12025709	4073691	1150195	297306	4926580	7099129	8542042
12	EFFLUENT TREATMENT PLANT	13399635	-	-	13399635	6699657	707501	-	7407158	5992477	6699978
13	MISC FIXED ASSETS	462203	-	-	462203	294041	21955	-	315996	146207	168162
14	EDP-EQUIPMENTS	21566204	4410416	-	25976620	13006725	3737695	-	16744420	9232200	8559479
T O T A L S		1204712731	207922380	590024	1412045087	248550108	66048105	297306	314300907	1097744180	956162623

* Note: Depreciation on R & D Equipment of Rs. 216,96,959/- has been added to R & D Expenses (Previous Year Rs.1,36,00,248/-)



CONSOLIDATED SCHEDULES TO BALANCE SHEET

	AS AT 31st Mar 2008 (Rupees)	AS AT 31st Mar 2007 (Rupees)
SCHEDULE-E		
INVESTMENTS:		
I. Trade Investments – (Long Term & Unquoted) :		
a. In Subsidiaries		
Share Application Money -		
in Suven Life Sciences USA LLC	–	–
b. In Others		
Share Application Money -		
in Suven Nishtaa Pharma Pvt Ltd	22363919	4825105
2. Non-Trade Investments :		
Long Term		
Unquoted :		
a) Equity Shares		
100 Equity Shares of Rs.20/- each in G.S.E.C.Limited	2000	2000
b) Mutual Funds:		
SBI Institutional Income Fund	–	44748208
(Previous year 44,60,324.7609 units)		
SBI Infrastructure fund	500000	–
c) National Savings Certificates	13000	13000
T O T A L	22878919	49588313
Aggregate Value of Investments:		
Quoted:-		
- Book Value	500000	44748208
- Market Value	500000	44748208
Un-quoted:-		
- Book Value	22378919	4840105



CONSOLIDATED SCHEDULES TO BALANCE SHEET

	AS AT 31st Mar 2008 (Rupees)	AS AT 31st Mar 2007 (Rupees)
SCHEDULE-F		
INVENTORIES		
(As valued and certified by the Manangement)		
Raw Materials	63195402	59428322
Stores and Spares	14136832	2527656
Finished Goods	99287047	98816505
Stocks in Process	67391676	68225875
T O T A L	244010957	228998358
SCHEDULE-G		
TRADE RECEIVABLES		
(Unsecured, Considered good)		
Exceeding six months	7984710	2160370
Others	347874761	159260383
T O T A L	355859471	161420753
SCHEDULE-H		
CASH AND BANK BALANCES		
Cash on hand	526744	442755
Balances with Scheduled Banks		
--- in current accounts	3482093	9208096
--- in Deposits	26360000	88100000
T O T A L	30368837	97750851
SCHEDULE-I		
LOANS AND ADVANCES		
(Unsecured, considered good, advances recoverable in cash or in kind or for value to be received)		
Advances for Purchases	12780028	13407643
Advances for Expenses	17325265	1252844
Other Advances	9642954	27472239
Other Receivables	47765520	43331960
Deposits	12754514	11208673
Advance Tax	96806841	89915301
T O T A L	197075122	186588660



CONSOLIDATED SCHEDULES TO BALANCE SHEET

	AS AT 31st Mar 2008 (Rupees)	AS AT 31st Mar 2007 (Rupees)
SCHEDULE-J		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Liabilities for Capital Works	10043009	33669866
Liabilities for Purchases	108049733	46728756
Liabilities for Expenses	83261455	38320017
Unclaimed Dividend	886743	811653
Liabilities for statutory dues	5412091	4317621
Advance Received from Customers	-	5470156
(A)	207653031	129318069
B. PROVISIONS		
-- for Taxation	94873473	86436473
-- for Dividend	28927550	28816625
-- for Corporate Dividend Tax	4916237	4897385
-- for Gratuity	7883899	-
-- for Leave encashment	6559803	-
(B)	143160962	120150483
T O T A L (A+B)	350813993	249468552



CONSOLIDATED SCHEDULES TO PROFIT & LOSS ACCOUNT

	Current Year 31st Mar 2008 (Rupees)	Previous Year 31st Mar 2007 (Rupees)
SCHEDULE-K		
INCOME FROM OPERATIONS		
Exports	874683629	975830764
Domestic	325127845	156791506
TOTAL	1199811474	1132622270

SCHEDULE-L OTHER INCOME

Interest-(Gross)	3682361	1488795
(Tax Deducted at Source Rs.7,95,752/- Previous year Rs.2,73,123/-)		
Dividend Income from Mutual Funds	1020110	3831448
Foreign Exchange Fluctuations - Gain (Net)	22614665	9241134
Foreign Exchange Derivatives Gain (Net)	4482589	-
T O T A L	31799725	14561377

SCHEDULE-M INCREASE / DECREASE IN STOCKS

Opening Stock :		
Work - in - Progress	68225875	69701351
Finished Goods	98816505	99893836
A	167042380	169595187
Closing Stock :		
Work - in - Progress	67391676	68225875
Finished Goods	99287047	98816505
B	166678723	167042380
Increase in Stocks (B-A)	(363657)	(2552807)



CONSOLIDATED SCHEDULES TO PROFIT & LOSS ACCOUNT

	Current Year 31st Mar 2008 (Rupees)	Previous Year 31st Mar 2007 (Rupees)
SCHEDULE-N		
MATERIALS CONSUMED		
1) Raw Materials		
Opening Stock	59428322	51106257
Purchases	445162301	426166952
Less: Closing Stock	63195402	59428322
(A)	441395221	417844887
2) Packing Materials		
Opening Stock	156144	180228
Purchases	4339357	3513740
Less: Closing Stock	705356	156144
(B)	3790145	3537824
T O T A L (A+B)	445185366	421382711

SCHEDULE-O **MANUFACTURING EXPENSES**

Power & Fuel	79451827	63435006
Consumable Stores	6718343	3572946
Factory Upkeep Expenses	27123897	21867255
Environment Management Expenses	7707261	4996801
Safety Expenses	1874857	1928058
Quality Control Expenses	12817671	6680938
Repairs & Maintenance :		
-- Buildings	210672	159226
-- Plant & Machinery	20468787	24363337
T O T A L	156373315	127003567

SCHEDULE-P **PERSONNEL EXPENSES**

Salaries, Wages & Bonus	96539111	76746159
Staff Welfare Expenses	11735843	10266942
Contribution to PF & Other Funds	14268296	8268617
T O T A L	122543250	95281718



CONSOLIDATED SCHEDULES TO PROFIT & LOSS ACCOUNT

Particulars	Current Year 31st Mar 2008 (Rupees)	Previous Year 31st Mar 2007 (Rupees)
SCHEDULE-Q		
SELLING EXPENSES		
Sales Promotion	6895453	9557191
Advertisement	750413	2590293
Carriage Outwards	7933178	7183344
Commission on Sales	5053202	2164836
T O T A L	20632246	21495664

SCHEDULE-R FINANCIAL EXPENSES

Interest -- on Term Loans	35854955	15019181
-- on Others	9859646	8358213
Finance Charges	4880167	6914740
T O T A L	50594768	30292134

SCHEDULE-S ADMINISTRATIVE & OTHER EXPENSES

Rent	8165726	7439152
Rates & Taxes	526695	274106
Insurance	6954546	8662221
Communication Charges	7157514	6545215
Travelling & Conveyance	20141668	15268291
Printing & Stationery	6004552	3700608
Vehicle Maintenance	2739959	2484677
Directors Remuneration	6982309	9706959
Professional Charges	11351924	7560950
Payments to Auditors:		
-- As Auditors	250000	250000
-- for Tax Matters	125000	150000
-- for other Services	50000	100000
-- for Expenses	6100	4312
Security Charges	3127659	2740132
Donations	148450	683952
Repairs & Maintenance	4266401	3191834
Loss on Sale of Assets	92718	121344
Preliminary Expenses written off	212515	212515
General Expenses	8660617	9657041
T O T A L	86964353	78753309



SCHEDULE - T

NOTES TO CONSOLIDATED ACCOUNTS

1. Significant Accounting Policies :

(a) Consolidation

i) Basis of Consolidation:

The Consolidated financial statements of the company and its subsidiary have been prepared in accordance with the Accounting Standard -21 'Consolidated Financial Statements' as per Companies (Accounting Standard) Rules, 2006.

ii) The consolidated financial statements include the accounts of Suven Life Sciences Limited and wholly owned subsidiary.

Name of Subsidiary	:	Suven Life Sciences USA LLC
Country of Incorporation	:	USA
Holding Company's Interest	:	100%
Financial Year of the Subsidiary Ended on	:	31st March, 2008.

(iii) Principles of Consolidation:

The financial statements of the company and its subsidiary have been combined on a line to line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transaction, except wherever otherwise stated.

The financial statements of the subsidiary have been regrouped with those of the parent company wherever considered necessary.

(b) Foreign Exchange Translation:

The translation of foreign currency into Indian rupee is performed by translating Assets and Liabilities excluding the share capital using the exchange rate as at the Balance Sheet date. For translating revenues, cost and expenses weighted average exchange rate prevailing during the reporting period is used. The resultant currency translation exchange gain or loss is transferred to Foreign Exchange Translation Reserve in Reserves & Surplus.

(c) Other Significant Accounting Policies:

These are set out under significant accounting policies as given in the unconsolidated financial statements of the company and its subsidiaries.

2. Contingent Liabilities not provided for

Particulars	Current Year	Previous Year
Guarantees given by Banks	3,92,905	2,51,258
Un expired Letters of Credit	6,69,18,255	2,78,42,556
Disputed Income Tax demands against which Company is in Appeal	–	1,17,27,195

3. Capital commitments not provided for on account of pending execution (net of advance) Rs. 68,00,847/- (Previous year Rs.4,83,32,536/-)



4. Income taxes

a. Income tax Expense

Particulars	Year ended 31-03-2008	Year ended 31-03-2007
Current Tax	69,17,000	1,15,60,000
Deferred Tax	(2,83,77,818)	(1,79,00,960)
Fringe Benefit Tax	15,20,000	12,52,000
Total	(1,99,40,818)	50,88,960

b. Deferred tax Liabilities / Deferred tax Assets

Particulars	Year ended 31-03-2008	Year ended 31-03-2007
Deferred Tax Liabilities		
Depreciation	23,88,35,768	19,88,62,346
Total	23,88,35,768	19,88,62,346
Deferred Tax Assets		
Unabsorbed Dep. & Loss	19,00,55,476	12,74,24,208
MAT Credit	2,55,10,995	1,85,94,000
Disallowance u/s 40a(ia)	1,37,081	–
Provision for Gratuity and Leave Encashment	13,34,104	–
Total	21,43,69,448	14,60,18,208
Net Deferred Tax Liability	2,44,66,320	5,28,44,138

5. Excise Duty amounting to Rs.29,74,616/- on Closing Stock of finished Goods has been provided during the year to comply with 'Guidance Note on Accounting treatment for Excise duty' issued by Institute of Chartered Accountants of India.

6. Earning per Share

Particulars	Year ended 31-03-2008	Year ended 31-03-2007
Net Profit after tax available for Equity shareholders	8,35,30,973	11,31,74,591
Weighted average of number of Equity shares outstanding during the year	11,54,97,500	11,52,66,500
Basic and Diluted Earnings per Equity share	0.72	0.98

7. Related Party Transactions

List of and relationship with related parties with whom transactions have taken place during the year:

Wholly Owned Subsidiary Company

- Suven Life Sciences USA LLC

Associates

- Suven Nishtaa Pharma Private Limited

Key managerial Persons

- Mr.Venkateswarlu Jasti
- Mrs.Sudha Rani Jasti
- Mr.Bodhishwar Rai



Enterprises where Key Managerial Persons have control or significant influence

- Jubilant Organosys Limited (Amount in Rs.)

Particulars	Enterprises where Key Managerial Persons have control or significant influence	Associates	Key Managerial Person	Total
Purchase of Goods	35,55,915 (-Nil-)	-	-	35,55,915 (-Nil-)
Remuneration	-	-	69,82,309 (97,06,959)	69,82,309 (97,06,959)
Guarantees and Collaterals	-	23,75,00,000 (-Nil-)	-	23,75,00,000 (-Nil-)

Note: Figures in bracket indicates previous year figures.

8 a) Segmental Information (2007-08)

Business Segment

Segments have been identified and reported taking into account the nature of products, the differing risk and returns, the organisation structure, and the internal financial reporting scheme. The company has identified the following segments as its reportable segments:

- Manufacturing (CRAMS)
 - Services (DDDSS)
 - Research and Development
- Manufacturing (CRAMS) - Intermediates under contract services products are developed and produced on an exclusive basis under contract Manufacturing services
 - Services (DDDSS) - Which consists of Collaborative Research Projects (CRP), Clinical Trials and Testing and Analysis services

Geographical Segment

The Company has identified the following geographical reportable segments:

- India-The company sells Bulk Drugs and Intermedites and Fine Chemicals.
- U.S.A -The company sells Intermediates
- Europe--The company sells Bulk Drugs and Intermedites
- Asia-The company sells Bulk Drugs and Intermedites

Information pertaining to Business Segment - primary

	Manufacturing (CRAMS)	Services (DDDSS)	Research and Development	Un allocated	Total
Segment Revenue					
External Sales	922734183 (1015085493)	277077291 (117536777)	-- --	-- --	1199811474 (1132622270)
Inter Segmental Adj.	-- --	-- --	-- --	-- --	-- --
Total	922734183 (1015085493)	277077291 (117536777)	-- --	-- --	1199811474 (1132622270)



Segment Result					
Operating Profit	198804484 (324938604)	110232211 (64606434)	(201685903) (-190015736)	(29845761) (-83159513)	77505031 (116369789)
Other Income	--	--	--	--	31799725 (14561377)
Interest Expense	--	--	--	--	45714601 (23377394)
Income Tax -Current Tax	--	--	--	--	6917000 (11560000)
-Deferred Tax	--	--	--	--	(28377820) (-17900960)
-Fringe Benefit Tax	--	--	--	--	1520000 (1252000)
Net Profit					83530975 (112642732)

Other Information					
Segment Assets	1226026118 (1116751151)	204239413 (63160345)	400939316 (313582415)	212431932 (238918329)	2043636779 (1732412240)
Segment Liabilities	161751789 (112921723)	37325404 (1500000)	45199362 (14896346)	106537437 (120150483)	350813992 (249468552)
Capital employed	1064274329 (1003829428)	166914009 (61660345)	355739954 (298686069)	105894495 (118767846)	1692822787 (1482943688)
Capital Expenditure	109060976 (105746706)	-- --	98861404 (83665790)	-- --	207922380 (189412496)
Depreciation	37902134 (32716362)	3224506 (1602861)	21696959 (13600248)	3224506 (5815910)	66048105 (53735381)

Note: Figures in brackets relates to previous years.

b) Geographical Information

	Revenue		Location Assets		Additions to Fixed Assets	
	As on 31.03.2008	As on 31.03.2007	As on 31.03.2008	As on 31.03.2007	As on 31.03.2008	As on 31.03.2007
INDIA	325127845	156791506	1410364579	1203205379	207749224	189231578
U S A	431515844	235035215	1680508	1507352	173156	180918
EUROPE	402946407	394044820	----	----	----	----
ASIA	40221378	346750729	----	----	----	----
	1199811474	1132622270	1412045087	1204712731	207922380	189412496

9. Previous year figures have been regrouped wherever considered necessary to conform to this year's classification.

Signatures of Schedules A to T

As per our report of even date
for **KARVY & COMPANY**
Chartered Accountants

K. Ajay Kumar
Partner

Place : Hyderabad
Date : 25-07-2008

for and on behalf of the Board of Directors

Venkateswarlu Jasti
Vice Chairman & C E O

Sudha Rani Jasti
Wholetime Director

K. Hanumantha Rao
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

(Rs. In lakhs)

	For the year ended 31.03.2008		For the year ended 31.03.2007	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax and Extraordinary Items		635.90		1,075.54
Adjustments for :				
Depreciation	660.48		401.35	
Interest Income	(36.82)		(14.89)	
Interest on Borrowings	505.95		302.67	
Loss on Disposal of Assets	0.93		1.21	
Dividend Income	(10.20)		(38.31)	
Miscellaneous Expenditure Amortised	2.12		2.13	
		1,122.46		654.16
Operating Profit Before Working Capital Changes		1,758.36		1,729.70
Adjustments for :				
Trade and Other Receivables	(1,981.41)		(234.55)	
Inventories	(150.13)		(16.09)	
Trade Payables and Other Liabilities	835.94		296.31	
Increase/(Decrease) in Net Current Assets		(1,295.60)		45.67
Cash Generated From Operations		462.76		1,775.37
Adjustments for :				
Income Tax & Fringe Benefit Tax	68.92		151.26	
		68.92		151.26
Net Cash From Operating Activities A		393.84		1,624.11
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of Investments		267.09		(86.56)
Purchase of Fixed Assets		(1,942.74)		(2,016.00)
Sale of Fixed Assets		2.00		3.50
Interest Received		43.37		14.89
Dividends Received		10.20		38.31
Net Cash Used In Investing Activities B		(1,620.08)		(2,045.86)



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008 (CONTD.)

(Rs. In lakhs)

	For the year ended 31.03.2008		For the year ended 31.03.2007	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Borrowings (Net)		1,312.48		1,781.33
Interest Paid on borrowings		(505.95)		(302.67)
Issue of capital with Premium		83.03		68.58
Dividend Payouts (including Dividend Tax)		(337.14)		(285.06)
Net Cash used in financing Activities C		552.42		1,262.18
Net Increase in Cash and Cash Equivalents (A+B+C)		(673.82)		840.43
Cash and Cash Equivalents at the beginning the year		977.51		137.08
Cash and Cash Equivalents at the end of the year		303.69		977.51

for and on behalf of the Board of Directors

for KARVY & COMPANY
Chartered Accountants

K. Ajay Kumar
Partner

Venkateswarlu Jasti
Vice Chairman & C E O

Sudha Rani Jasti
Wholetime Director

Place : Hyderabad
Date : 25-07-2008

K. Hanumantha Rao
Company Secretary



SUVEN LIFE SCIENCES USA LLC
(Wholly Owned Subsidiary Company)

FINANCIAL STATEMENTS

AS OF MARCH 31, 2008



REPORT OF INDEPENDENT AUDITORS

To the member's of
Suven Life Sciences USA LLC.

We have audited the accompanying balance sheet of Suven Life Sciences USA LLC. (a wholly owned subsidiary of Suven Life Sciences Limited, India) as of March 31, 2008, and the related statement of operations, cash flows and statement of changes in member's equity for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts

and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Suven Life Sciences USA LLC. (a wholly owned subsidiary of Suven Life Sciences Limited, India) as of March 31, 2008, and the results of its operations, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

RAM ASSOCIATES

Hamilton, NJ
July 2, 2008

MANAGEMENT'S REPORT

The Company is responsible for preparation of the accompanying balance sheet and the related statements of earnings, shareholders' equity and cash flows. They have been prepared in conformity with accounting principles generally accepted in the United States, which have been applied on a consistent basis, and management believes that they present fairly the Company's financial position, results of operations and cash Flows. The integrity of the information presented in the financial statements, including estimates and judgments relating to matters not concluded by fiscal year-end, is the responsibility of management. To fulfill this responsibility,

an internal control structure, designed to protect the Company's assets and properly record transactions and events as they take place, has been developed, placed in operation and maintained. The internal control structure is tested and evaluated by the independent auditors to the extent considered necessary by them in expressing an opinion on the financial statements. The Board of Directors is responsible for financial information and review.

Venkat Jasti
President and Chief Executive Officer



SUVEN LIFE SCIENCES USA LLC
(A WHOLLY -OWNED SUBSIDIARY OF SUVEN LIFE SCIENCES LIMITED, India)
BALANCE SHEET
AS OF MARCH 31, 2008

ASSETS	03/31/08 (US Dollar)
Current assets	
Cash	3,242
Total current assets	<u>3,242</u>
Other assets	26,573
TOTAL ASSETS	29,815
MEMBER'S EQUITY	
Member's equity	
Contributed by parent company - Suven Life Sciences Ltd., India	1,277,865
Accumulated deficit	<u>(1,248,050)</u>
Total member's equity	<u>29,815</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	29,815



SUVEN LIFE SCIENCES USA LLC
(A WHOLLY OWNED SUBSIDIARY OF SUVEN LIFE SCIENCES LIMITED, India)
STATEMENTS OF CHANGES IN MEMBER'S EQUITY
March 31, 2008

	Member's equity (US Dollar)	Accumulated deficit (US Dollar)	Total member's equity (US Dollar)
Balance at March 31, 2007	1,277,865	(1,248,050)	29,815
Balance at March 31, 2008	1,277,865	(1,248,050)	29,815

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2008

	03/31/08 (US Dollar)
Cash flows from operating activities	
Adjustment to reconcile net loss to net cash used in operating activities	
(Increase) / Decrease in other assets	(2,424)
Net cash used by operating activities	(2,424)
Net decrease in cash	(2,424)
Cash at the beginning of the year	5,666
Cash at the end of the year	3,242
Supplementary disclosure of cash flows information	
Cash paid during the year for income tax	-



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2008

NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF BUSINESS

Suven Life Sciences USA LLC. (the "Company") is a New Jersey Limited Liability Company, which was organized on May 09, 2003, a wholly owned subsidiary of Suven Life Sciences Ltd, India (the "Parent"). The Company was established to promote research and development efforts in the United States of America. To strengthen the drug discovery related services, in June 2003, the Company acquired assets from Synthon Chiragencies Corporation, a New Jersey based company specializing in carbohydrate based chiral technology for pharmaceuticals.

Since March 31, 2006, the Company has ceased most of its operations in the USA. The parent company provides financial support for all operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP"); consequently, revenue is recognized when services are rendered and expenses reflected when costs are incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are often based on judgments, probabilities and assumptions that management believes are reasonable but that are inherently uncertain and unpredictable. As a result, actual result could differ from those estimates. Management periodically evaluates estimates used in the preparation of the consolidated financial statements for continued reasonableness.

Appropriate adjustment, if any, to the estimates used are made prospectively based on such periodic evaluations.

Cash and Cash Equivalents

Cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of three months or less.

Concentration of credit risk

Financial instruments that potentially subject Company to concentrations of credit risk consist principally of cash and trade receivables. Company places its cash in several high credit quality financial institutions. At times, such cash may be in excess of the FDIC insurance limits.

3. LITIGATION AND CONTINGENCIES

The Company does not have any knowledge of any involvement in legal proceedings, either of which the company has initiated or has been brought against it. The Company's liabilities have been reported on the balance sheet and have no knowledge of any further liabilities or contingencies.



4. OTHER ASSETS

The Company has \$ 26,573 in other assets at year ended March 31, 2008, recoverable from Suven Life Sciences Limited - U.S.A, consist of:-

	US Doller
Rent expense	5,583
Deposits	11,167
Other expenses	2,424
Recoverable from Suven Life Sciences, India	7,399
Total	<u>26,573</u>

The company has to recover \$ 48,908 from Suven Life Sciences Limited, USA and has to pay net \$22,335 to Suven Life Sciences Limited, India.

5. COMMITMENTS

The company has not leased any office facilities. It uses common space with the parent company.



SUVEN LIFE SCIENCES LIMITED

FINANCIAL STATEMENTS

AS OF MARCH 31, 2008

PREPARED IN COMPLIANCE WITH

ACCOUNTING PRINCIPLES GENERALLY ACCEPTED

IN

UNITED STATES

(UNAUDITED)



UNAUDITED CONSOLIDATED BALANCE SHEETS AS AT MARCH 31, 2008

(Expressed in Indian Rupees, except share data and as otherwise stated)

	As at March 31,	
	2008	2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	20,621,617	88,839,218
Restricted cash and cash equivalents	9,747,220	8,911,633
Marketable securities	515,000	44,750,208
Account receivables, net	338,887,245	118,228,650
Notes receivable	–	20,000,000
Inventories	209,741,089	210,622,455
Prepaid expenses	3,892,028	4,625,529
Income tax receivable	1,933,368	3,478,828
Other current assets	84,206,535	62,077,989
Total current assets	669,544,102	561,534,510
Other non current assets	35,118,433	16,046,778
Property plant and equipment, net	865,080,474	775,530,029
Total Assets	1,569,743,009	1,353,111,317
LIABILITY AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short term borrowings	218,717,972	95,354,737
Current portion of long-term borrowings	96,390,774	82,041,198
Accounts payable	190,245,859	103,069,726
Advances received from customers	–	5,470,156
Deferred revenue	–	21,475,000
Accrued payroll	7,074,788	11,998,678
Other current liabilities	6,298,834	5,129,274
Total current liabilities	518,728,227	324,538,769
Long term borrowings, excluding current portion payable	231,047,388	237,512,054
Other non current liabilities	17,009,156	14,228,502
Derivative financial instruments	45,051,990	–
Total liabilities	811,836,761	576,279,325
Contingencies and Commitments (Note No.25)		
Stockholders' Equity		
Common stock, Rs 1 par value, 200,000,000 equity shares authorized as at March 2008 and 2007		
Issued and outstanding 115,710,200 and 115,266,500 equity shares of Rs 1 each as at March 31, 2008 and 2007 respectively.	115,710,200	115,266,500
Additional paid-in capital	416,037,301	399,600,701
Retained earnings	229,497,172	263,994,248
Accumulated other comprehensive losses	(3,338,425)	(2,029,457)
Total stockholders' equity	757,906,248	776,831,992
Total liabilities and stockholders' equity	1,569,743,009	1,353,111,317

The accompanying notes form an integral part of these consolidated financial statements



UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE YEAR ENDED MARCH 31, 2008

(Expressed in Indian Rupees, except share data and as otherwise stated)

	Years Ended March 31,	
	2008	2007
Revenues		
Sale of Products	950,443,804	991,431,810
Services	290,944,646	88,535,042
(Sale of Products includes excise duty of Rs.2,73,98,666 and Rs.13,340,791 for the years ended March 31, 2008 and 2007 respectively)		
	1,241,388,450	1,079,966,852
Cost and expenses		
Cost of goods sold	697,240,966	583,492,857
Cost of services	22,816,579	29,298,036
Research and development expenses	223,296,688	206,780,138
Selling, general and administrative expenses	216,694,946	166,022,699
Depreciation	61,118,275	60,397,775
	1,221,167,454	1,045,991,505
Operating income	20,220,996	33,975,347
Interest earned	3,682,361	1,488,795
Interest expenses	(45,714,601)	(23,377,394)
Other income, net	28,117,364	13,799,887
Income from continuing operations before income taxes	6,306,120	25,886,635
Income tax	(7,089,186)	(11,560,000)
Net (loss) / income	(783,066)	14,326,635
Earnings (Loss) per share		
Basic	(0.01)	0.12
Diluted	(0.01)	0.12
Weighted average common stock outstanding - Basic	115,421,258	114,961,251
Weighted average common stock outstanding - Diluted	116,838,697	115,210,239

The accompanying notes form an integral part of these consolidated financial statements



UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME (Expressed in Indian Rupees, except share data and as otherwise stated)

	Common Stock Shares	Par Value	Additional Paid in-capital	Retained Earnings	Accumulated other comprehensive loss	Stockholders' Equity of Asian Clinical Trials Limited (Refer note 3)	Total Stockholders' equity
Balance as at March 31, 2006	100,000,000	50,000,000	421,970,756	278,173,863	(2,061,911)	26,537,299	774,620,007
Issue of common stock on exercise of stock options	91,625	183,250	6,674,881	-	-	-	6,858,131
Issue of common stock to the members of Asian Clinical Trials Limited	3,725,000	7,450,000	-	-	-	(7,450,000)	-
Adjustment on account of assets acquired under pooling of interest method	-	-	19,087,299	-	-	(19,087,299)	-
Net income	-	-	-	14,326,635	-	-	14,326,635
Currency translation adjustments	-	-	-	-	32,454	-	32,454
Comprehensive income	-	-	-	-	-	-	14,359,089
Stock based compensation	-	-	9,501,015	-	-	-	9,501,015
Stock dividend	3,816,625	57,633,250	(57,633,250)	-	-	-	-
Stock split	7,633,250	-	-	-	-	-	-
Dividends, including dividend tax	-	-	-	(28,506,250)	-	-	(28,506,250)
Balance as at March 31, 2007	115,266,500	115,266,500	399,600,701	263,994,248	(2,029,457)	-	776,831,992
Issue of common stock on exercise stock options	443,700	443,700	7,986,600	-	-	-	8,430,300
Net income	-	-	-	(783,066)	-	-	(783,066)
Currency translation adjustments	-	-	-	-	(1,308,968)	-	(1,308,968)
Comprehensive income	-	-	-	-	-	-	(2,092,034)
Stock based compensation	-	-	8,450,000	-	-	-	8,450,000
Dividends, including dividend tax	-	-	-	(33,714,010)	-	-	(33,714,010)
Balance as at March 31, 2008	115,710,200	115,710,200	416,037,301	229,497,172	(3,338,425)	-	757,906,248

The accompanying notes form an integral part of these consolidated financial statements



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2008

(Expressed in Indian Rupees)

		Year Ended March 31,	
		2008	2007
Cash Flows From Operating Activities			
Net income		(783,066)	14,326,635
Adjustment to reconcile net Income to net cash provided by operating activities			
Depreciation		104,426,020	90,762,425
Stock based compensation		8,450,000	9,501,015
Loss on sale of property, plant and equipment		–	(296,495)
Unrealised losses on derivative financial instruments		45,051,990	–
Changes in operating assets and liabilities			
(Increase) / decrease in accounts receivables, net		(220,658,595)	19,429,345
Decrease / (increase) in inventory		881,366	(15,604,679)
Decrease / (Increase) in prepaid expenses		733,501	(966,046)
Increase in other current assets		(22,128,546)	(17,026,740)
Increase in other non current assets		(19,071,655)	(5,580,680)
Decrease / (increase) in tax receivable		1,545,460	(846,402)
Increase / (decrease) in accounts payable		87,176,133	(2,443,992)
(Decrease) / increase in accrued payroll		(4,923,890)	4,469,517
(Decrease) / increase in deferred revenue		(21,475,000)	21,475,000
(Decrease) / increase in other current liabilities		(4,300,596)	7,534,987
Increase in other non current liabilities		2,780,654	3,938,989
Net cash (used in) / provided by operating activities	A	(42,296,224)	128,672,879
Cash flows from investing activities			
Purchase of property, plant and equipment		(193,976,465)	(182,924,326)
Proceeds from sale of property, plant and equipment		–	174,849
Investments in available for sale securities		–	(113,831,448)
Proceeds from sale of available for sale securities		44,235,208	110,000,000
Decrease / (increase) in notes receivables		20,000,000	(20,000,000)
Increase in restricted cash and cash equivalents		(835,587)	(2,654,280)
Net cash used in investing activities	B	(130,576,844)	(209,235,205)
Cash flows from financing activities			
Proceeds from issuance of common stock		8,430,300	6,858,131
Short term borrowings, net		123,363,235	21,311,056
Long term borrowings, net		7,884,910	157,037,676
Payments under capital lease obligations		–	(215,764)
Cash dividends paid		(28,816,625)	(25,000,000)
Tax on dividends paid		(4,897,385)	(3,506,250)
Net cash provided by financing activities	C	105,964,435	156,484,849
Effect of exchange rate changes on cash and cash equivalents	D	(1,308,968)	32,454
Net (decrease) / increase in cash and cash equivalents	A+B+C+D	(68,217,601)	75,954,977
Cash and cash equivalents at the beginning of the year		88,839,218	12,884,241
Cash and cash equivalents at the end of the year		20,621,617	88,839,218
Supplementary information			
Income tax paid		6,893,000	15,126,197
Interest paid		50,595,000	23,377,394
Common stock issued on merger of Asian Clinical Trials Limited		–	7,450,000

The accompanying notes form an integral part of these consolidated financial statements



NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Company overview and description of business

Incorporation and history:

Suven Life Sciences Limited ("Suven" or "the Company") together with its 100 per cent owned subsidiary Suven Life Sciences USA LLC, collectively, "the Group" or "the Company", is one of the leading pharmaceuticals company with its focus on drug discovery and development support services, collaborative research services and contract research and manufacturing services. Mr. Venkateswarlu and Mrs. Sudha Rani promoted the Company in 1989 for manufacturing of bulk actives and drug intermediates. To reflect the current business model adopted by Suven, which offers services to Global Life Sciences Companies, in fiscal year 2003 the name of the Company was changed to Suven Life Sciences Limited from Suven Pharmaceuticals Limited.

Operations

Suven is in supply chain of Global Life Science Companies for their New Chemicals Entities (NCE) by developing and supplying intermediates starting from Phase I and till launching. The Company's principal areas of business are as follows:

Manufacturing of pharmaceutical products:

The manufacturing of pharmaceutical products primarily comprises of manufacturing and supply of bulk active pharmaceutical ingredients, intermediates and fine chemicals. Further under contract research and manufacturing services the Company provides research and development, supplies to clinical trials and pilot scale manufacturing on an exclusive basis under co-operation and secrecy agreements.

Discovery, research and development services:

The Company provides contract drug discovery and development support services in the fields of medicinal chemistry, process chemistry, analytical chemistry, central nervous system pharmacology and Phase-I bio-analysis.

The Company under the brand Asian Clinical Trials, a division of Suven also provides range of services including phase II/III/IV clinical trials, post marketing surveillances and clinical data management to guide pharmaceutical, biotechnology, and medical device companies.

The principal market for discovery, research and development services is the USA and Europe and bulk actives and other intermediates are primarily sold to the domestic customers.

2. Summary of significant accounting policies

Basis of preparation of financial statements

The accompanying consolidated financial statements have been prepared in compliance with the Accounting Principles Generally Accepted in the United States (US GAAP). The accompanying financial statements have

been prepared in Indian Rupees (INR), being the reporting currency of the Company.

The Company also separately prepares its consolidated financial statements for the same period in accordance with accounting principles generally accepted in India ("Indian GAAP"). The principle differences between Indian GAAP and US GAAP relate to the treatment of certain, deferred tax items, revenue recognition, estimated useful lives of long-lived assets, business combination and accruing for vacation pay.

Use of estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent liabilities to prepare these financial statements in conformity with US GAAP. Significant estimates and assumptions are used for, but not limited to, allowance for uncollectible accounts receivable, the useful lives of property, plant and equipment and income tax valuation allowances. Actual results could differ from those estimates.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries, which are more than 50 per cent owned and controlled by Suven. All material inter-company balances and transactions have been eliminated in consolidation.

Functional currency and exchange rate translation

The functional currency of the Company, except Suven Life Sciences USA LLC is Indian Rupees ("INR"), being the currency of the primary economic environment in which the Company operates. The functional currency of Suven Life Sciences USA LLC, the consolidated subsidiary is US Dollars, being the currency of primary economic environment in which it operates. The translation of the functional currency of the subsidiary into the INR is performed for balance sheet accounts using the exchange rate in effect at the balance sheet date and for revenue and expense accounts using an appropriate monthly weighted-average exchange rate for the respective periods. The gains or losses resulting from such translation are reported as a separate component of stockholders' equity.

Foreign currency transactions are translated into the functional currency at the rates of exchange prevailing on the date of respective transactions. Monetary assets and liabilities in foreign currency are translated into functional currency at the exchange rates prevailing on the balance sheet date. The resulting exchange gains/(losses) are included in the consolidated statement of income.

Revenue recognition

The principal revenue generating activities of the Company comprises of sale of pharmaceutical products and rendering of related services.



NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

- (i) Revenue from sale of products is recognized when significant risks and rewards in respect of ownership of the products are transferred to the customer and when the following criteria are met:

- Persuasive evidence of an arrangement exists;
- The price to the buyer is fixed and determinable; and
- Collectibility of the sales price is reasonably assured.

Revenue from domestic sales is recognized on despatch of the products to customers. Revenue from export sales is recognized when significant risks and rewards are transferred to customers, which is based on terms of contract.

Revenue from sale of products include transport and handling charges, excise duty on domestic sales and are shown net of discounts, sales returns, and value added tax.

- (ii) Revenue from services

Revenues from clinical trial services comprise fees received for research activities carried out for customers. Research activities are based on contracts that specify the nature of activity to be carried out and revenues are recognized as services are rendered, in accordance with the terms of the contracts.

Revenue from analytical services is recognized as services are rendered, provided that persuasive evidence of an arrangement exists, there are no remaining obligations with respect to the services rendered and collection is considered probable.

Revenue from collaborative research and development arrangements is recognized only when the remaining obligations under such contracts are determined to be inconsequential or perfunctory. Up-front payments received under such arrangements are deferred and are recognized in the income statements over the period in which the Company perform services or when the Company has completed all its performance obligations.

In accordance with Emerging Issues Task Force (EITF) 01-14, "Income Statement Characterization of Reimbursements Received for "Out-of-Pocket" Expenses Incurred", the Company has accounted for reimbursements received for out-of-pocket expenses incurred as revenues in the statement of income.

As is customary in clinical trials services, the company routinely subcontracts on behalf of its clients with independent physician investigators in connection with clinical trials. The related investigator fees are not reflected in Suven's Service revenue, Reimbursement revenue, Reimbursable out-of-pocket expenses, and/or Direct costs, since such fees are reimbursed by clients on a "Pass through basis", without risk or reward to the Company. The amounts of these investigator fees were Rs 7,607,645 and Rs 5,538,815 for the fiscal years ended March 31, 2008 and 2007 respectively.

Cost of revenues

Cost of goods sold comprises costs of direct labour, stock compensation, material costs and other direct costs incurred in producing bulk active, intermediates, fine chemicals and contract research and management services supplies but exclude depreciation. Costs of services comprise costs of direct labour, stock compensation, material costs and other direct costs related to the Company's research activities but excludes depreciation.

Research and development expenses

Expenditure on Research and Development (R&D) activities is expensed as and when incurred. However, the expenditure on capital assets having alternative use either in R&D activity or otherwise are capitalized and amortized over the estimated useful lives of the assets, as determined by Management. Depreciation on R&D assets is included in the R&D expenses.

Other income

Other income of the Company comprises of foreign exchange gains, dividends on short terms investments; gain on sale of property, plant and equipment and other miscellaneous receipts. The Company recognizes such income on accrual basis.

Cash and cash equivalents

Cash and cash equivalents include cash balance on hand, cash at bank and other unrestricted short term fixed deposits. The Company considers the short-term investments with an original maturity period of three months or less as cash and cash equivalents.

Restricted cash and cash equivalents

Restricted cash and cash equivalents comprise of short-term deposits with bank against the use of letters of credit as issued by various banks and other cash balance earmarked for specific liabilities.

Marketable securities

The Company has adopted Statement of Financial Accounting Standards (SFAS), No. 115, "Accounting for Certain Investments in Debt and Equity Securities" for accounting of its investment in marketable securities. The marketable securities of the Company comprise of short-term investment classified as Available for Sale Securities (AFS). The unrealized holding gains or losses, net of income taxes on each balance sheet date on AFS are reported as a separate component of stockholders equity.

Account receivables

Account receivables are stated net of allowances for bad and doubtful receivables. The Company provides for bad and doubtful receivables on the specific receivables based on the account aging and past experience with customers. Accounts receivables are collateralized against borrowings from banks.



NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Inventories

Inventories comprise (i) finished goods (ii) raw materials (iii) work-in-process (iv) packing materials and (v) stores and consumables. Inventories are stated at the lower of cost or market value. Cost is determined using the first-in-first-out method for all categories of inventories.

Cost in the case of raw materials, packing material and stores and consumables comprises the purchase price and attributable direct costs, less trade discounts. Cost in the case of work-in-process and finished goods comprise direct labor, material costs and production overheads.

Inventories are reviewed on a regular basis for identification of slow-moving and obsolete inventory, which are written down in the period of identification and are included in cost of goods sold.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of property, plant and equipment includes freight, duties net of duties recoverable, taxes and any other attributable cost for bringing the asset to its working condition for its intended use.

Property, plant and equipment under construction and not ready for their intended use, and advances paid for the supply of capital goods are considered as construction in progress and included in property, plant and equipment.

The property, plant and equipment net of salvage values are amortized as per Straight Line Method (SLM), over its estimated useful lives as determined by Management of the Company. The estimated useful lives of the property, plant and equipment as determined by Management of the Company, are given below:

1. Buildings	30 Years
2. Plant and machinery	8 Years
3. Lab equipments	10 Years
4. Office equipments	10 Years
5. Furniture and fixtures	5 Years
6. Vehicles	5 Years
7. Computers and data processing equipments	3 Years

Property, plant and equipment include the assets acquired on capital leases. Leasehold property, plant and equipment are amortized lesser of their estimated useful lives or the term of the lease.

Impairment of long-lived assets

In accordance with the SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", depreciable or amortizable assets, are reviewed for impairment when indications of impairment exist. Upon such an occurrence, SFAS No. 144 requires that the recoverable amount to be measured as the higher of net selling price and value in use. Net selling price is the

amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental disposal costs. Value in use is the undiscounted value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

The Company has no reason to believe that an indication of impairment exists with respect to the carrying value of its long-lived assets as of March 31, 2008 and 2007.

Earnings per share

In accordance with the SFAS No. 128, "Earnings Per Share", the earnings per share has been determined using the weighted average common stock outstanding on the balance sheet date. The diluted earnings per share have been computed using the weighted average common stock outstanding and potential dilutive common equivalent shares outstanding, if any.

Income taxes

Income taxes are accounted for using the asset and liability method. Deferred income taxes assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income taxes assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The measurement of deferred income taxes assets is reduced, if necessary, by a valuation allowance for any tax benefits of which future realization is uncertain.

Employee benefits

(a) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined retirement benefits plan (the "Gratuity Plan") covering substantially all the existing employees. The plan provides to vested employees a lump sum amount based on the respective employee's salary and the number of years of employment with the Company at the time of retirement or termination of employment. The Company determines its liability towards gratuity cost based on an actuarial valuation.

Further the Company has set-up a separate trust to administer the "gratuity plan". The Company has subscribed to the "Group Gratuity Policy" from the Life Insurance Corporation of India (LIC). The Company contributes to a gratuity fund maintained by the Life Insurance Corporation of India ("LIC") on a yearly basis.

The LIC undertakes the liability to pay gratuity to the respective employees on their retirement. However, the Company will continue to be liable for payment of any shortfall in the fund maintained by the LIC. In the event of death of any employee during the course of



NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

employment, the LIC undertakes the liability to pay gratuity for the period of service and remaining estimated services of the particular employee.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of FASB Statements No. 87, 88, 106, and 132(R)", which requires the Company to recognize the over funded or under, funded status of a defined benefit postretirement plan as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income.

The Company believes that adoption of SFAS No. 158 will not have a material impact on its consolidated financial position, results of operations or cash flows.

(b) Defined contribution plans

Provident fund: In accordance with Indian law, all employees of Suven are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employee and Suven contribute monthly at a determined rate (currently 12 per cent of the employees' base salary). These contributions are made to the Government Provident Fund. The Company has no further obligation under the Provident Fund Plan, beyond its contributions. Contributions are charged to operations in the year in which they accrue. The Company has deposited Rs 7,791,860/- and Rs 5,820,248 towards Provident Fund Plan for the years ended March 31, 2008 and 2007 respectively.

Employee state insurance fund: The Company contributes a specified percentage of employee's salary to the Employees state Insurance Fund administered by the Government of Andhra Pradesh.

(c) Liabilities towards compensated absences

The Company provides for the liability towards compensated absences on the basis of compensated absences outstanding as of the year-end.

Advertisement cost

Advertisement expenses are expensed as incurred.

Derivative instruments and hedging activities

The Company has adopted the provisions of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" as amended. The Company enters into foreign exchange forward and options contracts where the counter party is generally a bank. The Company purchases foreign exchange forward and options contracts to mitigate the risk of changes in foreign exchange rates on cash flows denominated in certain foreign currencies. These contracts do not qualify for hedge accounting under SFAS No. 133, as amended. Any derivative that is either not a designated hedge, or is so designated but is ineffective per SFAS No. 133, as amended is marked to market and recognized in earnings immediately.

Accumulated other comprehensive income (loss)

SFAS No. 130, "Reporting Comprehensive Income" establishes rules for the reporting of comprehensive income and its components. Comprehensive income is defined as all changes in equity from non-owner sources. For the Company, comprehensive income (loss) consists of net earnings and changes in the cumulative foreign currency translation adjustments. Accumulated other comprehensive income (loss) has no applicable income tax

Stock-based compensation

As of March 31, 2008, the Company has one stock-based employee compensation plan which is described more fully in Note 3. Prior to April 1, 2006, the Company applied the intrinsic value-based method of accounting prescribed by Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations to account for its stock option plans. Under this method, compensation expense was recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. Effective April 1, 2006, the Company adopted the provisions of SFAS No.123, "Accounting for Stock-Based Compensation" (Revised 2004), requiring the Company to recognize compensation expense related to the fair value of stock based compensation awards. The Company used the modified prospective transition method as permitted by SFAS No. 123R and therefore has not restated the financial statements for prior periods. Under the transitional provisions of SFAS No. 123R, stock based compensation expense for the year ended March 31, 2007 includes compensation expense for portion of outstanding awards for which the requisite service has not yet been rendered and all stock based compensation awards granted after April 1, 2006 based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123R.

The Company recognizes compensation expense for stock option awards on a straight line basis over the requisite period of the award.

The fair value of stock options is estimated on the date of the grant using the Black-Scholes option-pricing model with the following assumptions:

As of March 31,	2008	2007
Option term (years)	4.5	4.5
Volatility	53.63%	49.54%
Risk free interest rate	7.52%	7.18%
Dividend yield	1.33%	1.33%

The weighted average fair value per option grant for the years ended March 31, 2008 and 2007 was Rs 17.76 and Rs 10.39 respectively.



NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Recent accounting pronouncements

In September 2006, the FASB issued SFAS No.157 "Fair Value Measurements" (SFAS 157"), which is effective for fiscal years beginning after November 15, 2007 and for interim periods within those years. This statement defines fair value, establishes a framework for measuring fair value and expands the related disclosure requirements. The Company is currently evaluating the potential impact of SFAS 157 on the consolidated financial position, results of operations or cash flows.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities", which includes an amendment to SFAS No. 115. The statement permits entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value (referred to as the "fair value option") and report associated unrealized gains and losses in earnings. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. As of March 31, 2008, the Company has not determined the effect that the fair value option, if elected, will have on the consolidated financial position, results of operations or cash flows.

In December 2007, FASB issued SFAS No. 141 (Revised 2007), Business Combinations (SFAS 141R). This revised statement replaces SFAS No. 141, Business Combinations. Pursuant to the measurement principles laid down under SFAS 141R an acquirer is required to recognize the assets acquired, the liabilities assumed including contingencies and non-controlling interest in the acquiree, at the acquisition date, measured at their fair value, with limited exceptions as specified in the statement. In a business combination achieved in stages, this Statement requires the acquirer to recognize the identifiable assets and liabilities as well as the non-controlling interest in the acquiree at full amounts of their fair values. This Statement also requires the acquirer to recognize contingent consideration at the acquisition date, measured at its fair value at that date. The revised Statement is applicable prospectively to business combinations consummated in fiscal years beginning after December 15, 2008.

In December 2007, FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements - An Amendment of ARB No. 51 (SFAS 160). SFAS 160 establishes new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. This Statement requires the recognition of a non-controlling interest as equity in the consolidated financial statements and separate from the parent's equity. Purchases or sales of equity interests that do not result in a change in control will be accounted for as equity transactions. The Company is currently evaluating the requirements of SFAS 160 and has not yet determined the impact this Statement may have on our consolidated financial

statements for the fiscal years beginning after December 15, 2008.

In March 2008, FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities - An Amendment of FASB Statement No. 133 (SFAS 161). SFAS 161 requires enhanced disclosures on derivative and hedging activities by requiring objectives to be disclosed for using derivative instruments in terms of underlying risk and accounting designation. This Statement requires disclosures on the need of using derivative instruments, accounting of derivative instruments and related hedged items, if any, under SFAS 133 and the effect of such instruments and related hedge items, if any, on the financial position, financial performance and cash flows. The Company is required to adopt this new Statement prospectively, for fiscal years beginning after November 15, 2008. We are currently evaluating the requirements of SFAS 161 and have not yet determined the impact this Statement may have on our consolidated financial statements.

3. Cash and cash equivalents

Cash and cash equivalents consist of cash balance on hand, with banks and fixed deposits that are readily convertible into cash.

As of March 31,	2008	2007
Cash in hand	526,744	442,755
Cash with banks	2,594,873	8,396,463
Short-term fixed deposits with banks	17,500,000	80,000,000
	20,621,617	88,839,218

4. Restricted cash and cash equivalents

Current restricted cash comprises of (a) balances with banks of Rs 887,220 and Rs 811,633 as of March 31, 2008 and 2007 respectively, earmarked for payment of dividends pertaining to prior years; and (b) fixed deposits of Rs 8,860,000 and Rs 8,100,000 as of March 31, 2008 and 2007 respectively towards margin money placed with banks for a period not exceeding one year, against letter of credits and guarantees issued by bank on behalf of the Company.

5. Marketable securities

Marketable securities mainly comprises of investments in mutual funds classified as available-for-sale securities. The analysis of investments in available for sale securities are given hereunder:

Units of SBI Institutional Income fund:

As of March 31,	2008	2007
Carrying value	500,000	44,748,208
Unrealised holding loss/(gain)	-	-
Fair value	500,000	44,748,208
Number of units	50,000	4,460,324



NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

6. Notes receivable

Notes receivable as of March 31, 2007 aggregating to Rs 20,000,000 represents 18.2 per cent Note receivable from a non-trade party.

7. Inventories

As of March 31,	2008	2007
Raw materials	55,618,783	47,507,524
Stocks- in- process	65,114,454	58,311,413
Finished goods	74,871,021	102,275,863
Stores and spares	14,136,831	2,527,655
	209,741,089	210,622,455

8. Pre-paid expenses

As of March 31,	2008	2007
Maintenance expenses	10,43,370	1,313,737
Insurance	28,48,658	3,311,792
	3,892,028	4,625,529

9. Other current assets

As of March 31,	2008	2007
Interest receivable	584,796	1,238,832
Excise duty and value added tax receivable	47,765,520	43,331,960
Advances to suppliers	12,780,028	13,407,643
Advances for expenses	17,325,265	1,252,844
Other advances	5,750,926	2,846,710
	84,206,535	62,077,989

10. Property, plant and equipment

Property and equipment as of March 31, 2008 and 2007 is summarized as follows:

	2008	2007
Land	23,657,367	21,915,022
Buildings	170,320,793	148,122,175
Plant and machinery	634,412,718	556,125,072
Lab equipments	488,807,234	389,945,831
Office equipment	8,432,720	8,127,115
Furniture and fixtures	17,813,859	16,548,311
Vehicles	12,874,651	12,614,543
Computers and data processing equipments	25,976,620	21,273,447
Constructions-in-progress	36,590,838	50,238,819
	1,418,886,800	1,224,910,335
Less: Accumulated depreciation	553,806,326	449,380,306
	865,080,474	775,530,029

Depreciation expense for the years ended March 31, 2008 and 2007 was Rs 104,426,020 and Rs 90,762,425 respectively.

11. Other non-current assets

Other non current assets of Rs 35,118,433 and Rs 16,046,778 as of March 31, 2008 and 2007 respectively, mainly comprises of deposits towards rent, insurance, telephone and other deposits.

12. Financial instruments and concentration of credit risk

Financial instruments

For certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and other current liabilities, recorded amounts approximate fair value due to the relatively short maturity periods.

Interest bearing long-term loans is repayable over a period of four years. The interest rates on such long-term loans closely approximate the market rates. Hence, the fair value of the long-term loans closely approximate their carrying value in the consolidated financial statements of Rs 327,438,162 and Rs 319,553,252 as of March 31, 2008 and 2007 respectively.

Derivative financial instruments

As of March 31, 2008 the Company has entered into certain foreign exchange derivative arrangements where the counterparty is a bank. The Company does not consider the risk of non-performance by the counterparty to be significant.

US \$ 3,599,960, cross currency options contract (US Dollars to Swiss Franks) derivative instruments were outstanding as at March 31, 2008.

The outstanding foreign exchange forward and options contracts as of March 31, 2008 mature between one to twelve months.

Gains/(losses) on foreign exchange forward and options contracts are included under the heading 'Other income/(expense)' in the statement of income.

Concentration of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents, marketable securities, time deposits, restricted time deposits, notes receivable and trade receivables. By their nature, all such financial instruments involve risk including the credit risk of non-performance by counter parties.

The Company's cash and cash equivalents and time deposits are invested with banks with high investment grade credit ratings. As of March 31, 2008 and 2007, 98 per cent and 99 per cent respectively, of cash and cash equivalents were placed with a bank. To reduce credit risk, investments are made in a diversified portfolio



NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

through mutual funds, as described in Note 5, which are periodically reviewed.

Trade receivables are typically unsecured and are derived from revenues earned from customers. The Company monitors the credit worthiness of its customers to which it grants credit terms in the normal course of the business. During the year ended March 31, 2008 two customers have contributed 12.57 percent and 18.54 percent during the year ended March 31, 2007 two customers have contributed 27 and 21 percent of the total revenues respectively from sale of pharmaceutical products. In management's opinion, as of March 31, 2008 and 2007, there was no significant risk of non-performance of the counter parties to these financial instruments, other than the amounts already provided for in the financial statements.

13. Accounts payable

As of March 31,	2008	2007
Trade payables	106,990,799	46,433,922
Payable for capital goods	10,043,009	33,669,866
Payable for expenses	73,212,051	22,965,938
	190,245,859	103,069,726

14. Accrued payroll

Accrued payroll of Rs 7,074,788 and Rs 11,998,679 represents amount payable to employees towards salaries, bonus and other benefits payables as of March 31, 2008 and 2007.

15. Other current liabilities

As of March 31,	2008	2007
Statutory payables	5,412,091	4,317,621
Unclaimed dividends	886,743	811,653
	6,298,834	5,129,274

16. Other non-current liabilities

As of March 31,	2008	2007
Provision for compensated absences	10,973,672	10,933,389
Gratuity	6,035,484	3,295,113
	17,009,156	14,228,502

17. Other income

	For the years ended March 31, 2008	2007
Exchange fluctuations	22,614,665	9,671,944
Dividend income from mutual funds	1,020,110	3,831,448
Profit/(loss) on sale of property, plant and equipment	-	296,495
Others	4,482,589	-
	28,117,364	13,799,887

18. Interest earned

Interest income of Rs 3,682,361 and Rs 1,488,795 for the years ended March 31, 2008 and 2007 respectively represent the interest received on short term fixed deposits with banks.

19. Interest expenses

Interest expenses consist of interest paid to financial institutions and to bank for long-term and short-term borrowings. During the years ended March 31, 2008 and 2007 the Company has incurred and charged to expenses entire amount of interest of Rs 45,714,601, Rs 23,377,394 and respectively.

20. Selling, general and administrative expenses

The Selling, General and Administrative (SGA) expenses mainly include the expenses incurred towards traveling, communication costs, rent, personnel cost of administrative staff, legal and professional charges and others.

21. Income taxes

Current tax receivable

Tax receivable of Rs 1,933,368 and Rs 3,478,828 as of March 31, 2008 and 2007 respectively; represent income tax paid and tax deducted by others on behalf of the Company in excess of the Company's tax liabilities for the said periods.

Provision for income taxes

Provision for income taxes consisted of the following for the years ended March 31, 2008 and 2007:

	For the years ended March 31, 2008	2007
Current tax	7,089,186	11,560,000
Deferred tax	-	-
	7,089,186	11,560,000



NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Differences between the statutory income tax rate and the effective tax rate consist of the following:

For the years ended March 31, 2008	2007
Consolidated income before taxes	25,886,635
Income tax rates as per tax laws in India	33.66
Income tax on consolidated income	8,713,441
Adjustments on account of:	
Taxable expenses	4,017,983
Tax incentives on research and development activities	(43,172,637)
Tax benefit on exempted income	(1,289,665)
Change in tax rates	-
Others	584,700
Total	(31,146,178)
Valuation allowances	42,706,178
	11,560,000

Deferred income tax assets and liabilities consist of the following:

As of March 31,	2008	2007
Retirement benefits	4,893,654	4,755,011
Provision for slow moving and stock valuation	14,118,099	18,580,105
Sales reversal	1,781,652	9,984,374
Losses on financial instruments	15,313,171	-
Operating losses	208,284,332	144,988,752
MAT credit	26,870,990	19,781,804
Others	226,367	606,783
	271,488,265	198,696,829
Property, plant and equipments	152,191,645	124,077,941
Deferred tax asset, net	119,296,620	74,618,888
Less: Valuation allowances	119,296,620	74,618,888
Net deferred taxes	-	-

In assessing the future realizability of deferred income tax assets and accordingly the need to maintain a valuation allowance, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. In making its assessment with respect to reducing the valuation allowance against deferred income tax assets as of March 31, 2008, management determined that the ultimate realization of deferred income tax assets related to its historical carried forward losses is dependent upon the generation of future taxable income. Management concluded that a cumulative loss for the three-year period through March 31, 2007 did not provide the Company with sufficient evidence to further reduce the valuation allowance as of March 31, 2007. Accordingly, management has continued with a valuation allowance for its deferred income tax assets as of March 31, 2007. If for the three year period ending March 31, 2008, the Company has cumulative earnings, management will reassess and reverse the valuation allowance for its deferred income tax asset as of March 31, 2008.

22. Borrowings

Long term borrowings:

As of March 31,	2008	2007
2.75 per cent + 6 months LIBOR Foreign currency loan	116,978,240	209,553,252
8.25 per cent Rupee loan	210,459,922	110,000,000
	327,438,162	319,553,252
Current portion of long term borrowings	96,390,774	82,041,198
Long term borrowings excluding current portion payable	231,047,388	237,512,054
The long term loan is fully secured by first charge created on the present and future immovable properties. A maturity profile of other long-term debt outstanding maturing in March 31 is as follows:		
2009		96,390,774
2010		15,018,288
2011		116,029,100
		327,438,162



NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Short-term borrowings:

Short term borrowings comprise of the following working capital loans obtained from the State Bank of India.

As of March 31,	2008	2007
Export packing credit	3,194,240	75,834,285
Cash credits	48,365,528	19,520,452
SBI - Export Packaging Credit	167,158,204	-
	218,717,972	95,354,737

Working capital loans include "Cash credit facilities obtained from the State Bank of India. Working capital loans are secured primarily by hypothecation of inventories and accounts receivables and by second charge on the movable and immovable properties of the Company. The weighted average interest rate on short-term borrowings for the years ended March 31, 2008 and 2007 are 14.25 per cent and 7 per cent respectively.

As of March 31, 2008 and 2007 the company has fund based unused lines of Rs.3,12,82,028 and Rs.139,645,264 respectively, which relates to corporate loan, export packing credits, bill discounting facilities and cash credit.

As of March 31, 2008 and 2007 the Company also has non-fund based unused lines of credit for Rs.46,418,979 and Rs.43,081,745 respectively, towards letters of credit Rs.44,918,979 and 1,500,000 for bank guarantees.

23. Stockholders' equity

Voting

Holder of common stock shall have one vote in respect of each share, being held by him or her in the records of the Company for all matters submitted to a vote.

Dividends

Should the Company declare any dividends on its common stock outstanding; such dividends will be paid in Indian Rupees. The Dividends will be declared only out of the distributable profits after transfer of up to 10 per cent of net income to the general reserves as per the provisions of section 205 of the Companies Act, 1956 and subject to Companies (Transfer of Profits to Reserves) Rules 1975. The Company has paid dividends to its common stockholders at Re 0.25 per share during the years ended March 31, 2008 and 2007 respectively.

24. Stock options

In September 2004 the Company adopted an equity option plan to be administered by the Compensation Committee of the Company; pursuant to which the Compensation Committee granted stock options to the identified employees eligible to participate in the scheme. The Plan authorized grants of options to purchase up to 48,16,750 equity shares of authorized / granted equity shares.

Stock options expire as determined by the Company's board of directors, but not more than three years from the date of vesting, and generally grade vest ratably over three years from the date of grant. Participants have a period of ninety days subsequent to the termination of the participant's employment with the Company to exercise vested options.

The following table summarized information about stock options outstanding as of March 31, 2008:

Exercise price	Number outstanding	Weighted average remaining contractual life in years	Number exercisable
18.71	716,100	2.62	366,050
22.16	586,400	3.49	Nil
20.61	600,000	3.23	Nil
25.29	600,000	4.66	Nil
41.00	100,000	4.91	Nil
36.40	200,000	5.98	Nil
	2,802,500		366,050

The following table summarizes stock option activity for the years ended March 31, 2008 and 2007:

	Shares	Weighted average exercise price
Outstanding as of March 31, 2006	2383,200	21.01
Add: Granted	1,200,000	22.95
Less: Exercised	366,500	18.71
Less: Forfeited	165,700	18.71
Outstanding as of March 31, 2007	3,101,400	-
Add: Granted	300,000	37.93
Less: Exercised	-443,700	18.71
Less: Forfeited	-155,200	18.71
Outstanding as of March 31, 2008	2,802,500	-

The weighted average remaining contractual life of options outstanding as of March 31, 2008 was 4.69 years. The weighted average exercise price of options exercisable as of March 31, 2008 was 37.93 per share.

As of March 31, 2008, there were 8,38,000 additional shares available for grant under the Plan. The total intrinsic value of options exercised during the year ended March 31, 2008 was Rs 8,430,300 and the tax benefit relating to the stock options exercised was Rs Nil.



NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The total fair value of shares vesting and recognized as compensation expense was Rs 8,450,000 and Rs. 9,501,015 for the years ended March 31, 2008 and 2007 respectively and the associated tax benefit was Rs Nil. Total unrecognized compensation costs related to non-vested awards as of March 31, 2008 was Rs 9,248,167. The cost is expected to be recognized over a weighted average period of 2.53 years.

25. Commitments and contingencies

Commitments

The Company has commitments with various vendors towards purchase of capital assets. As of March 31, 2008 and 2007, the estimated amount of contracts remaining to be executed was Rs 68,00,847 and Rs 48,332,536 respectively

Contingencies

There are no material contingent liabilities outstanding as at March 31, 2008.

26. Operating leases

The Company has acquired certain renewable operating leases for office premises at Hyderabad. The operating lease is cancelable at either party's option with a maximum of ninety days notice. Also the Company is committed to a non-cancelable operating lease for office space at New Jersey.

The Company has paid Rs.3,220,240 and Rs.3,184,342 as operating lease rents for the years ended March 31, 2008 and 2007 respectively.

28. Segment information

Operating segments

The Company has adopted SFAS No.131, "Disclosure about Segments of an Enterprise and Related Information". This statement establishes standards for the reporting of financial information about operating segments. Operating segments are defined as those individual operations that the Chief Operating Decision Makers (CODM) reviews for the purpose of assessing financial performance, allocating resources and for making operating decisions. The operations of the Company are regularly reviewed by the Managing Director, (CODM).

The operating segments have been identified based on the nature of activities carried out and type(s) of customers for the products and services and accordingly the Company has identified the following reportable segments: (a) Manufacturing of pharmaceutical products (b) Services, and (c) research and development activities. The CODM reviews the information relating to revenues and results of each of the reportable segments.

Revenues from each of the above segments and the related cost of goods sold for the years ended March 31, 2008 and 2007 are as given under:

Revenue from customers

For the years ended March 31, 2008		2007
Manufacturing	950,443,804	991,431,810
Services	290,944,646	88,535,042
R&D	-	-
	1,241,388,450	1,079,966,852

Gross profit

For the years ended March 31, 2008		2007
Manufacturing	253,202,838	414,619,891
Services	268,128,067	52,556,068
R&D	(223,296,688)	(206,780,138)
	298,034,217	260,395,821

Reconciliation of segment profits to income from continuing operations before income taxes, interest, other income and other expenses:

For the years ended March 31, 2008		2007
Segment gross profits	298,034,217	260,395,821
Selling, general and administrative expenses	216,694,946	166,022,699
Depreciation	61,118,275	60,397,775
Income from continuing operations before taxes	20,220,996	33,975,347

SFAS No.131 also requires that an enterprise report total assets for each of the reportable segment. The assets of the Company's business are not identifiable to any particular reportable segment and can be used interchangeably among segments, except for R&D hence Management feels that the required information cannot be provided except in respect of R&D segment.

Assets

As of March 31,	2008	2007
R&D	356,525,778	300,646,725
Others	1,211,283,863	1,048,985,764
	1,567,809,641	1,349,632,489

Geographical information

SFAS No.131 also requires the disclosure of certain financial information pertaining to geographic areas. Information about the Company's revenues by geographic area is as follows:

For the years ended					
March 31,	2008	%	2007	%	
United States of America	447,675,333	36.06	209,952,904	19.44	
Europe	399,751,888	32.20	395,083,719	36.58	
India	325,127,845	26.20	156,791,506	14.52	
Rest of the world	68,833,384	5.54	318,138,723	29.46	
	1,241,388,450	100	1,079,966,852	100.00	



RECONCILIATION STATEMENT

RECONCILIATION OF UNAUDITED CONSOLIDATED NET (LOSS) INCOME UNDER US GAAP TO AUDITED CONSOLIDATED NET PROFIT UNDER INDIAN GAAP

(Expressed in Indian Rupees)

	Year Ended March 31,	
	2008	2007
Net (loss) / income as per US GAAP	(783,066)	14,326,635
Adjustments on account of:		
Revenue recognition	(24,420,735)	30,093,242
Stock based compensation	8,450,000	9,501,015
Depreciation	38,377,915	37,027,044
Retirement benefits	(2,478,685)	3,938,988
Losses on foreign currency derivative instruments	45,051,990	–
Deferred tax benefits	28,377,820	17,900,960
Others	(9,044,265)	(145,152)
Net consolidated income under Indian GAAP	83,530,974	112,642,732

for and on behalf of the Board of Directors

Place : Hyderabad

Date : 25.07.2008

VENKATESWARLU JASTI Vice Chairman & C.E.O	SUDHA RANI JASTI Wholetime Director
K.HANUMANTHA RAO Company Secretary	



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ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM

Shareholder's authorization to receive dividends through Electronic Credit Clearing Mechanism

1. Name of the first/sole shareholder : _____
2. Folio No./Client ID No. : _____
3. Particulars of Bank account of first/sole shareholder : _____
 - a) Name of the Bank: _____
 - b) Branch, Address, Telephone No. of the Branch : _____
 - c) 9 digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank :
 - d) Account Number: (as appearing on the cheque book/passbook) : _____
 - e) Account type (S.B. account/current account or cash credit) with code 10/11/13 : _____
 - f) Ledger No./Ledger folio no. (If appearing on the cheque book/pass book) : _____

(In lieu of the bank certificate to be obtained as under, please attach a blank cancelled cheque, or photocopy of a cheque or the front page of the savings bank passbook issued by your bank, for verification of the above particulars).

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I will not hold Suven Life Sciences Ltd. responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

Place:

Date:

Signature of the Shareholder

Certified that the particulars furnished above are correct as per our records

Banks Stamp

Date:

Signature of Authorized Official of the Bank

Note:

1. Please fill in the attached Mandate Form and send it to:
 - i) The Depository Participant who is maintaining your Demat account in case your shares are held in electronic form.
 - ii) The Address of our Registrar & Transfer Agent, Karvy Computershare Pvt. Ltd., (unit: Suven Life Sciences Ltd.), Plot No. 17 to 24 Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 in case your shares are held in physical form.
2. Kindly note that the information provided by you should be accurate and complete in all respects and duly certified by your bank. In lieu of the bank certificate, you may attach a blank cancelled cheque or photocopy of a cheque or the front page of the savings bank pass book issued to you by your bank, for verification of the above particulars.
3. In case of more than one folio please complete details on separate sheets
4. The information provided by you will be treated confidential and would be utilized only for the purpose of effecting the payments meant for you. You also have the right to withdraw from this mode of payment by providing the company with an advance notice of 3 weeks.



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SUVEN LIFE SCIENCES LIMITED

SDE Serene Chambers, Road No.7, Banjara Hills, Hyderabad - 500 034.

ATTENDANCE SLIP

No. of Shares _____

Folio No. _____

DP ID No. _____

Client ID No. _____

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I / We hereby record my / our presence at the Nineteenth Annual General Meeting to be held on Thursday the 18th day of September, 2008 at 3.00 p.m. at KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry [FAPCCI], 11-6-841, Red Hills, Hyderabad -500 004

NAME/S OF THE SHAREHOLDER/S OR PROXY

SIGNATURE OF THE SHARE HOLDER/S OR PROXY



SUVEN LIFE SCIENCES LIMITED

SDE Serene Chambers, Road No.7, Banjara Hills, Hyderabad - 500 034.

PROXY

I/ We _____ of _____
in the district of _____ being a Member / Members of
SUVEN LIFE SCIENCES LIMITED hereby appoint _____
of _____ in the district of _____
or failing him _____ of _____
in the district of _____ as my / our Proxy to attend and vote for me / us and on my / our
behalf at the Nineteenth Annual General Meeting to be held on Thursday the 18th day of September, 2008 at 3.00 p.m. at KLN Prasad
Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry [FAPCCI], 11-6-841, Red Hills, Hyderabad -500 004, and at
any adjournment thereof

Signature _____

Affix
Rs.1.00
Revenue
Stamp

Signed this _____ day of _____ 2008.

PROXY NO. _____

REGD. FOLIO NO. _____

NO. OF SHARES _____

Note: This form duly completed and signed as per specimen registered with the Company should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the commencement of the meeting.

