

CSD/BSE&NSE/MA REPORT
May 12, 2023

To
The General 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 31st March, 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 March 31, 2023, issued by CRISIL Ratings Limited, Monitoring Agency.

This is for your information and record.

Thanking you,

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

SHRENIK Digitally signed by
SONI SHRENIK SONI
Date: 2023.05.12
16:47:55 +05'30'

Shrenik Soni
Company Secretary

Encl.: as above

Suven Life Sciences Limited

Monitoring Agency Report for Suven Life Sciences Limited for the quarter ended March 31, 2023

CRI/MAR/SLSL/2022-23/1012

May 12, 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 March 31, 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 March 31, 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: March 31, 2023

Name of the Monitoring Agency: CRISIL Ratings Limited

(a) Deviation from the objects: Not applicable

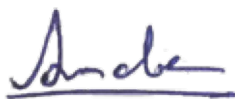
(b) Range of Deviation: Not applicable

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)

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 Industry

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 3,9980.18 lakh (gross proceeds) on a rights basis (assuming full subscription), including net proceeds of Rs 39,700.18 lakh*

*CRISIL Ratings shall be monitoring the net proceeds amount pursuant to offer letter dated October 18, 2022

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	No Comments	No Comments
Whether the means of finance for the disclosed objects of the issue has changed?	No	Management undertaking, Final Offer Document	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
Is there any major deviation observed over the earlier monitoring agency reports?	NA	Management undertaking	No Comments	No Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	NA	Management Undertaking	No Comments	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA	Management Undertaking	No Comments	No Comments
Are there any favorable events improving the viability of these object(s)?	No	Management Undertaking	No Comments	No Comments
Are there any unfavorable events affecting the viability of the object(s)?	No	Management Undertaking	No Comments	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	Management Undertaking	No Comments	No Comments

NA represents Not Applicable

^Certificate dated April 19, 2023 issued by Karvy & Co., Chartered Accountants (Firm Registration Number: 001757S), Statutory Auditors of the Company.

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 lakhs)	Revised Cost (Rs in lakhs)	Comment 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 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	NA	No Comments			No Comments

Ratings

Sr. No.	Item Head	Source of information/certification considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in lakhs)	Revised Cost (Rs in lakhs)	Comment of the MA	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
3	General Corporate Purposes (GCP)*	Management undertaking, Statutory Auditor Certificate^, Final Offer Document, Bank Statements	9,698.70	NA	No Comments			No Comments
	Total	-	39,700.18	-				

^Certificate dated April 19, 2023 issued by 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 lakhs)	Amount utilized (Rs in lakhs)			Total unutilized amount (Rs in lakhs)	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	3,306.35	3,021.60	6,327.95	18,673.53	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 these objects were utilised in the last quarter	No Comments	
3	General Corporate Purposes (GCP)	Management undertaking, Statutory Auditor Certificate^, Final Offer Document, Bank Statements	9,698.70	216.07	582.59	798.66	8,900.04	No Comments	No Comments	
	Total	-	39,700.18	8,522.42	3,604.19	12,126.61	27,573.57			

^Certificate dated April 19, 2023 issued by Karvy & Co., Chartered Accountants (Firm Registration Number: 001757S), Statutory Auditors of the Company.

Note: During the quarter under review, payment towards one of the transactions amounting to Rs 19.00 lakh was inadvertently debited from Company's SBI Current Account no: 39089658447 instead of SBI Monitoring Account. To rectify this error, the same amount was credited back to SBI Current account no: 39089658447 from SBI Monitoring Account.

#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 (GCP)	<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 end of the quarter (Rs in lakh)
1	SBI-FD-41477178214	5,000.00	5-Dec-23	116.89	7.20	5,116.89
2	SBI-FD-41477178463	10,000.00	4-Dec-24	233.78	7.20	10,233.78
3	SBI-FD-41477178076	5,000.00	5-Jun-23	105.48	6.50	5,105.48
4	SBI-FD-41485822150	400.00	31-Mar-23	7.89	6.25	407.89
5	SBI-FD-41485822490	400.00	1-May-23	7.99	6.25	407.99
6	SBI-FD-41485822819	400.00	31-May-23	7.99	6.25	407.99
7	SBI-FD-41485823175	400.00	30-Jun-23	8.30	6.50	408.30
8	SBI-FD-41485823539	400.00	31-Jul-23	8.30	6.50	408.30
9	SBI-FD-41485823787	400.00	31-Aug-23	8.30	6.50	408.30
10	SBI-FD-41485824022	400.00	30-Sep-23	8.30	6.50	408.30
11	SBI-FD-41485824282	400.00	31-Oct-23	8.30	6.50	408.30
12	SBI-FD-41583395088	300.00	11-Jul-23	4.33	6.50	304.33
13	SBI-FD-41695869520	800.00	10-Sep-23	5.82	7.00	805.82
14	SBI-FD-41789564464	2,500.00	13-May-23	1.97	7.20	2,501.97
15	Monitoring Agency bank account [#]	126.50	-	-	-	-
16	WOS Current account	740.75	-	-	-	-
Total		27,667.25		533.62		27,333.62

[#]This closing balance includes the interest received (net of TDS) amounting to INR 93.68 lakhs on matured Fixed Deposits.

[^]On the basis of management undertaking and Certificate dated April 19, 2023 issued by Karoy & Co., Chartered Accountants (Firm Registration Number: 001757S), Statutory Auditors of the Company.

Note: Amount of Rs 280.00 lakhs was to be spent towards expenses in connection with Rights Issue from Axis Bank Limited rights issue allotment account. However, it has been transferred entirely to State Bank of India monitoring agency account and Rs 273.78 lakhs has been incurred in the last quarter and balance Rs 6.22 lakh has been fully incurred towards rights issue expenses during the reported quarter.

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
Meeting costs related to pharmaceutical research and development and clinical trial for molecules in the research pipelines	5,507.65	6,327.95	No	No Comments	
Repayment of an inter-corporate deposit availed by the company	5,000.00	5,000.00	No	No Comments	
General Corporate Purposes (GCP)	2,909.61	798.66	No*	No Comments	

*Note: As per implementation schedule provided in the final offer document, Company had estimated to deploy Rs 2,909.61 lakh towards GCP during Fiscal 2023 whereas only Rs 798.66 lakh was utilised by the Company during the said fiscal. However, in the implementation schedule section of offer document, it is mentioned that - "Company proposes to deploy the entire Net Proceeds towards the Objects as per the schedule provided. **In the event that the estimated utilization is not completed as per the schedule, such funds shall be utilised in the next fiscal year and on the basis of progress in its pharmaceutical research and development and clinical trial for molecules, in accordance with applicable law.** Depending upon such factors in relation to success of pharmaceutical research and development and clinical trial for molecules, we may have to reduce or extend the utilisation period for stated Objects beyond the estimated time period, at the discretion of our management."

Further, for GCP offer document has specified that -**"In the event that Company is unable to utilize the entire amount that is currently estimated for use out of Net Proceeds in a Financial Year, Company will utilize such unutilized amount in the subsequent Financial Years."**

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	582.59	Management undertaking and Statutory Auditors Certificate [^]	No Comments	No Comments

[^]Certificate dated April 19, 2023 issued by 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.*
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