

20th Annual Report

1989-2009



In search of new CNS therapies for better living

2008 - 09



Suven Life Sciences Limited



CEO'S COMMUNIQUE

Dear Shareholders,

In March 2009, your company attained the age of 20.

Suven started of as a mere bulk drug-manufacturing company in 1989 and then progressively established itself as a full-fledged Bio Pharmaceutical Company.

Your company is the first and only company from India to discover and develop drugs for unmet medical needs in Central nervous system (CNS) disorders.

Your company also established a collaborative Research Partnership (CRP) with a global giant Eli Lilly in CNS drug discovery, another first for an Indian company.



GLOBAL CNS MARKET

CNS disorders account for about 35 percent of the total disease burden in the world's seven largest pharmaceutical markets *with sales estimated at US\$92 billion in 2007*. "The global CNS disorders market expanded by 8.0% from 2006 and the growth has been primarily driven by treatments for Alzheimer's Disease, ADHD and Parkinson's Disease." The CNS disorders market is one of the largest and fastest growing markets in the pharmaceutical industry. This is largely due to significant levels of unmet medical needs in the treatment of Alzheimer's disease, cognitive disorders associated with various psychiatric and neurological syndromes, stroke, multiple sclerosis, Parkinson's disease, pain, sleep and major psychiatric disorders – plus an aging population in North America, Western Europe, Japan and not to forget India – the demand for innovative CNS therapies will continue to grow rapidly in the decades

THE BEGINNING...

It was during March in 1989 that Suven was born and embarked on a journey with Big Idea of discovering drugs for unmet medical needs and Big Dream with an entrepreneurial and innovation spirit into the pharmaceutical field. This field is large with lucrative global market which is complex and frustrating. But that combination just makes it more compelling and intriguing.

But entrepreneurial inspiration sometimes hits in strange ways and at strange times. Since the atmosphere is not conducive to get into drug discovery activity during 1989, we have to jump onto the bandwagon of generics like every one else.

1st BUSINESS MODEL — CRAMS

With the signing of GATT and TRIPS agreements in 1994, Suven innovated a new business model **CRAMS, Contract Research And Manufacturing Services** to be in the supply chain of global innovators during the clinical phase of the drug development by supply of intermediates to NCE's with the ultimate aim of expanding CRAMS business into a Collaborative Research Partnership (CRP) coinciding with the implementation of IP regime in India by 2005.

Under the CRAMS so far we have undertaken 480 projects out of which 80 are still active in various phases of clinical development by the innovators. Presently 80% of the revenues come from the CRAMS business which is feeding the drug discovery activity. In the future, success of the customer in commercializing these projects will result in substantial revenue growth on a sustained basis throughout the patent period. Currently 80% of our customers are from the top 20 global pharma majors.



2nd BUSINESS MODEL — DDDSS

In order to become a Collaborative Research Partner (CRP) and achieve our goal of Innovation to discover drugs for unmet medical need, your company started the activity during 2002 by creating drug discovery infrastructure, recruiting the talent and training them. With the knowledge attained during this period, Suven embarked on a new business model yet again in the name of **Drug Discovery and Development Support Services (DDDSS)** by Jan 2005 coinciding with the IP protection in India.

The idea of DDDSS is to serve global pharma in their drug discovery and developmental activities so that we can validate our capabilities which in turn will lead the way into Collaborative Research Partnership (CRP) while generating revenues on a continuous basis. DDDSS started yielding results with the validation by 6 global pharma and you will see the ramp up of revenue from 20% to 50% within next 3-4 years strengthening the top and the bottom line.

3rd BUSINESS MODEL — CRP

Your company's aim of becoming a **Collaborative Research Partner** did happen by September 2006 with Eli Lilly to discover drugs in the Neuroscience Arena, a first for an Indian company. This CRP has expanded into a second Drug Discovery Collaboration during Feb 2008 which is very successful and with the lead optimization in progress we expect to deliver a clinical candidate out of this collaboration during this year thus realizing a substantial milestone. This success will pave the way for many more Collaborative Research Partnerships while continuing to deliver milestone and royalty payments in the years to come.

DRUG DISCOVERY

Our 2002 initiative to discover drugs for unmet medical needs in CNS arena brought many skeptics and admirers (Shareholders).

When you innovate, you've got to be prepared for everyone telling you you're nuts~ (Larry Ellison)

The lifeblood of our business is the R&D spend. There's nothing that flows through a pipe or down a wire or anything else. We have to continuously create new innovation that lets people do something they didn't think they could do the day before. (Steve Ballmer)

As evidenced from our financial results over the years, we are consistently spending more than 20% of revenue on this risk/reward bearing drug discovery activity to develop new drugs in the debilitating diseases of central nervous system that are affecting many millions of elderly population.

Drug discovery and development is a risky business. It can take decades to turn a new product concept into something of real value. Often commercial value is not realized until the first evidence that the drug works in patients is demonstrated, often referred to as the 'clinical proof of concept' that is where our clinical candidate SUVN-502 is heading.

"This is an area where the reward is so great and the unmet need is so high we are going to continue to be involved," said James Summers, head of Abbott's neuroscience drug discovery.

The payoff for treatments would be worth billions of dollars, especially as the world's population ages. This pay off can be reinvested into developing new therapies for unmet medical needs to the benefit of the patients while rewarding the shareholders.



~ Never before in history has innovation offered promise of so much to so many in so short a time. ~ (Bill Gates)

1st SUCCESS IN DRUG DISCOVERY

Our initiative of discovering drugs to treat cognitive impairment in Alzheimer's disease, ADHD, Huntington's disease, Parkinson's and Schizophrenia with a *global market share of over \$20 billion* is bearing fruits with our lead candidate **SUVN-502 successfully completing Phase 1 clinical trial** in Switzerland during this year. Now it is progressing into **Proof of Concept (Phase 2 a)** stage.

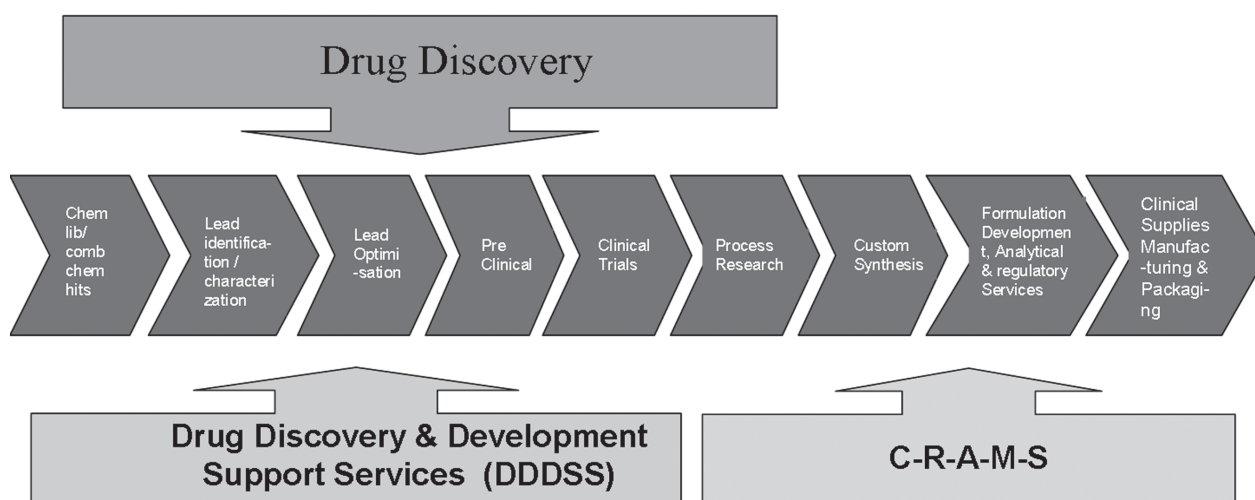
Successful outcome of POC study will result into out licensing wherein your company expects to earn substantial upfront payment and later developmental milestones and royalties on worldwide sales after successful commercialization.

RISK MITIGATION

Our business model is very unique not only in India but also globally. We have successfully leveraged the infrastructure and the knowledge gained through our drug discovery and collaborative research activity by offering services in the entire spectrum of Drug Discovery, Development and Manufacturing thus moving the projects seamlessly. The revenues generated so far is feeding all our drug discovery activities and with the scale up in our services and expanded offerings we will generate more revenues on a sustained basis. This revenue growth not only boost the bottom line but also will help speed up the development process of our pipeline compounds into the clinic. Ultimately, revenues from drug discovery activity will start accruing in a big way.



Suven's Business Model



Collaborative Research Partner (CRP) ...
Seamless transition



INFRASTRUCTURE

To scale up our activities in Drug Discovery, CRP and DDDSS we need to create an integrated drug discovery site which we intend to build by 2011. This will increase the activities by 5 fold by end of 2011 wherein we can take up many more collaborative partnerships while increasing the DDDSS offerings thus *achieving a 50:50 mix in the revenues rather than the present mix of 80:20 of CRAMS to DDDSS* and the profit margins are much better in DDDSS compared to CRAMS.

FUTURE REVENUE

In addition to the revenues of CRAMS and DDDSS on a regular basis, **you can expect to receive CRP milestones very soon** and royalties will start accruing over a period of time. Also our **drug discovery activity will bring in revenues from out licensing in the form of upfront payments** followed by clinical success based milestones and royalties in a big way till the end of patent period.

In drug discovery, time lines are long (10 to 12 years), risk is known while the rewards are huge which we can not imagine in manufacturing. So far your company has managed risk very well with innovative service offerings (CRAMS & DDDSS) and Collaborative Research partnership. **With all these efforts in drug discovery since 2002 we are on track to reap the benefits in a very big and sustainable way from 2012 if not earlier.**

INTELLECTUAL PROPERTY

You will be glad to know that your company is in the forefront in creating the Intellectual Property with a total of **189 granted product patents in CNS arena for 10 inventions** till March 2009. The embedded value has not been so far captured which will eventually reward in a big way and continuously making your company as one of the global players in the disease area of CNS.

THE FUTURE

"Twenty years ago, SUVEN embarked on a mission to discover drugs to treat the debilitating disorders. I am very confident that we are accomplishing our mission of making a positive impact on the lives we touch."

"I am deeply proud of the contributions Suven has made so far to our industry and the value our services have provided to our customers over the past 20 years.

Proud of our past as we are, our focus will remain on the future and the trends impacting our business.

In the very near future many of the present activities will fructify and will generate revenues. Over the next 5 years we plan to accomplish many more successes in all of our activities which will certainly generate revenues to the benefit of our shareholders and new therapies for the benefit of the patients in treating the debilitating diseases affecting the Central Nervous System.

Tremendous support I have received over the years is most gratifying and the trust reposed on our business model will certainly reward us in a real big way in the very near future.

Twentieth Anniversaries don't come around all that often; and I'm very pleased that I and you could be part of this one.

Your Sincerely
Venkat Jasti



BOARD OF DIRECTORS

Shri Venkateswarlu Jasti	Chairman & CEO
Smt. Sudha Rani Jasti	Wholetime Director
Dr. M.R. Naidu	Director
Dr. K.V. Raghavan	Director
Dr. S. Ramachandran	Director
Shri D.G. Prasad	Director
Dr. Martin Tolar	Director

REGISTERED OFFICE

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

AUDITORS

Karvy & Company
Chartered Accountants
No.2, Bhooma Plaza, Street No.4
Avenue 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.

COST AUDITOR

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

RESEARCH CENTRE - I

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

BANKERS

State Bank of India
Overseas Branch
Abids, Hyderabad.

RESEARCH CENTRE - II

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

REGISTRARS & SHARE TRANSFER AGENTS

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

CONTENTS

	Page No.
Notice	6-9
Directors' Report	10-16
Management Discussion & Analysis	17-18
Report on Corporate Governance	19-26
Auditors' Report	27-29
Balance Sheet	30
Profit & Loss Account	31
Cash Flow Statement & General Business Profile	32-33
Schedules	34-51



NOTICE

Notice is hereby given that the 20th Annual General Meeting of the Members of Suven Life Sciences Limited will be held on Tuesday the 22nd day of September 2009 at 3.00 p.m. at **Hotel Green Park, Green Lands, Begumpet, Hyderabad - 500 016** to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and the Audited Profit & Loss Account for year ended 31st March 2009 together with Director's Report and Auditor's Report thereon.
2. To declare a Dividend
3. To appoint a director in place of Dr K V Raghavan, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint M/s. Karvy & Co., Chartered Accountants, Hyderabad, the retiring Auditors as Auditors for the year 2009-10 and to fix their remuneration.

Special Business

ITEM NO 5

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

"RESOLVED THAT Shri D.G. Prasad be and is hereby appointed as Director of the company, liable to retire by rotation."

ITEM NO 6

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

"RESOLVED THAT Dr Martin Tolar be and is hereby appointed as Director of the company, liable to retire by rotation."

ITEM NO 7

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 Chairman and CEO or any Director or any officers of the Company. "

By Order of the Board

Place : Hyderabad
Date : 28th July 2009

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 16th September 2009 to 18th September 2009 (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 15th September 2009 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(s) 5 & 6

Shri D.G.Prasad and Dr Martin Tolar were co-opted as Additional Directors on the Board of the company pursuant to section 260 of the Companies Act, 1956. Shri D.G.Prasad and Dr Martin Tolar hold office of the Director up to the date of ensuing Annual General Meeting. The Company has received notice from a member alongwith required deposit, proposing the candidature of Shri D.G.Prasad and Dr Martin Tolar for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

The profiles of Directors are given under the head "Brief profiles of the Directors seeking appointment /re-appointment at the AGM."

None of the Directors except Shri D.G.Prasad and Dr Martin Tolar are concerned or interested in the resolution.

ITEM NO 7

It may be recalled that in the last AGM held on 18th September 2008, 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 and clinical development expenditure and for creation of dedicated Drug Discovery Centre and 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 any way concerned or interested in the resolution.

By Order of the Board

Place : Hyderabad
Date : 28th July 2009

K Hanumantha Rao
Company Secretary



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

1. **Dr. K.V. Raghavan** is a Fellow of the National Academy of Engineering, Indian Institute of Chemical Engineers (IChE) and A.P. Academy of Sciences and a Distinguished Fellow of University of Grants Commission (UGC). He was appointed as the Director of Central Leather Research Institute (CLRI), Chennai in 1994. He took over the Directorship of Indian Institute of Chemical Technology, Hyderabad in 1996. On successful completion of this tenure, he was appointed as Scientist in Director's Grade at IICT in October 2003. He took over as the Chairmanship of Recruitment and Assessment Centre of DRDO in May 2004

Dr. K.V. Raghavan is also Director on the Board of Godavari Biorefineries Limited. Dr. K.V. Raghavan holds 2000 shares in the Company.

2. **Mr Prasad** is a qualified Chartered Accountant and had been a career banker for over 33 years. After being with Canara Bank for over 8 years, Mr. Prasad served Exim Bank for over 25 years having joined in 1983, in its formative phase. While being with Exim Bank, As a Chief General Manager, he was the head of Corporate Banking, Agri Business and SME Business Groups in Exim Bank. He holds considerable expertise in trade finance, international finance, merchant banking, corporate strategies, mergers and acquisitions, loan syndications, forfaiting, international negotiations and co-financing with multilateral agencies. He was trained in 'Treasury Management' at Credit Suisse, Switzerland; 'International Banking and Development' at the International Development Ireland at Dublin and London and 'Advanced Agribusiness Management' at Cornell University, Ithaca, New York, USA. He has been a guest faculty at business schools on international finance and international marketing.

Mr Prasad is also Director on the Board of Gokak Textiles Limited and he does not hold any shares in your Company.

3. **Dr Martin Tolar**

Martin Tolar MD, PhD, is President & CEO of NormOxys, Inc., a private biopharmaceutical company based in Boston, USA and Strasbourg, France, focused on developing a new class of small molecule drugs that allow the body to deliver oxygen more efficiently to all tissues that need it, and offer breakthrough treatments for congestive heart failure, cancer, anemia, macular degeneration and late Alzheimer's disease.

Dr. Tolar joined NormOxys from CoMentis, Inc., where as Chief Scientific Officer and later Chief Business Officer, he led the development organization and negotiated a \$760 MM beta secretase collaboration agreement with Astellas Pharma.

Prior to CoMentis, Dr. Tolar served in a variety of leadership positions in Clinical Development, Strategic Partnerships and Business Development divisions at Pfizer, Inc. He directed programs through all stages of clinical development and NDA submissions, and led the Pfizer Neuroscience Licensing Team to complete multiple business transactions including a \$500 MM acquisition of Rinat Neurosciences and license of the RAGE platform from TransTech Pharma.

Dr. Tolar holds an MD degree and was trained in Neurology at the Boston Medical Center. He received a PhD in Neuroscience for his work on the role of apolipoprotein E in Alzheimer's disease. Dr. Tolar has published a number of scientific publications in the area of Neurosciences and served as an Assistant Professor in the Department of Neurology at Yale University of Medicine.

Dr. Tolar does not hold any shares in your Company.



DIRECTORS' REPORT

Your Company's Board of Directors has pleasure in presenting this 20th Annual Report together with Audited Accounts of the Company for the financial year 2008-09.

FINANCIAL RESULTS

	Current Year Ended 31-03-09 (Rs in Millions)	Previous Year Ended 31-03-08 (Rs in Millions)
Sales and other incomes	1470.42	1231.25
Gross Profit	227.67	158.53
Less: Interest	67.49	50.59
Depreciation	50.21	44.35
Profit before Tax	109.97	63.59
Less:		
1) Exceptional Item	59.00	0.00
2) Provision for Taxation	(20.26)	(19.94)
Profit after Tax	71.22	83.53
Add: Balance brought forward	120.02	80.34
Profit available for appropriation	191.25	163.87
Appropriations:		
Dividend	28.96	28.93
Dividend tax	4.92	4.92
Transfer to General Reserve	10.00	10.00
Balance carried forward	147.36	120.02

YEAR IN RETROSPECT

During the year under review, your company has achieved a total income of Rs 1470.42 Mn comprising exports revenue of Rs 1284.17 Mn from CRAMS and DDDSS business model which consists of Contract Technical services & Clinical Trials, Process Development and Collaborative Research Partnership (CRP), domestic revenue of Rs 124.16 Mn, and other income of Rs 53.50 Mn. registering a growth in Profit before tax nearly by 73% to Rs 109.97 Mn from previous year's profit before tax of Rs 63.59 Mn. The EPS of your Company has come down to Re 0.62 per share from the previous year EPS of Re 0.72 per share on account of writing off of investments in subsidiary.

EXPORTS

Exports continue to be major chunk of revenue for the year 2008-09 despite global economic slowdown with Rs 1284.17 Mn representing 91.18% of total turnover of Rs 1408.32 Mn.

DIVIDEND

Your Directors are pleased to recommend a dividend Re 0.25 paisa per share on face value of equity share of Re 1/- each (@ 25%) for the financial year 2008-09 which will absorb a sum of Rs 33.88 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.

INCREASE IN SHARE CAPITAL

During the year under review, the issued and paid up capital of your Company has gone up from Rs 11,57,10,200 to Rs 11,58,74,400 due to allotment of equity shares to employees of subsidiary company who have exercised the stock options.

RESEARCH AND DEVELOPMENT

SUVEN remain focused on innovative R&D in the area of CNS disorders, and had spent around Rs 344.61 Mn representing 24.47% of the turnover during the year under retrospect, despite current economic slowdown. Results emerged from recently concluded Phase I trials for SUVN-502 is quite promising. Encouraged by this, your company is fully gearing up for Phase II studies for this molecule, which are expected to commence during the year 2010. Your Company has six internally-discovered therapeutic drug candidates currently, in pre-clinical stage of development targeting conditions such as ADHD, dementia, depression, Huntington's disease. Parkinson's disease and obesity are in addition to developmental candidates in Alzheimer's disease and Schizophrenia.

Collaborative Research Partnership (CRP) with Lilly, a global pharma major is progressing very well and likely to yield milestone payment during the year. Your Company has done well in the CRAMS business model during the year.

SUBSIDIARY

During the year investments in Suven Life Sciences USA LLC a Wholly Owned Subsidiary (WOS) were totally written off in the books of account of your Company. The investments were impaired, as this WOS has been inoperative for quite some time due to shifting of lab operations to India.



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

Your Company's beloved Chairman Shri Bodhishwar Rai expired in the month of October 2008 and Shri T R Prasad resigned from the Board due to personal grounds w.e.f. 13th January 2009. In the month of January 2009 Shri D G Prasad has joined the Board of your company as additional director and Dr Martin Tolar has joined the Board as additional director in the month of July 2009.

As per the provisions of the Companies Act, 1956 and Articles of Association of the Company, Dr K V Raghavan retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself 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), 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 233(B) 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 2008-09 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 & Co, 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	60	Chairman & CEO.	5.23	M.Pharm.M.S (Indus. Pharmacy)	35 Years	09-03-1989	Business in U.S.A
Mrs. Sudha Rani Jasti	55	Wholetime Director	4.27	B.Sc.	28 Years	09-03-1989	Business in USA
Dr. N.V.S.Ramakrishna	48	Vice-President (Discovery Research)	6.50	M.Sc, P.hd	20 Years	04-03-2002	Vice-President (Discovery Research) Zydus Cadila
Dr A.Veera Reddy	54	Vice-President (R&D)	3.20	M.Sc, Phd	27 Years	04-04-2001	General Manager (R&D Chemicals) Unichem Laboratories Limited
Dr C Rajendiran	48	Vice-President (Process R&D)	2.60	M.Sc, PhD	16 Years	21-01-2002	Sr. Manager (R&D) Sun Pharma

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 : 28th July 2009

Venkateswarlu Jasti
Chairman & CEO



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 31.03.2009	Previous year ending 31.03.2008
1	Power and fuel Consumption			
a)	Purchased Units	In KWH	10,515,347.00	10,135,257.00
	Total Amount	Rs.	37,831,984.00	35,830,156.60
	Rate/Unit	Rs.	3.60	3.54
b)	Own Generation -	Units		
	Diesel Generator	In KWH	809,269	555,627
	Units / Liter of Diesel Oil	In KWH	3.25	2.93
	Cost/Unit	Rs.	11.83	11.47
2	a) Steam coal 'C' Grade Used in Boiler to generate steam for the process			
	Quantity	In Mts	6,692.11	7,492.47
	Total Cost	Rs.	23,373,047.00	24,477,284.00
	Average Rate/MT	Rs.	3,492.63	3,266.92
	b) Furnace Oil			
	Quantity	In KL	446.24	540.00
	Total Cost	Rs.	14,631,741.00	13,272,269.00
	Average Rate/KL	Rs.	32,788.95	24,578.28
	c) Consumption per unit of Production			
	Company is manufacturing different products using the same facilities concurrently. Therefore 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.

Our R&D consists of Drug Discovery wherein we intend to discover drugs for unmet medical needs in CNS arena targeting the ailments like Cognition in Alzheimer disease, Schizophrenia, ADHD, Parkinson's disease and huntington disease etc. During the year our lead compound SUVN-502 has successfully undergone Phase 1 clinical trial with 67 healthy human volunteers in Switzerland without even single serious adverse event thus establishing the safety of the molecule.

In addition we have progressed very well in 6 other lead series for diseases in cognition, depression, obesity and sleeping disorders.

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

Successful Phase 1 clinical trial has progressed the molecule into next stage (Proof of Concept) of clinical development and the success of which in turn will pave the way for global marketing approval by end 2013 or early 2014.

In our CRAMS research we have filed 2 process patents and 2 DMF's

3. Future plan of Action.

Moving SUVN-502 through long-term safety toxicology which will lead into Proof of concept (Phase 2 a) clinical trial.

Moving at least 1 if not 2 lead candidates in preclinical development into IND enabling studies and later into Phase 1 clinical trial.

In the CRAMS division targeting new niche molecules for non infringing process development leading to DMF filings.



4. Expenditure on Research and Development.

	Current Year Ended 31-03-09 (Rs. in Millions)	Previous Year Ended 31-03-08 (Rs. in Millions)
a) Capital	50.01	98.86
b) Recurring	294.60	201.69
c) Total	344.61	300.55
d) Total R&D Expenditure as a percentage of total turnover	24.47%	25.05%

II. Technology Absorption, Adoption and Innovation

- Efforts, in brief, made towards technology absorption, adoption and innovation.

Suven's CRAMS has full-fledged process R&D division continuously engaged in new processes for new products and existing products which are first tested in kg lab later in pilot plant and finally transferred to manufacturing sites.

Suven Drug Discovery division continuously innovates new molecules for unmet medical needs in CNS arena which eventually hope to become marketed drugs.

- Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

Continuous R&D in process development using new technologies is resulting in quality products with cost savings and with yield improvements and reduction in pollution loads.

Drug Discovery innovation is generating new novel leads for further development.

- 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 : 28th July 2009

Venkateswarlu Jasti
Chairman & CEO



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 2009

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	29,10,000
(d)	Options exercised	7,91,150
(e)	The total number of shares arising as a result of exercise of option	7,91,150
(f)	Options lapsed	6,79,870
(g)	Variation of terms of options	Nil
(h)	Money realised by exercise of options	Rs.1,85,64,480
(i)	Total number of options in force	24,70,680
(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.0.62																			
(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 2009. Had the company used the fair value method, the ESOP cost in the financial year would have been Rs 2,45,07,818 and net profit would have reduced by this amount. The EPS (in Rs) would have been 0.40																			
(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 2009 were -24, 70,680. The weighted average exercise price of the outstanding options as on March 31st 2009 was Rs 78.29 and the weighted average fair value of the outstanding options as on March 31st 2009 was Rs 20.72																			
(n)	<p>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:</p> <p>(i) risk-free interest rate,</p> <p>(ii) expected life,</p> <p>(iii) expected volatility,</p> <p>(iv) expected dividends, and</p> <p>(v) the price of the underlying share in market at the time of option grant.</p>	<p>The company has opted to use the Intrinsic value method for accounting of compensation cost arising out of ESOP. However for disclosures in Para 12 above the following assumptions have been made</p> <table><tr><td>6.5%</td></tr><tr><td>48 months</td></tr><tr><td>50%</td></tr><tr><td>1.33%</td></tr></table> <table><tr><td>Date of grant</td><td>Market price</td></tr><tr><td>18-09-2004</td><td>Rs. 74.85</td></tr><tr><td>30-07-2005</td><td>Rs. 88.65</td></tr><tr><td>29-04-2006</td><td>Rs. 82.45</td></tr><tr><td>30-09-2006</td><td>Rs. 101.15</td></tr><tr><td>03-05-2007</td><td>Rs. 41.00</td></tr><tr><td>28-01-2008</td><td>Rs. 36.40</td></tr></table>		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
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

The economic slowdown compelling the global pharma majors to cut their R&D spend, has in fact increased India's chances to emerge as a hub for conducting Drug Discovery and Development Support Services (DDDSS) and Contract Research And Manufacturing Services (CRAMS)

Governments in advanced countries in their efforts to cut healthcare costs are reportedly supporting generic manufacturers over innovative pharma companies and are giving the new drug R&D based firms a difficult time in releasing research funds. Such a change in the landscape of new drug R&D is expected to favour low cost destinations like India.

There is no doubt in making it clear that the current economic slump has done its bit to slow down the innovative drug R&D in the pharmaceutical and biotechnology industries, worldwide. It doesn't however mean that the industry players have completely given up their new drug R&D efforts. But, slowdown has certainly changed the face of research.

As a matter of prudence, when there is pressure on companies to reduce costs and specifically R&D costs, there are two ways of addressing it. One is to shelve the project and the other is to scout for a cost-effective location to carry out the research. In such a case, India will prove to be a preferred destination for research outsourcing, because it is a value-added strategy for international companies. Therefore, one could see Collaborative Research Partnerships (CRPs), alliances, mergers or even acquisitions of Indian companies in R&D.

The climate for research is positive, despite the economic slow down. Although the current tough market condition is leading companies to cut costs, in such a scenario India as a destination for outsourced R&D cannot be ignored. It makes more business sense to look at India because of its economies-of-scale.

Suven is well equipped in innovative R&D, both in terms of skilled scientific personnel and cost advantage and has fully geared up to seize the opportunities from this current global scenario. Suven has already signed CRPs with Lilly a global pharma major and is well prepared and positioned itself for more CRP offerings to global pharma in the innovative R&D space relating to CNS disorders.

Industry Outlook and opportunities---- India

The Indian pharmaceutical industry is a platform shared by the blend of multinationals and indigenous manufacturers, and biotechnology based industries participation. Indian pharma industry is a significant global player in terms of quality and quantity. Many of these MNCs, foreign investors and venture capitalists are collaborating with Indian companies, which often offer as much as 30 to 50 per cent growth; savings in total drug discovery and development costs. Recent amendments to India's patent laws have also made

India more attractive as a drug discovery destination. These amendments allowed, for the first time, patent protection in India for pharmaceutical products.

Recently, a growing number of MNCs have entered into more Collaborative Research Partnerships (CRPs) with Indian pharmaceutical companies and contract research organizations, extending well beyond task-driven outsourcing. A recent Price Waterhouse Coopers report indicates that India could well become one of the top 10 global pharmaceutical markets by the year 2020. Thus, any pharmaceutical company doing research and development in India will likely choose to patent its technology in India

SWOT Analysis of Indian Pharmaceutical Industry:

STRENGTHS

- India has the largest number of US Food and Drug Administration (FDA) approved manufacturing plants outside the US
- Compliance with good clinical practices (GCP) guidelines is on a rise with Indian companies, hospitals and clinics, gaining access to vast and diverse disease populations
- Existence of English speaking medical professionals and personnel with good number of post graduates and PhD's qualifying in biosciences and engineering each year makes high human resource availability.
- Pharma sector in India has proved to be highly competitive in fermentation-derived pharmaceuticals, which transforms and leverages production of biogenics
- India's first genetically engineered vaccine costs less than half the price of competing vaccines, which gives a good cost competitiveness
- Biodiversity (plant, animal and microbial diversity) in India present excellent genomic research opportunity

WEAKNESSES

- Biogenics are basically large biological molecules where it would be difficult to employ the analytical techniques, mainly because of lack of equipment technologies to study the characterization of the molecules.
- The R&D infrastructure, academic section and overall talent pool are small compared to those supporting the traditional pharmaceuticals industry
- The costs and the technical challenges of developing biogenics are higher than for traditional generics

OPPORTUNITIES

- It is estimated that by 2010, about two dozen biologics (drugs worth \$60 billion) are likely to lose patent protection in US. This is a great opportunity for Indian pharmaceutical industry and can leverage the expertise and capabilities developed in the field of process chemistry



- Government is increasingly implementing cost-cutting policies designed to favour generic usage
- High prices of branded biologics have historically constrained usage, but lower prices of biogenerics could significantly increase demand
- While regulations in US and Western Europe are being sorted out, Indian companies can establish expertise in biogenerics, which can then be transferred to more established pharmaceutical markets

THREATS

- While the development of an abbreviated regulatory pathway is critical to the approval of new biogenerics, growing concerns about the lack of a definition for bioequivalence and increasing pressure from major biotechnology companies anxious to defend their ailing blockbuster patents are preventing the growth of biogenerics market.
- Complexity surrounding the exploitation of intellectual property influences both the cost and time frame of developing a novel biogenic. Issues arise because both the original biologic and the manufacturing process are patented, along with several essential components and active ingredients required for manufacturing the product

Financial and Operating performance

Your company has achieved a total income of Rs 1470.42 Mn comprising exports revenue of Rs 1284.17 Mn from CRAMS and DDDSS business model which consists of Contract Technical services & Clinical Trials, Process Development and Collaborative Research Partnership (CRP), domestic revenue of Rs 124.16 Mn, and other income of Rs 53.50 Mn. registering a growth in Profit before tax nearly by 73% to Rs 109.97 Mn from previous year's profit before tax of Rs 53.50 Mn. The EPS of your Company has come down to Re 0.62 per share from the previous year EPS of Re 0.72 per share on account of writing off of investments in subsidiary.

Internal Controls

The company has 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.

Human Resources

The need of the hour is to train the man power to suit our requirements, at Suven imparting training is a continues process so as to keep employees abreast of latest developments in the R&D space. 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.

Your company continue to lay emphasis on Safety, Health and Environment (SHE). 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: 2007, for all three units of Suven. In addition Suven has re-certified it's quality system ISO 9001:2000. cGMP & GMP harmonized practices across Suven manufacturing facilities. Your Company's cGMP compliant plant at Suryapet has been audited & approved by USFDA in January 2009, for intermediates. Suven has received Certificate of Suitability from EDQM for one product in August 2008.. 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. The new Kilo lab and pilot plant facility created at Unit 2 R&D is qualified and ready for usage.

Suven has submitted till date 13 Drug Master Files (DMFs) and one Abbreviated New Drug Application (ANDA).



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 2009 the Company's Board of Directors Consists of 2 Executive Directors and 4 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	33 %
Non-Executive and Independent	4	67 %

- 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 Venkateswarlu Jasti	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	4	YES
Dr K V Raghavan	Independent and Non-Executive Director	Nil	1	1	5	4	NO
Dr S Ramachandran	Independent and Non-Executive Director	1	1	1	5	5	YES
Shri D G Prasad #	Independent and Non-Executive Director	1	2	2	5	1	NO

Shri D G Prasad was appointed as additional director on the Board w.e.f 19th January 2009.

- c) During the year, 5 (Five) Board Meetings were held on the following dates: - April 26th 2008, July 25th 2008, September 18th 2008, October 31st 2008 and January 19th 2009.
- d) None of the Directors is related to other Directors, except Shri Venkateswarlu Jasti who is spouse of Smt Sudha Rani Jasti.
- e) Our beloved Chairman Shri Bodhishwar Rai expired in the month of October 2008 and Shri T.R.Prasad had resigned from the Board on personal grounds w.e.f. 13th January 2009. Hence attendance of these directors and their other directorships were not presented.

The time gap between any two meetings not exceeded four months as per the requirements of clause 49 of the Listing agreement and the required information was suitably placed before the board meetings. The details relating to financial and commercial transactions where Directors may have a potential interest, if any, were provided to the Board and interested Directors abstained from the proceedings.



3) Audit Committee

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

Name of Director	Designation	Category of Director	No.of Meetings attended
Shri D G Prasad	Chairman	Non-Executive Independent	1
Dr. M R Naidu	Member	Non-Executive Independent	4
Dr K V Raghavan	Member	Non-Executive Independent	1
Dr. S Ramachandran	Member	Non-Executive Independent	5

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 held during the year

During the year Audit Committee met 5 times on April 26th 2008, July 25th 2008, September 18th 2008, October 31st 2008 and January 19th 2009. The attendance of the Committee Members was presented at point (a) above.

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	Chairman & CEO		Wholetime Director	
	2008-09	2007-08	2008-09	2007-08
Salary & Allowances	36,00,000	31,01,250	32,77,500	27,60,000
Commission	11,95,564	–	5,97,782	3,53,326
Contribution to Provident Fund	4,32,000	4,32,000	3,93,300	3,31,200
Perquisites	–	–	4,735	4,533
Total	52,27,564	35,33,250	42,73,317	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.)	No of shares held. as on 31st March 2009	No of Stock Options
Dr.M.R.Naidu	63000	7,000	6,000
Dr K V Raghavan	45000	2,000	6,000
Dr S Ramachandran	79000	20,000	6,000
Shri D G Prasad	10000	Nil	Nil



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	4
Dr. M R Naidu	Member	3
Smt Sudha Rani Jasti	Member	4

Shri K Hanumantha Rao Company Secretary acts 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@suvn.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 2008-2009, 251 complaints were received pertaining to the dividends, annual reports, change of bank details/address and split shares etc from shareholder and the complaints have been resolved to the satisfaction of the Complainants. As on 31.03.2009 there were no pending Complaints to be resolved.

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, 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 6 (six) times during the financial year 2008-09.

7) ESOP Compensation Committee

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

Name of Directors	Designation
Dr M. R. Naidu	Chairman
Shri Venkateswarlu Jasti	Member
Dr S Ramachandran	Member

- 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.



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
2007-08 18.09.2008	KLN Prasad Auditorium, FAPCCI, Hyderabad	3.00 p.m.	One
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

- 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 20th 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.

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	Tuesday the 22nd day of September 2009 at 3.00 p.m.
Venue of the Annual General Meeting	Hotel Green Park, Green Lands, Begumpet, Hyderabad - 500 016
Financial Year	2008-09
Date of Book Closure	16th September 2009 to 18th September 2009 (both days inclusive)
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 2009 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)

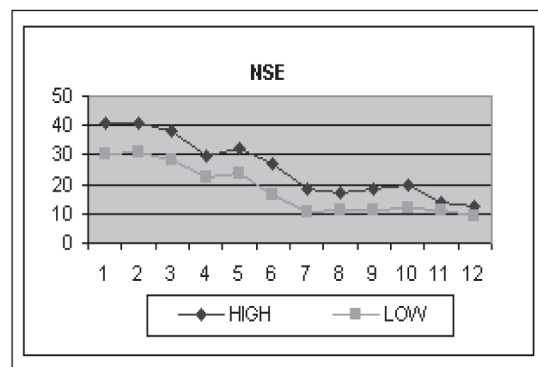
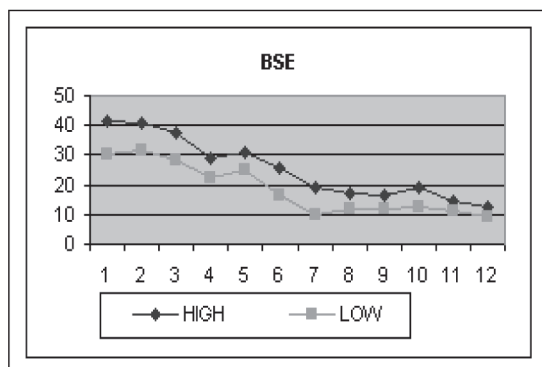
ii) The Company has paid the Listing fees for the year 2009-10 to both the Stock Exchanges

iii) Market Price Data

Monthly high and low equity share
(Rs 1/- per share) quotations on
Bombay Stock Exchange Limited
for the financial year 2008-09.

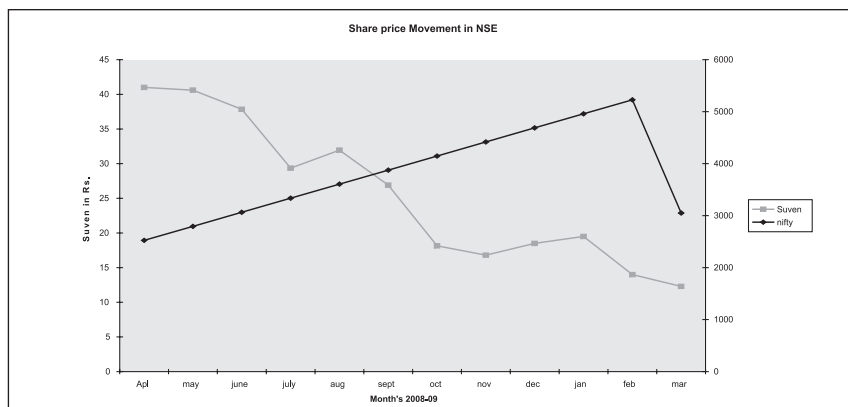
Monthly high and low equity share
(Rs 1/- per share) quotations on
National Stock Exchange of India Limited
for the financial year 2008-09

BSE			NSE		
Month	HIGH	LOW	Month	HIGH	LOW
Apr-08	41.30	30.00	Apr-08	41.00	30.10
May-08	40.70	31.70	May-08	40.60	31.00
Jun-08	37.80	28.25	Jun-08	37.85	28.20
Jul-08	28.95	22.30	Jul-08	29.35	22.30
Aug-08	31.00	25.00	Aug-08	31.95	24.00
Sep-08	25.60	16.35	Sep-08	26.90	16.50
Oct-08	18.85	10.10	Oct-08	18.15	10.20
Nov-08	17.00	12.00	Nov-08	16.80	10.90
Dec-08	16.38	12.15	Dec-08	18.50	11.05
Jan-09	19.40	12.30	Jan-09	19.50	12.10
Feb-09	14.15	11.00	Feb-09	14.00	10.90
Mar-09	12.35	9.40	Mar-09	12.30	9.50





iv) Performance of Suven Life Sciences Ltd in comparison with the S&P CNX 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

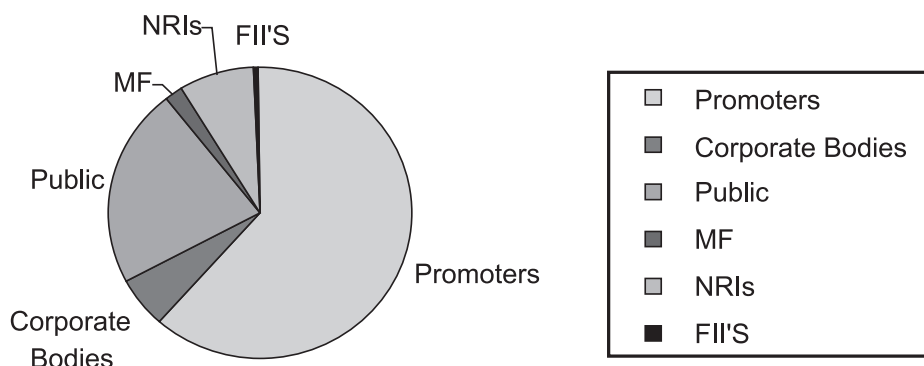
Karvy Computershare Pvt. Ltd, will process all the valid transfer requisitions on a weekly basis and a memorandum of transfers is put up for approval of the Share Transfer Committee of the Company. The share certificates duly transferred will be dispatched to the transferees after the Share Transfer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

f) Statement showing Shareholding pattern

Shareholding pattern as on 31st March 2009

Sl. No	Category	No of Shares	% to Equity
1	Promoters	7,19,42,021	62.09
2	Corporate Bodies	46,16,884	3.98
3	Public	2,67,30,566	23.07
4	NRIs	96,54,310	8.33
5	Foreign Institutional Investors	8,58,208	0.74
6	Mutual Funds & Banks	20,72,411	1.79
	Total	11,58,74,400	100.00





g) Distribution of shareholdings as on 31st March 2009.

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	5000	32950	96.97%	15778137	13.62%
5001	10000	607	1.79%	4753639	4.10%
10001	20000	210	0.62%	3197162	2.76%
20001	30000	62	0.18%	1514006	1.31%
30001	40000	48	0.14%	1704792	1.47%
40001	50000	21	0.06%	987745	0.85%
50001	100000	37	0.11%	2502426	2.16%
100001 and above		43	0.13%	85436493	73.73%
Grand Total		33978	100	115874400	100

h) Dematerialization of shares and liquidity

85.67 % of shares were dematerialised as on 31st March 2009. 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 Meeting of Board of Directors

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

**Investor Complaints under
Clause 47(f) of the Listing agreement
Contact person and Email-ID**

Shri K.Hanumantha Rao
Company Secretary
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 31,2009.

Place : Hyderabad

Date : 28th July 2009

Venkateswarlu Jasti

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 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 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 & CO**
Chartered Accountants

K. Ajay Kumar
Partner
M. No. 21989

Place : Hyderabad

Date : 28-07-2009



AUDITORS' REPORT

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

We have audited the attached Balance sheet of M/s. Suven Life Sciences Limited ("the Company") as at 31st March, 2009, 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, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 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, 2009;
 - 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 & CO**
Chartered Accountants

K. Ajay Kumar
Partner
M. No. 021989

Place : Hyderabad
Date : 28.07.2009



ANNEXURE TO THE 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 program 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. 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 within the meaning of Section 58A and Section 58AA of the Companies Act, 1956 and the rules framed there under.
- 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. In our opinion and as per the information and explanations given to us, the terms and conditions of the guarantees given by the company for loans taken by others from banks or financial institutions 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 & CO**
Chartered Accountants

K. Ajay Kumar
Partner
M.No. 21989

Place : Hyderabad
Date : 28.07.2009



BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULE	AS AT 31/03/2009 Rs. in Lakhs	AS AT 31/03/2008 Rs. in Lakhs
I. SOURCES OF FUNDS			
1 SHAREHOLDERS' FUNDS			
a) Share Capital	A	1158.74	1157.10
b) Reserves & Surplus	B	10285.03	10059.92
2 LOAN FUNDS			
a) Secured Loans	C	4311.05	5461.56
3 DEFERRED TAX LIABILITY (NET)		0.00	244.66
T O T A L		15754.82	16923.24
II. APPLICATION OF FUNDS			
1 FIXED ASSETS	D		
a) Gross block		15079.26	14120.45
b) Less: Depreciation		3853.29	3143.01
c) Net block		11225.97	10977.44
d) Capital work-in-progress		357.17	365.91
2 INVESTMENTS	E	623.15	818.80
3 DEFERRED TAX ASSET (NET)		25.79	0.00
4 CURRENT ASSETS, LOANS AND ADVANCES			
a) Inventories	F	2720.45	2440.11
b) Trade Receivables	G	2139.75	3548.00
c) Cash and Bank balances	H	123.27	302.40
d) Loans and Advances	I	1389.42	1106.39
e) Interest Accrued		8.96	5.85
		6381.85	7402.75
Less :Current Liabilities and Provisions	J	2859.11	2643.78
Net Current Assets		3522.74	4758.97
5 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
Merger Expenditure		0.00	2.12
T O T A L		15754.82	16923.24
Notes on Accounts	T		

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

for and on behalf of the Board of Directors

K. Ajay Kumar
Partner

Venkateswarlu Jasti
Chairman & CEO

Sudha Rani Jasti
Wholetime Director

Place : Hyderabad
Date : 28-07-2009

K. Hanumantha Rao
Company Secretary



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULE	FOR THE YEAR ENDED 31st Mar 2009 Rs. in Lakhs	FOR THE YEAR ENDED 31st Mar 2008 Rs. in Lakhs
INCOME			
Income from Operations	K	14083.20	11998.11
Other Income	L	535.04	318.00
Increase/(Decrease) in Stocks	M	86.00	(3.64)
T O T A L		14704.24	12312.47
EXPENDITURE			
Materials Consumed	N	4974.40	4451.86
Clinical Projects Expenses		63.81	123.09
Manufacturing Expenses	O	1684.74	1563.73
Research & Development Expenses		2946.04	2016.86
Central Excise Duty		82.06	270.18
Personnel Expenses	P	1528.12	1225.43
Selling Expenses	Q	249.27	206.32
Financial Expenses	R	674.94	505.95
Administrative & Other Expenses	S	899.03	869.64
Depreciation		502.15	443.51
T O T A L		13604.56	11676.57
Profit before Tax and Exceptional Items		1099.68	635.90
Exceptional Items :			
Loss of Investment in Suven Life Sciences LLC ,USA (100% Subsidiary of Suven Life Sciences Ltd)		590.01	0.00
Profit before Tax after Exceptional Items		509.67	635.90
Less:Provision for - Current Tax		56.30	69.17
Deferred Tax credit		(270.45)	(283.78)
Fringe Benefit Tax		11.60	15.20
Profit after Tax		712.22	835.31
Profit brought forward from previous year		1200.24	803.37
Profit available for appropriation		1912.47	1638.68
Appropriations			
Proposed dividend		289.69	289.28
Tax on proposed dividend		49.23	49.16
Transfer to General Reserve		100.00	100.00
Surplus carried to Balance Sheet		1473.55	1200.24
		1912.47	1638.68
Basic and Diluted Earnings per share (in Rs)		0.62	0.72
Notes on Accounts	T		

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

for and on behalf of the Board of Directors

K. Ajay Kumar
Partner

Venkateswarlu Jasti
Chairman & CEO

Sudha Rani Jasti
Wholetime Director

Place : Hyderabad
Date : 28-07-2009

K. Hanumantha Rao
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rs. In lakhs)				
	For the year ended 31.03.2009		For the year ended 31.03.2008	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax and Extraordinary Items		509.67		635.90
Adjustments for :				
Depreciation	714.23		660.48	
Interest Income	(19.83)		(36.82)	
Interest on Borrowings	624.60		505.95	
Loss on Disposal of Assets	0.88		0.93	
Dividend Income	(1.18)		(10.20)	
Miscellaneous Expenditure Amortised	2.12		2.12	
MTM Losses	50.35		0.00	
Loss of Investments	590.01		0.00	
		1,961.18		1,122.46
Operating Profit Before Working Capital Changes		2,470.85		1,758.36
Adjustments for :				
Trade and Other Receivables	1,146.51		(1,980.24)	
Inventories	(280.35)		(150.13)	
Trade Payables and Other Liabilities	195.98		835.94	
Increase/(Decrease) in Net Current Assets		1,062.15		(1,294.43)
Cash Generated From Operations		3,533.00		463.93
Adjustments for :				
Income Tax & Fringe Benefit Tax	105.66		68.92	
		105.66		(68.92)
Net Cash From Operating Activities A		3,427.34		395.01
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Sale/(Purchase) of Investments	(394.36)			267.09
Purchase of Fixed Assets	(1,150.89)			(1,942.74)
Sale of Fixed Assets	0.40			2.00
Interest Received	16.71			43.37
Dividends Received	1.18			10.20
Net Cash Used In Investing Activities B		(1,526.96)		(1,620.08)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009 (CONTD.)

(Rs. In lakhs)			
	For the year ended 31.03.2009		For the year ended 31.03.2008
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Borrowings (Net)	(1,150.51)		1,312.48
Interest Paid on borrowings	(624.59)		(505.95)
Issue of capital with Premium	34.04		83.03
Dividend Payouts (including Dividend Tax)	(338.44)		(337.14)
Net Cash used in financing Activities C		(2,079.50)	552.42
Net Increase in Cash and Cash Equivalents (A+B+C)		(179.12)	(672.65)
Cash and Cash Equivalents at the beginning of the year		302.40	975.05
Cash and Cash Equivalents at the end of the year		123.27	302.40

for and on behalf of the Board of Directors

for **KARVY & CO**
Chartered Accountants

K. Ajay Kumar
Partner

Venkateswarlu Jasti
Chairman & C E O

Sudha Rani Jasti
Wholetime Director

Place : Hyderabad
Date : 28-07-2009

K. Hanumantha Rao
Company Secretary



SCHEDULES TO BALANCE SHEET

	AS AT 31st Mar 2009 Rs. in Lakhs	AS AT 31st Mar 2008 Rs. in Lakhs
SCHEDULE-A		
SHARE CAPITAL		
Authorised		
20,00,00,000 Equity Shares of Rs.1/- each	2000.00	2000.00
Issued, Subscribed and Paid up	1158.74	1157.10
11,58,74,400 Equity Shares of Rs.1/- each (Previous year 11,57,10,200 Equity Shares of Rs.1/- each)		
T O T A L	1158.74	1157.10

SCHEDULE-B		
RESERVES & SURPLUS		
General Reserve		
Opening Balance	5049.30	5041.15
Add: Additions during the year	100.00	100.00
Less: Employee retirement benefits	0.00	91.84
Less: Effect of AS-11	180.59	0.00
	4968.71	5049.31
Share Premium	3810.37	4308.11
Add: Additions	32.40	78.59
Less: Bonus Issue	0.00	576.33
	3842.77	3810.37
Surplus in Profit & Loss A/c.	1473.55	1200.24
T O T A L	10285.03	10059.92

SCHEDULE-C		
SECURED LOANS		
Corporate Loan From S.B.I.	1048.11	1169.78
(Foreign Currency Loan)		
Corporate Loan From S.B.I.	1846.84	2104.60
Secured by first and Pari-pasu charge on Land, Buildings, Plant & Machinery.		
Working Capital Loans from S.B.I	1416.10	2187.18
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.		
T O T A L	4311.05	5461.56



SCHEDULES TO BALANCE SHEET

SCHEDULE-D FIXED ASSETS		(Rs. in Lakhs)									
S.NO		GROSS BLOCK			DEPRECIATION				NET BLOCK		
		AS ON 01.04.2008	ADDITIONS	DEDUC- TIONS	AS ON 31.03.2009	UPTO 31.03.2008	FOR THE YEAR	DEDUC- TIONS	Upto 31.03.2009	AS ON 31.03.2009	AS ON 31.03.2008
1	LAND	236.57	74.91	0.00	311.48	0.00	0.00	0.00	0.00	311.48	236.57
2	BUILDINGS-OFFICE AT FACTORY	44.78	0.00	0.00	44.78	8.45	0.73	0.00	9.18	35.60	36.33
3	BUILDINGS-FACTORY	1743.48	130.45	0.00	1873.93	195.84	58.23	0.00	254.08	1619.85	1547.64
4	PLANT & MACHINERY	6434.08	402.64	15.01	6821.72	1894.13	347.26	0.00	2241.39	4580.33	4539.96
5	FURNITURE & FIXTURES	178.14	9.91	0.00	188.05	64.54	11.70	0.00	76.24	111.81	113.60
6	OFFICE EQUIPMENT	84.33	1.75	0.00	86.08	26.28	4.06	0.00	30.34	55.74	58.05
7	LABORATORY EQUIPMENT --UNIT I	176.35	0.00	0.00	176.35	43.43	8.37	0.00	51.80	124.55	132.92
8	LABORATORY EQUIPMENT ¹ --UNIT III	166.93	6.76	0.00	173.68	29.31	8.20	0.00	37.51	136.17	137.62
9	VEHICLES	120.26	4.69	4.17	120.78	49.27	11.53	2.89	57.90	62.88	70.99
10	E.T.P. WORKS	134.00	0.00	0.00	134.00	74.07	7.08	0.00	81.15	52.85	59.93
11	MISC FIXED ASSETS	4.62	0.00	0.00	4.62	3.16	0.22	0.00	3.38	1.24	1.46
12	EDP-EQUIPMENTS	259.76	28.43	0.00	288.18	167.45	44.77	0.00	212.22	75.96	92.30
T O T A L		9583.30	659.53	19.18	10223.65	2555.93	502.15	2.89	3055.19	7168.46	7027.37
R & D EQUIPMENT *		4537.15	500.11	181.65 [#]	4855.61	587.08	212.08	1.06 [#]	798.10	4057.51	3950.07
GRAND TOTAL		14120.45	1159.64	200.83	15079.26	3143.01	714.23	3.95	3853.29	11225.97	10977.44

* Note: Depreciation on R & D Equipment of Rs.212.08 Lakhs has been added to R & D Expenses (Previous Year Rs.200.66 Lakhs)

[#] Deductions and Depreciation thereon for Lab equipment are on account of AS -11 Revised-2009



SCHEDULES TO BALANCE SHEET

	AS AT 31st Mar 2009 Rs. in Lakhs	AS AT 31st Mar 2008 Rs. in Lakhs
SCHEDULE-E		
INVESTMENTS: AT COST		
I. Trade Investments – (Long Term & Unquoted) :		
a. In Subsidiaries:		
Share Capital -		
in Suven Life Sciences USA LLC	0.00	590.01
b. In others:		
Share Application -		
in Suven Nishtaa Pharma Pvt Ltd	618.00	223.64
2. Non-Trade Investments :		
<u>Long Term & Unquoted:</u>		
a) Equity Shares:		
100 Equity Shares of Rs.20/- each in G.S.F.C. Limited	0.02	0.02
b) National Savings Certificates	0.13	0.13
<u>Long Term & quoted:</u>		
Mutual Funds:		
SBI Infrastructure fund	5.00	5.00
50000 units of Rs.10/- each (Previous year 50000 units)		
T O T A L	623.15	818.80
Aggregate value of Investments :		
Quoted :		
- Book Value	5.00	5.00
- Market Value	2.83	5.00
Un-quoted :		
- Book Value	618.15	813.80
Investments Purchased and Sold during the year		
	Units	Cost (Rs. in Lakhs)
SBI Institutional Income Fund	3002005.29	301.18



	AS AT 31st Mar 2009 Rs. in Lakhs	AS AT 31st Mar 2008 Rs. in Lakhs
SCHEDULE-F		
INVENTORIES		
(As valued and certified by the Manangement)		
Raw Materials	814.36	631.95
Stores and Spares	153.31	141.37
Finished Goods	1073.04	992.87
Stocks in Process	679.74	673.92
T O T A L	2720.45	2440.11
SCHEDULE-G		
TRADE RECEIVABLES		
(Unsecured, Considered good)		
Exceeding six months	44.27	69.26
Others	2095.48	3478.74
T O T A L	2139.75	3548.00
SCHEDULE-H		
CASH AND BANK BALANCES		
Cash on hand	2.67	5.27
Balances with Scheduled Banks		
--- in current accounts	31.89	33.53
--- in Margin Money Deposits	88.71	88.60
-- in Fixed Deposits	0.00	175.00
T O T A L	123.27	302.40
SCHEDULE-I		
LOANS AND ADVANCES		
(Unsecured, considered good, advances recoverable in cash or in kind or for value to be received)		
Advances for Purchases	68.39	127.80
Advances for Expenses	112.31	173.25
Other Advances	324.19	96.43
Other Receivables	631.98	477.66
Deposits	127.56	127.55
Advance Tax	124.99	103.70
T O T A L	1389.42	1106.39



SCHEDULES TO BALANCE SHEET

	AS AT 31st Mar 2009 Rs. in Lakhs	AS AT 31st Mar 2008 Rs. in Lakhs
SCHEDULE-J		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Liabilities for Capital Works	45.71	100.43
Liabilities for Trade Creditors	1057.70	1080.50
Liabilities for Expenses	960.31	832.61
Unclaimed Dividend	10.70	8.87
Liabilities for statutory dues	46.60	54.12
Advance Received from Customers	116.19	0.00
(A)	2237.21	2076.53
B. PROVISIONS		
-- for Taxation	67.90	84.37
-- for Dividend	289.69	289.28
-- for Corporate Dividend Tax	49.23	49.16
-- for Gratuity	94.58	78.84
-- for Leave encashment	70.15	65.60
-- for MTM Losses	50.35	0.00
(B)	621.90	567.25
T O T A L (A+B)	2859.11	2643.78



SCHEDULES TO PROFIT & LOSS ACCOUNT

	Current Year 31st Mar 2009 Rs. in Lakhs	Previous Year 31st Mar 2008 Rs. in Lakhs
SCHEDULE-K		
INCOME FROM OPERATIONS		
Exports	12841.65	8746.83
Domestic	1241.55	3251.28
TOTAL	14083.20	11998.11
SCHEDULE-L		
OTHER INCOME		
Interest-(Gross)	19.83	36.83
(Tax Deducted at Source Rs.3,08,297/- Previous year Rs.7,95,752/-)		
Dividend Income from Mutual Funds	1.18	10.20
Foreign Exchange Fluctuations Gain (Net)	443.03	270.97
Miscellaneous Receipts	71.00	0.00
T O T A L	535.04	318.00
SCHEDULE-M		
INCREASE/DECREASE IN STOCKS		
Opening Stock :		
Work - in - Progress	673.91	682.26
Finished Goods	992.87	988.16
A	1666.78	1670.42
Closing Stock :		
Work - in - Progress	679.74	673.91
Finished Goods	1073.04	992.87
B	1752.78	1666.78
Increase/(Decrease) in Stocks (B-A)	86.00	(3.64)



SCHEDULES TO PROFIT & LOSS ACCOUNT

	Current Year 31st Mar 2009 Rs. in Lakhs	Previous Year 31st Mar 2008 Rs. in Lakhs
SCHEDULE-N		
MATERIALS CONSUMED		
1) Raw Materials		
Opening Stock	631.95	594.28
Purchases	5110.62	4451.62
Less: Closing Stock	814.36	631.95
(A)	4928.21	4413.95
2) Packing Materials		
Opening Stock	7.05	1.56
Purchases	48.87	43.40
Less: Closing Stock	9.73	7.05
(B)	46.19	37.91
T O T A L (A+B)	4974.40	4451.86

SCHEDULE-O

MANUFACTURING EXPENSES

Power & Fuel	854.12	794.52
Consumable Stores	30.37	67.18
Factory Upkeep Expenses	270.57	271.24
Environment Management Expenses	69.10	77.07
Safety Expenses	30.81	18.75
Quality Control Expenses	123.88	128.18
Repairs & Maintenance :		
-- Buildings	4.06	2.10
-- Plant & Machinery	301.83	204.69
T O T A L	1684.74	1563.73

SCHEDULE-P

PERSONNEL EXPENSES

Salaries, Wages & Bonus	1231.69	965.39
Staff Welfare Expenses	150.37	117.36
Contribution to PF & Other Funds	146.06	142.68
T O T A L	1528.12	1225.43



SCHEDULES TO PROFIT & LOSS ACCOUNT

	Current Year 31st Mar 2009 Rs. in Lakhs	Previous Year 31st Mar 2008 Rs. in Lakhs
SCHEDULE-Q		
SELLING EXPENSES		
Sales Promotion	45.76	68.96
Advertisement	9.83	7.50
Carriage Outwards	103.24	79.33
Commission on Sales	90.44	50.53
T O T A L	249.27	206.32
SCHEDULE-R		
FINANCIAL EXPENSES		
Interest -- on Term Loans	332.03	358.55
-- on Others	229.56	98.60
Finance Charges	63.00	48.80
Derivative Loss (MTM)	50.35	0.00
T O T A L	674.94	505.95
SCHEDULE-S		
ADMINISTRATIVE & OTHER EXPENSES		
Rent	73.04	81.66
Rates & Taxes	5.49	5.27
Insurance	75.13	69.54
Communication Charges	86.12	71.57
Travelling & Conveyance	227.86	201.42
Printing & Stationery	56.99	60.05
Vehicle Maintenance	28.40	27.40
Directors Remuneration	95.01	69.82
Professional Charges	70.22	113.77
Payments to Auditors :		
-- As Auditors	3.00	2.50
-- for Tax Matters	1.25	1.00
-- for other Services	0.75	0.50
-- for Expenses	0.03	0.06
Security Charges	46.23	31.28
Donations	2.32	1.48
Repairs & Maintenance - Others	20.69	42.66
Loss on Sale of Assets	0.88	0.93
Preliminary Expenses written off	2.12	2.12
General Expenses	103.50	86.61
T O T A L	899.03	869.64



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. Exchange difference arising on Long Term Foreign currency monetary items relating to acquisition of fixed assets are adjusted to the carrying cost of such assets

(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 exchange difference arising on Long Term Foreign currency monetary items relating to acquisition of fixed assets which are adjusted to the carrying cost of such assets.
- iii. In case of Monetary items which are covered by forward exchange contracts, premium or discount on forward exchange contracts are amortised and recognized in the profits and



loss account over the period of the contract. Forward Exchange Contracts outstanding at the balance sheet date, are stated at fair value and any gains or losses are recognized in the profit and loss account.

iv. Financial Derivative Contracts :

Accordingly, realized gain/loss in respect of settled contracts are recognized in the Profit and loss account and Provision has been made for losses in respect of all outstanding Derivative Contracts at the balance sheet date by marking them to market

(j) Retirement benefits to employees

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

The Company has Defined Benefit Plan comprising of Gratuity Fund and Leave Encashment. The Company contributes to Gratuity Fund administered by LIC. The liability for the Gratuity Fund and Leave Encashment are determined on the basis of an independent actuarial valuation done at the year end. 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

Segment assets and liabilities which can be identified to a segment are allocated to the respective segment. 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 amortized on a straight-line basis over the vesting period.



II. NOTES TO ACCOUNTS :

1. CHANGE IN ACCOUNTING POLICY :

The company has exercised the option given vide notification number G.S.R. 225(E) dated March 31, 2009 issued by the Ministry of Corporate Affairs, Government of India on provisions of Accounting Standard 11. Accordingly, exchange difference arising on Long Term Foreign currency monetary items relating to acquisition of fixed assets are adjusted to the carrying cost of such assets.

Since this year being the first year of transition, an amount of Rs. 180.59 Lakhs pertaining to the preceding years, resulted due to adoption of new policy, has been reduced from carrying cost of assets at the beginning of the year and to that extent General Reserve has been adjusted.

Had the company continued to follow the earlier method of accounting, the exchange loss together with resultant depreciation amounting to Rs.288.68 Lakhs would have been charged to profit and loss account and consequently the profit for the year, reserves and surplus and the carrying cost of assets would have been lower by the said amount.

2. Contingent Liabilities

Particulars	Rupees in Lakhs	
	Current Year	Previous Year
Guarantees given by Banks	91.61	85.00
Corporate Guarantee given on behalf of Suven Nishtaa Pharma Private Limited	2375.00	2375.00
Un expired Letters of Credit	329.96	350.81

3. Capital commitments not provided for on account of pending execution (net of advance) Rs. 14.31 Lakhs (Previous year Rs.68.01 Lakhs)
4. During the year Unclaimed Dividend pertaining to 2000-01 amounting to Rs. 1.10 Lakhs has been transferred to Investor Education and Protection Fund. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as of 31st March 2009 (Previous year Nil).
5. 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.

6. Investments In Subsidiary :

During the year investment in the subsidiary M/s. Suven Life Sciences LLC, USA, the wholly owned subsidiary company (WOS) has been written off as the said WOS has been inoperative for a long period and net worth of the said company become negative.

7. Managerial Remuneration:

Particulars	Rupees in Lakhs			
	Chairman & CEO		Wholetime Director	
	2008-09	2007-08	2008-09	2007-08
Salary & Allowances	36.00	31.01	32.78	27.60
Commission	11.96	–	5.98	3.53
Contribution to Provident Fund	4.32	4.32	3.93	3.31
Perquisites	–	–	0.04	0.05
Total	52.28	35.33	42.73	34.49



Computation of Net Profit in accordance with Section 198 & 309 of the Companies Act, 1956 :

Particulars	Rupees in Lakhs	
	2008-09	2007-08
Profit before tax	1099.68	635.90
Add: Loss on sale of Assets	0.88	0.93
	1100.56	636.83
Add: Remuneration to Directors	95.01	69.82
Net Profit as per Section 309(5) for the year (A)	1195.57	706.65
Commission payable to the Managing Director (1% of profits i.e., (A))	11.96	7.07
Commission payable to Whole Time Director (0.5% of profits i.e., (A))	5.98	3.53
Over all ceiling (10% of profits (A))	119.56	70.67

The above remuneration excludes provision for gratuity, since the liability is determined for all the employees on an independent actuarial valuation basis. The specific amount of gratuity directors cannot be ascertained separately.

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

9. 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.

The movement in options during the year ended March 31, 2009 is set out below:

Particulars	2008-09	2007-08
Options outstanding at the beginning of the year	28,02,500	7,75,350
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
Less: Lapsed	1,67,620	1,55,200
Converted into equity shares	1,64,200	4,43,700
Options outstanding at the end of the year	24,70,680	28,02,500

10. Excise Duty amounting to Rs. 22.14 Lakhs 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.

11. Miscellaneous Expenditure

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

12. 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 and respective Contributions

Particulars	Employers contribution debited to P&L A/c	
	Year ended March 31, 2009	Year ended March 31, 2008
a. Provident Fund	70.11	52.22
b. State Defined Contribution Plans		
i. Employees' State Insurance	9.9	10.89
ii. Employees' Pension Scheme, 1995	33.41	25.79



II. Defined Benefit Plans

a. Disclosure relating to Employee benefits - As per AS 15 (Revised) For defined benefit plan - Gratuity (Projected Unit Credit Method)

Particulars	Rupees in Lakhs	
	Year ended March 31, 2009	Year ended March 31, 2008
A. Change in present value of obligation		
Present value of obligation at the beginning of the year	134.14	88.58
Current Service cost	10.18	29.29
Interest cost	10.73	6.24
Benefits paid	(1.89)	(10.66)
Net Actuarial (Gain)/Loss Recognized during the year	15.15	20.69
Present value of obligation at the end of the year	168.31	134.14
B. Changes in the Fair Value of Plan Assets		
Present Value of Plan Assets at the beginning of the year	55.30	40.82
Expected Return on Plan Assets	5.01	3.69
Actuarial Gain / (Loss)	0.05	0.04
Contributions	13.37	21.4
Benefits Paid	0.00	(10.66)
Fair Value of Plan Assets at the end of the year	73.73	55.3
C. Net (Asset)/Liability recognized in the Balance Sheet		
Present value of obligation at the end of the year	168.31	134.14
Fair value of Plan Assets at the end of the year	(73.73)	(55.30)
Funded status (surplus)/deficit	94.58	78.84
Net (Asset)/Liability recognized in the Balance Sheet	94.58	78.84
D. Expenses recognized in the Profit & Loss Account		
Service Cost	10.18	29.29
Interest Cost	10.73	6.24
Expected return on Plan Assets	(5.01)	(3.69)
Net Actuarial (Gain)/Loss recognized during the year	15.10	20.64
Total Expenses recognised in Profit and Loss account	31.00	52.48
Assumptions Used		
Discount Rate (per annum)	8.00%	8.00%
Rate of increase in Compensation levels	12.00%	12.00%
Rate of Return on Plan Assets (for Funded Scheme)	9.15%	9.15%
Expected Average remaining working lives of employees (years)	26.67	26.60

b. Other Employee Benefit Plan

The liability for Leave Encashment as at the year end is Rs.70.15 Lakhs (previous year Rs. 65.60 Lakhs) and the assumptions are as same as above.

13. Segment Reporting (2008-09)

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



- 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:

- a) India-The company sells Bulk Drugs and Intermedites and Fine Chemicals.
- b) U.S.A -The company sells Intermediates
- c) Europe--The company sells Bulk Drugs and Intermedites
- d) Asia-The company sells Bulk Drugs and Intermedites

	Rupees in Lakhs				
	Manufacturing (CRAMS)	Services (DDDSS)	Research and Development	Un allocated	Total
Segment Revenue					
External Sales	11980.73 (9227.34)	2102.47 (2770.77)	-- --	-- --	14083.20 (11998.11)
Inter Segmental Adj.	--	--	--	--	--
Total	11980.73 (9227.34)	2102.47 (2770.77)	-- --	-- --	14083.20 (11998.11)
Segment Result					
Operating Profit	4053.97 (1988.04)	751.48 (1102.33)	(2946.04) (-2016.86)	(733.17) (-298.46)	1126.24 (775.05)
Other Income	--	--	--	--	535.04 (318.00)
Interest Expense	--	--	--	--	561.60 (457.15)
Exceptional items					590.01
Income Tax -Current Tax	--	--	--	--	56.30 (69.17)
-Deferred Tax	--	--	--	--	(270.45) (-283.78)
-Fringe Benefit Tax	--	--	--	--	11.60 (15.20)
Net Profit					712.22 (835.31)
Other Information					
Segment Assets	12809.24 (12260.27)	781.52 (2042.39)	4045.46 (4009.39)	951.92 (2124.32)	18588.14 (20436.37)
Segment Liabilities	1677.48 (1617.52)	285.90 (373.25)	623.45 (451.99)	272.28 (1065.38)	2859.11 (3508.14)
Capital employed	11131.76 (10642.74)	495.62 (1669.14)	3422.01 (3557.40)	679.64 (1058.95)	15729.03 (16928.23)
Capital Expenditure	659.52 (1090.61)	0 0.00	500.11 (988.61)	0 0.00	1159.63 (2079.22)
Depreciation	429.14 (379.02)	36.50 (32.25)	212.09 (216.97)	36.50 (32.24)	714.23 (660.48)



1. Segment Assets do not include Income Tax Rs.124.99 Lakhs (previous year Rs.103.70 Lakhs) Deferred Tax Asset (net) Rs.25.79 Lakhs (previous year Rs.Nil).
2. Segment Liabilities do not include
 - a. Shareholders funds Rs.11494.12 Lakhs (previous year Rs.11217.02 Lakhs)
 - b. Secured Loans Rs.4311.05 Lakhs (previous year Rs.5461.56 Lakhs)
 - c. Unpaid Dividend Rs.10.70 Lakhs (previous year Rs.8.87 Lakhs)
 - d. Provision for Income Tax Rs.117.13 Lakhs (Previous year Rs.133.53 Lakhs)
 - e. Deferred Tax Liability(net) Rs.nil (previous year Rs.244.66 Lakhs)
 - f. Proposed Dividend Rs.289.69 Lakhs (previous year Rs.289.28 Lakhs)
 - g. Provison for Tax on Dividend Rs.49.23 Lakhs (previous year Rs.49.16 Lakhs)

c) Geographical Information

Rupees in Lakhs						
	Revenue		Location Assets		Additions to Fixed Assets	
	As on 31.03.2009	As on 31.03.2008	As on 31.03.2009	As on 31.03.2008	As on 31.03.2009	As on 31.03.2008
INDIA	1241.55	3251.28	15061.94	14103.64	1159.12	2077.49
U S A	4378.15	4315.16	17.32	16.81	0.51	1.73
EUROPE	3542.85	4029.46	-	-	-	-
ASIA	4920.65	402.21	-	-	-	-
	14083.20	11998.11	15079.26	14120.45	1159.63	2079.22

14. Related Party Disclosures

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

Key Managerial Persons : Mr. Venkateswarlu Jasti
Mrs. Sudha Rani Jasti

Enterprises where Key Managerial Personal have Control or significant influence : M/s. Suven Nishtaa Pharma Pvt Ltd.

(Rupees in Lakhs)

Particulars	Enterprises where Key Managerial Persons have control or significant influence	Key Managerial Person	Total
Remuneration	-	95.01 (69.82)	95.01 (69.82)
Guarantees and Collaterals	2375.00 (2375.00)	-	2375.00 (2375.00)
Finance (Equity contributions in cash)	617.99 (223.64)	-	617.99 (223.64)
Balance outstanding		17.93 (9.43)	

Note: Figures in bracket indicates previous year figures.



15. Earnings per Share

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Net Profit after tax available for Equity shareholders	712.22	835.31
Weighted average of number of Equity shares outstanding during the year	11,57,76,330	11,54,97,500
Basic and Diluted Earnings per Equity share (Re.1/- Face Value)	0.62	0.72

16. No consolidated accounts has been prepared for the current year as the entire Investment in the subsidiary M/s. Suven Life Sciences LLC, USA has been written off.

17. Deferred tax Liabilities / Deferred tax Assets

Rupees in Lakhs		
Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Deferred Tax Liabilities		
Depreciation	2449.87	2388.35
Total	2449.87	2388.35
Deferred Tax Assets		
Unabsorbed Losses	2170.69	1900.55
MAT Credit	311.41	255.11
Disallowance u/s 40a(ia)	-	1.37
Provision for Gratuity and Leave Encashment	(6.44)	(13.34)
Total	2475.66	2143.69
Net Deferred Tax Liability/(Asset)	(25.79)	244.66

18. Hedging and Derivatives

Company has entered into derivative contract in a cross currencies of USD-CHF swap as a tool to reduce interest cost on the long term loans. The amount of derivate contract is USD.14.53 Lacs.

The following are the outstanding currency options contracts, which have been designated as cash flow Hedges, as at March 2009

Foreign Currency	No. of Contracts	Notional Amount of option contracts in Foreign Currency	Rupee Equivalent
USD	1	14.53 Lakhs	743.71 Lakhs

19. 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 31-03-2009 MT		Installed Capacity MT	Production for the year ended 31-03-2008 MT	
		For Sales	For Captive		For Sales	For Captive
a) Bulk Drugs *	162.000	89.240	0.904	162.000	111.622	0.070
b) Intermediates *	1144.000	411.817	5.446	1144.000	621.886	4.826
	1306.000	501.057	6.350	1306.000	733.508	4.896

*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. in Lakhs	Quantity MT.	Value Rs. in Lakhs
a) Bulk Drugs	88.962	1768.48	111.796	1795.47
b) Intermediates	353.814	10197.97	619.790	7415.87
c) Recoveries	--	14.28	--	16.01
d) Collaborative Research Project	--	629.61	--	2066.78
e) Contract Technical Services	--	732.34	--	224.77
f) Clinical Trials Services	--	147.91	--	362.42
g) Process Development Charges	--	592.61	--	116.79
	442.776	14083.20	731.586	11998.11

iii) Stocks - Finished Goods

	As on 31-03-2009		As on 31-03-2008	
	Quantity MT.	Value Rs. in Lakhs	Quantity MT.	Value Rs. in Lakhs
a) Bulk Drugs	2.810	47.51	3.437	73.22
b) Intermediates	134.639	1025.53	82.082	919.65
	137.449	1073.04	85.519	992.87

iv) Raw Materials Consumed

	CURRENT YEAR		PREVIOUS YEAR	
	Quantity MT.	Value Rs. in Lakhs	Quantity MT.	Value Rs. in Lakhs
a) 2-Amino-5-chloro-2-Fluorobenzophenone	17.750	402.14	9.275	180.72
b) Monochloro Acetic acid	321.578	146.78	703.906	325.36
c) Others		4379.29		3907.87
		4928.21		4413.95

v) C I F value of Imports

	CURRENT YEAR		PREVIOUS YEAR	
a) Raw Materials		2433.56		361.90
b) Components and Spare Parts		319.08		378.27



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

a) Raw Materials :

	CURRENT YEAR		PREVIOUS YEAR	
	Value Rs. in Lakhs	% to Total	Value Rs. in Lakhs	% to Total
i) Imported	2348.27	47.65	1662.55	37.67
ii) Indegenious	2579.94	52.35	2751.40	62.33
	4928.21	100.00	4413.95	100.00

b) Stores and Spares :

	CURRENT YEAR		PREVIOUS YEAR	
	Value Rs. in Lakhs	% to Total	Value Rs. in Lakhs	% to Total
i) Imported	-	-	-	-
i) Indegenious	30.37	100.00	67.18	100.00
	30.37	100.00	67.18	100.00

vii) Expenditure in Foreign Currency

	Rupees in Lakhs	
	CURRENT YEAR	PREVIOUS YEAR
Travel	105.62	103.41
Dividend	0.99	0.84
Sales Commission	65.90	28.70
Foreign Branch Expenses	527.99	371.54
Research & Development Expenses	669.87	300.31
	1370.37	804.80

viii) Earnings in Foreign Currency

	Rupees in Lakhs	
	CURRENT YEAR	PREVIOUS YEAR
FOB Value of Exports	10783.04	6123.45

20. 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 & CO**
Chartered Accountants

K. Ajay Kumar
Partner

Place : Hyderabad
Date : 28-07-2009

for and on behalf of the Board of Directors

Venkateswarlu Jasti
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
--	--	---	---	---	---	---	---

 State Code

0	1
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Balance Sheet Date

3	1		0	3		2	0	0	9
---	---	--	---	---	--	---	---	---	---

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>N</td><td>I</td><td>L</td><td></td><td></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	Bonus & ESOP <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td><td></td><td></td></tr></table>				N	I	L		
					N	I	L										
			N	I	L												

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

Total Liabilities <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>5</td><td>7</td><td>5</td><td>4</td><td>8</td><td>2</td></tr></table>		1	5	7	5	4	8	2	Total Assets <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>5</td><td>7</td><td>5</td><td>4</td><td>8</td><td>2</td></tr></table>		1	5	7	5	4	8	2
	1	5	7	5	4	8	2										
	1	5	7	5	4	8	2										

SOURCES OF FUNDS

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>8</td><td>7</td><td>4</td></tr></table>			1	1	5	8	7	4	Reserves & Surplus <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>0</td><td>2</td><td>8</td><td>5</td><td>0</td><td>3</td></tr></table>		1	0	2	8	5	0	3
		1	1	5	8	7	4										
	1	0	2	8	5	0	3										
Secured Loans <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>4</td><td>3</td><td>1</td><td>1</td><td>0</td><td>5</td></tr></table>			4	3	1	1	0	5	Deferred tax Liability <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td><td></td><td></td></tr></table>				N	I	L		
		4	3	1	1	0	5										
			N	I	L												

APPLICATION OF FUNDS

Net Fixed Assets <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>1</td><td>5</td><td>8</td><td>3</td><td>1</td><td>4</td></tr></table>		1	1	5	8	3	1	4	Investments <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td>6</td><td>2</td><td>3</td><td>1</td><td>5</td></tr></table>				6	2	3	1	5
	1	1	5	8	3	1	4										
			6	2	3	1	5										
Net Current Assets <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>3</td><td>5</td><td>2</td><td>2</td><td>7</td><td>4</td></tr></table>			3	5	2	2	7	4	Miscellaneous Expenditure <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
		3	5	2	2	7	4										
					N	I	L										
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>						N	I	L	Deferred Tax Asset <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td>2</td><td>5</td><td>7</td><td>9</td></tr></table>					2	5	7	9
					N	I	L										
				2	5	7	9										

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS):

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

Sudha Rani Jasti
Wholetime Director

K. Hanumantha Rao
Company Secretary

Place : Hyderabad
Date : 28.07.2009



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 Twentieth Annual General Meeting to be held on Tuesday the 22nd day of September, 2009 at 3.00 p.m. at Hotel Green Park, Green Lands, Begumpet, Hyderabad - 500 016.

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 Twentieth Annual General Meeting to be held on Tuesday the 22nd day of September, 2009 at 3.00 p.m. at Hotel Green Park, Green
Lands, Begumpet, Hyderabad - 500 016, and at any adjournment thereof

Signature _____

Affix
Rs.1.00
Revenue
Stamp

Signed this _____ day of _____ 2009.

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.

