

CSD/BSE&NSE/MA REPORT
November 10, 2023

To
The Manager
Department of Corporate Services
BSE Limited
25th Floor, P. J. Towers,
Dalal Street, Mumbai - 400001

To
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai – 400051

Scrip Code: 530239

Scrip Symbol: SUVEN

Dear Sir/Madam,

Sub: Report of the Monitoring Agency with respect to utilization of proceeds of the Rights Issue for the quarter ended 30th September, 2023.

.....

Pursuant to Regulation 82(4) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018 and Regulation 32 (6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Monitoring Agency Report regarding utilization of proceeds of the Rights Issue of the Company for the quarter ended on September 30, 2023, issued by CRISIL Ratings Limited.

This is for your information and record.

Thanking you,

Yours faithfully,
For **Suven Life Sciences Limited**

Shrenik Soni
Company Secretary
Encl.: as above

Suven Life Sciences Limited

Monitoring Agency Report
for
Suven Life Sciences Limited
for the quarter ended September 30,
2023

CRI/MAR/SLSL/2023-24/1044

November 08, 2023

To

Suven Life Sciences Limited

8-2-334, SDE Serene Chambers Road, Road No. 5,
Avenue 7, Banjara Hills, Hyderabad-500034

Dear Sir,

Monitoring Agency Report for the quarter ended September 30, 2023 - in relation to the Rights Issue of Suven Life Sciences Limited ("the Company")

Pursuant to Regulation 82(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("*ICDR Regulations*") and Monitoring Agency Agreement dated October 17, 2022, entered with the Company, we enclose the Monitoring Agency Report, issued by CRISIL Ratings Limited, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of Rights Issue for the quarter ended September 30, 2023.

Request you to kindly take the same on records.

Thanking you,

For and on behalf of CRISIL Ratings Limited



Sushant Sarode

Director, Ratings (LCG)

Report of the Monitoring Agency

Name of the issuer: Suven Life Sciences Limited

For quarter ended: September 30, 2023

Name of the Monitoring Agency: CRISIL Ratings Limited

(a) Deviation from the objects: Not applicable

(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature: 

Name and designation of the Authorized Signatory: Sushant Sarode

Designation of Authorized person/Signing Authority: Director, Ratings (LCG)

Ratings

1) Issuer Details:

Name of the issuer: Suven Life Sciences Limited

Names of the promoter: a. Venkateswarlu Jasti
b. Sudharani Jasti

Industry/sector to which it belongs: Pharmaceutical

2) Issue Details

Issue Period: Monday, October 31, 2022, to Thursday, November 10, 2022

Type of issue (public/rights): Rights Issue

Type of specified securities: Equity Shares

IPO Grading, if any: NA

Issue size: Rs 39,980.18 lakh is gross proceeds, out of which net proceeds is Rs 39,700.18 lakh*

**CRISIL Ratings shall be monitoring the net proceeds amount*

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

| Particulars | Reply | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of the Monitoring Agency | Comments of the Board of Directors |
|----------------------------------------------------------------------------------------------------------------------------------|-------|--------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------|
| Whether all utilization is as per the disclosures in the Offer Document? | Yes | Management undertaking, Statutory Auditor certificate^, Final Offer Document, Bank Statements | No Comments | No Comments |
| Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document? | NA | Management undertaking, Statutory Auditor's Certificate^ | No Comments | No Comments |

Ratings

| Particulars | Reply | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of the Monitoring Agency | Comments of the Board of Directors |
|----------------------------------------------------------------------------------------------------------|-------|--------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------|
| Whether the means of finance for the disclosed objects of the issue has changed? | No | Management undertaking, Statutory Auditor's Certificate [^] , | No Comments | No Comments |
| Is there any major deviation observed over the earlier monitoring agency reports? | NA | | No Comments | No Comments |
| Whether all Government/statutory approvals related to the object(s) have been obtained? | NA | | No Comments | No Comments |
| Whether all arrangements pertaining to technical assistance/collaboration are in operation? | NA | | No Comments | No Comments |
| Are there any favorable events improving the viability of these object(s)? | No | | No Comments | No Comments |
| Are there any unfavorable events affecting the viability of the object(s)? | No | | No Comments | No Comments |
| Is there any other relevant information that may materially affect the decision making of the investors? | No | | No Comments | No Comments |

NA represents Not Applicable

[^]Certificate dated October 21, 2023, issued by M/s Karvy & Co., Chartered Accountants (Firm Registration Number: 001757S), Statutory Auditors of the Company.

Ratings

4) Details of object(s) to be monitored:

i. Cost of the object(s):

| Sr. No. | Item Head | Source of information/certification considered by MA for preparation of report | Original cost (as per the Offer Document) (Rs in lakh) | Revised cost (Rs in lakh) | Comments of the MA | Comments of the Board of Directors | | |
|--------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------|--------------------|------------------------------------|---------------------------|---------------------------------------|
| | | | | | | Reason of cost revision | Proposed financing option | Particulars of firm arrangements made |
| 1 | Meeting costs related to pharmaceutical research and development and clinical trial for molecules in the research pipelines | Management undertaking, Statutory Auditor Certificate [^] , Final Offer Document, Bank Statements | 25,001.48 | NA | No revision | No Comments | | |
| 2 | Repayment of an inter-corporate deposit availed by the company | Management undertaking, Statutory Auditor Certificate [^] , Final Offer Document, Bank Statements | 5,000.00 | NA | No revision | No Comments | | |
| 3 | General Corporate Purposes* | Management undertaking, Statutory Auditor Certificate [^] , Final Offer Document, Bank Statements | 9,698.70 | NA | No revision | No Comments | | |
| Total | | - | 39,700.18 | - | - | | | |

[^]Certificate dated October 21, 2023, issued by M/s Karvy & Co., Chartered Accountants (Firm Registration Number: 001757S), Statutory Auditors of the Company.

*The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds from the Fresh Issue.

ii. Progress in the object(s):

| Sr. No. | Item Head# | Source of information / certifications considered by Monitoring Agency for preparation | Amount as proposed in the Offer Document (Rs in lakh) | Amount utilized (Rs in lakh) | | | Total unutilized amount (Rs in lakh) | Comments of the Monitoring Agency | Comments of the Board of Directors | |
|---------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|--------------------------------|--------------------|---------------------------|--------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------|---------------------------|
| | | | | As at beginning of the quarter | During the quarter | At the end of the quarter | | | Reasons for idle funds | Proposed course of action |
| 1 | Meeting costs related to pharmaceutical research and development and clinical trial for molecules in the research pipelines | Management undertaking, Statutory Auditor Certificate [^] , Final Offer Document, Bank Statements | 25,001.48 | 9,008.46 | 2,276.33 | 11,284.79 | 13,716.69 | No comments | No Comments | |
| 2 | Repayment of an inter-corporate deposit availed by the company | Management undertaking, Statutory Auditor Certificate [^] , Final Offer Document, Bank Statements | 5,000.00 | 5,000.00 | - | 5,000.00 | - | Entire proceeds towards this object were utilised during the quarter ended December 31, 2022 | No Comments | |
| 3 | General Corporate Purposes | | 9,698.70 | 1,234.24 | 532.13 | 1,766.37 | 7,932.33 | No Comments | No Comments | |
| | Total | | 39,700.18 | 15,242.70 | 2808.45 | 18,051.16 | 21,649.02 | | | |

[^]Certificate dated October 21, 2023, issued by M/s Karoy & Co., Chartered Accountants (Firm Registration Number: 001757S), Statutory Auditors of the Company.

#Brief description of objects:

| Object of the Issue | Description of objects as per the offer document filed by the issuer |
|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Meeting costs related to pharmaceutical research and development and clinical trial for molecules in the research pipelines | The company focuses on discovering and developing novel pharmaceutical products. The focus has been on discovery and development of innovative molecules targeting disease areas which has unmet medical needs. As on date of the Letter of Offer, the Company has 53 inventions leading to 15 molecules of NCEs in research pipeline of which 5 NCE in clinical development and rest on various stages of discovery and preclinical studies, with 2,509 global patents. Typically, an NCE activity involves several stages of innovation starting from drug discovery, clinical trials, regulatory approvals and commercialization. |
| Repayment of an inter-corporate deposit availed by the Company | The Company has an outstanding inter corporate deposit (" Borrowing ") currently provided by Jasti Property and Equity Holdings Private Limited (In its capacity as sole trustee of Jasti Family Trust), one of its Promoter Group entities. |
| General Corporate Purposes | <p>To deploy the balance Net Proceeds towards general corporate purposes, to drive business growth, including, amongst other things,</p> <ul style="list-style-type: none"> • funding growth opportunities; • strengthening marketing capabilities and brand building exercises; • meeting ongoing general corporate contingencies • strengthening of the company's manufacturing and R&D capabilities as may be applicable • expenses incurred in ordinary course of business; and • any other purpose, as may be approved by the Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. <p>The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time.</p> |

iii. Deployment of unutilised IPO proceeds[^]:

| Sr. No: | Type of instrument and name of the entity invested in | Amount invested (Rs in lakh) | Maturity date | Earnings (Rs in lakh) | Return on investment (%) | Market Value as at 30-September-2023 (Rs in lakh) |
|----------------|-------------------------------------------------------|------------------------------|---------------|-----------------------|--------------------------|---------------------------------------------------|
| 1 | SBI-FD-41477178214 | 5,000.00 | 5-Dec-23 | 302.31 | 7.20 | 5,302.31 |
| 2 | SBI-FD-41477178463 | 10,000.00 | 4-Dec-24 | 617.64 | 7.20 | 10,617.64 |
| 3 | SBI-FD-41981591115 | 2,500.00 | 8-Jan-24 | 56.60 | 6.50 | 2,556.60 |
| 4 | SBI-FD-41485824022 | 400.00 | 30-Sep-23 | 21.57 | 6.50 | 421.57 |
| 5 | SBI-FD-41485824282 | 400.00 | 31-Oct-23 | 21.60 | 6.50 | 421.60 |
| 6 | SBI-FD-42092714404 | 1,400.00 | 17-Jul-23 | 18.70 | 6.50 | 1,418.70 |
| 7 | SBI-FD-42189203275 | 300.00 | 18-Aug-23 | 1.94 | 5.50 | 301.94 |
| 8 | SBI-FD-42311616312 | 827.98 | 9-Apr-24 | 2.93 | 6.25 | 830.92 |
| 9 | Monitoring Agency bank account | 13.23 | - | - | - | - |
| 10 | WOS Current account | 1,196.25 | - | - | - | - |
| Total # | | 22,037.46 | | 1,043.30 | | 21,871.28 |

[#]This closing balance includes the interest received (net of TDS) amounting to Rs. 388.44 lakh on matured Fixed Deposits.

[@]Monitoring Agency account opened and maintained by the Company with SBI bank towards rights issue net proceeds.

[^]Certificate dated October 21, 2023, issued by M/s Karoy & Co., Chartered Accountants (Firm Registration Number: 001757S), Statutory Auditors of the Company.

iv. Delay in implementation of the object(s) -

| Object(s) | Completion Date | | Delay (no. of days/ months) | Comments of the Board of Directors | |
|----------------|---------------------------|--------|-----------------------------|------------------------------------|---------------------------|
| | As per the Offer Document | Actual | | Reason of delay | Proposed course of action |
| Not Applicable | | | | | |

[^]Certificate dated October 21, 2023, issued by M/s Karoy & Co., Chartered Accountants (Firm Registration Number: 001757S), Statutory Auditors of the Company.

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

| S. No. | Particulars | Amount utilized during the quarter (Rs in lakh) | Supporting documents referred by MA | Comments of the Monitoring Agency | Comments of the Board of Directors of the Company |
|--------|--------------------------------------------------|-------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------|---------------------------------------------------|
| 1 | Expenses incurred in ordinary course of business | 532.13 | Letter of Offer, Management undertaking, Statutory Auditor's Certificate [^] | No Comments | No Comments |

[^]Certificate dated October 21, 2023, issued by M/s Karvy & Co., Chartered Accountants (Firm Registration Number: 001757S), Statutory Auditors of the Company

Note: As per final offer document, the GCP can be utilized for, but are not restricted to,

- (i) funding growth opportunities;
- (ii) strengthening marketing capabilities and brand building exercises;
- (iii) meeting ongoing general corporate contingencies;
- (iv) strengthening of our manufacturing and R&D capabilities, as may be applicable;
- (v) **expenses incurred in ordinary course of business; and**
- (vi) any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

Disclaimers:

- a) *This Report is prepared by CRISIL Ratings Limited (hereinafter referred to as "Monitoring Agency" / "MA" / "CRL"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.*
- b) *This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.*
- c) *Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.*
- d) *The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.*
- e) *The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.*
- f) *The MA report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRL providing or intending to provide any services in jurisdictions outside India, where it does not have the necessary licenses and/or registration to carry out its business activities referred to above.*
- g) *Access or use of this report does not create a client relationship between CRL and the user.*
- h) *CRL is not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing this report, MA has not taken into consideration the objectives or particular needs of any particular user.*
- i) *It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be a basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).*
- j) *The report comprises professional opinion of CRL as of the date they are expressed, based on the information received from the issuer and other sources considered reliable by CRL. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. The report does not constitute statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions.*
- k) *Neither CRL nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents guarantee the accuracy, completeness or adequacy of the report, and shall not have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. CRL and each aforesaid party disclaims any and all express or implied warranties, including but not limited to any warranties of merchantability, suitability or fitness for a particular purpose or use or use. In no event shall CRL or any aforesaid party be liable to any user for any direct, indirect, incidental, exemplary, compensatory,*

Ratings

punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

- l) CRL has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with the preparation of this report. CRL has in place a code of conduct and policies for managing conflict of interest.*
- m) Unless required under any applicable law, this report should not be reproduced or redistributed to any other person or in any form without prior written consent from CRL.*
- n) By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report.*

---End of Report---