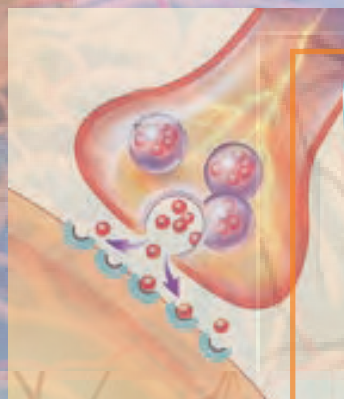


21st Annual Report

In Search of new CNS therapies for better living



2009-10



Suven Life Sciences Limited



CEO'S COMMUNIQUE

Dear Shareholders,

Global Scenario

As we all know with recent recession, uncertain economy, currency fluctuations, change in the global spending pattern, price pressure and healthcare reforms globally, has substantial impact on spending in the pharmaceutical Drug Discovery and Development arena. This change by the major pharmaceutical companies around the world lead to optimization of drug discovery and development process with alliances, collaborative research and by outsourcing activity, a trend which is easier said than done. The struggle within the pharmaceutical sector could be seen from the way the closure of R&D and Manufacturing facilities, reduction in the work force and mergers and acquisitions happening globally. **This new opportunity bodes well for the Indian companies who are in the innovation arena for forging collaborations and for capturing the outsourcing opportunity in Drug Discovery and Development.**



SUVEN'S FORAY INTO DRUG DISCOVERY

Success in drug discovery and development takes about 8-12 years and it is a "lengthy, expensive and difficult process" with low rate of new therapeutic discovery.

In India the drug discovery process and timelines are not yet well understood since we are accustomed to witnessing great and quick success in reverse engineering all through these years hence there is very little patience or understanding of the process.

With the tremendous support of all the shareholders, your company has ventured into this drug discovery arena during 2003 choosing Central Nervous System (CNS) disorders as a focus area which has high unmet medical need for which we are in search of new CNS therapies for better living.

R & D SPENDING

From 1950 to 2008, the US Food and Drug Administration (FDA) approved only 1,222 new drugs (new molecular entities (NMEs) or new biologics).

Only 34 new drugs and biologics were approved by FDA in the year 2009 and it is estimated that 2950 compounds are undergoing research as on date.

The percentage of Sales that went into R&D in 2009 by PhRMA companies is close to 16%, Where as Suven is spending on an average of 17.5% over the years. So far your company has spent about Rs 1850 million and out of which Rs 133 millions is written off on the P&L account.

You will be happy to note that your company is one of the very few self funded Drug Discovery companies in the world, which is a rarity, thanks to all the shareholders support all these years.

PATENT PIPELINE

Your company has filed 37 Product Patents and 10 process patents until now. A total of 333 product patents and 20 process patents were granted all over the world as of now.

Currently, the research and development cost of each New Molecular Entity (NME) is about US\$1.8 billion and takes about 8-12 years hence the invention needs to be protected through patents to have the market exclusivity when the product gets launched.



ROLE OF PATENTS

It is often quoted that, "if it is worth copying, it is worth protecting by way of patents".

Patents are only one of many kinds of Intellectual Property Rights (IPRs) and are granted for new products or for new processes. They give the owner an exclusive right to exploit those new products or processes for a maximum of 20 years. **IPR's, therefore, acknowledged as a powerful commercial tool and an important link between Research & Development and the marketplace.**

However, patenting alone does not guarantee for marketing access or success.

In India there is a misconception that merely grant of a patent itself can be monetized within a short span of time which is not a reality since the IPR is a prerequisite for future market exclusivity and potential of the molecule in development.

SUVEN'S PIPELINE - DISCOVERY

In the short span of 7 years, your company has built a robust preclinical and clinical stage pipeline of molecules. Your Company has twelve (12) 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 in addition to developmental candidate SUVN-502 for Alzheimer's disease and Schizophrenia.

SUVEN'S PIPELINE - DEVELOPMENT

SUVN-502 is entering into development stage soon i.e. Phase 2 a clinical trial for the treatment of cognitive impairment associated with Alzheimer's disease, Schizophrenia and ADHD etc. SUVN-502 is orally bio available potent and selective antagonist of the 5-HT₆ receptor which are exclusively located in the brain and antagonism of the receptor modulates the release of acetylcholine and glutamate, two neurotransmitters known to be involved with memory function. **SUVN-502 as of now offers symptomatic treatment for cognitive deficits** but gave considerable insight into the neurobiology of dementia hence can be used as a disease-modifying drug also in the future.

Out of the 12 candidates in the preclinical pipeline, three (3) of the pre clinical candidates are expected to move into Phase 1 clinical trial during the coming year and they are

SUVN-504 for obesity

SUVN-507schizophrenia and

SUVN-911 for major depressive disorder

GLOBAL CNS MARKET

Present global market for CNS is over \$100 billion of which market for Cognitive disorders itself is over \$20 billion where your company is concentrating presently.

- 180 million people worldwide suffer from CNS disorders that exhibit significant impairment of memory and other cognitive functions.
- 50% of adults aged over 65, are afflicted with Age associated cognitive decline

SUVEN'S FOCUS AREA - COGNITION

Most common mental disorders affect cognitive functions, mainly memory processing, perception and problem solving. **The most direct cognitive disorders are amnesia, delirium and dementia**

Dementia is a progressive and fatal brain disease and a general term for loss of memory and other mental abilities severe enough to interfere with daily life. It is caused by physical changes in the brain. **Most common form of dementia is Alzheimer's disease.** An estimated 37 million people worldwide suffer from dementia, with Alzheimer's disease causing the majority of the cases.



ALZHEIMER'S DISEASE

"We know that Alzheimer's disease is not just 'a little memory loss' - it is a national crisis that grows worse by the day," said Harry Johns, president and CEO of the Alzheimer's Association. "Alzheimer's not only poses a significant threat to millions of families, but also drives tremendous costs for government programs like Medicare and Medicaid."

**Alzheimer's disease to cost
United States \$20 trillion
over next 40 years**

RECENT DEALS

Because of high unmet medical need, Cognition became a prime deal area and a sample size of the few deals that has occurred recently are

- Dimebon (Medivation with Pfizer) Sep 2008
– \$225 Mil upfront
- Alzheimer's program (CoMentis with Astellas) Apr 2008
– \$100 Mil upfront (\$80+\$20) for Phase I program
- BACE discovery collaboration June 2009 (Vitae with BI)
– \$42 Mil for pure research stage program + IP

VALUE PROPOSITION FOR SUVEN

Based on the above deals, the value opportunity for Suven NCE's is stronger. The tipping point will emerge only when we can convert all these into quantitative parameters and a high growth trajectory with potential upfront licensing payments and milestone payments combined with double digit royalty stream on global sales if and when marketed.

In order to capture the value opportunity we need to progress SUVN-502 into Proof of Concept (Phase 2 a) stage and move the 3 preclinical candidates SUVN-504, SUVN-507 and SUVN-911 into IND (Phase 1) stage. **For this purpose your company is in the process of raising funds up to \$20 million which should happen Before Dec 2010.**

In addition to cognitive arena, your company is also focusing in other CNS disorders like schizophrenia, pain, depression and obesity which has a combined market size of over \$35 billion.

COLLABORATIVE RESEARCH PARTNERSHIP

As you are well aware, your company is collaborating with a leading pharmaceutical company Eli Lilly to expand our resources, reach and pipeline. We are in the process of establishing a new collaboration with a global player for which negotiations are underway.

As one could see from the value opportunity point of view that your company is in a sweet spot but success in Drug Discovery is not always guaranteed and when that success occurs, it is highly rewarding and transforms your company into a global player in the CNS disorders arena and after that there is no looking back.

MOVING FORWARD

Until now all of you have given the management the greatest support ever imagined in moving forward into this uncharted territory of drug discovery that too into a highly complex CNS disorders arena.

Nothing drives shareholder value or energizes a company more powerfully than profitable growth. Your patience combined with your management's perseverance and with your company's robust pipeline which is maturing fast should give your company the first success very soon.

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
Dr. Syed E Hasnain	Director

REGISTERED OFFICE

SDE Serene Chambers,
Road No.5,
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

DZR & Co., Cost Accountants
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.5, Banjara Hills, Hyderabad

REGISTRARS & SHARE TRANSFER AGENTS

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

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NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of Suven Life Sciences Limited will be held on Tuesday the 27th day of July 2010 at 2.30 p.m.. at **Hotel Green Park, Green Lands, Begumpet, Hyderabad 500016** to transact the following Businesses:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Audited Profit & Loss Account for year ended 31st March 2010 together with Director's Report and Auditor's Report thereon.
2. To declare a Dividend
3. To appoint a director in place of Dr S Ramachandran, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Dr M R Naidu, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint M/s. Karvy & Co., Chartered Accountants, Hyderabad, the retiring Auditors as Auditors for the year 2010-11 and to fix their remuneration.

Special Business

ITEM NO 6

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

"RESOLVED THAT Prof. Syed E Hasnain 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 as ordinary resolution

"RESOLVED THAT pursuant to Section(s) 269,198,309,310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the statutory authorities, if required, approval of the members be and is hereby accorded to the re-appointment of Shri Venkateswarlu Jasti as Chairman and CEO of the Company for a period of 5 years commencing from 4th January 2010 on the following terms and conditions

Salary

Rs 6,90,000 (Rupees Six lakhs Ninety Thousand only) per month with an annual increment not exceeding 15% of salary effective from the month of January every year as may be decided by the Board of Directors.

Commission

Not more than 1% on net profits of the company calculated as per section 349 and 350 of the Companies Act, 1956.

Perquisites

In addition to salary and commission as above said, the following perquisites will be paid and / or provided. Valuation of all perquisites shall be done in accordance with the provisions of the Income Tax Act 1962 and rules made thereunder. In the absence of any such rule, perquisites shall be evaluated at actual cost.

Part A

a) Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and his family members including dependant parents of appointee.

b) Leave Travel Concession

For self and family including dependant parents of appointee to and from any place in India once in a year in accordance with the rules of the Company.

c) Club Fees

Club fees subject to a maximum of 2 clubs will be allowed, provided that no admission or life membership fees shall be paid

d) Personal Accident Insurance

Personal accident insurance for a premium amount, which shall not exceed Rs 10,000 per annum.

Part B

a) Provident Fund

Company's contribution to Provident Fund as per the rules of the Company

b) Pension/Superannuation Fund

Company's contribution to Pension / Superannuation fund as per rules of the Company.

c) Gratuity

Payable in accordance with the approved fund at a rate not exceeding one-half month's salary for each completed year of service as per rules of the Company.

Part C

a) Car

Use of Company's car with driver for business purposes



b) Telephone and other communication facilities

Use of telephone and other communication facilities at residence for business purposes.

Other Benefits

Leave

One month full pay and allowances as per rules of the company, for every 11 months of service. Encashment of leave at the end of tenure as per rules of the Company.

Overall Remuneration

The overall remuneration payable to the Chairman and CEO shall not exceed the ceilings prescribed under section 198 and 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act including any re-enactment and modifications thereto.

Minimum Remuneration

In the event of company having no profits or its profits are inadequate in any financial year during the tenure of the appointment, then the remuneration of the Chairman and CEO shall be governed by the Section II of Part II of the Schedule XIII of the Companies Act, 1956 as amended from time to time.

ITEM NO 8

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

"RESOLVED THAT pursuant to Section(s) 269,198,309,310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the statutory authorities, if required, approval of the members be and is hereby accorded to the re-appointment of Smt Sudha Rani Jasti as Wholtime Director of the Company for a period of 5 years commencing from 4th January 2010 on the following terms and conditions

Salary

Rs 3,05,000 (Rupees Three lakh Five Thousand only) per month with an annual increment not exceeding 15% of salary effective from the month of January every year as may be decided by the Board.

Commission

Not more than 0.5% on net profits of the company calculated as per section 349 and 350 of the Companies Act, 1956.

Perquisites

In addition to salary and commission as above said, the following perquisites will be paid and / or provided. Valuation of all perquisites shall be done in accordance with the provisions of the Income Tax Act 1962 and rules made

thereunder. In the absence of any such rule, perquisites shall be evaluated at actual cost.

Part A

a) Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and her family members including dependant parents of appointee.

b) Leave Travel Concession

For self and family including dependant parents of the appointee to and from any place in India once in a year in accordance with the rules of the Company.

c) Club Fees

Club fees subject to a maximum of 2 clubs will be allowed, provided that no admission or life membership fees shall be paid

d) Personal Accident Insurance

Personal accident insurance for a premium amount, which shall not exceed Rs 10,000 per annum.

Part B

a) Provident Fund

Company's contribution to Provident Fund as per the rules of the Company

b) Pension/Superannuation Fund

Company's contribution to Pension / Superannuation fund as per rules of the Company.

c) Gratuity

Payable in accordance with the approved fund at a rate not exceeding one-half month's salary for each completed year of service as per rules of the Company.

Part C

a) Car

Use of Company's car with driver for business purposes

b) Telephone and other communication facilities

Use of telephone and other communication facilities at residence for business purposes.

Other Benefits

Leave

One month full pay and allowances as per rules of the company, for every 11 months of service. Encashment of leave at the end of tenure as per rules of the Company.



Overall Remuneration

The overall remuneration payable to the Wholetime Director shall not exceed the ceilings prescribed under section 198 and 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act including any re-enactment and modifications thereto.

Minimum Remuneration

In the event of company having no profits or its profits are inadequate in any financial year during the tenure of the appointment, then the remuneration of the Wholetime Director shall be governed by the Section II of Part II of the Schedule XIII of the Companies Act, 1956 as amended from time to time.

ITEM NO 9

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 314(1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003 and subject to the approval of the Central Government, the Company hereby give consent for the appointment of Ms Kalyani Jasti, a relative of director of the Company as the President (US Operations) of the Company w.e.f 1st September 2010 on the salary, allowances and perquisites as under:

Salary: \$120,000 p.a.

Performance Bonus: 20% of salary."

"RESOLVED FURTHER THAT Ms Kalyani Jasti shall also be entitled for the reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by her from time to time, in connection with the Company's business and any other allowances, benefits and perquisites as are provided to the senior executives of the Company and/ or which may become applicable in the future and / or any other allowance, perquisite as the Board may decide from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby empowered to sanction at their discretion increment to Ms Kalyani Jasti and the Board be and is hereby further empowered to withhold the annual increment as it may consider in the best interest of the Company from time to time."

"RESOLVED FURTHER THAT the remuneration payable to Ms Kalyani Jasti as aforesaid shall be subject to such modification as the Central Government may suggest or require which the directors are hereby authorized to accept on behalf of the Company."

"RESOLVED FURTHER THAT Ms Kalyani Jasti shall be in the exclusive employment of the company and will not hold a place of profit in any other company during her employment in the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as are necessary to give effect to the aforesaid resolution."

ITEM NO 10

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 and/or private placement, 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 : 30th April 2010

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 July 21st 2010 to July 23rd 2010 (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 July 20th 2010 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.

EXPLANATORY STATEMENT

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

ITEM NO 6

Prof. Syed E Hasnain was co-opted as Additional Director on the Board of the company pursuant to section 260 of the Companies Act, 1956 on 30th April 2010. Prof. Syed E Hasnain holds office of the Director up to the date of this Annual General Meeting. The Company has received notice from a member alongwith required deposit, proposing the candidature of Prof. Syed E Hasnain 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 profile of Director is given under the head "Brief profiles of the Directors seeking appointment /re-appointment at the AGM."

None of the Directors except Prof. Syed E Hasnain is concerned or interested in the resolution.

ITEM NO(s) 7 & 8

The Board of Directors in their meeting held on 27th January 2010 has re-appointed Shri Venkateswarlu Jasti as Chairman & Chief Executive Officer (CEO) of the Company and Smt Sudha Rani Jasti as Wholtime Director of the Company for a period of 5 years w.e.f 4th January 2010. As required under section 302 of the Companies Act, 1956 an abstract of memorandum of terms and conditions of the appointments was circulated to the members in the month of February 2010. Keeping in view the industry standards and onerous responsibilities being shouldered by the managerial personnel, the Board has increased the remuneration of Shri Venkateswarlu Jasti and Smt Sudha Rani Jasti as set out in the resolutions at item No(s) 7 & 8 of the Notice of this AGM.

The Board recommends these resolutions for your approval.

None of the Directors of the company is any way concerned or interested in the resolution, except Shri Venkateswarlu Jasti and Smt Sudha Rani Jasti.

ITEM NO 9

The Business operations of Suven Life Sciences Ltd in the United States of America have been growing over the years. The growth now necessitates strengthening of the team in US with a team leader having US domain expertise in marketing, negotiations and managerial practices and ability to implement efficient controls and processes.

The Selection Committee of Independent Directors at its meeting held on April 30, 2010 considered the proposal for appointing Ms Kalyani Jasti as the President (US Operations) of the company to be based in US. Ms.Kalyani Jasti, aged 31 years holds Masters Degree in Engineering from Stevens Institute of Technology, Hoboken, New Jersey, USA. She had worked for over 6 years in a Managerial capacity with Consolidated Edison Company of New York, Inc. (a subsidiary of Consolidated Edison Inc, one of the largest investor-owned energy companies in the United States, with multi billion USD in annual revenues and multi billion USD in assets). The Selection Committee of Independent Directors after due deliberation with regard to Kalyani Jasti's educational background and work experience recommended her appointment for consideration to the Board of Directors.

The Board of Directors at its meeting held on April 30, 2010 considered the recommendations of the Selection Committee and appointed Kalyani Jasti as the President (US Operations) of the Company on a salary of USD 120,000 per annum and a performance Bonus of 20% of the salary. The appointment, effective from September 1, 2010, is subject to approval of Shareholders and the Central Government. Ms.Kalayni Jasti is related to Shri Venkateswarlu Jasti, Chairman & CEO and Smt Sudha Rani Jasti, the Whole Director of the Company.

Ms Kalyani Jasti as the President (US Operations) of the Company will be responsible for all the business processes and operations of the Company reporting to Chairman & CEO of the Company. The remuneration proposed to be paid to Ms Kalyani Jasti is commensurate with her experience and is in line with industry standards prevalent in the United States of America.



In terms of the provisions of Section 314(1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003, the appointment of relative of Director of the Company on a remuneration exceeding Rs 50,000/- p.m. requires the approval of the members by way of special resolution and the Central Government. The Ms Kalyni Jasti's appointment is expected to strengthen the management in enlarging the US operations of the Company and thus the Board recommends this resolution for approval of the members,

Except Shri Venkateswarlu Jasti and Smt Sudha Rani Jasti being relatives of the proposed appointee, none of the Directors of the Company is concerned or interested in the above said resolution.

ITEM NO 10

It may be recalled that in the last AGM held on 22nd September 2009, 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 : 30th April 2010

K Hanumantha Rao
Company Secretary



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

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

Dr.M.R.Naidu is also a Director on the Board of Nile Limited and Amaraja Batteries Ltd. Dr.M.R.Naidu is a member of Audit Committee and Investor Grievance Committee and he is holding 7,000 shares in the Company

2. **Dr. S. Ramachandran** M.Sc.,Ph.d is a renowned Synthetic Organic Chemist having 42 years of experience and is of immense value to the Company in R & D activities for Drug Intermediates and Fine Chemical Intermediates planned for the Company. Dr.S.Ramachandran is also a Director on the Board of Vasudha Pharma Chem Limited

Dr.S.Ramachandran is a member of Audit Committee and Chairman of Investor Grievance Committee and he is holding 20,000 shares in the Company.

3. **Mr. Venkateswarlu Jasti** is a Post Graduate in Pharmacy from Andhra University, Visakhapatnam, and also a Post Graduate in Pharmacy from St. John University, New York, specializing in Industrial Pharmacy. Having registered himself as a Registered Pharmacist, he successfully managed M/s Clinton Bergen Drug Company, M/s Park Way Central Pharma and M/s Kayes Drug Company, NJ, USA. He was the president elect of Essex County Pharmaceutical Society of NJ which no other Indian occupied till now.

He returned from USA to India in 1988-89 and promoted this company in 1989. Since then, he been successfully managing the company and providing the right direction and leadership in developing technologies, upgrading the facilities, development of export markets etc.

Mr. Jasti has been the Past President of Indian Pharmaceutical Association, and Chairman of Local Organizing Committee for the 52nd Indian Pharmaceutical Congress held at Hyderabad and was President of Bulk Drug Manufacturers Association of India (BDMA) till September, 2004.

He was also the Ex-Chairman for Pharmexcil (Pharmaceutical Export Promotion Council) an exclusive

statutory body for the promotion of exports of all pharma and biotech products which was set up by Govt. of India.

Mr. Jasti is the Chief architect for the formation of A.P. Chief Minister's task force for Pharma during 2001 and responsible for the creation of Pharma City at Vizag by Govt of Andhra Pradesh and Pharmexcil (Pharmaceutical Export Promotion Council) head quartered at Hyderabad by Govt of India.

Mr Jasti is a member of ESOP Compensation Committee and he holds 2,24,20,940 shares in the company

4. **Smt. Sudha Rani Jasti** is a Graduate in Sciences. Mrs Jasti has vast experience in running the business in U.S.A. Mrs Jasti has been successfully managing the administrative matters and operations of the Company.

Smt Sudha Rani Jasti is a member of Investor Grievances Committee and she holds 2, 02, 26,512 shares in the Company

5. **Prof Syed E Hasnain** FNA, FASc, FNASc, FTWAS is currently the Vice Chancellor of the University of Hyderabad. Before he became the vice chancellor in Dec 1995 he was the first director of CDFD since 1999. He holds a PhD degree from JNU [1980]. He also received post-Doctoral Fellowship from the University of Alberta, Canada.

He has been nominated by the Prime minister of India for the membership of the Scientific Advisory Council to the Prime Minister, the highest decision and policy making body for Science and Technology for the country.

He is also the recipient of Padmashri award from President Abdul Kalam.

Scholarly pursuits and Distinctions of Prof. Hasnain

- Elected Fellow, German National Academy of Sciences Leopoldina
- Fellow, Third World Academy of Sciences (TWAS)
- Member, Scientific Advisory Council to the Union Cabinet
- J C Bose National Fellow, University of Hyderabad
- Receiving Editor, Infection Genetics and Evolution
- Honorary Professor, JNCASR, Bangalore, India
- Founding Fellow and Adviser, ISOGEN Distinguished Professor at the Institute of Life Sciences
- Dr. Hasnain has authored more than 175 original research papers and several book chapters. He has about a dozen patents filed in India and abroad.



DIRECTORS' REPORT

Your Company's Board of Directors has pleasure in presenting this 21st Annual Report together with Audited Accounts of the Company for the financial year 2009-10.

FINANCIAL RESULTS

	Current Year Ended 31-03-10 (Rs in Lakhs)	Previous Year Ended 31-03-09 (Rs in Lakhs)
Sales and other incomes	13388.83	14614.60
Gross Profit	1393.73	2276.70
Less: Interest	494.03	674.94
Depreciation	529.14	502.15
Profit before Tax	370.55	1099.68
Less:		
1) Exceptional Item	0.00	590.00
2) Provision for Taxation	(329.51)	(202.55)
Profit after Tax	700.06	712.22
Add: Balance brought forward	1473.55	1200.24
Profit available for appropriation	2173.61	1912.47
Appropriations:		
Dividend	289.69	289.69
Dividend tax	48.11	49.23
Transfer to General Reserve	71.00	100.00
Balance carried forward	1764.81	1473.55

YEAR IN RETROSPECT

During the year under review, your company has achieved a total income of Rs 13388.83 lakhs comprising exports revenue of Rs 11687.17 lakhs and domestic revenue of Rs 1295.05 lakhs and other income of Rs 49.39 lakhs. We could maintain Profit after tax of around 7 crores inspite of global meltdown which has affected your company's revenue reduction by about 10% with the postponement and cancellations of the orders from global pharma majors during the year in retrospect.

EXPORTS

Despite global economic slowdown, your Company is able to sustain 90% turnover as export revenue which is to the tune of Rs 11687.17 lakhs

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 2009-10 which will absorb a sum of Rs 337.80 lakhs including tax on dividend on the 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.

RESEARCH AND DEVELOPMENT

SUVEN continues to focus on innovative R&D in the area of CNS disorders by spending Rs 3660.31 lakhs which is 28.19% of the turnover during the year under retrospect. Suven's lead clinical candidate SUVN-502 will commence its Phase 2a PoC (Proof of Concept) studies during the fiscal 2010/11 after completion of long term safety toxicology. Your Company has twelve 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 3 out of that pipeline is expected to move into Phase 1 clinical studies during the fiscal 2010/11.

Your Company is negotiating for an additional Collaborative Research Partnership (CRP) project with a global pharma major.

EVENTS AFTER THE BALANCE SHEET DATE

On 5th April 2010 a fire accident occurred in leased warehouse which is away from the main R&D unit of your company at Jeedimetla, RR Dist. Andhra Pradesh where the existing raw material stocks worth Rs 95 lakhs were burnt which were fully insured.. Your Company has lodged a claim with the insurance company for recovery of the estimated loss of Rs 95 lakhs and the claim is under process.

SOCIAL RESPONSIBILITY

Your company continues to shoulder its social responsibility and has made contributions to various charities like education, sports, spiritual and cultural programs and provided Reverse Osmosis systems and dug bore wells for the



supply of drinking water to the neighboring villages around the plant facilities during the year.

DIRECTORS

The previous tenures of Shri Venkateswarlu Jasti , Chairman & CEO and Smt Sudha Rani Jasti, Wholetime Director of your company which have come to an end on 3rd January 2010, have been renewed for a further period of 5 years each w.e.f. 4th January 2010 in accordance with the applicable provisions of the Companies Act, 1956.

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

Prof. Syed E Hasnain has joined the Board of your Company as additional director on April 30,2010..

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

INVESTOR SERVICE

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

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

REPORT ON CORPORATE GOVERNANCE

A detailed Report on Corporate Governance prepared in substantial compliance with the provisions of Listing Agreements with the Stock Exchanges together with the Auditors' Certificate regarding the compliance of conditions of corporate governance, forms part of Annual Report. A

Report on Management Discussion and Analysis is prepared and attached to the Director's Report.

COST AUDIT

In pursuance of Section 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 2009-10 is in process and the Report will be submitted to the Central Government within the prescribed time limit.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i) The applicable accounting standards have been followed in the preparation of the Annual Accounts.
- ii) Accounting policies have been selected and applied consistently and judgements and estimates made when required that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Annual Accounts have been prepared on a going concern basis.

PUBLIC DEPOSITS

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

AUDITORS

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



PERSONNEL

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

Name of Employee	Age	Designation/ Nature of Duties	Gross Remuneration Rs. in Lakhs	Qualification	Experience in years	Date of Commence- ment	Particulars of last Employment
Dr N.V.S.Ramakrishna	48	Vice-President (Discovery Research)	76.80	M.Sc, PhD	21 Years	04-03-2002	Vice-President (Discovery Research) Zydus Cadila
Dr A.Veera Reddy	54	Vice-President (R&D)	33.98	M.Sc, PhD	28 Years	04-04-2001	General Manager (R&D Chemicals) Unichem Laboratories Limited
Dr C Rajendiran	48	Vice-President (Process R&D)	29.28	M.Sc, PhD	17 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 : 30th April 2010

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 31.03.2010	Previous year ending 31.03.2009
1	Power and fuel Consumption			
a)	Purchased Units	In KWH	9,088,622.00	10,515,347.00
	Total Amount	Rs.	34,325,060.00	37,831,984.00
	Rate/Unit	Rs	3.78	3.60
b)	Own Generation -	Units		
	Diesel Generator	In KWH	1,285,309.00	809,269.00
	Units / Liter of Diesel Oil	In KWH	3.01	3.25
	Cost/Unit	Rs.	11.85	11.83
2	a) Steam coal 'C' Grade Used in Boiler to generate steam for the process			
	Quantity	In Mts	5,352.25	6,692.11
	Total ost	Rs.	18,450,776.00	23,373,047.00
	Average Rate/MT	Rs.	3,447.29	3,492.63
	b) Furnace Oil			
	Quantity	In KL	513.44	446.24
	Total cost	Rs.	13,637,911.00	14,631,741.00
	Average Rate/KL	Rs.	26,562.10	32,788.95
	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.

- Suven's innovative R&D is in the search of new CNS therapies for better living. During the year we have expanded our therapeutic category in CNS into Pain and Major Depressive Disorder in addition to the existing areas targeting ailments like obesity, cognition in Alzheimer's disease, ADHD and Schizophrenia etc.
- During the year the long term safety toxicology is in progress in order for the lead compound to advance into Phase 2a PoC (Proof of Concept) study.

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

- Progression into new disease areas and also advancement of Phase 1 compound SUVN-502 into Phase 2a enabling tox studies.

3. Future plan of Action.

- Moving 3 of the preclinical candidates SUVN-504 for Obesity, SUVN-507 for Schizophrenia and SUVN-911 for Major depressive disorder into IND (Phase 1 clinical) stage.



4. Expenditure on Research and Development.

	Current Year Ended 31-03-10 (Rs. in Lakhs)	Previous Year Ended 31-03-09 (Rs. in Lakhs)
a) Capital	245.24	500.11
b) Recurring	3415.07	2946.04
c) Total	3660.31	3446.15
d) Total R&D Expenditure as a percentage of total turnover	28.19%	24.47%

II. Technology Absorption, Adoption and Innovation

- Efforts, in brief, made towards technology absorption, adoption and innovation.
 - Suven's CRAMS division has continually engaged in process development activities for the innovators intermediates and API requirements.
 - Suven's drug discovery division continues to innovate and is in search of new CNS therapies for better living by expanding into new disease areas like pain and major depressive disorders in addition to the existing pipeline of molecules.
- Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.
 - During the year Suven's innovative R&D has achieved greatest success with the grant of 142 product patents.
 - It is same as with CRAMS division with the achievement of 15 process patents during this year.
- 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 : 30th April 2010

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 2010

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	35,70,000
(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	7,30,670
(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	24,19,880
(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.0.60	
(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 2009-10. Had the company used the fair value method, the ESOP cost in the financial year would have been Rs 2,46,55,291 and net profit would have reduced by this amount. The EPS (in Rs) would have been 0.39	
(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 2010 were - 24,19,880. The weighted average exercise price of the outstanding options as on March 31st 2010 was Rs 23.80 and the weighted average fair value of the outstanding options as on March 31st 2010 was Rs 17.71	
(n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: (i) risk-free interest rate, (ii) expected life, (iii) expected volatility, (iv) expected dividends, and (v) the price of the underlying share in market at the time of option grant.	The company has opted to use the Intrinsic value method for accounting of compensation cost arising out of ESOP. However for disclosures in Para 12 above the following assumptions have been made 6.5% 48 months 50% 1.33% Date of grant Market price 18-09-2004 Rs. 74.85 30-07-2005 Rs. 88.65 29-04-2006 Rs. 82.45 30-09-2006 Rs. 101.15 03-05-2007 Rs. 41.00 28-01-2008 Rs. 36.40	



MANAGEMENT'S DISCUSSION AND ANALYSIS

Industry Outlook and opportunities ---- Global

The pharmaceutical market worldwide, after having experienced exponential growth over the past few years, is now witnessing a slump due to global meltdown. This decline in global pharma market is largely attributed to the patent expiry of key blockbusters together with saturation in key pharma markets such as the US and Western Europe resulting in cost cutting activity by all the major players. Meanwhile, pharma markets in some developing regions like Asia and Latin America have been continuously witnessing robust growth rate in last few years on account of increasing prevalence of diseases, rising healthcare spending and increasing affordability. Overall, these markets enjoy good growth potential in coming few years.

Global pharma industry is projected to grow at a CAGR of around 6% during next five years. Global pharmaceutical market is forecasted to cross \$1 trillion by 2013.

Indian Pharmaceutical market is highly fragmented but dominated by Indian companies. The growth in India is driven by strong economy, rising disposable income, increased healthcare expenditure, changing disease profile and availability of medicines at an affordable cost. The industry is expected to grow to \$30 billion by 2020.

Recessionary trends across world markets saw players reducing inventory levels to three-four months requirements as against 12 months previously. This meant that the global financial crisis had a far more significant impact on CRAMS players than the rest of the industry.

Competitive pressures across the global pharmaceutical market have prompted the industry players to continually alter their strategies to sustain revenue growth. Forecasting the future scenario, Suven has embarked on an innovation trail way back in 1995 by refocusing their business model into CRAMS (Contract Research And Manufacturing Services) (1995), later into drug discovery (2003) followed by DDDSS (Drug Discovery and Developmental Support Services) (2005) and finally into CRP (Collaborative Research Partnership) (2006) in a time bound manner.

Innovation: For the Indian pharma companies, for moving to next level and ensuring sustained growth, they will have to focus on innovation as well as a means of creating a distinct identity and value for their businesses.

Suven has demonstrated the need to innovate by developing its own product portfolio to include speciality and niche drugs in CNS therapies apart from entering into alliances with innovator companies to synergize resources in CRPs.

CRAMS players in India have done well over the years, and also built a reputation for providing early stage Drug Discovery and drug development Support Services (DDDSS). Though some opportunities have been exploited already, significant opportunities still abound as companies seek to outsource operations for a more focused and resource optimized approach.

Collaborative Research Partnerships (CRP): India witnessed collaborative alliances between global pharma companies and Indian players. This model works very well in the research space where funding for Indian companies is the biggest constraint. In this CRP model collaborator not only comes up with the targets to work on but also provides part of the research costs along with success based milestones and launch based global royalties thus making a win-win situation for both the parties and making the Indian counterpart a global player.

So far Suven has established 2 collaborative partnerships with one strategic global partner and in the years to come, Suven is looking for more and more Collaborative Research Partnership (CRP) agreements with global pharma majors aimed at leveraging existing resources and proven capabilities and for Suven - this could be a platform to rise to next level.

Industry Outlook and opportunities---- India

The Pharmaceutical Industry in India plays an important role in promoting and sustaining development in the field of global medicine. Due to the presence of low cost manufacturing facilities, educated and skilled manpower and cheap labour force among others, the industry is set to scale new heights in the fields of production, development, manufacturing and research.

With several companies slated to make investments in India by mergers, alliances and acquisitions, the future scenario of the Indian Pharmaceutical Industry looks pretty promising.

SWOT Analysis

STRENGTHS

- Indian manufacturers are one of the lowest cost producers of drugs in the world. With a scalable labour force, Indian manufactures can produce drugs at 40% to 50% of the cost to the rest of the world.
- Indian pharmaceutical industry is expanding into biology skills in addition to possessing excellent chemistry and process reengineering skills. This adds to the Drug Discovery component and innovation capabilities leading to very high growth opportunity.

WEAKNESSES

- Lack of proper infrastructure
- Regulatory obstacles
- Expensive research equipments
- Lack of academic collaboration
- Due to very low entry barriers, Indian pharma industry is highly fragmented. This makes Indian pharma market increasingly competitive. The industry witnesses price competition, which reduces the growth of the industry in value terms.

OPPORTUNITIES

- Approved Pharmaceutical units are eligible for weighted tax reduction at 200% for the research and development expenditure incurred.



- The Department of Pharmaceuticals is mulling the creation of drug research incubators which can be used by private companies for research work on rent
- The domestic pharma market is likely to reach US\$ 20 billion by 2015
- Due to the low cost of R&D, the Indian pharmaceutical Industry will attract huge R&D outsourcing activity from global majors.

THREATS

- Threats from other low cost countries will certainly affect the growth which partially can be offset by the good regulatory experience.
- Lack of training facilities both from public and private sectors will slow the innovation based activity.
- Finally lack of financing for innovation will scuttle the growth.

Financial and Operating performance

The company has achieved a total income of Rs 13388.83 lakhs comprising exports revenue of Rs 11687.17 lakhs and domestic revenue of Rs 1295.05 lakhs and other income of Rs 49.39 lakhs. Suven could achieve and maintain Profit after tax of around 7 crores in spite of global meltdown which has affected your company's revenue reduction by about 10% with the postponement and cancellations of the orders from global pharma majors during the year in retrospect.

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

At Suven imparting training is a continuous process so as to keep employees abreast of latest developments in the R&D space. Since we are in drug discovery arena not many trained people are available, hence the focus at Suven has been to train the fresh graduates to meet our requirements by training new recruits before they were assigned with a specific area of research.

Risk Management

The company continues to adopt best risk management practices. Several risks include those related to changing regulations and related compliance, increasing pricing pressure, foreign currency fluctuations and uncertainty over innovation efforts. The management of Suven duly considers and takes appropriate action on the recommendations made by the internal auditors, statutory auditors and audit committee of the board of directors.

Safety, Health and Environment.

Your company continues 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.

Regulatory Achievements

Suven has re-certified its 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 14 Drug Master Files (DMF's) with US FDA and 17 DMF's in European Markets 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 2010 the Company's Board of Directors Consists of 2 Executive Directors and 5 Non- Executive and Independent Directors and the following is the percentage of Executive and Non-Executive Directors of the Company.

Category of Directors	No of Directors	% of Total No of Directors
Executive Directors	2	30 %
Non-Executive and Independent	5	70 %

- 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 Director-ships	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	2	5	3	YES
Dr K V Raghavan	Independent and Non-Executive Director	Nil	1	1	5	5	YES
Dr S Ramachandran	Independent and Non-Executive Director	1	1	1	5	5	YES
Shri D G Prasad	Independent and Non-Executive Director	2	1	2	5	5	YES
Dr Martin Tolar	Independent and Non-Executive Director	Nil	Nil	Nil	5	Nil	NO

- c) During the year, 5 (Five) Board Meetings were held on the following dates: - April 29th 2009, July 28th 2009, September 22nd 2009, October 31st 2009 and January 27th 2010.
- d) None of the Directors is related to other Directors, except Shri Venkateswarlu Jasti who is spouse of Smt Sudha Rani Jasti.

The time gap between any two meetings 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	5
Dr. M R Naidu	Member	Non-Executive Independent	2
Dr K V Raghavan	Member	Non-Executive Independent	5
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 April 29th 2009, July 28th 2009, September 22nd 2009, October 31st 2009 and January 27th 2010. 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

(Rs. in Lakhs)

Particulars	Chairman & CEO		Wholetime Director	
	2009-10	2008-09	2009-10	2008-09
Salary & Allowances	14.83	36.00	16.55	32.78
Commission	0.00	11.96	0.00	5.98
Contribution to Provident Fund	5.76	4.32	3.95	3.93
Perquisites	–	–	0.08	0.04
Total	20.59	52.28	20.58	42.73

- 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 2010	No of Stock Options
Dr M R Naidu	31000	7,000	6,000
Dr K V Raghavan	75000	2,000	6,000
Dr S Ramachandran	79000	20,000	6,000
Shri D G Prasad	75000	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	1
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@suven.com to address the various queries /grievances of investors in terms of SEBI's requirement. Shareholders may write their queries / grievances, if any, to this designated email id.

- e) No of Shareholders Complaints received

During the year 2009-2010, 185 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 31.03.2010 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 5 (five) times during the financial year 2009-10.

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
2008-09 22.09.2009	Hotel Green Park, Greenlands, Begumpet, Hyderabad	3.00 p.m.	One
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

- 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 21st 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- 5, Banjara Hills, Hyderabad -500034.
	Date and Time of Annual General Meeting	Tuesday, 27th July 2010 at 2.30 p.m.
	Venue of the Annual General Meeting	Hotel Green Park, Green Lands, Begumpet, Hyderabad - 500 016
	Financial Year	2009-10
	Date of Book Closure	(21-07-2010 to 23-07-2010 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 2010 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)

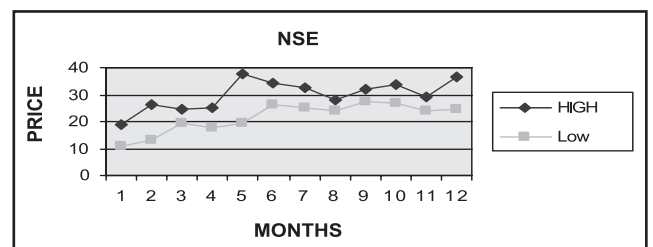
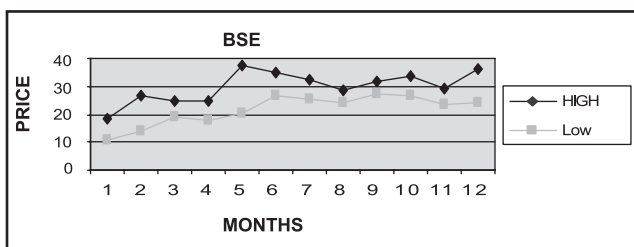
ii) The Company has paid the Listing fees for the year 2010-11 to both the Stock Exchanges

iii) Market Price Data

Monthly high and low equity share
(Rs 1/- per share) quotations on
Bombay Stock Exchange Limited
for the financial year 2009-10.

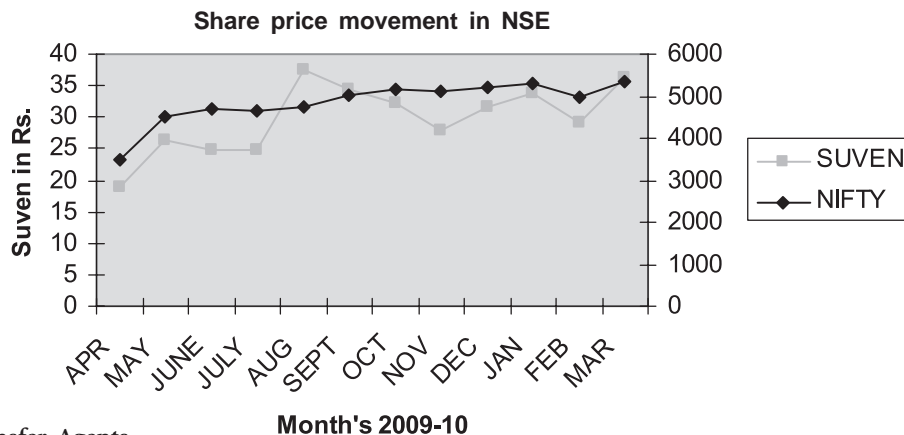
Monthly high and low equity share
(Rs 1/- per share) quotations on
National Stock Exchange of India Limited
for the financial year 2009-10

BSE			NSE		
Month	HIGH	LOW	Month	HIGH	LOW
Apr-09	18.55	11.11	Apr-09	18.80	11.00
May-09	26.40	13.90	May-09	26.50	13.25
Jun-09	25.00	19.05	Jun-09	24.80	19.20
Jul-09	24.65	18.05	Jul-09	24.95	17.90
Aug-09	37.40	20.60	Aug-09	37.60	19.25
Sep-09	34.75	26.50	Sep-09	34.30	26.50
Oct-09	32.50	25.25	Oct-09	32.30	25.10
Nov-09	28.35	24.00	Nov-09	28.00	24.00
Dec-09	31.45	27.10	Dec-09	31.75	27.35
Jan-10	33.85	26.90	Jan-10	33.90	26.95
Feb-10	29.40	23.45	Feb-10	29.15	24.05
Mar-10	36.40	24.30	Mar-10	36.40	24.40





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

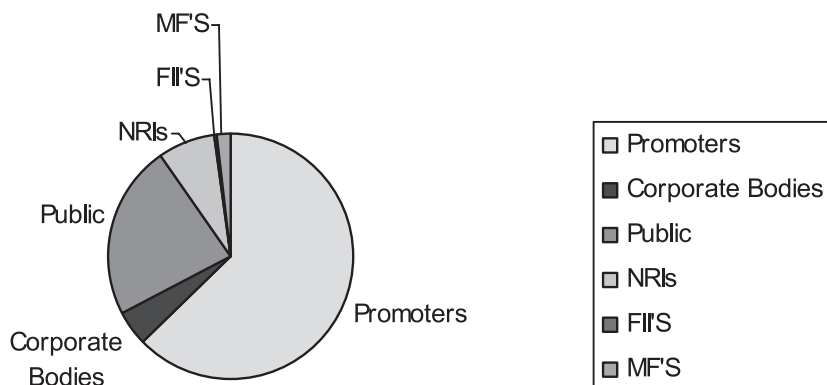
e) Share Transfer System

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 47c of Listing agreement

f) Statement showing Shareholding pattern
Shareholding pattern as on 31st March 2010

Sl. No	Category	No of Shares	% to Equity
1	Promoters	72655028	62.70
2	Corporate Bodies	5416901	4.67
3	Public	26543702	22.91
4	NRIs	8682013	7.49
5	Foreign Institutional Investors	343345	0.30
6	Mutual Funds & Banks	2233411	1.93
	Total	115874400	100.00





g) Distribution of shareholdings as on 31st March 2010.

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	36139	97.26	17148653	14.80
5001	10000	583	1.57	4291266	3.70
10001	20000	246	0.66	3569764	3.08
20001	30000	67	0.18	1636965	1.41
30001	40000	34	0.09	1220694	1.05
40001	50000	16	0.04	749706	0.65
50001	100000	35	0.09	2417174	2.09
100001 and above		37	0.10	84840178	73.22
Grand Total		37157	100	115874400	100

h) Dematerialization of shares and liquidity

85.71 % of shares were dematerialised as on 31st March 2010. Members are encouraged to opt for dematerialisation of shares to eliminate bad deliveries, forgery, fake transfers etc., in the market. 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 every quarter and also submitted to Stock Exchange(s) every quarter.

k) Additional Information

Plant Locations

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

Unit 2. Pashamylaram, Medak Dist, Andhra Pradesh

Research Centre (1)

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

Research Centre (2)

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

Address for correspondence

Regd. Office:
SDE Serene Chambers,
Road No 5, 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 31,2010.

Place : Hyderabad

Date : 30th April 2010

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 2010, 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)
(Firm Regn. No. 001757 S)

Place : Hyderabad
Date : 30-04-2010



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, 2010, 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, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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, 2010;
 - 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)

(Firm Regn. No. 001757 S)

Place : Hyderabad
Date : 30.04.2010



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) There are no fixed assets disposed off during the year and therefore the going concern assumption is not affected.
- 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) to (iii) (d) of the paragraph 4 of the Order are not applicable.
 - b) According to the information and explanations given to us, the Company has taken an unsecured loan from the party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is Rs. 7.10 Crores and the year end balance is Rs. 6.60 Crores.
 - c) In our opinion and according to the information and explanation given to us, the said loan is interest free loan and other terms and conditions are prima facie not prejudicial to the interest of the company.
 - d) According to the information and explanations given to us, the said loan is repayable on demand and there is no repayment schedule.
- 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, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues to the extent applicable with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the above are in arrears as at the year end for a period of more than six months from the date on which they become payable.

b) According to the information and explanations given to us there are no amounts in respect of Income tax, Sales Tax, Wealth 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. 021989)

(Firm Regn. No. 001757 S)

Place : Hyderabad

Date : 30.04.2010



BALANCE SHEET AS AT 31ST MARCH, 2010

	SCHEDULE	AS AT 31/03/2010 Rs. in Lakhs	AS AT 31/03/2009 Rs. in Lakhs
I. SOURCES OF FUNDS			
1 SHAREHOLDERS' FUNDS			
a) Share Capital	A	1158.74	1158.74
b) Reserves & Surplus	B	10647.29	10285.03
2 LOAN FUNDS			
a) Secured Loans	C	4345.80	4311.05
b) Unsecured Loans		660.46	0.00
T O T A L		16812.29	15754.82
II. APPLICATION OF FUNDS			
1 FIXED ASSETS	D		
a) Gross block		15579.09	15079.26
b) Less: Depreciation		4623.01	3853.29
c) Net block		10956.08	11225.97
d) Capital work-in-progress		340.01	357.17
2 INVESTMENTS	E	1159.85	623.15
3 DEFERRED TAX ASSET (NET)		417.96	25.79
4 CURRENT ASSETS, LOANS AND ADVANCES			
a) Inventories	F	3049.00	2720.43
b) Trade Receivables	G	3260.99	2139.75
c) Cash and Bank balances	H	223.09	123.27
d) Loans and Advances	I	1059.97	1389.42
e) Interest Accrued		7.95	8.96
		7601.00	6381.83
Less: Current Liabilities and Provisions	J	3662.62	2859.11
Net Current Assets		3938.38	3522.72
T O T A L		16812.29	15754.80
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
Wholtime Director

Place : Hyderabad
Date : 30-04-2010

K. Hanumantha Rao
Company Secretary



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	FOR THE YEAR ENDED 31st Mar 2010 Rs. in Lakhs	FOR THE YEAR ENDED 31st Mar 2009 Rs. in Lakhs
INCOME			
Gross Income from Operations	K	12982.23	14083.20
Less: Excise Duty on Sales		(51.06)	(89.66)
Net Income from Operations		12931.16	13993.54
Other Income	L	49.39	535.04
Increase/(Decrease) in Stocks	M	408.28	86.00
T O T A L		13388.83	14614.58
EXPENDITURE			
Materials Consumed	N	4294.30	4966.79
Clinical Projects Expenses		31.16	63.81
Manufacturing Expenses	O	1594.82	1684.74
Research & Development Expenses		3415.07	2946.04
Personnel Expenses	P	1534.10	1528.12
Selling Expenses	Q	192.75	249.27
Financial Expenses	R	494.03	674.94
Administrative & Other Expenses	S	932.90	899.03
Depreciation		529.14	502.15
T O T A L		13018.27	13514.89
Profit before Tax and Exceptional Items		370.56	1099.69
Exceptional Items :			
Loss of Investment in Suven Life Sciences LLC, USA (100% Subsidiary of Suven Life Sciences Ltd)		0.00	590.01
Profit before Tax after Exceptional Items		370.56	509.68
Less: Provision for - Current Tax		62.67	56.30
Deferred Tax credit		(392.17)	(270.45)
Fringe Benefit Tax		0.00	11.60
Profit after Tax		700.06	712.23
Profit brought forward from previous year		1473.55	1200.24
Profit available for appropriation		2173.61	1912.47
Appropriations			
Proposed dividend		289.69	289.69
Tax on proposed dividend		48.11	49.23
Transfer to General Reserve		71.00	100.00
Surplus carried to Balance Sheet		1764.81	1473.55
		2173.61	1912.47
Basic and Diluted Earnings per share (in Rs)		0.60	0.62
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 : 30-04-2010

K. Hanumantha Rao
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. In lakhs)

	As at 31st March, 2010		As at 31st March, 2009	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax and Extraordinary Items		370.55		509.67
Adjustments for :				
Depreciation	769.72		714.23	
Interest Income	(11.97)		(19.83)	
Interest on Borrowings	443.54		624.60	
Loss on Disposal of Assets	0.00		0.88	
Dividend Income	(1.81)		(1.18)	
Miscellaneous Expenditure Amortised	0.00		2.12	
MTM Losses	50.49		50.35	
Loss of Investments	–		590.01	
		1,249.97		1,961.18
Operating Profit Before Working Capital Changes		1,620.52		2,470.85
Adjustments for :				
Trade and Other Receivables	(821.34)		1,146.51	
Inventories	(328.55)		(280.35)	
Trade Payables and Other Liabilities	860.12		195.98	
Increase/(Decrease) in Net Current Assets		(289.77)		1,062.14
Cash Generated From Operations		1,330.75		3,532.99
Adjustments for :				
Income Tax & Fringe Benefit Tax	38.26		105.66	
		38.26		105.66
Net Cash From Operating Activities A		1,292.49		3,427.33
B. CASH FLOW FROM INVESTING ACTIVITIES				
Sale/(Purchase) of Investments	(536.70)		(394.36)	
Purchase of Fixed Assets	(482.68)		(1,150.89)	
Sale of Fixed Assets	0.00		0.40	
Interest Received	12.98		16.71	
Dividends Received	1.81		1.18	
Net Cash Used In Investing Activities B		(1,004.58)		(1,526.96)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 (CONTD.)

(Rs. In lakhs)

	As at 31st March, 2010		As at 31st March, 2009	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Borrowings (Net)	695.21		(1,150.51)	
Interest Paid on borrowings	(544.38)		(624.59)	
Issue of capital with Premium	0.00		34.04	
Dividend Payouts (including Dividend Tax)	(338.92)		(338.44)	
Net Cash used in financing Activities		(188.09)		(2,079.50)
Net Increase in Cash and Cash Equivalents (A+B+C)		99.82		(179.13)
Cash and Cash Equivalents at the beginning the year		123.27		302.40
Cash and Cash Equivalents at the end of the year		223.09		123.27

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 & C E O

Sudha Rani Jasti
Wholetime Director

Place : Hyderabad
Date : 30-04-2010

K. Hanumantha Rao
Company Secretary



SCHEDULES TO BALANCE SHEET

	AS AT 31st Mar 2010 Rs. in Lakhs	AS AT 31st Mar 2009 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	1158.74
11,58,74,400 Equity Shares of Rs.1/- each (Previous year 11,58,74,400 Equity Shares of Rs.1/- each)		
T O T A L	1158.74	1158.74

SCHEDULE-B				
RESERVES & SURPLUS				
General Reserve				
Opening Balance	4968.71		5049.30	
Add: Additions during the year	71.00		100.00	
Less: Effect of AS-11	0.00	5039.71	180.59	4968.71
Share Premium	3842.76		3810.37	
Add: Additions	0.00	3842.76	32.40	3842.77
Surplus in Profit & Loss A/c.		1764.81		1473.55
T O T A L		10647.29		10285.03

SCHEDULE-C				
SECURED LOANS				
Corporate Loan From S.B.I.	375.88		1048.11	
(Foreign Currency Loan)				
Corporate Loan From S.B.I.	2005.40		1846.84	
Secured by first and Pari-pasu charge on Land, Buildings, Plant & Machinery and Second charge on stocks, receivables and other current assets.				
Working Capital Loans from S.B.I	1964.52		1416.10	
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	4345.80		4311.05	



SCHEDULES TO BALANCE SHEET

SCHEDULE-D FIXED ASSETS		(Rs. in Lakhs)									
S.NO.		GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 31.03.2009	ADDITIONS	DEDUC- TIONS	AS ON 31.03.2010	UPTO 31.03.2009	FOR THE YEAR	DEDUC- TIONS	Upto 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
1	LAND	311.48	5.03	0.00	316.51	0.00	0.00	0.00	0.00	316.51	311.48
2	BUILDINGS-OFFICE AT FACTORY	44.78	0.00	0.00	44.78	9.18	0.73	0.00	9.91	34.87	35.60
3	BUILDINGS-FACTORY	1873.93	10.04	0.00	1883.97	254.08	62.59	0.00	316.67	1567.30	1619.85
4	PLANT & MACHINERY	6821.72	171.14	0.00	6992.86	2241.39	363.11	0.00	2604.50	4388.36	4580.33
5	FURNITURE & FIXTURES	188.05	4.76	0.00	192.81	76.24	12.12	0.00	88.36	104.45	111.81
6	OFFICE EQUIPMENT	86.08	0.96	0.00	87.04	30.34	4.10	0.00	34.44	52.60	55.74
7	LABORATORY EQUIPMENT* --UNIT I	176.35	9.60	0.00	185.95	51.80	8.48	0.00	60.28	125.67	124.55
8	LABORATORY EQUIPMENT* --UNIT III	173.68	19.22	0.00	192.90	37.51	8.78	0.00	46.29	146.61	136.17
9	VEHICLES	120.78	0.00	0.00	120.78	57.90	11.47	0.00	69.37	51.41	62.88
10	E.T.P. WORKS	134.00	0.00	0.00	134.00	81.15	7.08	0.00	88.23	45.77	52.85
11	MISC FIXED ASSETS	4.62	0.00	0.00	4.62	3.38	0.22	0.00	3.60	1.02	1.24
12	EDP-EQUIPMENTS	288.18	33.84	0.00	322.02	212.22	50.46	0.00	262.68	59.33	75.96
	SUB TOTAL	10223.65	254.59	0.00	10478.24	3055.19	529.14	0.00	3584.33	6893.91	7168.46
13	R & D EQUIPMENT	4855.61	245.24	0.00	5100.85	798.10	240.57	0.00	1038.67	4062.17	4057.51
	GRAND TOTAL	15079.26	499.83	0.00	15579.09	3853.29	769.72	0.00	4623.01	10956.08	11225.97

Note: Depreciation on R & D Equipment of Rs.240.57 Lakhs has been added to R & D Expenses (Previous Year Rs.212.08 Lakhs)
Deductions and Depreciation thereon for Lab Equipment are on account of AS -11 Revised 2009.



SCHEDULES TO BALANCE SHEET

	AS AT 31st Mar 2010 Rs. in Lakhs	AS AT 31st Mar 2009 Rs. in Lakhs
SCHEDULE-E		
INVESTMENTS: AT COST		
I. Trade Investments – (Long Term & Unquoted) :		
a. In Others		
Share Application - in Suven Nishtaa Pharma Pvt Ltd	828.39	618.00
2. Non-Trade Investments :		
Long Term & Unquoted:		
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
Long Term & quoted:		
c. Mutual Funds:		
SBI Infrastructure fund 50000 units of Rs.10/- each (Previous year 50000 units)	5.00	5.00
SBI Premier Liquid Fund 3252519.5335 units of Rs.10.0325/- each (Previous year nil)	326.31	0.00
T O T A L	1159.85	623.15
Aggregate value of Investments :		
Quoted :		
- Book Value	331.31	5.00
- Market Value	331.48	2.83
Un-quoted :		
- Book Value	828.54	618.15
Investments Purchased and Sold during the year		
	Units	Cost (Rs. in Lakhs)
SBI Premier Liquid Fund	4490426.6950	45050205.82



	AS AT 31st Mar 2010 Rs. in Lakhs	AS AT 31st Mar 2009 Rs. in Lakhs
SCHEDULE-F		
INVENTORIES		
(As valued and certified by the Manangement)		
Raw Materials	733.59	814.36
Stores and Spares	154.35	153.31
Finished Goods	1210.71	1073.04
Stocks in Process	950.35	679.74
T O T A L	3049.00	2720.45
SCHEDULE-G		
SUNDRY DEBTORS		
(Unsecured, Considered good)		
Exceeding six months	102.14	44.27
Others	3158.86	2095.48
T O T A L	3260.99	2139.75
SCHEDULE-H		
CASH AND BANK BALANCES		
Cash on hand	2.87	2.67
Balances with Scheduled Banks		
--- in current accounts	123.79	31.89
--- in Margin Money Deposits for Bank Guarantee and Letter of Credit	96.43	88.71
T O T A L	223.09	123.27
SCHEDULE-I		
LOANS AND ADVANCES		
(Unsecured, considered good, advances recoverable in cash or in kind or for value to be received)		
Advances for Purchases	59.17	68.39
Advances for Expenses	81.61	112.31
Other Advances	75.44	324.19
Other Receivables	581.34	631.98
Deposits	166.98	127.56
Advance Tax	95.44	124.99
T O T A L	1059.97	1389.42



SCHEDULES TO BALANCE SHEET

	AS AT 31st Mar 2010 Rs. in Lakhs	AS AT 31st Mar 2009 Rs. in Lakhs
SCHEDULE-J		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Liabilities for Capital Works	6.73	45.71
Liabilities for Trade Creditors	2107.67	1057.70
Liabilities for Expenses	499.50	960.31
Unclaimed Dividend	12.93	10.70
Liabilities for statutory dues	104.03	46.60
Advance Received from Customers	304.28	116.19
(A)	3035.14	2237.21
B. PROVISIONS		
-- for Taxation	62.67	67.90
-- for Dividend	289.69	289.69
-- for Corporate Dividend Tax	48.11	49.23
-- for Gratuity	127.92	94.58
-- for Leave encashment	99.08	70.15
-- for MTM Losses	0.00	50.35
(B)	627.47	621.90
T O T A L (A+B)	3662.62	2859.11



SCHEDULES TO PROFIT & LOSS ACCOUNT

	Current Year 31st Mar 2010 Rs. in Lakhs	Previous Year 31st Mar 2009 Rs. in Lakhs
SCHEDULE-K		
INCOME FROM OPERATIONS		
Exports	11687.17	12841.65
Domestic	1295.05	1241.55
T O T A L	12982.23	14083.20

SCHEDULE-L		
OTHER INCOME		
Interest-(Gross)	11.97	19.83
(Tax Deducted at Source Rs.1,78,219/- Previous year Rs.3,08,297/-)		
Dividend Income from Mutual Funds	1.81	1.18
Foreign Exchange Fluctuations Gain (Net)	0.00	443.03
Miscellaneous Receipts	35.61	71.00
T O T A L	49.39	535.04

SCHEDULE-M		
INCREASE/DECREASE IN STOCKS		
Opening Stock :		
Work - in - Progress	679.74	673.91
Finished Goods	1073.04	992.87
A	1752.78	1666.78
Closing Stock :		
Work - in - Progress	950.35	679.74
Finished Goods	1210.71	1073.04
B	2161.06	1752.78
Increase in Stocks (B-A)	408.28	86.00



SCHEDULES TO PROFIT & LOSS ACCOUNT

	Current Year 31st Mar 2010 Rs. in Lakhs	Previous Year 31st Mar 2009 Rs. in Lakhs
SCHEDULE-N		
MATERIALS CONSUMED		
1) Raw Materials		
Opening Stock	814.36	631.95
Purchases	4108.24	5103.01
Less: Closing Stock	709.71	814.36
(A)	4212.89	4920.60
2) Trading Materials :		
Purchases	44.84	0.00
(B)	44.84	0.00
3) Packing Materials		
Opening Stock	9.73	7.05
Purchases	37.47	48.87
Less: Closing Stock	10.62	9.73
(C)	36.58	46.19
T O T A L (A+B+C)	4294.30	4966.79

SCHEDULE-O MANUFACTURING EXPENSES

Power & Fuel	816.39	854.12
Consumable Stores	27.77	30.37
Factory Upkeep Expenses	281.81	270.57
Environment Management Expenses	93.35	69.10
Safety Expenses	33.74	30.81
Quality Control Expenses	94.02	123.88
Repairs & Maintenance :		
-- Buildings	3.41	4.06
-- Plant & Machinery	244.32	301.83
T O T A L	1594.82	1684.74

SCHEDULE-P PERSONNEL EXPENSES

Salaries, Wages & Bonus	1193.08	1231.69
Staff Welfare Expenses	156.60	150.37
Contribution to PF & Other Funds	184.42	146.06
T O T A L	1534.10	1528.12



SCHEDULES TO PROFIT & LOSS ACCOUNT

	Current Year 31st Mar 2010 Rs. in Lakhs	Previous Year 31st Mar 2009 Rs. in Lakhs
SCHEDULE-Q		
SELLING EXPENSES		
Sales Promotion	26.81	45.76
Advertisement	3.84	9.83
Carriage Outwards	84.88	103.24
Commission on Sales	77.22	90.44
T O T A L	192.75	249.27
SCHEDULE-R		
FINANCIAL EXPENSES		
Interest -- on Term Loans	234.68	332.03
-- on Others	170.69	229.56
Finance Charges	38.17	63.00
Derivative Loss (MTM)	50.49	50.35
T O T A L	494.03	674.94
SCHEDULE-S		
ADMINISTRATIVE & OTHER EXPENSES		
Rent	85.64	73.04
Rates & Taxes	10.82	6.96
Service Tax	24.28	1.29
Insurance	64.50	75.13
Communication Charges	69.49	86.12
Travelling & Conveyance	213.70	227.86
Printing & Stationery	60.75	56.99
Vehicle Maintenance	25.79	28.40
Directors Remuneration	41.17	95.01
Professional Charges	41.76	70.22
Payments to Auditors :		
-- As Auditors	3.00	3.00
-- for Tax Matters	1.25	1.25
-- for other Services	0.75	0.75
-- for Expenses	0.09	0.03
Security Charges	52.74	46.23
Donations	1.82	2.32
Repairs & Maintenance - Others	15.54	20.69
Loss on Sale of Assets	0.00	0.88
Foreign Exchange Fluctuations Loss (Net)	124.98	0.00
Preliminary Expenses written off	0.00	2.12
General Expenses	94.85	100.74
T O T A L	932.90	899.03



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) Events Occurring After Balance Sheet Date

Events occurring after the date of balance sheet are considered upto the date of adoption of the accounts , where material and are taken into cognizance.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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 :

The realized gain/loss in respect of settled contracts are recognized in the Profit and loss account.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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. Contingent Liabilities

Particulars	Rupees in Lakhs	
	Year ended 2009-10	Year ended 2008-09
Guarantees given by Banks	87.66	91.61
Corporate Guarantee given on behalf of Suven Nishtaa Pharma Private Limited	2375.00	2375.00
Un expired Letters of Credit	481.17	329.96

- Capital commitments not provided for on account of pending execution (net of advance) Rs. 3.53 Lakhs (Previous year Rs.14.31 Lakhs)
- During the year Unclaimed Dividend pertaining to 2001-02 amounting to Rs. 0.84 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 2010 (Previous year Nil).
- There are no delays in payments to Micro and Small enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

5. Managerial Remuneration:

Particulars	Rupees in Lakhs			
	Chairman & CEO		Wholtime Director	
	2009-10	2008-09	2009-10	2008-09
Salary & Allowances	14.83	36.00	16.55	32.78
Commission	0.00	11.96	0.00	5.98
Contribution to Provident Fund	5.76	4.32	3.95	3.93
Perquisites	–	–	0.08	0.04
Total	20.59	52.28	20.58	34.49

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

Particulars	Rupees in Lakhs	
	Year ended 2009-10	Year ended 2008-09
Profit before tax	370.55	1099.68
Add: Loss on sale of Assets	0.00	0.88
	370.55	1100.56
Add: Remuneration to Directors	41.17	95.01
Net Profit as per Section 309(5) for the year (A)	411.72	1195.57
Commission payable to the Managing Director (1% of profits i.e., (A))	0.00	11.96
Commission payable to Whole Time Director (0.5% of profits i.e., (A))	0.00	5.98
Over all ceiling (10% of profits (A))	41.17	119.56

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.



6. Events Occurring After Balance Sheet Date

There has been fire accident in the Unit-II of the Company on 5th April'2010 and the stock of worth Rs.95 Lacs was lying in the godown was destroyed. However , the said stock was fully insured and the company has made claim for the same.

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

8. 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, 2010 is set out below:

Particulars	Year ended 2009-10	Year ended 2008-09
Options outstanding at the beginning of the year	24,70,680	28,02,500
Increase due to split in face value	-	-
Adjusted options due to Bonus issue	-	-
Granted during the year	-	-
Less: Lapsed	50,800	1,67,620
Converted into equity shares	-	1,64,200
Options outstanding at the end of the year	24,19,880	24,70,680

9. Excise Duty amounting to Rs. 20.19 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.

10. 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, 2010	Year ended March 31, 2009
a. Provident Fund	90.31	70.11
b. State Defined Contribution Plans		
i. Employees' State Insurance	9.91	9.9
ii. Employees' Pension Scheme, 1995	35.01	33.41



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, 2010	Year ended March 31, 2009
A. Change in present value of obligation		
Present value of obligation at the beginning of the year	168.31	134.14
Current Service cost	14.34	10.18
Interest cost	13.47	10.73
Benefits paid	(1.32)	(1.89)
Net Actuarial (Gain) / Loss Recognized during the year	26.60	15.15
Present value of obligation at the end of the year	221.40	168.31
B. Changes in the Fair Value of Plan Assets		
Present Value of Plan Assets at the beginning of the year	73.73	55.30
Expected Return on Plan Assets	6.73	5.01
Actuarial Gain / (Loss)	0.00	0.05
Contributions	13.31	13.37
Benefits Paid	(0.29)	0.00
Fair Value of Plan Assets at the end of the year	93.48	73.73
C. Net (Asset) / Liability recognized in the Balance Sheet		
Present value of obligation at the end of the year	221.40	168.31
Fair value of Plan Assets at the end of the year	(93.48)	(73.73)
Funded status (surplus) / deficit	127.92	94.58
Net (Asset) / Liability recognized in the Balance Sheet	127.92	94.58
D. Expenses recognized in the Profit & Loss Account		
Service Cost	14.34	10.18
Interest Cost	13.47	10.73
Expected return on Plan Assets	(6.73)	(5.01)
Net Actuarial (Gain) / Loss recognized during the year	26.59	15.10
Total Expenses recognised in Profit and Loss account	47.67	31.00
Assumptions Used		
Discount Rate (per annum)	8.00%	8.00%
Rate of increase in Compensation levels	9.00%	12.00%
Rate of Return on Plan Assets (for Funded Scheme)	9.00%	9.15%
Expected Average remaining working lives of employees (years)	26.07	26.67

b. Other Employee Benefit Plan

The liability for Leave Encashment as at the year end is Rs.99.08 Lakhs (previous year Rs. 70.15 Lakhs) and the assumptions are as same as above.

11. Segment Reporting (2009-10)

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:

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

Rupees in Lakhs

	Manufacturing (CRAMS)	Services (DDDSS)	Research and Development	Un allocated	Total
Segment Revenue					
External Sales	9632.50 (11980.73)	3326.52 (2102.47)	23.20 --	--	12982.22 (14083.20)
Inter Segmental Adj.	--	--	--	--	--
Total	9632.50 (11980.73)	3326.52 (2102.47)	23.20 --	--	12982.22 (14083.20)
Segment Result					
Operating Profit	2727.49 (4053.97)	2127.09 (751.48)	-3392.80 (-2946.04)	-735.24 (-733.17)	726.54 (1126.24)
Other Income	--	--	--	--	49.39 (535.04)
Interest Expense	--	--	--	--	405.38 (561.60)
Exceptional items	--	--	--	--	0.00 (590.01)
Income Tax -Current Tax	--	--	--	--	62.67 (56.30)
-Deferred Tax	--	--	--	--	-392.18 (-270.45)
-Fringe Benefit Tax	--	--	--	--	0.00 (11.60)
Net Profit					700.06 (712.22)
Other Information					
Segment Assets	13191.55 (12809.24)	1275.04 (781.52)	4046.17 (4045.46)	1544.19 (951.92)	20056.95 (18588.14)
Segment Liabilities	2001.15 (1677.48)	347.61 (285.90)	990.00 (623.45)	323.86 (272.28)	3662.62 (2859.11)
Capital employed	11190.40 (11131.76)	927.43 (495.62)	3056.17 (3422.01)	1220.33 (679.64)	16394.33 (15729.03)
Capital Expenditure	254.59 (659.52)	0	245.24 (500.11)	0	499.83 (1159.63)
Depreciation	450.04 (429.14)	39.55 (36.50)	240.57 (212.09)	39.56 (36.50)	769.72 (714.23)



c) Geographical Information

Rupees in Lakhs						
	Revenue		Location Assets		Additions to Fixed Assets	
	As on 31.03.2010	As on 31.03.2009	As on 31.03.2010	As on 31.03.2009	As on 31.03.2010	As on 31.03.2009
INDIA	1295.06	1241.55	15561.77	15061.94	499.83	1159.12
U S A	5115.70	4378.15	17.32	17.32	--	0.51
EUROPE	4442.65	3542.85	--	--	--	--
ASIA	2128.82	4920.65	--	--	--	--
	12982.23	14083.20	15579.09	15079.26	499.83	1159.63

12. 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	–	41.17 (95.01)	41.17 (95.01)
Guarantees and Collaterals	2375.00 (2375.00)	–	2375.00 (2375.00)
Finance (Equity contributions in cash)	828.39 (617.99)	*660.46 –	1438.85 (617.99)
Balance outstanding		*660.46 (17.93)	660.46 (17.93)

Note: Figures in bracket indicates previous year figures.

*This belongs to unsecured loan taken from the director.

13. Earnings per Share

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Net Profit after tax available for Equity shareholders (Rupees in Lakhs)	700.06	712.22
Weighted average of number of Equity shares outstanding during the year	11,58,74,400	11,57,76,330
Basic and Diluted Earnings per Equity share (Re.1/- Face Value)	0.60	0.62



14. Deferred tax Liabilities / Deferred tax Assets

Particulars	Rupees in Lakhs	
	Year ended March 31, 2010	Year ended March 31, 2009
Deferred Tax Liabilities		
Depreciation	2439.52	2449.87
Total	2439.52	2449.87
Deferred Tax Assets		
Unabsorbed Losses	2463.92	2170.69
MAT Credit	373.70	311.41
Provision for Gratuity and Leave Encashment	19.86	(6.44)
Total	2857.48	2475.66
Net Deferred Tax Liability/(Asset)	(417.96)	(25.79)

15. 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 31-03-2010 MT		Installed Capacity MT	Production for the year ended 31-03-2009 MT	
		For Sales	For Captive		For Sales	For Captive
a) Bulk Drugs	*162.000	42.833	0.064	162.000	89.240	0.904
b) Intermediates	*1144.000	351.201	12.036	1144.000	411.817	5.446
	1306.000	394.034	12.100	1306.000	501.057	6.350

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

ii) Turnover

	Year ended 2009-10		Year ended 2008-09	
	Quantity MT.	Value Rs. in Lakhs	Quantity MT.	Value Rs. in Lakhs
a) Bulk Drugs	31.686	1123.13	88.962	1768.48
b) Intermediates	389.593	8435.83	353.814	10197.97
c) Recoveries	--	8.69	--	14.28
d) Collaborative Research Project	--	2250.38	--	629.61
e) Contract Technical Services	--	539.93	--	732.34
f) Clinical Trials Services	--	146.16	--	147.91
g) Process Development Charges	--	413.26	--	592.61
h) Trading Sales	--	64.85	--	--
TOTAL	421.279	12982.23	442.776	14083.20



iii) Stocks - Finished Goods

	Year ended 2009-10		Year ended 2008-09	
	Quantity MT.	Value Rs. in Lakhs	Quantity MT.	Value Rs. in Lakhs
a) Bulk Drugs	13.893	150.53	2.810	47.51
b) Intermediates	84.211	1060.18	134.639	1025.53
TOTAL	98.104	1210.71	137.449	1073.04

iv) Raw Materials Consumed

	Year ended 2009-10		Year ended 2008-09	
	Quantity MT.	Value Rs. in Lakhs	Quantity MT.	Value Rs. in Lakhs
a) 2-Amino-5-chloro-2-Flurobenzophenone	6.250	140.63	17.750	402.14
b) Monochloro Acetic acid	175.475	58.42	321.578	146.78
c) 3- Isochromanone	77.561	809.01	0.000	0.00
c) Others		3204.83		4371.68
TOTAL		4212.89		4920.60

v) C I F value of Imports

Rupees in Lakhs

	Year ended 2009-10	Year ended 2008-09
a) Raw Materials	1515.39	2433.56
b) Components and Spare Parts	104.39	319.08

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

a) Raw Materials :

	Year ended 2009-10		Year ended 2008-09	
	Value Rs. in Lakhs	% to Total	Value Rs. in Lakhs	% to Total
i) Imported	1325.25	31.44	2348.27	47.65
i) Indegenious	2889.59	68.56	2579.94	52.35
	4214.84	100.00	4928.21	100.00

b) Stores and Spares :

	Year ended 2009-10		Year ended 2008-09	
	Value Rs. in Lakhs	% to Total	Value Rs. in Lakhs	% to Total
i) Imported	—	—	—	—
ii) Indegenious	27.77	100.00	30.37	100.00
	27.77	100.00	30.37	100.00



vii) Expenditure in Foreign Currency

	Rupees in Lakhs	
	Year ended 2009-10	Year ended 2008-09
Travel	64.82	105.62
Dividend	1.40	0.99
Sales Commission	69.81	65.9
Foreign Branch Expenses	298.43	527.99
Research & Development Expenses	434.99	669.87
	869.45	1370.37

viii) Earnings in Foreign Currency

	Rupees in Lakhs	
	Year ended 2009-10	Year ended 2008-09
FOB Value of Exports	8340.31	10783.04

16. 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 : 30-04-2010

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
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 State Code

0	1
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Balance Sheet Date

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

<p>Public Issue</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table> <p>Bonus Issue</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>						N	I	L						N	I	L	<p>Right Issue</p> <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> <p>Bonus & ESOP</p> <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		
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III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS):

<p>Total Liabilities</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>6</td><td>8</td><td>1</td><td>2</td><td>2</td><td>9</td></tr></table> <p>SOURCES OF FUNDS</p> <p>Paid-up Capital</p> <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> <p>Secured Loans</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>4</td><td>3</td><td>4</td><td>5</td><td>8</td><td>0</td></tr></table>		1	6	8	1	2	2	9			1	1	5	8	7	4			4	3	4	5	8	0	<p>Total Assets</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>6</td><td>8</td><td>1</td><td>2</td><td>2</td><td>9</td></tr></table> <p>Reserves & Surplus</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>0</td><td>6</td><td>4</td><td>7</td><td>2</td><td>9</td></tr></table> <p>Unsecured Loans</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td>6</td><td>6</td><td>0</td><td>4</td><td>6</td></tr></table>		1	6	8	1	2	2	9		1	0	6	4	7	2	9				6	6	0	4	6
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APPLICATION OF FUNDS

<p>Net Fixed Assets</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>1</td><td>2</td><td>9</td><td>6</td><td>0</td><td>9</td></tr></table> <p>Net Current Assets</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td>3</td><td>9</td><td>3</td><td>8</td><td>3</td><td>8</td></tr></table> <p>Accumulated Losses</p> <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>		1	1	2	9	6	0	9			3	9	3	8	3	8						N	I	L	<p>Investments</p> <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>9</td><td>8</td><td>5</td></tr></table> <p>Miscellaneous Expenditure</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table> <p>Deferred Tax Asset</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td>4</td><td>1</td><td>7</td><td>9</td><td>6</td></tr></table>			1	1	5	9	8	5						N	I	L				4	1	7	9	6
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IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS):

<p>Turnover (Gross Revenue)</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>3</td><td>3</td><td>8</td><td>8</td><td>8</td><td>3</td></tr></table> <p>Profit Before Tax</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td>3</td><td>7</td><td>0</td><td>5</td><td>6</td></tr></table> <p>Earning per share Rs.</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td></td><td>0</td><td>.</td><td>6</td><td>0</td></tr></table>		1	3	3	8	8	8	3				3	7	0	5	6					0	.	6	0	<p>Total Expenditure</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td>1</td><td>3</td><td>0</td><td>1</td><td>8</td><td>2</td><td>7</td></tr></table> <p>Profit After Tax</p> <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td></td><td></td><td></td><td>7</td><td>0</td><td>0</td><td>0</td><td>6</td></tr></table> <p>Dividend Rate (%)</p> <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>		1	3	0	1	8	2	7				7	0	0	0	6				2	5	.	0	0
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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;"><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									
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D	O	X	O	F	Y	L	L	I	N	E								
Item Code No. (ITC Code)	<table border="1" style="display: inline-table;"><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									
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Product Description	<table border="1" style="display: inline-table;"><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 : 30.04.2010



SUVEN LIFE SCIENCES LIMITED

SDE Serene Chambers, Road No.5, 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 Twenty first Annual General Meeting to be held on Tuesday the 27th day of July, 2010 at 2.30 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.5, 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 Twenty first Annual General Meeting to be held on Tuesday the 27th day of July, 2010 at 2.30 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 _____ 2010.

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.



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 :

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 - 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.



In Search of new CNS therapies for better living