



SUVEN LIFE SCIENCES LIMITED

Registered Office: 8-2-334, SDE Serene Chambers, 6th Floor,
Road No. 5, Avenue 7 Banjara Hills, Hyderabad, Telangana – 500034, India

CIN: L24110TG1989PLC009713

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Website: www.suven.com

NOTICE OF THE MEETING OF THE UNSECURED CREDITORS OF SUVEN LIFE SCIENCES LIMITED

**CONVENED PURSUANT TO THE ORDER DATED 14TH AUGUST, 2019 OF THE HON'BLE
NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH**

DETAILS OF NCLT CONVENED MEETING OF UNSECURED CREDITORS

Day	Friday
Date	20th September, 2019
Time	10:30 AM IST
Venue	KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry [FTAPCCI], 11-6-841, Red Hills, Hyderabad, Telangana, India–500004.

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FORM NO. CAA. 2

[Pursuant to Section 230(3) and Rule 6 and 7 of the Companies
(Compromises, Arrangements and Amalgamation Rules, 2016)]

IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL BENCH AT HYDERABAD
COMPANY APPLICATION NO. CA(CAA) NO.178/230/HDB/2019

IN THE MATTER OF SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH APPLICABLE RULES

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN SUVEN LIFE SCIENCES LIMITED
("DEMERGED COMPANY") AND SUVEN PHARMACEUTICALS LIMITED ("RESULTING COMPANY") AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

<p>Suven Life Sciences Limited, A company incorporated under the provisions of Companies Act, 1956 with CIN L24110TG1989PLC009713 and having its registered office at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad – 500 034, Telangana</p>	<p>.....First Applicant Company / Demerged Company</p>
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NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF SUVEN LIFE SCIENCES LIMITED PURSUANT TO THE ORDER DATED 14TH AUGUST, 2019 PASSED BY THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH.

To

The Unsecured Creditors of Suven Life Sciences Limited ("First Applicant Company" or "Demerged Company" or "the Company").

NOTICE is hereby given that, by an Order dated 14 August, 2019 ("**NCLT Order**"), the Hyderabad Bench of the Hon'ble National Company Law Tribunal ("**Hon'ble NCLT**"), has directed a meeting of the Unsecured Creditors of the Demerged Company to be convened and held for the purpose of considering and if thought fit, approving with or without modification(s), the Scheme of Arrangement between Suven Life Sciences Limited ("**First Applicant Company**" or "**Demerged Company**" or "**the Company**") and Suven Pharmaceuticals Limited ("**Second Applicant Company**" or "**Resulting Company**") and their respective shareholders and creditors ("**Scheme of Arrangement**") for the proposed demerger of Contract Research and Manufacturing Services Undertaking ("**CRAMS Undertaking**") of the Demerged Company into the Resulting Company under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with applicable rules.

In pursuance of the NCLT Order and as directed therein, further notice is hereby given that a meeting of the Unsecured Creditors of the Demerged Company will be held at **KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry [FTAPCCI], 11-6-841, Red Hills, Hyderabad, Telangana, India –500004 on Friday, the 20th day of September, 2019 at 10:30 AM, IST ("Meeting")**, and the Unsecured Creditors of the Demerged Company are requested to attend, and to consider and if thought fit, to pass the following resolution:

RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India's Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Observation Letters issued by BSE Limited and National Stock Exchange of India Limited, dated 11 April 2019 and 23 April 2019 respectively, the Memorandum of Association and the Articles of Association of the Company and subject to the relevant provisions of any other applicable laws and requisite approval and sanction of the Hon'ble National Company Law Tribunal, Hyderabad Bench ("**Hon'ble NCLT**") and/or such other appropriate authority, as may be applicable, if any, and all such other approvals, permissions and sanctions, as maybe necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company, the Scheme of Arrangement between Seven Life Sciences Limited ("**the Demerged Company**") and Seven Pharmaceuticals Limited ("**the Resulting Company**") and their respective shareholders and creditors ("**Scheme of Arrangement**"), be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme of Arrangement and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble NCLT while sanctioning the Scheme of Arrangement or by any authorities under law, including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme of Arrangement, as the Board may deem fit and proper, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Unsecured Creditors of Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

The quorum for the Meeting shall be 5 Unsecured Creditors (Five Unsecured Creditors). In case the quorum is not in place at the designated time, the Meeting shall be adjourned by half an hour and thereafter, the persons present for voting shall be deemed to constitute the quorum.

TAKE FURTHER NOTICE that you may attend and vote at the Meeting in person or by proxy, provided that all proxies in the prescribed form, duly signed by them or their authorised representative, are deposited at the Registered Office of the Demerged Company at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad – 500 034, Telangana, not later than 48 hours before the scheduled time of the commencement of the Meeting. The form of proxy is annexed to this Notice and can be obtained free of charge from the Registered Office of the Demerged Company on all working days (except Saturdays, Sundays and public holidays) during 10:00 a.m. to 4:00 p.m. or or at Office of Legal Representative i.e., Mr. D.V.M. Gopal, Practicing Company Secretary at 6/3/154-159, Flat No.303, 3rd Floor, Royal Majestic, Prem Nagar Colony, Near Banjara Hills Care Hospital, Hyderabad - 500004, Telangana or can be downloaded from the website of the Demerged Company (www.suven.com).

TAKE FURTHER NOTICE that voting of the Unsecured Creditors of the Demerged Company to consider and approve the Scheme of Arrangement by way of the aforesaid resolution(s) shall be carried out through Ballot-

Paper at the venue of the Meeting, to be held on 20th September, 2019. It is further clarified that votes may be cast personally or by proxy or by Authorized Representative at the Meeting as provided in this Notice.

Copy of the said Scheme of Arrangement, and of the Statement under Section 230, 232 and Section 102 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder ("Explanatory Statement") can be obtained free of charge at the registered office of the Demerged Company on all working days (except Saturdays, Sundays and public holidays) during 10.00 a.m. to 4.00 p.m.

Hon'ble NCLT has appointed Shri D. Narendar Naik, Advocate, an Independent Professional to act as the Chairman of the said Meeting including any adjournment(s) thereof.

The Scheme of Arrangement, if approved at the Meeting by the requisite majority of the Unsecured Creditors of the Demerged Company will be subject to the subsequent approval of the Hon'ble NCLT and any other approvals as may be required.

A copy of the Explanatory Statement, the Scheme of Arrangement and other annexure as indicated in the index including Proxy Form and Attendance Slip are enclosed herewith.

Date: 16th August, 2019

Place: Hyderabad

D. Narendar Naik

The Chairman appointed for the Meeting

Registered Office:

Door No. 8-2-334, 6th Floor,
SDE Serene Chambers Road No. 5,
Avenue 7, Banjara Hills,
Hyderabad, Telangana – 500034, India

Notes for the meeting of the Unsecured Creditors of the Applicant Company:

- 1. An Unsecured Creditor of the Demerged Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend the meeting and vote in his/her stead, and the proxy need not to be an Unsecured Creditor of the Demerged Company. The instrument appointing a proxy, in order to be effective, must be deposited at the registered office of the Company, duly completed, stamped and signed, not later than 48 hours before the scheduled time of the commencement of the Meeting. A blank proxy form is annexed to this Notice and can be obtained free of charge from the Registered Office of the Demerged Company on all working days (except Saturdays, Sundays and public holidays) during 10:00 a.m. to 4:00 p.m. or at Office of Legal Representative i.e., Mr. D.V.M. Gopal, Practicing Company Secretary at 6/3/154-159, Flat No.303, 3rd Floor, Royal Majestic, Prem Nagar Colony, Near Banjara Hills Care Hospital, Hyderabad - 500004, Telangana or can be downloaded from the website of the Demerged Company (www.suven.com). All alterations made in the form of proxy should be initialed.**

Proxies executed/ submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolution / authority, as applicable. The Proxy-holder shall prove his identity at the time of attending the Meeting. The Proxy(ies) should carry any of their identity proof i.e. a Pan Card / Aadhaar Card / Passport / Driving License / Voter ID Card/ employee id card or such other proof at the venue of the meeting.

2. Corporate / Institutional Unsecured Creditors intending to depute their authorized representative(s) to attend the Meeting are requested to submit at the Registered Office of the Company, certified copy of the Board Resolution/ Power of Attorney together with specimen signature(s) of the representative(s), authorizing the said person to attend and vote on their behalf at the Meeting, not later than 48 hours before the scheduled time of the commencement of the Meeting.
3. The Statement under Section 230 to 232 and Section 102 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder ("Explanatory Statement") is annexed hereto.
4. Hon'ble NCLT by its Order dated 14 August, 2019 ("**NCLT Order**"), has directed a meeting of Unsecured Creditors (or "Creditors") of the Demerged Company to be convened and held at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry [FTAPCCI], 11-6-841, Red Hills, Hyderabad, Telangana, India for the purpose of considering and if thought fit, approving with or without modification(s), the Scheme of Arrangement.
5. The Notice, Explanatory Statement together with the accompanying documents, is being sent to all the Unsecured Creditors by the permitted mode, whose names appear in the Certificate on list of Unsecured Creditors certified by the Statutory Auditors of the Demerged Company having an outstanding balance of more than Rs. 50,000/- (Rupees Fifty Thousand Only) as on 31st March, 2019 ("Cut-off date"). The Notice will be displayed on the website of the Demerged Company viz. www.suven.com.
6. Kindly note that the Unsecured Creditors as on the Cut-off date, shall only be entitled to vote at the venue of the Meeting on the resolution(s) set forth in the Notice. It may be noted that the voting facility through ballot paper will be provided at the venue of the Meeting.
7. The quorum of the Meeting of the Unsecured Creditors of the Company shall be 5 Unsecured Creditors (Five Unsecured Creditors). In case the quorum is not in place at the designated time, the Meeting shall be adjourned by half an hour and thereafter, the persons present for voting shall be deemed to constitute the quorum.
8. Unsecured Creditors / Proxies / Authorised representative(s) may kindly note the following:
 - (i) You are requested to bring copy of the notice to the Meeting;
 - (ii) Attendance Slip, sent herewith, is required to be produced at the venue duly filled-in and signed, for attending the Meeting;
 - (iii) Entry to the hall will be in exchange for duly completed and signed Attendance Slips;

9. The documents referred to in the Notice and accompanying Explanatory Statement shall be available for inspection without any fee at the Registered Office of the Demerged Company at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad – 500 034, Telangana, upto 1 (one) day prior to the date of meeting on all working days between 10:00 am to 4:00 pm, (except Saturdays, Sundays and Public Holidays).
10. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, an Unsecured Creditor would be entitled to inspect the proxies lodged at any time during the business hours of the Demerged Company, provided that not less than 3 (three) days of notice in writing is given at the Registered Office of the Demerged Company.
11. In terms of the directions contained in the Orders, the Joint advertisement convening meetings of the Equity Shareholders, the Secured Creditors and the Unsecured Creditors, will be published in (i) Business Standard newspaper in the English Language (Hyderabad edition); and (ii) Nava Telangana newspaper in Telugu language (Hyderabad edition).
12. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme of Arrangement shall be acted upon only if a majority of persons representing three-fourth in value of the Unsecured Creditor of the Demerged Company, voting in person or by proxy or by authorized representative agree to the Scheme of Arrangement.
13. Hon'ble NCLT has appointed, Ms. D. Renuka, Practicing Company Secretary (ICSI Membership No. A11963) as the Scrutinizer to scrutinize the voting at the venue of the Meeting.

The Scrutinizer shall submit her report to the Chairman of the Meeting, after completion of scrutiny of votes cast by the Unsecured Creditors of the Demerged Company, through ballot paper at the venue of the Meeting, who shall countersign the same. The Scrutinizer's decision on the validity of the votes shall be final. The results of the voting on the resolution(s) set out in the Notice, will be announced on or before 22nd September, 2019. The results, together with the Scrutinizer's report, will be placed on the Company's website www.suven.com.

14. The resolutions shall be deemed to be passed on the date of Meeting, subject to receipt of requisite number of votes being cast in favour of the resolution(s).
15. Route map of the venue of the Meeting is annexed to the Notice.

IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL BENCH AT HYDERABAD

COMPANY APPLICATION NO. CA(CAA) NO.178/230/HDB/2019

In the matter of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with applicable rules

and

In the matter of Scheme of Arrangement between Suven Life Sciences Limited, ("Demerged Company") and Suven Pharmaceuticals Limited, ("Resulting Company") and their respective Shareholders and Creditors

<p>Suven Life Sciences Limited, A company incorporated under the provisions of Companies Act, 1956 with CIN L24110TG1989PLC009713 and having its registered office at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad – 500 034, Telangana</p>	<p>.....First Applicant Company/Demerged Company</p>
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STATEMENT UNDER SECTION 230, 232 AND SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH RULES MADE THEREUNDER FOR THE MEETING OF THE UNSECURED CREDITORS OF SUVEN LIFE SCIENCES LIMITED CONVENED AS PER THE DIRECTIONS OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH

In this Statement, Suven Life Sciences Limited is hereinafter referred to as "Demerged Company" or "First Applicant Company" or "Company" and Suven Pharmaceuticals Limited is hereinafter referred to as "Resulting Company" or "Second Applicant Company". The other definitions contained in the Scheme of Arrangement will apply to this Statement also. The following Statement as required under Section 230 to 232 and Section 102 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder, ("**Explanatory Statement**") sets forth the following:

1. Pursuant to the Order dated 14 August, 2019 passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench, ("**Hon'ble NCLT**"), in Company Application CA(CAA) No.178/230/HDB/2019, a meeting of the Unsecured Creditors of the Demerged Company, is being convened at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry [FTAPCCI], 11-6-841, Red Hills, Hyderabad, Telangana, India – 500004 on Friday, the 20th day of September, 2019 at 10:30 AM IST ("**Meeting**"), for the purpose of considering and if thought fit, approving the Scheme of Arrangement between the Demerged Company and the Resulting Company and their respective shareholders and creditors ("**Scheme of Arrangement**") under Sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, that provides for demerger of the Contract Research and Manufacturing Services Undertaking (as defined in the Scheme of Arrangement) of the Demerged Company to the Resulting Company, which is a wholly-owned subsidiary of the Demerged Company, and the Demerged Company will continue to carry out the Discovery Research business. A copy of the Scheme of Arrangement setting out details of parties involved in the proposed Scheme of Arrangement, Appointed Date, Effective Date, Share Entitlement Ratio etc., is enclosed as **Annexure 1**.

2. The Scheme of Arrangement also provides that, the paid-up equity share capital of 1,00,000 (One Lakh) equity shares of INR 1/- each of the Resulting Company held by the Demerged Company be reduced and cancelled as provided for and detailed under Part B of the Scheme of Arrangement.
3. In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme of Arrangement shall be acted upon only if a majority in number representing three-fourths in value of the Unsecured Creditors of the Demerged Company, voting in person or by proxy agree to the Scheme of Arrangement.
4. If the entries in the records of the Demerged Company in relation to the number or value, as the case may be, of the Unsecured Creditors are disputed, the Chairman of the Meeting shall determine the number or value, as the case may be, for the purposes of the said Meeting, subject to the Orders of NCLT in the petition seeking sanction of the Scheme of Arrangement.
5. The Audit Committee and the Board of Directors of the Demerged Company at their respective meetings held on 5 February 2019 approved the Scheme of Arrangement, subject to approval of various authorities, the shareholders and the creditors of the Demerged Company, *inter alia* after taking into account the following:
 - a) The Share Entitlement Ratio Report issued from M/s. Karvy & Co, Chartered Accountants dated 5 February 2019 for issue of shares pursuant to the Scheme of Arrangement.
 - b) The Fairness Opinion issued by Ernst & Young Merchant Banking Services Private Limited, Independent SEBI Registered Merchant Banker dated 05 February 2019 on the fairness of the Share Entitlement Ratio.
 - c) Statutory Auditors Certificate dated 05 February 2019 issued by M/s. Tukaram & Co LLP, Independent Auditors of the Demerged Company in relation to the accounting treatment prescribed in the Scheme of Arrangement.

Copy of the Share Entitlement Ratio Report and Fairness Opinion is enclosed to this Notice as **Annexure 2** and **Annexure 3** respectively.

6. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Demerged Company has come to the conclusion that the Scheme of Arrangement is in the best interest of the Company, its shareholders and other stake holders.
7. As required under the Securities and Exchange Board of India's Circular bearing no. CFD/DIL3/CIR/2017/21 dated 10 March 2017 ("**SEBI Circular**"), the Demerged Company has filed the Complaints Report with BSE Limited on 14 March 2019 and the National Stock Exchange of India Limited on 16 April 2019. After filing of the Complaints Reports, the Demerged Company has not received any complaints. A copy of the Complaints Report filed with BSE Limited and National Stock Exchange of India Limited is enclosed as **Annexure 4** to this Notice.

8. Background of Companies

8.1. List of the Companies involved in the Scheme of Arrangement:

8.1.1. Suven Life Sciences Limited (First Applicant Company/ Demerged Company/ Company)

8.1.2. Suven Pharmaceuticals Limited (Second Applicant Company/ Resulting Company)

8.2. Details of the companies to the Scheme of Arrangement:

8.2.1. Suven Life Sciences Limited

- a) **Suven Life Sciences Limited (“First Applicant Company” or “Demerged Company” or “Company”)** is a Public Company (Listed) which was originally incorporated on 9 March 1989, in the erstwhile State of Andhra Pradesh under the provisions of the Companies Act, 1956 with the Registrar of Companies, Hyderabad, under the name and style of “Suven Pharmaceuticals Pvt. Ltd”. With effect from 4 January 1995, the name of the Demerged Company was changed to Suven Pharmaceuticals Limited as per provisions of Section 31(1)/ 44 of the Companies Act, 1956. Thereafter, on 20 September 2003, the Demerged Company had changed its name to Suven Life Sciences Limited.
- b) The Corporate Identification Number (“**CIN**”) of the Demerged Company is L24110TG1989PLC009713 and the Permanent Account Number (“**PAN**”) is AADCS4044C. The equity shares of the Demerged Company are listed on the National Stock Exchange of India Limited and BSE Limited (“**Stock Exchanges**”).
- c) The Registered Office of the Demerged Company is situated at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad – 500 034, Telangana. The email address of the Demerged Company is info@suven.com.
- d) The main objects of the Demerged Company set out in the Memorandum of Association are as under:
- i. To manufacture, refine, purchase, sell, prepare, import, export all classes and kinds of drugs including pharmaceutical preparations and formulations, fine chemicals, raw-materials and intermediates for drugs and all other pharmaceuticals such as tablets, injectables, syrups, powders, ointments, aerosols, capsules and liquids, for human consumption.*
 - ii. To buy, sell, Import, export, manufacture and treat, and deal in all kinds of chemicals, biologicals, cosmetics, insecticides, agrochemicals, pesticides, hormones, medicated soaps and foods.*
 - iii. To render professional and Technical Consultancy and advice to any individual firm, Company, Government and Statutory Undertaking or Corporation or any other body carrying on any business whatsoever in the field of Design and Engineering, Research and Development, Business, Industrial and General Management relating to Chemical and Pharmaceutical Industries.*
 - iv. To undertake, promote, encourage, initiate, assist and engage in all kinds of research and development work and to set up laboratories and other facilities required for the same and to render such assistance monetary or otherwise as may be required for that purpose.*
 - v. To undertake all kinds of Research & Development in health-care, biotechnology, pharmaceuticals and formulations not specifically covered aforesaid, and, in particular and without prejudice to the generality, to undertake clinical research, contract clinical research activities, bio-technology and services, to develop new products and provide support services*

for developing new products and substitutes for imported products and for manufacture and distribution of finished dosage forms and establishing pharmaceutical market networks.

vi. *To establish, run and maintain hospitals, diagnostics centres, nursing homes, mobile medical service centres and any medical and health care institution and to promote research and development in these areas.*

- e) The Demerged Company has two business verticals:
- Contract Research and Manufacturing Services (“**CRAMS**”) – CRAMS division of the Demerged Company is engaged in development and manufacturing of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API), Specialty chemicals and formulated drugs under Contract Research and Manufacturing Services for global pharmaceutical, biotechnology and chemical companies.
 - Discovery or Research and Development (“**Discovery Research**”) – Discovery Research division of the Demerged Company is focused on discovering, developing and commercializing novel pharmaceutical products, which are first in class or best in class CNS (Central Nervous System) therapies using GPCR targets for the treatment of cognitive impairment associated with neurodegenerative disorders like Alzheimer’s disease, Attention Deficient Hyperactivity Disorder (ADHD), Huntington’s disease, Parkinson and Schizophrenia, Major Depressive Disorders (MDD) and sleep disorders like Narcolepsy etc.
- f) There was no change in the name, registered office and object of the Demerged Company during the last five years.
- g) The authorised, issued, subscribed and paid-up share capital of the Demerged Company as on 31 March 2019 was as set out below:

Particulars	Amount (INR)
Authorised share capital	
40,00,00,000 equity shares of face value of INR 1/- each	40,00,00,000
Total	40,00,00,000
Issued, subscribed and paid-up share capital	
12,72,82,478 fully-paid up equity shares of face value of INR 1/- each	12,72,82,478
Total	12,72,82,478

Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid-up share capital of the Demerged Company.

- h) The details of the present Promoter(s) and Directors of the Demerged Company along with their addresses are as follows:

Details of the Promoters

S No	Name	Address
1.	Mr. Venkateswarlu Jasti	Plot No. 396, Road No. 22B, Jubilee Hills, Hyderabad, 500033, Telangana, India
2.	Mrs. Sudharani Jasti	Plot No. 396, Road No. 22B, Jubilee Hills, Hyderabad, 500033, Telangana, India
3.	Mrs. Madhavi Jasti	Plot No. 396, Road No. 22B, Jubilee Hills, Hyderabad, 500033, Telangana, India
4.	Ms. Kalyani Jasti	Plot No. 396, Road No. 22B, Jubilee Hills, Hyderabad, 500033, Telangana, India
5.	Ms. Sirisha Jasti	Plot No. 396, Road No. 22B, Jubilee Hills, Hyderabad, 500033, Telangana, India
6.	Jasti Property and Equity Holdings Private Limited <i>(In its capacity as, sole trustee of the Jasti Family Trust)</i>	Plot No. 396, Road No. 22B, Jubilee Hills, Hyderabad, 500033, Telangana, India

Details of the Directors

SNo	Name and Designation	Address
1.	Mr. Venkateswarlu Jasti Managing Director and Chief Executive Officer (DIN: 00278028)	Plot No. 396, Road No. 22B, Jubilee Hills, Hyderabad, 500033, Telangana, India
2.	Mrs. Sudharani Jasti Whole time Director (DIN: 00277998)	Plot No. 396, Road No. 22B, Jubilee Hills, Hyderabad, 500033, Telangana, India
3.	Mr. Seyed Ehtesham Hasnain Non Executive Director (DIN: 02205199)	13, West Avenue IIT Campus, Hauz Khas, South Delhi, Delhi 110016, India
4.	Mr. Rangaswamy Naidu Maripuri Independent Non Executive Director (DIN: 00143836)	8-2-467/5, Road No. 5, Banjara Hills, Hyderabad, 500034, Telangana, India
5.	Mr. Govinda Prasad Dasu Independent Non Executive Director (DIN: 00160408)	8-3-222/C/1/19 A-8 Madhura Nagar Ameerpet Hyderabad 500038Telangana, India
6.	Mr. Muddusetty Gopalakrishna Independent Non Executive Director (DIN: 00088454)	12-2-823/A/23, Santosh Nagar Mehdi Patnam, Hyderabad-500028 Telangana, India
7.	Mr. Santanu Mukherjee Independent Non Executive Director (DIN: 07716452)	Flat No. 303, E Tower My Home Abhra, Opp Inorbit Mall Madhapur, Hyderabad Telangana, India 500034
8.	Mrs. Ananthasai Padmaja Jasthi Independent Non Executive Director (DIN: 07484630)	Sr. Officers Qtrs, Q. No. 2, Shourya Bhavanam Campus MLA Colony, Road No 10-C, Jubilee Hills Hyderabad 500033 Telangana, India

- i) The amount due to the Unsecured Creditors and the Secured Creditors of the Demerged Company as at 31 March 2019 is INR 67,96,66,585.15/- (Rupees Sixty Seven Crores Ninety Six Lakhs Sixty Six Thousand Five Hundred Eighty Five and Fifteen Paise Only) and INR 50,02,20,408/- (Rupees Fifty Crores Two Lakhs Twenty Thousand Four Hundred and Eight Only) respectively.

8.2.2. Suven Pharmaceuticals Limited

- a) Suven Pharmaceuticals Limited (**“Second Applicant Company” or “Resulting Company”**) is a Public Company which was incorporated on 6 November 2018 in the State of Telangana, under the provisions of the Companies Act, 2013 with the Registrar of Companies, Hyderabad under the name and style of “Suven Pharmaceuticals Limited”.
- b) The Corporate Identification Number of the Resulting Company is U24299TG2018PLC128171 and the PAN is ABBCS1159F. The Resulting Company is an unlisted Public Limited Company.
- c) The Registered Office of the Resulting Company is situated at # 8-2-334, SDE Serene Chambers, 6th Floor, Avenue 7, Road No. 5, Banjara Hills, Hyderabad – 500 034, Telangana. The email address of the Resulting Company is: info@suven.com.
- d) The objects of the Resulting Company as set out in the Memorandum of Association which are considered as main objects are as under:
- i. *To manufacture, refine, purchase, sell, prepare, import, export all classes and kinds of drugs including pharmaceuticals preparations and formulations, fine chemicals, raw materials and intermediates for drugs and all other pharmaceuticals such as tablets, injectables, syrups, powders, ointments, aerosols, capsules and liquids, for human consumption. To carry on the business of manufacturing, buying, selling, importing, exporting or otherwise dealing in nutraceutical products, medical, pharma and biotech products and agro-biotech products, including vaccines for prevention and cure of certain diseases among human beings and animals.*
 - ii. *To buy, sell, Import, export, manufacture and treat, and deal in all kinds of chemicals, biologicals, cosmetics, insecticides, agrochemicals, pesticides, hormones, medicated soaps and foods. To Manufacture, process, refine, formulate, purchase, sell, import, export, distribute and/or deal with, all kinds of organic as well as inorganic materials, all kinds of drugs, nutriments, nutraceuticals, phytochemicals, active pharmaceutical ingredients, functional foods, therapeutic preparations, dietary supplements, pharmaceuticals, allopathic and/or veterinary, including bulk drugs and intermediates, organic compounds, acids, vitamins, medicines from fermentation and synthetic routes and/or diagnostics.*
 - iii. *To render professional and Technical Consultancy and advice to any individual firm, Company, Government and Statutory Undertaking or Corporation or any other body carrying on any business whatsoever in the field of Design and Engineering, Research and Development, Business, Industrial and General Management relating to Chemical and Pharmaceutical Industries.*
 - iv. *To undertake, promote, encourage, initiate, assist and engage in all kinds of research and development work and to set up laboratories and other facilities required for the same and to render such assistance monetary or otherwise as may be required for that purpose.*

- v. *To undertake all kinds of Research & Development in health-care, biotechnology, pharmaceuticals and formulations not specifically covered aforesaid, and, in particular and without prejudice to the generality, to undertake clinical research, contract clinical research activities, bio-technology and services, to develop new products and provide support services for developing new products and substitutes for imported products and for manufacture and distribution of finished dosage forms and establishing pharmaceutical market networks.*
- vi. *To establish, run and maintain hospitals, diagnostics centres, nursing homes, mobile medical service centers and any medical and health care institution and to promote research and development in these areas.*
- e) The Resulting Company is engaged in the business of development and manufacturing of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API), Specialty chemicals and formulated drugs under contract research and manufacturing services for global pharmaceutical, biotechnology and chemical companies.
- f) There has been no change in the name and object of the Resulting Company since its incorporation. There has been a change in the registered office of the Resulting Company from Plot No 396, Road No 22B, Jubilee Hills, Hyderabad, Telangana – 500 033 to # 8-2-334, SDE Serene Chambers, 6th Floor, Avenue 7, Road No. 5, Banjara Hills, Hyderabad – 500 034, Telangana.
- g) The authorised, issued, subscribed and paid-up share capital of the Resulting Company as on 31 March 2019 was as under:

Particulars	Amount (INR)
Authorised share capital	
10,00,000 Equity Shares of INR 1/- each	10,00,000
Total	10,00,000
Issued, subscribed and paid-up share capital	
1,00,000 Equity Shares of INR1/- each	1,00,000
Total	1,00,000

Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid-up share capital of the Resulting Company.

- h) The details of the present promoter(s) and directors of Resulting Company along with their addresses are as follows:

Details of the Promoters

S No	Name	Address
1.	Suven Life Sciences Limited	Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad – 500 034, Telangana

Details of the Directors

S No	Name	Address
1.	Mr. Govinda Prasad Dasu Non-Executive Director (DIN: 00160408)	# 8-3-222/C/1/19, A-8, Madhura Nagar, Ameerpet, Hyderabad 500038 Telangana, India
2.	Mr. Sunder Venkatraman Non-Executive Director (DIN: 00300628)	Flat No. 1202, Block N, Aparna Sarovar, Kanchi Gachibowli Road, Serilingampally, Hyderabad 500046 Telangana, India
3.	Mr. Subba Rao Parupally Non-Executive Director (DIN: 00296951)	2-23-600/1, Plot No. 691, HMT Hills Colony, Near Jala Vayu Vihar Road, Kukatpally, Hyderabad 500085 Telangana, India

- i) The amount due to the Unsecured Creditor of the Resulting Company as at 31 March 2019 is INR 1,00,000/- (Rupees One Lakh Only).

9. Relationship subsisting between the parties to the Scheme of Arrangement

9.1. The Resulting Company is a wholly owned subsidiary of the Demerged Company. Further Mr. Govinda Prasad Dasu is a common Director in both the Companies.

10. Details of the Board Meeting at which the Scheme of Arrangement was approved by the Board of Directors of the Demerged Company and the Resulting Company including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution.

10.1. The Board of Directors of the Demerged Company vide its resolution passed in the Board Meeting held on 5 February 2019, had unanimously approved the Scheme of Arrangement. Out of total 8 Directors of the Demerged Company, 7 Directors were present in the Meeting, all of whom voted in favour of the resolution. The details of voting by Directors on the resolution is as under:

Name of the Director and Designation	Vote in Favour	Voted Against	Did not vote or participate
Mr. Venkateswarlu Jasti Managing Director and Chief Executive Officer	Yes	-	-
Mrs. Sudharani Jasti Whole time Director	Yes	-	Absent
Mr. Seyed Ehtesham Hasnain Non Executive Director	Yes	-	-
Mr. Rangaswamy Naidu Maripuri Independent Non Executive Director	Yes	-	-
Mr. Govinda Prasad Dasu Independent Non Executive Director	Yes	-	-

Name of the Director and Designation	Vote in Favour	Voted Against	Did not vote or participate
Mr. Muddusetty Gopalakrishna Independent Non Executive Director	Yes	-	-
Mr. Santanu Mukherjee Independent Non Executive Director	Yes	-	-
Mrs. Ananthasai Padmaja Jasthi Independent Non Executive Director	Yes	-	-

- 10.2. The Board of Directors of the Resulting Company vide its resolution passed in the Board Meeting held on 5 February 2019, had unanimously approved the Scheme of Arrangement. Out of total 3 Directors of the Resulting Company, 3 Directors were present in the Meeting, all of whom voted in favour of the resolution. The details of voting by Directors on the resolution is as under:

Name of the Director and Designation	Vote in Favour	Voted Against	Did not vote or participate
Mr. Govinda Prasad Dasu Non Executive Director	Yes	-	-
Mr. Sunder Venkatraman Non Executive Director	Yes	-	-
Mr. Subba Rao Parupally Non Executive Director	Yes	-	-

The Board Resolution of the Demerged Company and the Resulting Company approving the Scheme of Arrangement is attached as **Annexure 5** and **Annexure 6** respectively.

11. Rationale of the Scheme of Arrangement

- 11.1. The Demerged Company is *inter alia* engaged in two business verticals, namely: the Contract Research and Manufacturing Services “**CRAMS**”) Undertaking and the Discovery Research Undertaking.
- 11.2. The Scheme of Arrangement involves Demerger of the Contract Research and Manufacturing Services Undertaking of the Demerged Company to the Resulting Company.
- 11.3. The Board of Directors of the Demerged Company and the Resulting Company believe that the risk and reward associated with each of the aforesaid business verticals are different. In order to segregate the Contract Research and Manufacturing Services Undertaking with that of the Discovery Research Undertaking, it is intended to demerge the Contract Research and Manufacturing Services Undertaking on a going concern basis into its wholly owned subsidiary with a resultant mirror image shareholding.
- 11.4. The demerger, transfer and vesting of the Contract Research and Manufacturing Services Undertaking on a going concern basis to the Resulting Company would result in better and efficient control and management for the segregated businesses and promote their growth. Further, it would also result in the following benefits:

- 11.4.1. The demerger would facilitate focused growth, operational efficiencies, business synergies and increased operational and customer focus in relation to the Contract Research and Manufacturing Services Undertaking in the Resulting Company and the Discovery Research Undertaking in the Demerged Company. The demerger would thus provide a platform for having a concentrated approach towards development of the respective business verticals.
- 11.4.2. Focused business approach for the maximization of benefits to all the shareholders and opportunities for growth.
- 11.4.3. Operational rationalization, organization efficiency and optimum utilization of various resources.
- 11.4.4. Ability to leverage financial and operational resources of each business.
- 11.4.5. Each business would be able to address independent business opportunities, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.
- 11.4.6. The proposed demerger will enhance value for shareholders and allow a focused strategy in operation of the respective business verticals which would be in the best interest of the Demerged Company and the Resulting Company, shareholders, creditors and all persons connected therewith.
- 11.4.7. The segregation is also expected to unlock the value of the business verticals of the Demerged Company.
- 11.4.8. There is no likelihood that the interests of any shareholder or creditor of either the Demerged Company or the Resulting Company would be prejudiced as a result of the Scheme of Arrangement. The demerger will not impose any additional burden on the members of Demerged Company or the Resulting Company. The Scheme of Arrangement is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors and stakeholders.

Accordingly, the Board of Directors of the Demerged Company and the Resulting Company have formulated this Scheme of Arrangement. Further, the Scheme of Arrangement also provides for capital reduction in the Resulting Company of the existing share capital held by the Demerged Company under Section 66 of the Companies Act, 2013 and other applicable provisions.

12. Salient features / details / extract of the Scheme of Arrangement

The proposed Scheme of Arrangement between the Demerged Company and the Resulting Company and their respective shareholders is presented under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013.

The salient features of the Scheme of Arrangement are as under:

- 12.1. The Demerged Company and the Resulting Company shall make applications and/or petitions under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013,

to the Hon'ble NCLT for sanction of this Scheme of Arrangement and all matters ancillary or incidental thereto.

- 12.2. The whole of the undertaking, business, activities, operations, assets, liabilities and employees of the CRAMS Business of the Demerged Company, shall stand transferred to and vested in and/or deemed to be transferred to and vested in the Resulting Company so as to vest in the Resulting Company all the rights, title and interest pertaining to the CRAMS Business.
- 12.3. **“Appointed Date”** means 1 October 2018 or such other date as may be decided or approved by the Hon'ble NCLT or such other appropriate authority.
- 12.4. **“Effective Date”** means the date or last of the dates on which the certified copy of the order, issued by the Hon'ble NCLT, sanctioning the Scheme of Arrangement is filed by the Demerged Company and the Resulting Company with the Registrar of Companies, Telangana at Hyderabad.
- 12.5. The Scheme of Arrangement *inter-alia* provides for:
- a) The manner of vesting and transfer of the assets pertaining to the Contract Research and Manufacturing Services Undertaking of the Demerged Company to the Resulting Company.
 - b) The transfer of contracts, deeds, bonds, agreements, arrangements, assurances and other instruments of whatsoever nature pertaining to Contract Research and Manufacturing Services Undertaking of the Demerged Company to the Resulting Company.
 - c) The transfer of all debts, liabilities, duties and obligations pertaining to the Contract Research and Manufacturing Services Undertaking of the Demerged Company to the Resulting Company.
 - d) The transfer of all legal proceedings by or against the Contract Research and Manufacturing Services Undertaking of the Demerged Company to the Resulting Company.
- 12.6. **Consideration:**
- a) Upon the Scheme of Arrangement becoming effective and upon the demerger, transfer and vesting of the Contract Research and Manufacturing Services Undertaking of the Demerged Company in the Resulting Company, in terms of the Scheme of Arrangement, the Resulting Company shall, without any further application or deed, issue and allot equity shares credited as fully paid-up, to the extent indicated below, to the members of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of the Resulting Company in the following manner:

“1 (One) fully paid up Equity Share of INR 1/- (Rupee One Only) each of the Resulting Company shall be issued and allotted for every 1 (One) fully paid up equity share of INR 1/- (Rupee One Only) each held in the Demerged Company”
 - b) The equity shares in the Resulting Company to be issued to the shareholders of the Demerged Company shall be subject to the Scheme of Arrangement, the Memorandum of Association and the Articles of Association of the Resulting Company, and shall rank *pari passu* with the existing

equity shares of the Resulting Company in all respects including for the purpose of any dividend declared after the Scheme of Arrangement becomes effective.

- c) The equity shares of the Resulting Company shall be listed on the BSE Limited and the National Stock Exchange of India Limited, on which the shares of the Demerged Company are listed as on the Effective Date. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said the Stock Exchanges.

12.7. Reduction of Share Capital held by the Demerged Company in the Resulting Company:

- a) Upon the Scheme of Arrangement becoming effective and upon the issue of shares by the Resulting Company in accordance with Clause 6.1 of the Scheme of Arrangement, the existing 1,00,000 equity shares of INR 1/- each of the Resulting Company held by the Demerged Company, as on the Effective Date, shall without any application or deed, stand cancelled without any payment.
- b) The reduction of share capital of the Resulting Company shall be affected as an integral part of the Scheme of Arrangement and the Resulting Company shall not be required to follow the process under Section 66 of the Companies Act, 2013 or any other provisions of Applicable Law separately.
- c) The reduction would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.
- d) The approval of the Scheme of Arrangement by the shareholders of the Resulting Company shall be deemed to have the approval for the purpose of effecting the capital reduction in the Resulting Company under Section 66 of the Act and other applicable provisions of the Companies Act, 2013 and no further resolutions would be required to be separately passed in this regard.
- e) The application and reduction of Securities Premium Account of the Demerged Company, as above, shall be affected as an integral part of this Scheme of Arrangement and the Demerged Company shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately. The reduction would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital. Notwithstanding the reduction in the Securities Premium Account of the Demerged Company, the Demerged Company shall not be required to add "And Reduced" as suffix to its name. The approval of this Scheme of Arrangement by the shareholders of the Demerged Company shall be deemed to have the approval for the purpose of effecting the capital reduction in the Demerged Company under Section 66 of the Act and other applicable provisions of the Companies Act, 2013 and no further resolutions would be required to be separately passed in this regard.

12.8. Accounting Treatment:

12.8.1. In the books of the Demerged Company

Upon the coming into effect of this Scheme of Arrangement and with effect from the Appointed Date:

- a) The Demerged Company, as on the Appointed Date, shall reduce the book value of assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in the Resulting Company from the book value of assets and liabilities as appearing in its books.
- b) The Securities Premium Account, General Reserve and Retained earnings of the Demerged Company, as on the Appointed Date, shall be apportioned between the Resulting Company and the Demerged Company on the basis of net assets transferred to the Resulting Company and net assets retained by the Demerged Company.
- c) The difference, if any, between the net assets (difference between the book value of assets and liabilities as on the Appointed Date) and transfer of reserves as provided in Clause 9.2 of the Scheme of Arrangement along with any accounting adjustments, shall be adjusted against General Reserve of the Demerged Company.
- d) Investments in the equity share capital of the Resulting Company will stand cancelled as per Clause 8.1 of the Scheme of Arrangement and be debited to the General Reserve of the Demerged Company.

12.8.2. In the books of the Resulting Company

Upon the coming into effect of this Scheme of Arrangement and with effect from the Appointed Date:

- a) The Demerger will be accounted in accordance with Indian Accounting Standard (IND AS) 103 – Business Combination as notified under Section 133 of the Act read together with paragraph 3 of the Companies (Indian Accounting Standard) Rules, 2015.
- b) The Resulting Company, as on the Appointed Date, shall record the assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme of Arrangement at their respective book values, excluding revaluation, if any, as appearing in the books of the Demerged Company.
- c) The Resulting Company shall record the Securities Premium Account, General Reserve, Retained Earnings transferred to and vested in it pursuant to Clause 9.2. of the Scheme of Arrangement.
- d) Upon coming into effect of the Scheme of Arrangement, the shareholding of the Demerged Company in the Resulting Company shall be cancelled and the amount of such share capital, as stands cancelled, be credited to General Reserve.
- e) The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the new equity shares issued by it to the members of the Demerged Company pursuant to Clause 6.1 of the Scheme of Arrangement.
- f) The excess of assets over the liabilities of the Demerged Undertaking transferred to and vested in the Resulting Company after considering the treatment specified in Clause 9.7 and 9.8 of the Scheme of Arrangement and after considering the issue of share capital by the Resulting Company in terms of Clause 6.1 of the Scheme of Arrangement, would be adjusted against the General Reserve of the Resulting Company.

- g) For any matter arising in connection with the accounting treatment, the same would be dealt in consultation with the Statutory Auditors of the Demerged Company and Resulting Company.
- h) In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies, as may be directed by the Board of Directors of the Resulting Company in compliance with the Accounting Standards will prevail and the differences will be quantified and adjusted to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy.

12.9. This Scheme of Arrangement is and shall be conditional upon and subject to:

- a) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law or otherwise may be necessary for the implementation of this Scheme of Arrangement.
- b) The Scheme of Arrangement being approved by the requisite majorities of the members and/or creditors of the Demerged Company and the Resulting Company as may be directed by the Hon'ble NCLT.
- c) The Scheme of Arrangement being sanctioned by the Hon'ble NCLT or any other authority under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013.
- d) Certified copies of the Orders of the Hon'ble NCLT sanctioning the Scheme of Arrangement being filed with the Registrar of Companies, Hyderabad by the Demerged Company and the Resulting Company.

You are requested to read the entire text of the Scheme of Arrangement to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme of Arrangement.

13. Effect of the Scheme of Arrangement on various parties:

13.1. Key Managerial Personnel (KMPs) and Directors

None of the Directors, the KMPs (as defined under the Act and rules framed thereunder) of the Demerged Company and the Resulting Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme of Arrangement except to the extent of the equity shares held by them in the Demerged Company, the Resulting Company and/or to the extent that the said Director(s) are common director(s) of the said companies and/or to the extent that the KMPs is holding shares in said companies as a nominee and/or to the extent that the said Director(s), KMP and their respective relatives are the directors, members of the companies that hold shares in the respective companies. Save as aforesaid, none of the said Directors or the KMP has any material interest in the Scheme of Arrangement. There is no effect of the Scheme of Arrangement on the Directors of the said Companies.

Further the effect of the Scheme of Arrangement on the KMPs (as applicable), have been provided in Report adopted by the Board of Directors of the Demerged Company and the Resulting Company pursuant to Section 232(2)(c) of the Companies Act, 2013 annexed herewith as **Annexure 10**.

Details of shares held by the present Directors and KMPs of the Demerged Company and the Resulting Company either individually or jointly as a first holder or second holder or as a nominee, in the respective companies are as under:

Demerged Company

S No	Name	Designation	Number of equity shares held as on 31 st March, 2019
1.	Mr. Venkateswarlu Jasti (DIN: 00278028)	Managing Director and Chief Executive Officer	1,000
2.	Mrs. Sudharani Jasti (DIN: 00277998)	Whole time Director	1,000
3.	Mr. Seyed Ehtesham Hasnain (DIN: 02205199)	Non Executive Director	-
4.	Mr. Rangaswamy Naidu Maripuri (DIN: 00143836)	Independent Non Executive Director	3,500
5.	Mr. Govinda Prasad Dasu (DIN: 00160408)	Independent Non Executive Director	-
6.	Mr. Muddusetty Gopala Krishna (DIN: 00088454)	Independent Non Executive Director	-
7.	Mr. Santanu Mukherjee (DIN: 07716452)	Independent Non Executive Director	-
8.	Mrs. Ananthasai Padmaja Jasthi (DIN: 07484630)	Independent Non Executive Director	-
9.	Mr. K. Hanumantha Rao	Company Secretary	-
10.	Mr. P. Subba Rao	Chief Financial Officer	56,000

Resulting Company

S No	Name	Designation	Number of equity shares held as on 31 st March, 2019
1.	Mr. Govinda Prasad Dasu (DIN: 00160408)	Non Executive Director	-
2.	Mr. Sunder Venkatraman (DIN: 00300628)	Non Executive Director	-
3.	Mr. Subba Rao Parupally (DIN: 00296951)	Non Executive Director	1*

* Holds as nominee of the Demerged Company

13.2. Promoter and Non-Promoter Equity Shareholders of the Demerged Company and the Resulting Company

The effect of the Scheme of Arrangement on the Promoter and Non-Promoter Equity Shareholders, have been provided in Report adopted by the Board of Directors of the Demerged Company and the Resulting Company pursuant to Section 232(2)(c) of the Companies Act, 2013, annexed herewith as **Annexure 10**.

13.3. Depositors & Deposit trustee

None of the Companies involved in the Scheme of Arrangement have accepted any deposits and thus, the effect of the Scheme of Arrangement on any such Depositor or Deposit trustee does not arise.

13.4. Creditors, Debenture-Holders and Debenture trustee

13.5. The proposed Scheme of Arrangement does not involve any compromise or arrangement with the creditors of any of the companies involved in the Scheme of Arrangement. The rights of the creditors shall not be affected by the Scheme of Arrangement. There will be no reduction in their claims on account of the Scheme of Arrangement. The creditors will be paid in the ordinary course of business as and when their dues are payable. There is no likelihood that the creditors would be prejudiced in any manner as a result of the Scheme of Arrangement being sanctioned. Further none of the Companies involved in the Scheme of Arrangement have issued any debentures and thus, the effect of the Scheme of Arrangement on any debenture holders or debenture trustee does not arise.

13.6. Employees

With effect from the Effective Date, the Resulting Company shall engage, without any interruption in service, all staff and employees of the Demerged Company, engaged in or in relation to the CRAMS Business, on the terms and conditions not less favorable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/terminal benefits.

14. Pre-Scheme of Arrangement and post-Scheme of Arrangement Shareholding Pattern

14.1. The pre Scheme of Arrangement & post Scheme of Arrangement (Expected) - Shareholding Pattern of the Demerged Company as at March 31 2019:

S No	Category of the shareholders	Pre-Scheme Shareholding Pattern		Post-Scheme Shareholding Pattern	
		Total No. of Shares	As a percentage of total capital	Total No. of Shares	As a percentage of total capital
(A)	Promoters and Promoter Group				
(1)	Indian				
(a)	Individual/HUF	5000	-	5000	-
(b)	Central Govt.	-	-	-	-

S No	Category of the shareholders	Pre-Scheme Shareholding Pattern		Post-Scheme Shareholding Pattern	
		Total No. of Shares	As a percentage of total capital	Total No. of Shares	As a percentage of total capital
(c)	State Govt.(s)	-	-	-	-
(d)	Bodies Corp.	76365000		76365000	
(e)	Banks / FI	-	-	-	-
(f)	Any Other....	-	-	-	-
	Sub Total (A)(1):	76370000	60.00	76370000	60.00
(2)	Foreign				
(a)	NRIs Individuals	-	-	-	-
(b)	Other -Individuals	-	-	-	-
(c)	Bodies Corp.	-	-	-	-
(d)	Banks / FI	-	-	-	-
(e)	Any Other	-	-	-	-
	Sub-total(A)(2):				
	Total shareholding of Promoter (A)=(A)(1)+(A)(2)	76370000	60.00	76370000	60.00
B.	PUBLIC SHAREHOLDING				
(1)	Institutions				
(a)	Mutual Funds	2760735	2.17	2760735	2.17
(b)	Banks / FI	266046	0.21	266046	0.21
(c)	Central Govt.	-	-	-	-
(d)	State Govt.(s)	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-
(f)	Insurance Companies	129196	0.10	129196	0.10
(g)	FIs	7222373	5.67	7222373	5.67
(h)	Foreign Venture Capital Funds	-	-	-	-
(i)	Others (specify)	-	-	-	-
	Sub-total(B)(1):	10378350	8.15	10378350	8.15
(2)	Non-Institutions				
(a)	Bodies Corp.				
	(i). Indian	4953735	3.89	4953735	3.89
	(ii). Overseas				
(b)	Individuals				

S No	Category of the shareholders	Pre-Scheme Shareholding Pattern		Post-Scheme Shareholding Pattern	
		Total No. of Shares	As a percentage of total capital	Total No. of Shares	As a percentage of total capital
	(i). Individual shareholders holding nominal share capital upto 1 lakh	25685013	20.18	25685013	20.18
	(ii). Individual shareholders holding nominal share capital in excess of 1 lakh	4119407	3.24	4119407	3.24
(c)	Others	5775973	4.54	5775973	4.54
i)	Non Resident Indians	4957077	3.89	4957077	3.89
ii)	NRI Non-Repatriation	451590	0.35	451590	0.35
iii)	Clearing Members	123087	0.10	123087	0.10
iv)	NBFC	80004	0.06	80004	0.06
v)	Trusts	1215	0.00	1215	0.00
vi)	IEPF	163000	0.13	163000	0.13
	Sub-total (B)(2):	40534128	31.85	40534128	31.85
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	50912478	40.00	50912478	40.00
C	Shares held by Custodian for GDRs & ADRs				
	Grand Total (A+B+C)	127282478	100.00	127282478	100.00

Note: Since, there is no issue of shares by the Demerged Company pursuant to the Scheme of Arrangement, hence, the post arrangement Shareholding Pattern will remain unchanged (save and except routine transfer of shares in physical/demat form).

14.2. **The pre Scheme of Arrangement & post Scheme of Arrangement - Shareholding Pattern of the Resulting Company as at March 31, 2019 (assuming the shareholding pattern of the Demerged Company as on March 31, 2019):**

S No	Category of the shareholders	Pre-Scheme Shareholding Pattern		Post-Scheme Shareholding Pattern	
		Total No. of Shares	As a percentage of total capital	Total No. of Shares	As a percentage of total capital
(A)	Promoters and Promoter Group				
(1)	Indian				
(a)	Individual/HUF	6*	0.01*	5000	-
(b)	Central Govt.	-	-	-	-

S No	Category of the shareholders	Pre-Scheme Shareholding Pattern		Post-Scheme Shareholding Pattern	
		Total No. of Shares	As a percentage of total capital	Total No. of Shares	As a percentage of total capital
(c)	State Govt.(s)	-	-	-	-
(d)	Bodies Corp.	99,994	99.99	76365000	
(e)	Banks / FI	-	-	-	-
(f)	Any Other....	-	-	-	-
	Sub Total (A)(1):	-	-	76370000	60.00
(2)	Foreign	-	-		
(a)	NRIs -Individuals	-	-	-	-
(b)	Other -Individuals	-	-	-	-
(c)	Bodies Corp.	-	-	-	-
(d)	Banks / FI	-	-	-	-
(e)	Any Other	-	-	-	-
	Sub-total(A)(2):				
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	1,00,000*	100.00*	76370000	60.00
B.	PUBLIC SHAREHOLDING				
(1)	Institutions				
(a)	Mutual Funds	-	-	2760735	2.17
(b)	Banks / FI	-	-	266046	0.21
(c)	Central Govt.	-	-	-	-
(d)	State Govt.(s)	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-
(f)	Insurance Companies	-	-	129196	0.10
(g)	FIs	-	-	7222373	5.67
(h)	Foreign Venture Capital Funds	-	-	-	-
(i)	Others (specify)	-	-	-	-
	Sub-total(B)(1):	-	-	10378350	8.15
(2)	Non-Institutions			-	-
(a)	Bodies Corp.	-	-		
	(i). Indian	-	-	4953735	3.89
	(ii). Overseas	-	-		

S No	Category of the shareholders	Pre-Scheme Shareholding Pattern		Post-Scheme Shareholding Pattern	
		Total No. of Shares	As a percentage of total capital	Total No. of Shares	As a percentage of total capital
(b)	Individuals	-	-		
	(i). Individual shareholders holding nominal share capital upto 1 lakh	-	-	25685013	20.18
	(ii). Individual shareholders holding nominal share capital in excess of 1 lakh	-	-	4119407	3.24
(c)	Others	-	-	5775973	4.54
i)	Non Resident Indians	-	-	4957077	3.89
ii)	NRI Non-Repatriation	-	-	451590	0.35
iii)	Clearing Members	-	-	123087	0.10
iv)	NBFC	-	-	80004	0.06
v)	Trusts	-	-	1215	0.00
vi)	IEPF	-	-	163000	0.13
	Sub-total (B)(2):	-	-	40534128	31.85
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	50912478	40.00
C	Shares held by Custodian for GDRs & ADRs				
	Grand Total (A+B+C)	1,00,000*	100.00*	127282478	100.00

* Shares held as nominee(s) of the Demerged Company.

Further upon the Scheme of Arrangement becoming effective, the existing 1,00,000 equity shares of INR 1/- each of the Resulting Company held by the Demerged Company, as on the Effective Date, shall stand cancelled.

15. Pre-Scheme of Arrangement and post-Scheme of Arrangement – Capital structure

15.1. The Pre-Scheme of Arrangement capital structure of the Demerged Company and the Resulting Company is detailed in clause 7 above.

15.2. The Post-Scheme capital structure is as follows:

15.2.1. Demerged Company:

Upon the Scheme of Arrangement coming into effect, there will not be any change in the issued, subscribed and paid up share capital of the Demerged Company. However, in terms of the Scheme of Arrangement, the Authorized Share Capital of the Demerged Company amounting to INR

20,00,00,000/- (Rupees Twenty Crore only) comprising of 20,00,00,000 equity shares of INR 1/- each, shall be transferred to the Resulting Company, pursuant to section 66 or any other applicable provisions of the Companies Act, 2013, as given below:

Particulars	Amount (INR)
Authorised share capital	
20,00,00,000 equity shares of face value of INR 1/- each	20,00,00,000
Total	20,00,00,000
Issued, subscribed and paid-up share capital	
12,72,82,478 fully-paid up equity shares of face value of INR 1/- each	12,72,82,478
Total	12,72,82,478

15.2.2. Resulting Company:

Upon the Scheme of Arrangement coming into effect and on issue of 12,72,82,478 fully paid-up equity shares of face value of INR 1/- each in the Resulting Company to the shareholders of the Demerged Company, except to the Resulting Company itself, in consideration for the arrangement in compliance with the provisions of section 2(19AA) of the Income-tax Act, 1961, the issued, subscribed and paid up share capital of the Resulting Company shall increase to INR 12,72,82,478 divided into 12,72,82,478 of face value of INR 1/- each, and also in terms of the Scheme of Arrangement the Authorized Share Capital of the Demerged Company amounting to INR 20,00,00,000/- (Rupees Twenty Crore only) comprising of 20,00,00,000 equity shares of INR 1/- each, shall be transferred to the Resulting Company, pursuant to section 66 or any other applicable provisions of the Companies Act, 2013, as given below:

Particulars	Amount (INR)
Authorised share capital	
20,10,00,000 equity shares of face value of INR 1/- each	20,10,00,000
Total	20,10,00,000
Issued, subscribed and paid-up share capital	
12,72,82,478 fully-paid up equity shares of face value of INR 1/- each	12,72,82,478
Total	12,72,82,478

Note: Upon the Scheme of Arrangement becoming effective and upon the issue of shares by the Resulting Company in accordance with the Scheme of Arrangement, the existing 1,00,000 equity shares of INR 1/- each of the Resulting Company held by the Demerged Company, as on the Effective Date, shall without any application or deed, stand cancelled without any payment. The reduction of share capital of Resulting Company shall be effected as an integral part of the Scheme of Arrangement.

16. Approvals/ Sanctions/ No-Objections in relation to the Scheme of Arrangement

16.1. The Demerged Company had filed an Application with the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as "Stock Exchanges") on 08 February 2019 and

11 February 2019 respectively, for obtaining Observation Letter or No-objection letter, in terms of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017.

16.2. BSE Limited was appointed as the designated Stock Exchange by the Demerged Company for the purpose of co-ordinating with SEBI, pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017. The Demerged Company has received Observation letters regarding the Scheme of Arrangement from BSE Limited and National Stock Exchange of India Limited dated 11 April 2019 and 23 April 2019 respectively. BSE Limited and the National Stock Exchange of India Limited have conveyed their no adverse observations/no objections for filing the Scheme of Arrangement with the Hon'ble NCLT. Copy of the Observation Letters received from BSE Limited and the National Stock Exchange of India Limited are attached to this Notice as **Annexure 7**.

17. Summary of Share Entitlement Ratio Report and Fairness Opinion

17.1. The Share Entitlement Ratio Report dated 05 February 2019 issued by from M/s. Karvy & Co, Chartered Accountants, states that the ratio of one fully paid up equity share of the Resulting Company for every one existing equity share of the Demerged Company paid to Equity Shareholders of Demerged Company in consideration of demerger of Contract Research and Manufacturing Services Undertaking would be fair and reasonable, considering that all the shareholders of the Demerged Company, are and will, upon demerger, be the ultimate beneficial owners of the Resulting Company in the same ratio (interse) as they hold shares in the Demerged Company.

17.2. The Fairness Opinion dated 05 February 2019 issued by Ernst and Young Merchant Banking Services Private Limited, an independent Merchant Banker, provided that the ShareEntitlement Ratio stated in the Scheme of Arrangement and as provided in the Report is fair.

17.3. A copy of the audited Financial Statements of the Demerged Company along with Auditors Report as on 31 March 2019 and the audited Financial Statements of the Resulting Company along with Auditors Report as on 31 March 2019 are attached to this Notice as **Annexure 8** and **Annexure 9** respectively.

18. The Demerged Company and the Resulting Company have made Joint applications before the Hon'ble NCLT as per Rule 3(1) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for the sanction of the Scheme of Arrangement under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013.

19. In relation to the meeting of the Demerged Company, the Unsecured Creditors of the Demerged Company whose names are appearing in the records of the Company as on 31 March 2019 (cut-off date) shall be eligible to attend and vote at the meeting of the Unsecured Creditors of the Demerged Company convened at the directions of the Hon'ble NCLT or cast their votes using remote e-voting facility.

20. The rights and interests of the equity shareholders, the secured or unsecured creditors, promoter members, non-promoter members, and employees of the Demerged Company and the Resulting Company will not be prejudicially affected by the Scheme of Arrangement as no sacrifice or waiver is at all called from them nor their

rights sought to be modified in any manner. Both the Demerged Company and the Resulting Company does not have any depositors, debenture holders, deposit trustee and debenture trustee.

21. Except to the extent of the shares held by the Directors and the KMP, none of the Directors, KMPs of the Demerged Company or their respective relatives is in any way connected or interested in the resolution forming part of the Notice.
22. There is no likelihood that any secured or unsecured creditor of the companies concerned would lose or be prejudiced as a result of the Scheme of Arrangement being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the arrangement will not cast any additional burden on the shareholders or creditors of either company nor will it affect the interest of any of the shareholders or creditors. As far as the employees of the Demerged Company and the Resulting Company are concerned there would not be any change in their terms of employment on account of the Scheme of Arrangement.
23. No investigation proceedings have been instituted or are pending under the Companies Act, 2013 against the Demerged Company and the Resulting Company.
24. As directed by the Hon'ble NCLT, the Notice pursuant to Section 230(5) of the Companies Act, 2013 in the prescribed format along with a copy of the Scheme of Arrangement, the Statement and the disclosures provided herewith will be served within the prescribed time on the Statutory Authorities, as applicable.

25. Availability of documents for obtaining extract/ copies or for inspection, etc.,

The following documents will be open for inspection at the Registered Office of the Demerged Company at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad – 500 034, Telangana, upto 1 (one) day prior to the date of meeting on all working days between 10:00 am to 04:00 pm, (except Saturdays, Sundays and Public Holidays):

- 25.1. Certified copy of the Order dated 14 August, 2019 passed by the Hon'ble NCLT in Original Joint Company Application No. CA(CAA) No.178/230/HDB/2019 made by the Demerged Company and the Resulting Company.
- 25.2. Copy of Joint Company Application No. CA(CAA) No.178/230/HDB/2019 made by the Demerged Company and the Resulting Company.
- 25.3. Copies of the Memorandum of Association and the Articles of Association of the Demerged Company and the Resulting Company.
- 25.4. Copy of the Audited Financial Statements along with Auditors Report as on 31 March 2019 of the Demerged Company.
- 25.5. Copy of the Audited Financial Statements along with Auditors Report as on 31 March 2019 of the Resulting Company.
- 25.6. Copy of the Share Entitlement Ratio Report dated 05 February 2019 issued by M/s. Karvy & Co, Chartered Accountants.
- 25.7. Copy of the Fairness Opinion dated 05 February 2019 and 18 March 2019 issued by Ernst & Young Merchant Banking Services Private Limited, Independent SEBI Registered Merchant Banker.

- 25.8. Copy of the Certificate from the Statutory Auditors of the Demerged Company and the Resulting Company confirming that the Accounting Treatment specified in the Scheme of Arrangement is in conformity with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read together with paragraph 3 of the Companies (Indian Accounting Standard) Rules, 2015.
- 25.9. Register of Director's shareholding of the Demerged Company and the Resulting Company.
- 25.10. Copy of the Complaints Reports dated 14 March 2019, submitted by the Demerged Company to BSE and dated 16 April 2019 submitted by the Demerged Company to National Stock Exchange of India Limited.
- 25.11. Copy of Audit Committee Report dated 05 February 2019 of the Demerged Company.
- 25.12. Copies of the resolutions passed by the respective Board of Directors of the Demerged Company and the Resulting Company on 05 February 2019 approving the Scheme of Arrangement.
- 25.13. Copy of the no objection/observation letters issued by BSE Limited and National Stock Exchange of India Limited dated 11 April 2019 and 23 April 2019 respectively to the Demerged Company.
- 25.14. Copy of the certificate dated 05 February 2019 issued by M/s. Tukaram & Co LLP, Chartered Accountants and Statutory Auditors of the Demerged Company confirming on the non-applicability of Para (I)(A)(9)(a) read with Para (I)(A)(9)(b) of Annexure I of said SEBI circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017.
- 25.15. Abridged Prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 including applicable information pertaining to the Resulting Company.
- 25.16. Copy of the Scheme of Arrangement.
- 25.17. Copy of report adopted by the Board of Directors of the Demerged Company and the Resulting Company pursuant to Section 232(2)(c) of the Companies Act, 2013.
- 25.18. Copy of Complaints Report dated 14 March 2019 and 16 April 2019 submitted to BSE Limited and National Stock Exchange of India Limited respectively.

This statement shall be treated as a Statement under Sections 230 to 232 and Section 102 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder. Copy of the NCLT convened meeting Notice(s), the Scheme of Arrangement and Explanatory Statement(s) under Section 230 of the Companies Act, 2013 have been placed on the website of the Company at <http://suvan.com>.

D. Narendar Naik
The Chairman appointed for the Meeting

Date: 16th August, 2019

Place: Hyderabad

SCHEME OF ARRANGEMENT (DEMERGER)

BETWEEN

SUVEN LIFE SCIENCES LIMITED

("DEMERGED COMPANY" OR "SLSL")

AND

SUVEN PHARMACEUTICALS LIMITED

("RESULTING COMPANY" OR "SPL")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under the provisions of Section 230 to section 232 read with Section 66 and other applicable provisions of the Companies Act, 2013)

I. PREAMBLE

This Scheme of Arrangement (Demerger) ("**the Scheme**") is presented under Sections 230 to 232 of the Companies Act, 2013 read with Section 66 of Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments or amendments thereof) for the demerger, transfer and vesting of Contract Research and Manufacturing Services Undertaking (as hereinafter defined) of Suven Life Sciences Limited ("**Demerged Company**" or "**SLSL**") on a going concern basis to Suven Pharmaceuticals Limited ("**Resulting Company**" or "**SPL**"). The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

II. DESCRIPTION OF COMPANIESa. **SUVEN LIFE SCIENCES LIMITED ("DEMERGED COMPANY" OR "SLSL")**

- i. Demerged Company was originally incorporated on March 9, 1989 under the Companies Act, 1956 in the State of Andhra Pradesh with the name "Suven Pharmaceuticals Pvt. Ltd".
- ii. On January 04, 1995, the Demerged Company had changed its name to Suven Pharmaceuticals Limited as per Section 31 (1) / 44 of the Companies Act, 1956. Further, on September 20, 2003 the Demerged Company had changed its name to Suven Life Sciences Limited.




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- iii. The Corporate Identity Number of Demerged Company is L24110TG1989PLC009713. The Registered Office of Demerged Company is situated at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad, Telangana 500034.
- iv. The equity shares of Demerged Company are listed on BSE Limited (Stock Code: 530239) and National Stock Exchange of India Limited (Stock Code: SUVEN-EQ).
- v. The Demerged Company has 2 (two) business verticals:
- Contract Research and Manufacturing Services (“CRAMS”) – CRAMS division of Demerged Company is engaged in development and manufacturing of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API), Specialty chemicals and formulated drugs under Contract Research and Manufacturing Services for global pharmaceutical, biotechnology and chemical companies.
 - Discovery or Research and Development (“Discovery Research”) – Discovery Research division of Demerged Company is focused on discovering, developing and commercializing novel pharmaceutical products, which are first in class or best in class CNS (Central Nervous System) therapies using GPCR targets for the treatment of cognitive impairment associated with neurodegenerative disorders like Alzheimer’s disease, Attention Deficient Hyperactivity Disorder (ADHD), Huntington’s disease, Parkinson and Schizophrenia, Major Depressive Disorders (MDD) and sleep disorders like Narcolepsy etc.
- b. SUVEN PHARMACEUTICALS LIMITED (“RESULTING COMPANY” OR “SPL”):
- i. The Resulting Company is a public limited company incorporated on November 06, 2018 under the Companies Act, 2013 in the State of Telangana.
- ii. The Corporate Identity Number of Resulting Company is U24299TG2018PLC128171. The Registered Office of Resulting Company is situated at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad, Telangana 500034.



- iii. The Resulting Company is engaged in the business of development and manufacturing of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API), Specialty chemicals and formulated drugs under contract research and manufacturing services for global pharmaceutical, biotechnology and chemical companies.
- iv. Resulting Company is a wholly owned subsidiary of the Demerged Company.

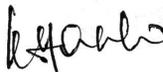
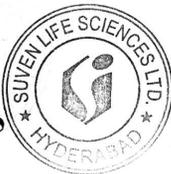
RATIONALE FOR THE SCHEME

The Demerged Company is inter alia engaged in two business verticals, namely: the Contract Research and Manufacturing Services Undertaking and the Discovery Research Undertaking.

The Board of Directors of Demerged Company and Resulting Company believe that the risk and reward associated with each of the aforesaid business verticals are different. In order to segregate the Contract Research and Manufacturing Services Undertaking with that of Discovery Research Undertaking, it is intended to demerge the Contract Research and Manufacturing Services Undertaking on a going concern basis into its wholly owned subsidiary with a resultant mirror image shareholding.

The demerger, transfer and vesting of the Contract Research and Manufacturing Services Undertaking on a going concern basis to the Resulting Company would result in better and efficient control and management for the segregated businesses and promote their growth. Further, it would also result in the following benefits:

- The demerger would facilitate focused growth, operational efficiencies, business synergies and increased operational and customer focus in relation to the Contract Research and Manufacturing Services Undertaking in the Resulting Company and the Discovery Research Undertaking in the Demerged Company. The demerger would thus provide a platform for having a concentrated approach towards development of the respective business verticals.
- Focused business approach for the maximization of benefits to all the shareholders and opportunities for growth.
- Operational rationalization, organization efficiency and optimum utilization of various resources.

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- Ability to leverage financial and operational resources of each business.
- Each business would be able to address independent business opportunities, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.
- The proposed demerger will enhance value for shareholders and allow a focused strategy in operation of the respective business verticals which would be in the best interest of the Demerged Company and the Resulting Company, shareholders, creditors and all persons connected therewith.
- The segregation is also expected to unlock the value of the business verticals of the Demerged Company.
- There is no likelihood that the interests of any shareholder or creditor of either the Demerged Company or the Resulting Company would be prejudiced as a result of the Scheme. The demerger will not impose any additional burden on the members of Demerged Company or the Resulting Company. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors and stakeholders.

Accordingly, the Board of Directors of Demerged Company and Resulting Company have formulated this Scheme of Arrangement (Demerger).

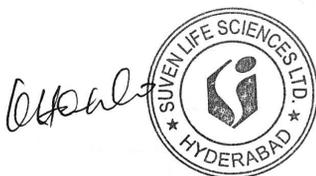
III. PARTS OF THE SCHEME

The Scheme of Arrangement (Demerger) is divided into the following parts:

Part A – Provides for the Definitions, Interpretation and Share Capital;

Part B – Provides for the demerger of Contract Research and Manufacturing Services Undertaking from the Demerged Company into the Resulting Company and the reduction of equity share capital of the Resulting Company;

Part C – Provides for the General Terms and Conditions applicable to this Scheme of Arrangement (Demerger).



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PART A

DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme of Arrangement (Demerger), unless inconsistent with the subject or context, the following expression shall have the meanings respectively assigned against them:

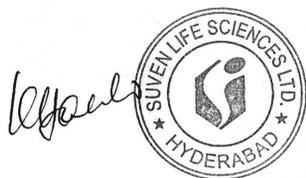
- 1.1 **“Act”** or **“the Act”** means the Companies Act, 2013, the rules, regulations, circulars, guidelines issued thereunder, as amended from time to time and shall, include any statutory modification or re-enactment thereof, for the time being in force;
- 1.2 **“Applicable Laws”** means any statute, notifications, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force;
- 1.3 **“Appointed Date”** means 1 October 2018 or such other date as may be decided or approved by the National Company Law Tribunal or such other appropriate authority;
- 1.4 **“Appropriate Authority”** means and includes any applicable Governmental, statutory, departmental or public body or authority or agency, whether in India or outside India, including the Central Government, Registrar of Companies, National Company Law Tribunal, Stock Exchanges and SEBI;
- 1.5 **“Board”** or **“Board of Directors”** means the Board of Directors or any committee thereof of the Demerged Company or the Resulting Company or both as the context may require and shall include a committee duly constituted and authorized thereby for the purpose of matters pertaining to this Scheme of Arrangement (Demerger) and/or any other consequential or incidental matter in relation thereto;
- 1.6 **“Central Government”** means the Regional Director, Hyderabad, South East Region, in the Ministry of Corporate Affairs, Government of India.



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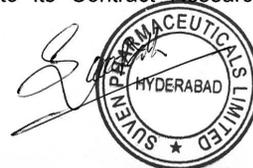
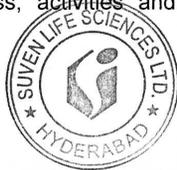


- 1.7 **“Demerged Company”** or **“Transferor Company”** or **“SLSL”** means Suven Life Sciences Limited, a company incorporated under the provisions of Companies Act, 1956 on March 9, 1989 (CIN No. L24110TG1989PLC009713) having its registered office at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad, Telangana 500034, India;
- 1.8 **“Demerged Undertaking”** or **“Contract Research and Manufacturing Services Undertaking”** means and includes, but not limited to, the undertaking, business, activities, operations, assets, liabilities and employees of the Demerged Company pertaining to the Contract Research and Manufacturing Services Business, as on the Appointed Date, that would be demerged, transferred to and vested in the Resulting Company on a going concern basis. The details of assets and liabilities relating to the Contract Research and Manufacturing Services Business as on the Appointed Date is provided in **Schedule 1** and shall without limitation include the following:
- (i) All the assets and properties, whether movable or immovable located primarily at Suryapet, Jeedimetla, Pashamylaram and at Vizag, whether tangible or intangible, including all intellectual property, rights, title, interest, covenant, including continuing rights, title and interest in connection with the properties, whether corporeal or incorporeal, leasehold land, leasehold premises, freehold land, licenses relatable exclusively to the Contract Research and Manufacturing Services Business.
 - (ii) All contracts, agreements, deeds, leases, memoranda of understanding, memoranda of agreements, undertakings, powers of attorney (if granted and applicable), arrangements, letters of intent, whether written or otherwise, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, in connection with or in relation to the Contract Research and Manufacturing Services Business, or otherwise identified to be for the benefit of the same, approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension pertaining to or relatable to the Contract Research and Manufacturing Services Business and the right to use assets and properties, whether movable or immovable, tangible or intangible, offices, current assets including loans and advances, furniture, fixtures, office equipment, appliances, accessories of the Contract Research and Manufacturing Services Business of the Demerged Company.



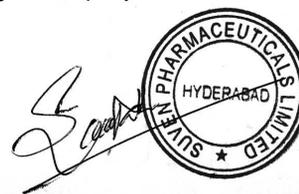
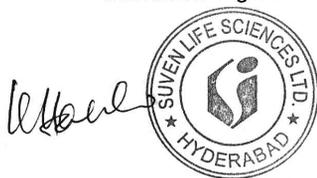
- (iii) All the debts, borrowings and liabilities (including contingent liabilities, liabilities not accrued, not recognized or provided for in the books of accounts of the Demerged Company), guarantees, assurances, commitments, obligations, loans, and undertakings of any kind, nature and description whatsoever and howsoever arising, present or future, whether secured or unsecured, and including, without limitation, working capital facilities, advances from customers, unearned revenues, bills payable, interest, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or un-matured, liquidated or un-liquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to or relating to the Contract Research and Manufacturing Services Business of the Demerged Company.
- (iv) All permits, quotas, no objection certificates, rights, entitlements and benefits including affiliation with different universities, Institutes, Boards, licenses, bids, tenders, letter of intent, expression of interest, municipal permissions, approvals, consents, tenancies in relation to office, benefit of any deposit privileges, all other rights, receivables, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, and all other interests in connection with or relating to the Contract Research and Manufacturing Services Business of the Demerged Company.
- (v) All brand names, trademarks, drug master files, service marks, trade names, labels, patents (including but not limited to Patent grants mentioned in **Schedule 2**) and domain names, designs, software and computer programmes, databases, copyrights, trade secrets and other intellectual property and all other interests exclusively relating to the goods or services being used by the Demerged Company in the business, activities and operations pertaining to its Contract Research and Manufacturing Services Business.
- (vi) All staff, workmen and employees engaged in the Contract Research and Manufacturing Services Business of the Demerged Company as of the Effective Date, and any other employees/personnel hired by the Demerged Company on and after the Appointed Date who are primarily engaged in or in relation to the business, activities and operations pertaining to its Contract Research and

[Handwritten signature]



Manufacturing Services Business, that are in the employment of the Demerged Company as of the Effective Date.

- (vii) All earnest monies and/or security deposits in connection with or relating to the Contract Research and Manufacturing Services Business of the Demerged Company.
- (viii) All records, files, papers, information, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form relating to the Contract Research and Manufacturing Services Business of the Demerged Company.
- (ix) All permits, licenses, consents, approvals, authorizations, quotas, rights, powers, permissions, arrangements, assignments, sanctions, entitlements, allotments, exemptions, incentives, tax benefits, deferrals, subsidies, concessions, grants, claims, liberties, special status, benefits and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to or pertaining to its Contract Research and Manufacturing Services Business, registrations, advantages, no-objection certificates, certifications, easements, and any waivers of the foregoing, issued by any legislative, executive or judicial unit of any Appropriate Authority, governmental or quasi-governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local (including municipal), administrative or judicial authority, used or held for use by the Demerged Company in respect of business, activities and operations pertaining to its Contract Research and Manufacturing Services Business.
- (x) All tax credits, including cenvat credits, refunds, reimbursements, claims, exemptions, benefits under service tax laws, value added tax (VAT), goods and service tax (GST), purchase tax, sales tax or any other duty or tax or cess or imposts under any Central or State law including sales tax deferrals, special economic zone benefits, excise duty benefits, tax deducted at source, right to carry forward and set-off unabsorbed losses, and depreciation, minimum alternate tax credits, if any and exemptions, deductions, benefits and incentives under the Income-tax Act, 1961 in respect of business, activities, research and development units and operations pertaining to the Contract Research and Manufacturing Services Business of the Demerged Company.



- (xi) All rights, benefits and other interest, whether held in trust or otherwise, contracts, agreements, powers, engagements, arrangements of all kind, privileges and all other rights including title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and where so ever situate belonging to or in the ownership, possession, power or custody of or in the control of or vested in or granted in favour of or enjoyed by the Demerged Company, whether in India or abroad, all pertaining to or relatable to the Contract Research and Manufacturing Services Business of the Demerged Company.

It is intended that the definition of “Demerged Undertaking” or “Contract Research and Manufacturing Services Undertaking” under this clause would enable the transfer of all property, assets, rights, duties, employees and liabilities of Demerged Company pertaining exclusively to the Contract Research and Manufacturing Services Business to Resulting Company pursuant to this Scheme.

Any question that may arise as to whether a specified asset, benefit or liability, contract or obligation pertains to or does not pertain to the Contract Research and Manufacturing Services Undertaking or whether it arises out of the activities or operations of the Contract Research and Manufacturing Services Undertaking shall be decided by the Board of Directors of the Demerged Company and the Resulting Company or any committee thereof by mutual agreement.

- 1.9 “**Effective Date**” means the date or last of the dates on which the certified copy of the order, issued by the National Company Law Tribunal bench at Hyderabad, sanctioning this Scheme of Arrangement (Demerger) is filed by the Demerged Company and the Resulting Company with the Registrar of Companies, Telangana at Hyderabad;
- 1.10 “**National Company Law Tribunal**” or “**NCLT**” means the National Company Law Tribunal bench at Hyderabad as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under section 230-232 of the Companies Act, 2013;
- 1.11 “**Record Date**” means the date to be fixed jointly by the Board of Directors of the Demerged Company and the Resulting Company for the purposes of determining the equity shareholders of the Demerged Company to whom shares would be issued in accordance with Clause 6 of this Scheme;



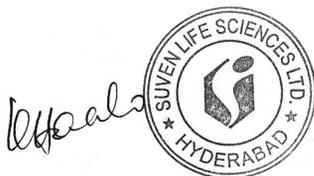
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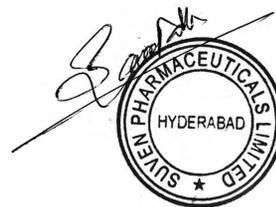
- 1.12 **“Registrar of Companies”** means the Registrar of Companies, Telangana at Hyderabad;
- 1.13 **“Remaining Business Undertaking”** means all the undertakings, businesses, operations and activities, including all the assets and liabilities, of the Demerged Company, excluding the Demerged Undertaking, retained by the Demerged Company, pursuant to this Scheme;
- 1.14 **“Resulting Company”** or **“Transferee Company”** or **“SPL”** means Suvan Pharmaceuticals Limited, a public limited company incorporated under the Companies Act, 2013 on November 06, 2018, having its registered office at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad, Telangana 500034, India (CIN No. U24299TG2018PLC128171);
- 1.15 **“Scheme”** or **“this Scheme”** or **“Scheme of Arrangement (Demerger)”** shall mean this Scheme of Arrangement (Demerger) in its present form and with such modifications and amendments as may be made from time to time with the appropriate approvals and sanctions of the NCLT and other relevant regulatory/statutory/governmental authorities, as may be required under the Act, and/or any other applicable laws;
- 1.16 **“Share Exchange Ratio”** shall have the meaning set out in Clause 6.1;
- 1.17 **“SEBI”** means the Securities and Exchange Board of India;
- 1.18 **“Stock Exchanges”** means the BSE Limited and National Stock Exchange of India Limited;

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time;

Reference to Clauses, recitals and schedules, unless otherwise provided, are to Clauses, recitals and schedules of and to this Scheme. The singular shall include the plural and vice versa.



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2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the National Company Law Tribunal and/or other relevant regulatory/statutory/governmental authorities, shall be effective from the Appointed Date, but shall be operative from the Effective Date.

3. SHARE CAPITAL

3.1 The share capital of the Demerged Company as on September 30, 2018 is as under:

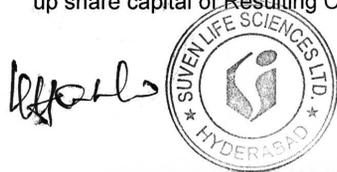
Share Capital	Amount (In INR)
<u>Authorized Share Capital</u>	
40,00,00,000 equity shares of INR1/- each	40,00,00,000
TOTAL	40,00,00,000
<u>Issued, subscribed and paid-up Share Capital</u>	
12,72,82,478 Equity shares of INR 1/- each	12,72,82,478
TOTAL	12,72,82,478

Subsequent to 30 September 2018, there has been no change in the authorised, issued, subscribed and paid up equity share capital of the Demerged Company. The shares of the Demerged Company are currently listed on the BSE Limited and National Stock Exchange of India Limited.

3.2 The share capital of the Resulting Company as on November 06, 2018 (date of incorporation of the Resulting Company) is as under:

Share Capital	Amount (In INR)
<u>Authorized Share Capital</u>	
10,00,000 (Ten Lakhs) Equity shares of INR 1/- each	10,00,000
TOTAL	10,00,000
<u>Issued, subscribed and paid-up Share Capital</u>	
1,00,000 (One Lakh) Equity shares of INR 1/- each	1,00,000
TOTAL	1,00,000

Subsequent to November 06, 2018, there has been no change in the authorised, issued, subscribed and paid up equity share capital of the Resulting Company. The entire paid up share capital of Resulting Company is held by Demerged Company and its nominees.



PART B

**TRANSFER AND VESTING OF DEMERGED UNDERTAKING FROM THE DEMERGED
COMPANY INTO THE RESULTING COMPANY**

4. TRANSFER AND VESTING OF DEMERGED UNDERTAKING

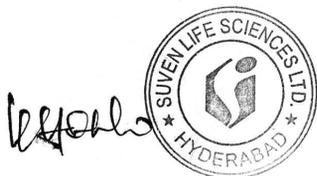
- 4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking of the Demerged Company shall, under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act and Section 2(19AA) of the Income-tax Act, 1961, without any further act, instrument or deed, be transferred to and stand vested in, and/or be deemed to be transferred to and vested in, the Resulting Company as a going concern so as to become, as and from the Appointed Date, the Undertaking of the Resulting Company by virtue of and in the manner provided in this Scheme.
- 4.2 Any and all assets relating to the Demerged Undertaking, as are movable in nature or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same shall be so transferred by Demerged Company, upon the coming into effect of the Scheme, and shall become the property of Resulting Company as an integral part of the Demerged Undertaking with effect from the Appointed Date, pursuant to the provisions of Section 230-232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to encumbrances in favour of banks and/or financial institutions.
- 4.3 Any and all movable properties of the Demerged Company relating to the Demerged Undertaking, other than those specified in Sub-Clause 4.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company without any notice or other intimation to the debtors (although the Resulting Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Resulting Company).



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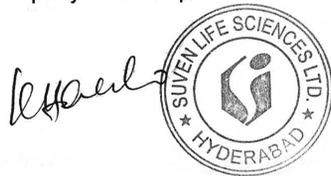
- 4.4 Without prejudice to the generality of the foregoing, all assets, estate, rights, title, interest investments (including but not limited to the branch office of Demerged Company in USA) and authorities held by the Demerged Company on the Appointed Date as regards the Demerged Undertaking, not otherwise specified in Clause 4.2 and Clause 4.3 above, shall also, without any further act, instrument or deed stand transferred to and vest in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230-232 of the Act.
- 4.5 The immovable properties pertaining to Demerged Undertaking shall stand transferred to the Resulting Company automatically without requirement of execution of any further documents for registering the name of the Resulting Company as owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar etc. may rely on the Scheme along with the copy of the Order passed by the National Company Law Tribunal, to make necessary mutation entries and changes in the land or revenue records to reflect the name of the Resulting Company as owner of the immovable properties. For the purpose of vesting of immovable properties to the Resulting Company, the Demerged Company is hereby empowered/authorized to execute any documents/enter into any arrangements for and on behalf of the Resulting Company.
- 4.6 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, registrations or approvals viz., United States Food and Drug Administration approvals or consents held by the Demerged Company required to carry on operations in the Demerged Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company relating to the Demerged Undertaking, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions.



- 4.7 All the brands, trademarks of the Demerged Undertaking including registered and unregistered trademarks along with all the rights of commercial nature including attached title, goodwill, interest, labels and brand registrations, copyrights, and all such other industrial and intellectual property rights of whatsoever nature shall stand transferred to the Resulting Company by operation of law. The Resulting Company shall take such actions as may be necessary and permissible to get the same transferred and /or registered in the name of Resulting Company.
- 4.8 The transfer and vesting of Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to Demerged Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking.
- 4.9 In relation to other assets belonging to Demerged Undertaking, which require separate documents for vesting in the Resulting Company, or which the Demerged Company and/or the Resulting Company otherwise desire to be vested separately, the Demerged Company and the Resulting Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.
- 4.10 Any assets acquired by the Demerged Company after the Appointed Date but prior to the Effective Date pertaining to the Demerged Undertaking shall upon the coming into effect of this Scheme also without any further act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of this Scheme.

5. **TRANSFER OF DEBTS AND LIABILITIES**

- 5.1 With effect from the Appointed Date and upon the Scheme becoming effective:
- (a) All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description, if any, attributable to the Demerged Undertaking ("**Demerged Undertaking Liabilities**") shall, without any further act or deed, be transferred to, or be deemed to be transferred to the Resulting Company so as to become from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations, if any, of the Resulting Company and the Resulting Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which

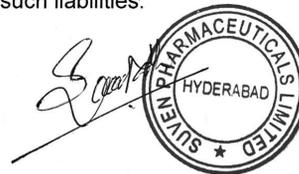


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such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Sub-Clause.

- (b) Where any of the liabilities and obligations attributed to the Demerged Undertaking on the Appointed Date has been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.
- 5.2 All loans raised and used, and liabilities incurred, if any, by the Demerged Company after the Appointed Date, but prior to the Effective Date, for the operations of the Demerged Undertaking shall be transferred to and discharged by the Resulting Company.
- 5.3 In so far as the existing encumbrances, if any, in respect of the Demerged Undertaking Liabilities are concerned, such encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which has been encumbered in respect of the Demerged Undertaking Liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Demerged Undertaking Liabilities, such assets shall remain unencumbered and the existing encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- 5.4 For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business Undertaking are concerned, subject to Clause 5.3, the encumbrances, if any, over such assets relating to the Demerged Undertaking Liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and encumbrances relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Demerged Undertaking is concerned, the encumbrances over such assets relating to any loans, borrowings or other debts or debt securities which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company), shall without any further act or deed be released from such encumbrances and shall no longer be available as security in relation to such liabilities.



- 5.5 Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 5.6 All the loans, advances and other facilities sanctioned to the Demerged Company in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Resulting Company and the said loans and advances shall be drawn and utilized either partly or fully by the Demerged Company from the Appointed Date till the Effective Date.
- 5.7 Subject to provisions of sub-para 5.8 below, any contingent liability pertaining to the Demerged Undertaking as on the Appointed Date shall be assumed by the Resulting Company and accordingly, the contingent liabilities of Demerged Company, on any date after the Appointed Date shall be deemed to have been reduced to the extent of contingent liabilities taken over by the Resulting Company as aforesaid.
- 5.8 As regards any tax Liability arising in connection with Income Tax, Excise, Customs, VAT, Goods and Service Tax, etc. in relation to the Demerged Undertaking, the Resulting Company undertakes to settle the liability directly or reimburse to the Demerged Company, if discharged by the Demerged Company directly.

It is hereby clarified that, for the purpose of this para 5.8, the term "Liability" shall include duty, penalty, interest or any amount paid on compensation.

- 5.9 It is expressly provided that, save as mentioned in this Clause 5, no other term or condition of the liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 5.10 The provisions of this Clause 5 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.



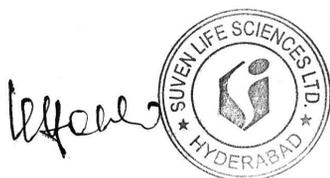
6. **ISSUE OF SHARES**

- 6.1 Upon this Scheme becoming effective and upon the demerger, transfer and vesting of the Demerged Undertaking of the Demerged Company in the Resulting Company, in terms of this Scheme, the Resulting Company shall, without any further application or deed, issue and allot equity shares credited as fully paid-up, to the extent indicated below, to the members of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members & in depositories of the Demerged Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of the Resulting Company in the following manner (“**Share Exchange Ratio**”):

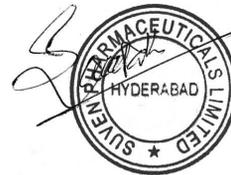
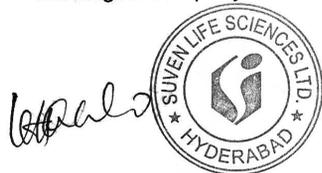
Issue of shares of the Resulting Company to the Equity Shareholders of the Demerged Company:

“1 (One) fully paid up Equity Share of INR 1/- (Rupee One only) each of the Resulting Company shall be issued and allotted for every 1 (One) fully paid up equity share of INR 1/- (Rupee One only) each held in the Demerged Company”

- 6.2 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.
- 6.3 The equity shares shall be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which the Demerged Company shares are held or such other account as is intimated by the shareholders to the Demerged Company and / or its Registrar before the Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall receive the equity shares in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Demerged Company and / or its Registrar before the Record Date.



- 6.4 The Board of Directors of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government /Regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of the Demerged Company pursuant to Clause 6.1 of the Scheme.
- 6.5 The shares issued by the Resulting Company pursuant to the provisions of Clause 6.1 above in lieu of the shares of the Demerged Company held in the unclaimed suspense account shall be issued to a new unclaimed suspense account created for shareholders of the Resulting Company.
- 6.6 The equity shares to be issued and allotted by the Resulting Company to the equity shareholders of the Demerged Company shall be subject to the Scheme and the Memorandum and Articles of Association of the Resulting Company.
- 6.7 The equity shares to be issued by the Resulting Company to the members of the Demerged Company pursuant to Clause 6.1 of this Scheme will be listed and/or admitted to trading in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with other applicable laws / regulations on all the Stock Exchanges on which shares of the Demerged Company are listed on the Effective Date. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for compliance with the formalities of the said Stock Exchanges.
- 6.8 The equity shares of the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the Stock Exchange(s). There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchange(s).
- 6.9 The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities including the Reserve Bank of India, for the issue and allotment of equity shares by the Resulting Company to the non-resident equity shareholders of the Demerged Company, if any. The Resulting Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, to enable the Resulting Company to issue and allot equity shares to the non-resident equity shareholders of the Demerged Company on the Record Date.



- 6.10 The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 42 read with 62 of the Companies Act, 2013, and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.

7. TRANSFER OF AUTHORISED SHARE CAPITAL OF DEMERGED COMPANY TO RESULTING COMPANY

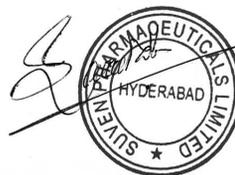
- 7.1 Upon the Scheme being effective, the Authorized Share Capital of the Demerged Company amounting to INR 20,00,00,000/- (Rupees Twenty Crore only) comprising of 20,00,00,000 equity shares of INR 1/- each, shall be transferred to the Resulting Company without payment of any additional fees, duties and taxes as though the same has already been paid. The authorised share capital of the Resulting Company will automatically stand increased by the said amount, as on the Effective Date, without any further act or deed. The Stamp duty and fees paid on the authorised share capital of the Demerged Company shall be utilised and applied to the increased authorised share capital of the Resulting Company and there would be no requirement for any further payment of stamp duty and/ or fee and/ or taxes by the Resulting Company for increase in the authorised share capital to that extent.

- 7.2 The existing capital clause contained in the Memorandum of Association of Demerged Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and 64 of the Act and Section 232 and other applicable provisions of the Act, as set out below:

Memorandum of Association

"The Authorized Share Capital of the Company is INR 20,00,00,000 (Rupees Twenty Crores only) divided into 20,00,00,000 Equity Shares of INR 1/- (Rupees One only) each. With the right to increase or reduce the share capital in accordance with the provisions of the Companies Act 2013. The company shall have powers, at any time and from time to time to increase or reduce capital. Any of the said shares and new shares may at any time and from time to time be divided in to shares of several classes in such manner as the articles of the company may prescribe and the shares of each class may confer such preferred or other special rights and privileges and impose such restrictions and conditions whether in regard to dividend, voting, return of capital or otherwise as may be prescribed in or under the articles of association."

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- 7.3 The existing capital clause contained in the Memorandum of Association of Resulting Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and 64 of the Act and Section 232 and other applicable provisions of the Act, as set out below:

Memorandum of Association

"The Authorized Share Capital of the Company is INR 20,10,00,000 (Rupees Twenty Crores Ten Lakhs only) divided into 20,10,00,000 Equity Shares of INR 1/- (Rupees One only) each with the right to increase or reduce the share capital in accordance with the provisions of the Companies Act 2013. The company shall have powers, at any time and from time to time to increase or reduce capital. Any of the said shares and new shares may at any time and from time to time be divided in to shares of several classes in such manner as the articles of the company may prescribe and the shares of each class may confer such preferred or other special rights and privileges and impose such restrictions and conditions whether in regard to dividend, voting, return of capital or otherwise as may be prescribed in or under the articles of association."

- 7.4. The approval of this Scheme by the shareholders of the Demerged Company and Resulting Company shall be deemed to have the approval for the purpose of effecting the transfer of authorised share capital and no further resolutions would be required to be separately passed in this regard.

8. REDUCTION OF SHARE CAPITAL HELD BY DEMERGED COMPANY IN THE RESULTING COMPANY

- 8.1 Upon the Scheme becoming effective and upon the issue of shares by the Resulting Company in accordance with Clause 6.1 of the Scheme, the existing 1,00,000 equity shares of INR 1/- each of the Resulting Company held by the Demerged Company, as on the Effective Date, shall without any application or deed, stand cancelled without any payment.
- 8.2 The reduction of share capital of Resulting Company shall be effected as an integral part of this Scheme and Resulting Company shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately.



- 8.3 The reduction would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital. Notwithstanding the reduction in the equity share capital of Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.
- 8.4 The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to have the approval for the purpose of effecting the capital reduction in the Resulting Company under Section 66 of the Act and other applicable provisions of the Act and no further resolutions would be required to be separately passed in this regard.
- 8.5 The application and reduction of Securities Premium Account of Demerged Company, as above, shall be effected as an integral part of this Scheme and Demerged Company shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately. The reduction would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital. Notwithstanding the reduction in the Securities Premium Account of Demerged Company, the Demerged Company shall not be required to add "And Reduced" as suffix to its name. The approval of this Scheme by the shareholders of the Demerged Company shall be deemed to have the approval for the purpose of effecting the capital reduction in the Demerged Company under Section 66 of the Act and other applicable provisions of the Act and no further resolutions would be required to be separately passed in this regard.

9. ACCOUNTING TREATMENT

Accounting treatment in the books of the Demerged Company

Upon the coming into effect of this Scheme and with effect from the Appointed Date:

- 9.1 The Demerged Company, as on the Appointed Date, shall reduce the book value of assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in the Resulting Company from the book value of assets and liabilities as appearing in its books.
- 9.2 The Securities Premium Account, General Reserve and Retained earnings of the Demerged Company, as on the Appointed Date, shall be apportioned between the Resulting Company and the Demerged Company on the basis of net assets transferred to the Resulting Company and net assets retained by the Demerged Company.



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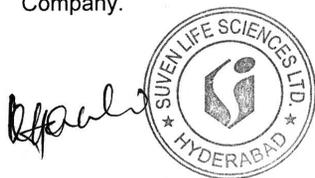


- 9.3 The difference, if any, between the net assets (difference between the book value of assets and liabilities as on the Appointed Date) and transfer of reserves as provided in clause 9.2 above along with any accounting adjustments, shall be adjusted against General Reserve of the Demerged Company.
- 9.4 Investments in the equity share capital of the Resulting Company will stand cancelled as per Clause 8.1 and be debited to the General Reserve of the Demerged Company.

Accounting treatment in the books of the Resulting Company

Upon the coming into effect of this Scheme and with effect from the Appointed Date:

- 9.5 The Demerger will be accounted in accordance with Indian Accounting Standard (Ind AS) 103 – Business Combination as notified under Section 133 of the Act read together with paragraph 3 of the Companies (Indian Accounting Standard) Rules, 2015.
- 9.6 The Resulting Company, as on the Appointed Date, shall record the assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme at their respective book values, excluding revaluation, if any, as appearing in the books of the Demerged Company.
- 9.7 The Resulting Company shall record the Securities Premium Account, General Reserve, Retained earnings transferred to and vested in it pursuant to Clause 9.2 above.
- 9.8 Upon coming into effect of the Scheme, the shareholding of the Demerged Company in the Resulting Company shall be cancelled and the amount of such share capital, as stands cancelled, be credited to General Reserve.
- 9.9 The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the new equity shares issued by it to the members of the Demerged Company pursuant to Clause 6.1 of this Scheme.
- 9.10 The excess of assets over the liabilities of the Demerged Undertaking transferred to and vested in the Resulting Company after considering the treatment specified in Clause 9.7 and 9.8 above and after considering the issue of share capital by the Resulting Company in terms of Clause 6.1, would be adjusted against the General Reserve of the Resulting Company.



9.11 For any matter arising in connection with the accounting treatment, the same would be dealt in consultation with the Statutory Auditors of the Demerged Company and Resulting Company.

9.12 In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies, as may be directed by the Board of Directors of the Resulting Company in compliance with the Accounting Standards will prevail and the differences will be quantified and adjusted to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policy.

10. PROFITS, DIVIDEND

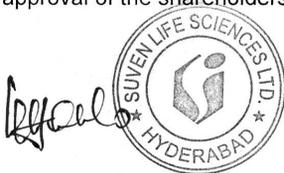
10.1 The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice, or in the ordinary course.

10.2 The Boards of the Demerged Company and the Resulting Company or any of the committee(s) thereof, if any, shall take such actions as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause of the Scheme.

10.3 Upon the Scheme becoming effective, on and from the Appointed Date, the profits of the Demerged Undertaking shall belong to and be the profits of the Resulting Company and will be available to Resulting Company for being disposed of in any manner as it thinks fit.

10.4 Further, it is clarified that any dividends declared or paid by the Demerged Company to its shareholders or for any other purpose, on and from Appointed Date until the Effective Date, shall be out of the profits and cash generated by the Demerged Undertaking, with prior written consent of the Board of Directors of Resulting Company.

10.5 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Demerged Company and/or Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Demerged Company and Resulting Company respectively, subject to such approval of the shareholders, as may be required.



11. CONDUCT OF DEMERGED UNDERTAKING OF THE DEMERGED COMPANY TILL THE EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

- 11.1 The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the Demerged Undertaking for and on account of and in trust for the Resulting Company. The Demerged Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- 11.2 The Demerged Company shall carry on and be deemed to have carried on its business and activities relating to the Demerged Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Resulting Company, alienate charge, mortgage, encumber or otherwise deal with or dispose of the Demerged Undertaking or part thereof.
- 11.3 The Demerged Company shall be entitled to use all entitlements, licenses, permissions, approvals, clearances, authorizations, consents, brands, trademarks, copyrights, patents, other intellectual property rights, registrations and no-objection certificates for the operations of the Demerged Undertaking or part thereof.
- 11.4 All the profits or income accruing or arising to the Demerged Company or expenditure or losses arising or incurred or suffered by the Demerged Company pertaining to the Demerged Undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Resulting Company.
- 11.5 The Demerged Company shall not vary the terms and conditions of employment of any of the employees of the Demerged Company pertaining to the Demerged Undertaking except in the ordinary course of business or without the prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company, as the case may be, prior to the Appointed Date.



11.6 The Demerged Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Resulting Company may require to carry on the Demerged Undertaking of the Demerged Company.

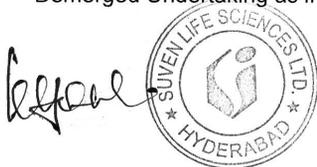
12. EMPLOYEES

12.1 On the Scheme becoming operative, all staff and employees of the Demerged Company pertaining to Demerged Undertaking in service on the Effective Date shall be deemed to have become staff and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them with reference to their employment in the Demerged Company.

12.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund, Employee State Insurance Scheme or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of the Demerged Company pertaining to Demerged Undertaking or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company in relation to Demerged Undertaking in relation to such Fund or Funds shall become those of the Resulting Company. It is clarified that the services of the staff and employees of the Demerged Company pertaining to Demerged Undertaking will be treated as having been continuous for the purpose of the said Fund or Funds.

13. LEGAL PROCEEDINGS

13.1 If any suit, appeal or other proceeding of whatever nature by or against the Demerged Company in relation to Demerged Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company in relation to Demerged Undertaking as if this Scheme had not been made.



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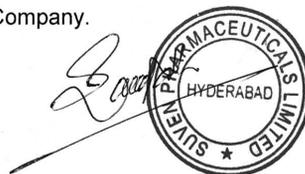
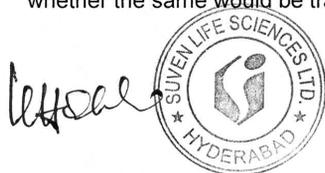
- 13.2 After the Appointed Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in the Clause 13.1 above, the Demerged Company shall defend the same at the cost of the Resulting Company and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by it in respect thereof and further reimburse all amounts including interest, penalties, damages, costs etc. which the Demerged Company may be called upon to pay or secure in respect of any liability or obligation relating to Demerged Undertaking.
- 13.3 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clause 13.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company to the extent legally permissible after the Scheme being effective. To the extent such proceedings cannot be taken over by the Resulting Company, the proceedings shall be pursued by the Demerged Company for and on behalf of the Resulting Company as per the instructions of and entirely at the cost and expenses of the Resulting Company.
- 13.4 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Demerged Company in relation to Demerged Undertaking including litigations, suits, recovery proceedings relating to excise duty and labour issues, the Resulting Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Resulting Company. Any other litigation, suit, recovery proceedings of excise duty or labour matters pertaining to Demerged Undertaking that may, arise after the Appointed Date, shall also stand transferred to the Resulting Company and no liability shall ever be vested in the Demerged Company.

14. TREATMENT OF TAXES AND CONSEQUENTIAL MATTERS RELATING TO TAX

- 14.1 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the Scheme shall stand modified to the extent determined necessary to comply with section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.



- 14.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable by the Demerged Company relating to the Demerged Undertaking including all advance tax payments, tax deducted at source or any refunds / credit / claims relating thereto shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds / credit / claims, as the case may be, of the Resulting Company, provided however that any direct and indirect taxes that cannot specifically be earmarked as the liability or refunds / credit / claims relating to the Demerged Undertaking shall continue to be borne by the Demerged Company. It is specifically provided that if the Demerged Company or their successor(s) receives any refunds / credit / claims or incurs any liability in respect of the Demerged Undertaking, the same shall be on behalf of and as a trustee of the Resulting Company and the same shall be refunded to / paid by the Resulting Company.
- 14.3 With effect from the Appointed Date and upon the Scheme becoming effective, all unavailed credits and exemptions, margin money, retention money, deposit with statutory authorities, other deposits and benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT credit remaining after utilization of the same by the Demerged Company), Cenvat, customs, VAT, sales tax, service tax, GST etc. relating to the Demerged Undertaking to which the Demerged Company is entitled to shall be available to and vest in the Resulting Company, without any further act or deed.
- 14.4 If the Demerged Company is entitled to any benefits under the incentive schemes and policies including deduction under Section 35(2AB) of the Income-tax Act, 1961 or concessions relating to the Demerged Undertaking under any tax laws or Applicable Laws, the Resulting Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or deductions as the case may be without any specific approval or permission.
- 14.5 Upon this Scheme becoming effective, the Demerged Company and the Resulting Company are permitted to revise and file their respective income tax returns, including tax deducted at source certificates, GST returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/ credits, pursuant to the provisions of this Scheme.
- 14.6 The Board of Directors of the Demerged Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Demerged Undertaking and whether the same would be transferred to the Resulting Company.



15. CONTRACTS, DEEDS, ETC.

- 15.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to Demerged Undertaking to which the Demerged Company is a party and which is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.
- 15.2 The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. The Resulting Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Company for the Demerged Undertaking and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

16. REMAINING BUSINESS UNDERTAKING

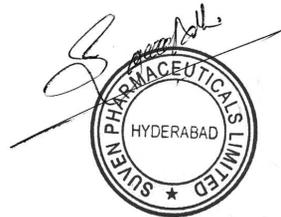
- 16.1 It is clarified that the Remaining Business Undertaking of the Demerged Company shall continue with the Demerged Company as follows:
- (a) The Remaining Business Undertaking of the Demerged Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.
 - (b) All legal and other proceedings by or against the Demerged Company under any statute, whether pending and / or arising on or before the Appointed Date and relating to the Remaining Business Undertaking of the Demerged Company (including those relating to any property, investments, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business Undertaking) shall be continued and enforced by or against the Demerged Company.



- (c) With effect from the Appointed Date and including the Effective Date:
- i. The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business Undertaking for and on its own behalf;
 - ii. All income or profit accruing to the Demerged Company or expenditure or losses arising or incurred by it relating to the Remaining Business Undertaking are and shall for all purposes, be treated as the income or profit or expenditure or losses, as the case may be, of the Demerged Company;

17. SAVING OF CONCLUDED TRANSACTIONS

- 17.1. The transfer of the Demerged Undertaking from the Demerged Company to the Resulting Company under Clause 4 above and the continuance of proceedings by or against the Resulting Company under Clause 13 above shall not affect any transaction or proceedings already concluded by the Demerged Company or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accept and adopts all acts, deeds and things done and executed by the Demerged Company for the Demerged Undertaking in respect thereto as done and executed on behalf of itself.



PART C

GENERAL TERMS AND CONDITIONS

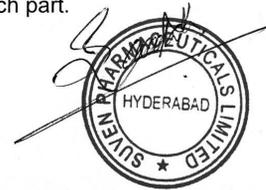
18. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

18.1. The Scheme is conditional upon subject to:

- a) Obtaining no-objection/ observation letter from the Stock Exchanges/ SEBI in relation to the Scheme;
- b) The Scheme being approved by requisite majorities of the members and/or creditors of the Demerged Company and the Resulting Company as may be directed by the National Company Law Tribunal;
- c) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
- d) Approval of the Scheme by the National Company Law Tribunal;
- e) Certified copy of the order of the National Company Law Tribunal, sanctioning the Scheme being filed with the Registrar of Companies, Telangana.

18.2. In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.

18.3. If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Board of Directors of the Demerged Company and the Resulting Company involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including but not limited to such part.



19. **APPLICATION TO THE NATIONAL COMPANY LAW TRIBUNAL**

- 19.1 The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make a joint application to the National Company Law Tribunal, under Sections 230 to 232 read with section 66 of the Act and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and / or creditors and for sanctioning this Scheme, with such modifications as may be approved by the National Company Law Tribunal.
- 19.2 The Demerged Company and the Resulting Company shall be entitled, pending the effectiveness of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Demerged Company and the Resulting Company, which the Demerged Company and the Resulting Company may require to effect the transactions contemplated under the Scheme or carry on the Demerged Undertaking, in any case subject to the terms as may be mutually agreed between the Demerged Company and the Resulting Company.
- 19.3 Upon this Scheme becoming effective, the respective shareholders of the Demerged Company and the Resulting Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

20. **MODIFICATIONS / AMENDMENTS TO THE SCHEME**

- 20.1 Subject to approval of National Company Law Tribunal, the Demerged Company and the Resulting Company by their respective Boards of Directors ("**the Board**", which term shall include Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the National Company Law Tribunal and/or any other Appropriate Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board of Directors). The Demerged Company and the Resulting Company by their respective Board are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

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21. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

21.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the National Company Law Tribunal or such other Appropriate Authority and / or the Order not being passed as aforesaid within such period or periods as may be agreed upon between the Demerged Company and the Resulting Company by their Board of Directors, the Board of Directors of the Demerged Company and the Resulting Company are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

22. COST, CHARGES, AND EXPENSES

22.1. All costs, charges, fees, taxes including duties (including the stamp duty and/or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions of this Scheme and matters incidental thereto shall be borne by the Resulting Company and the same shall be eligible for deduction of expenditure incurred as per section 35DD of the Income-tax Act, 1961.

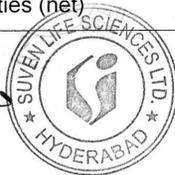


SCHEDULE 1

DETAILS OF ASSETS AND LIABILITIES OF THE DEMERGED UNDERTAKING AS AT THE APPOINTED DATE

Particulars	Amount (in lakhs)
Assets	
<u>Non-current assets</u>	
Property (Land & Buildings etc.), plant and equipment	27,532.12
Capital work-in-progress	5,869.68
Other intangible assets	265.42
<u>Financial assets</u>	
Investments	7.05
Loans	6.34
Other financial assets	609.00
Deferred tax assets (net)	-
Other non-current assets	3,384.33
Total Non-current assets	37,673.94
<u>Current assets</u>	
Inventories	14,000.91
<u>Financial assets</u>	
Investments	-
Trade receivables	6,261.06
Cash and cash equivalents	-
Bank balances other than above	-
Loans	14.78
Other financial assets	0.28
Current Tax Asset(net)	912.06
Other current assets	5,223.91
Total Current assets	26,413.00
TOTAL ASSETS	64,086.94
Liabilities	
<u>Non-current-liabilities</u>	
<u>Financial liabilities</u>	
Borrowings	24.64
Provisions	305.95
Deferred tax liabilities (net)	3,331.47

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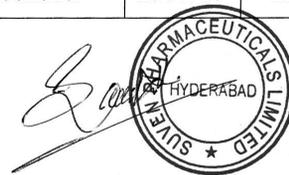
Other non-current liabilities	-
Total Non-current financial liabilities	3,662.06
<u>Current liabilities</u>	
<u>Financial liabilities</u>	
Borrowings	3,075.33
Trade payables	4,372.13
Other financial liabilities	3,173.09
Other current liabilities	919.53
Provisions	439.01
Total current liabilities	11,979.09
TOTAL LIABILITIES	15,641.15



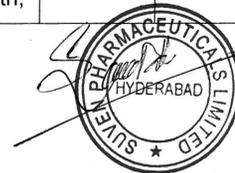
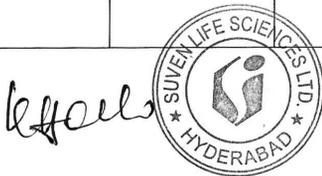
SCHEDULE 2

Details of the Patent grants of the Demerged Undertaking

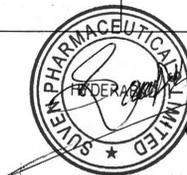
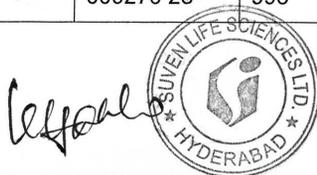
Sl. No	Title	PCT Application No & filing date	PCT Publication No & published date	Details of National Phase entered countries	Granted country name	Grant Number	Grant date	Expiry date
1	Improved process for the preparation of intermediate s useful for the preparation of Zonisamide	PCT/IN03/00 0325 29- Sep-2003	WO/2005/030 738 07- Apr-2005	India	India	237648	31-12- 2009	Not renewed , so lapsed
					Total number of granted countries: 1			
2	Improved Process for the preparation of Entacapone	PCT/IN03/00 0401 29- Dec-2003	WO/2005/063 63 14-Jul- 2005	Canada, Australia, China, USA, Japan, Europe	Canada Australia China USA Japan Europe	2552099 2003288 712 CN1005 19517 7385072 4550740 1699753	07-07- 2009 16-May- 2011 29-Jul- 2009 10-06- 2008 16-07- 2010 26-11- 2014	29-12- 2023 29-12- 2023 29-12- 2023 29-12- 2023 No validatio n hence lapsed
					Total number of granted countries: 5			
3	Novel intermediate s useful for the	PCT/IN04/00 0316 08- Oct-2004	WO/2006/038 220 13-Apr- 2006	India, Canada, Australia,	India Canada	261506 2584789	27- Jun- 2014 23-	08-10- 2024 08-10-



SI. No	Title	PCT Application No & filing date	PCT Publication No & published date	Details of National Phase entered countries	Granted country name	Grant Number	Grant date	Expiry date
	preparation of Aripiprazole and methods for the preparation of the novel intermediates and Aripiprazole			China, New Zealand, USA, Europe, Japan, Eurasia, South Korea, Israel			Nov-2010	2024
		Australia	2004323810		1-Mar-2012	08-10-2024		
		China	CN101068789		15-12-2010	08-10-2024		
		New Zealand	554731		28-04-2010	08-10-2024		
		USA	7872132		18-Jan-2011	08-10-2024		
		Europe (Validated in the following 4 countries: Italy, France, UK, Germany)	EP1812395		21-May-2008	08-10-2024		
		Japan	4819818		09-09-2011	08-10-2024		
		South Korea	1041551		08-Jun-2011	08-10-2024		
		Eurasia (Validated in the following 9 countries: Azerbaijan, Armenia, Belarus, Kazakhstn,	12180		28-Aug-2009	08-10-2024		



Sl. No	Title	PCT Application No & filing date	PCT Publication No & published date	Details of National Phase entered countries	Granted country name	Grant Number	Grant date	Expiry date
					Kyrgyzstan , Moldova, Russia, Tajikistan, Turkmenistan)			
					Israel	182439	29-07-2011	08-10-2024
					Total number of granted countries: 22			
4	An Improved Process for the preparation of Losartan	PCT/IN05/00 0426 21- Dec-2005	WO/2007/020 654 22- Feb-2007	India, USA, South Korea	India	238064	20-01-2010	Not renewed, so lapsed
					USA	7923566	12-04-2011	21-12-2025
					South Korea	1250820	29-03-2013	21-12-2025
					Total number of granted countries: 3			
5	Process for the preparation of Losartan	PCT/IN05/00 0431 21- Dec-2005	WO/2007/026 375 8-Mar-2007	India, USA, South Korea	India	237665	04-01-2010	31-08-2025
					USA	US7915425	29-03-2011	21-12-2025
					South Korea	1050256	12-07-2011	21-12-2025
					Total number of granted countries: 3			
6	A process for the preparation of Z & E isomers of Entacapone	PCT/IN06/00 0143 25- Apr-2006	WO/2007/094 007 23-Aug- 2007	India	India	237290	14-Dec-2009	13-02-2026
					Total number of granted countries: 1			
7	Process for the	PCT/IN2008/ 000270 28-	WO/2009/007 998 15-	India, USA,	India	8138366	20-03-2012	28-04-2028



Sl. No	Title	PCT Application No & filing date	PCT Publication No & published date	Details of National Phase entered countries	Granted country name	Grant Number	Grant date	Expiry date
	preparation of Malathion and its intermediate O,O-dimethldithio phosphoric acid for pharmaceutical use	Apr-2008	Jan-2009	Europe	USA	2170078	26-03-2014	No validation hence lapsed
					Europe	281140	08-03-2017	09-07-2027
Total number of granted countries: 2								
8	Improved process for the preparation of Dorzolamide hydrochloride and preparation of its novel intermediate	PCT/IN2009/000228 06-Apr-2009	WO/2010/061398 03-Jun-2010	India	India	268270	24-08-2015	27-11-2028
Total number of granted countries: 1								
9	Improved Process for the preparation of Zolpidem and preparation of its novel intermediate	PCT/IN2008/000266 28-April-2008	WO/2009/007995 19-Mar-2009	India	India	288884	30-10-2017	09-07-2027
Total number of granted countries: 1								

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Sl. No	Title	PCT Application No & filing date	PCT Publication No & published date	Details of National Phase entered countries	Granted country name	Grant Number	Grant date	Expiry date
10	Process for the preparation of Rosuvastatin Calcium and preparation of its novel intermediates	PCT/IN2013/000702 18-Nov-2013	WO/2015/008294 22-Jan-2015	USA, Japan, India, Europe	USA	9518028	13-12-2016	18-11-2033
					Japan	6114475	24-03-2017	18-11-2033
					Europe	3022213	21-06-2017	No validation, hence lapsed
					India	Under prosecution, examination report received, response to be filed 29-Nov-2018		16-07-2013
					Total number of granted countries: 2			
11	Process for the large scale production of 1H-[1,2,3]triazole and its intermediate 1-Benzyl-1H-[1,2,3]triazole	PCT/IN2014/000062 27-Jan-2014	WO/2015/037013 19-Mar-2015	USA, Japan, India, Europe	USA	9783506	10-10-2017	27-01-2034
					Japan	6216073	29-09-2017	27-01-2034
					Europe	3044212	29-11-2017	No validation, hence lapsed
					India	Under prosecution, examination report yet to be received		13-09-2033
					Total number of granted countries: 2			

Note: All Patents are valid for 20 years in all National Phase entered countries from PCT filing date and in India, all Patents are valid for 20 years from Indian filing date (Priority date). "Patent term extension" up to five years is possible in USA, Europe, Japan, Australia, South Korea, Eurasia (Except Tajikistan) and Israel.





Ref: CERT/064/2018-19

5 February 2019

To

The Board of Directors
Suven Life Sciences Limited
6th Floor, SDE Serene Chambers,
Avenue – 7, Road No 5,
Banjara Hills,
Hyderabad – 500 034, Telangana

The Board of Directors
Suven Pharmaceuticals Limited
6th Floor, SDE Serene Chambers,
Avenue – 7, Road No 5,
Banjara Hills,
Hyderabad – 500 034, Telangana

Re: Share Entitlement Ratio Report for proposed demerger of “Contract Research and Manufacturing Services Undertaking” of Suven Life Sciences Limited into Suven Pharmaceuticals Limited

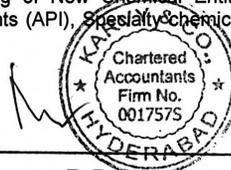
Dear Sirs,

We have been requested by the management of Suven Life Sciences Limited (**hereinafter referred to as “SLSL”**) and Suven Pharmaceuticals Limited (**hereinafter referred to as “SPL”**), (collectively referred to as **“Companies”**) to issue Share Entitlement Ratio Report for issue of equity shares of SPL, in connection with proposed Scheme of Arrangement (**hereinafter referred to as “Scheme”**) between Suven Life Sciences Limited and Suven Pharmaceuticals Limited and their respective shareholders and creditors under the provisions of section 230 to 232 read with section 66 of the Companies Act, 2013 and other applicable provisions for demerger of “Contract Research and Manufacturing Services Undertaking” (**CRAMS**) of SLSL into SPL.

1. BACKGROUND

1.1. Suven Life Sciences Limited

- SLSL was originally incorporated on March 9, 1989 under the Companies Act, 1956 in the State of Andhra Pradesh with the name “Suven Pharmaceuticals Pvt. Ltd”.
- Later on in the terms of Section 31(1) / 44 of the Companies Act, 1956, the name was changed to SUVEN PHARMACEUTICALS LIMITED on 4th January, 1995 and
- Later after passing special resolution in the AGM on September 20, 2003, the name had changed to Suven Life Sciences Limited.
- The Corporate Identity Number of SLSL is L24110TG1989PLC009713. The Registered Office of SLSL is situated at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad, Telangana 500034.
- The equity shares of SLSL are listed on BSE Limited (Stock Code: 530239) and National Stock Exchange of India Limited (Stock Code: SUVEN-EQ).
- SLSL has 2 (two) business verticals:
Contract Research and Manufacturing Services (CRAMS) – SLSL CRAMS is engaged in development and manufacturing of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API), Specialty Chemicals and formulated drugs under



No.2, Bhooma Plaza, St. No. 4, Avenue 7, Banjara Hills, Hyderabad - 34
Phone : 040-23354995, 23358625, Fax : 040-23358507
Email id : info@karvycompany.com

Contract Research and Manufacturing Services for global pharmaceutical, biotechnology and chemical companies.

Discovery Research – SLSL Discovery Research is focused on discovering, developing and commercializing novel pharmaceutical products, which are first in class or best in class CNS (Central Nervous System) therapies using GPCR targets for the treatment of cognitive impairment associated with neurodegenerative disorders like Alzheimer's disease, Attention deficient hyperactivity disorder (ADHD), Huntington's disease, Parkinson and Schizophrenia, Major Depressive Disorders (MDD) and sleep disorders like Narcolepsy etc.

1.2. Suven Pharmaceuticals Limited

- SPL is a public limited company incorporated on November 6th, 2018 under the Companies Act, 2013 in the State of Telangana.
- The Corporate Identity Number of SPL is U24299TG2018PLC128171.
- The Registered Office of SPL is situated at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad, Telangana 500034.
- We understand that SPL is a wholly owned subsidiary of SLSL i.e. the entire share capital of SPL is held by SLSL.

The management of SLSL is considering demerger of its CRAMS Undertaking into SPL with effect from Appointed Date of 1 October 2018. We have been informed that the CRAMS Undertaking will be demerged to SPL and in consideration, equity shares of SPL would be issued to the equity shareholders of SLSL.

The existing share capital of SPL, which is held by SLSL, will be cancelled as a part of the proposed Scheme.

2. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

- a) Management Certified provisional position of assets and liabilities of CRAMS Undertaking of SLSL as on September 30, 2018 prepared in compliance with section 2(19AA) of the Income-tax Act, 1961.
- b) Current and proposed shareholding pattern of SPL.
- c) Draft Scheme of Arrangement between Suven Life Sciences Limited and Suven Pharmaceuticals Limited and their respective shareholders and creditors under the provisions of section 230 to 232 read with section 66 of the Companies Act, 2013 and other applicable provisions.
- d) Such other information and explanations as we required and which have been provided by the management of SLSL and SPL.

3. LIMITATION

- 3.1. Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 3.2. Our report is neither should it be construed as our opining nor certifying the compliance of the proposed Demerger of CRAMS Undertaking of SLSL with the provisions of any law including companies, RBI, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed Demerger.
- 3.3. The information contained herein and our report is intended only for the sole use and information of the Companies, and only in connection with the proposed demerger as aforesaid including for the purpose of obtaining requisite approvals. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed demerger as aforesaid, can be done only with our prior permission in writing.



- 3.4. No investigation on the Companies claims to title of assets has been made for the purpose of this report and their claim to such rights has been assumed to be valid. Therefore, no responsibility is assumed for matters of a legal nature.
- 3.5. We have not carried out audit of the information provided for the purpose of this engagement. We assume no responsibility for any errors in the above information furnished by the Companies and consequential impact on the present exercise.
- 3.6. Our work does not constitute certification of the historical financial statements including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Our analysis and results are specific to the purpose of this report as per agreed terms of our engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 3.7. Any third person/party intending to provide finance/invest in the shares/businesses of any of the Companies / CRAMS Undertaking, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 3.8. This report is prepared only in connection with the proposed demerger and transfer exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law.
- 3.9. M/s. Karvy & Co, Chartered Accountants, nor its partners, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which this report is being issued. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in this report.

4. BASIS FOR DETERMINATION OF RATIO AND CONCLUSION

- 4.1. In order to replicate the mirror shareholding of SLSL in SPL and considering that all the shareholders of SLSL are and will, upon demerger, be the ultimate beneficial owners of SPL in the same ratio (inter-se) as they hold shares in SLSL, we recommend a ratio of 1 (One) equity share of INR 1/- each fully paid up of SPL for every 1 (One) existing equity share of SLSL of INR 1/- each fully paid up to equity shareholders of SLSL in consideration for the demerger of CRAMS Undertaking.

Thanking you,

Yours faithfully,
For **KARVY & CO.**,
Chartered Accountants
Firm registration number: 0017575


(AJAYKUMAR KOSARAJU)
Partner
Membership No 021989
UDIN: 19021989AAAAAA7666



Place: Hyderabad
Date : 05/02/2019



Ernst & Young Merchant Banking Services Pvt. Ltd. Tel: +91 22 6192 0000
14th Floor, The Ruby Fax: +91 22 6192 1000
29 Senapati Bapat Marg ey.com
Dadar (West)
Mumbai-400 028, India

05 February 2019

The Board of Directors
Suven Life Sciences Limited
SDE Serene Chambers,
6th Floor Avenue, 7 Road No. 5,
Banjara Hills, Hyderabad - 500034

Sub: Fairness opinion on the share entitlement ratio for the shareholders of Suven Life Sciences Limited pursuant to the proposed demerger of its Contract Research and Manufacturing Services Undertaking into Suven Pharmaceuticals Limited

Dear Sir/Madam,

We refer to the engagement letter dated 5 November 2018 with Ernst & Young Merchant Banking Services Private Limited (hereinafter referred to as "we" or "EYMBSP" or "us") wherein Suven Life Sciences Limited (hereinafter referred to as "you" or "Client" or the "Company" or "Suven" or "SLSL") has requested us to provide a fairness opinion on the share entitlement ratio as at 30 September 2018 ("Valuation Date") recommended by a Chartered Accountant –M/s Karvy and Company ("Valuer") for allotment of shares of the new company - Suven Pharmaceuticals Limited ("SPL") to the shareholders of SLSL, with respect to the proposed demerger of Contract Research and Manufacturing Services Undertaking ("CRAMS Undertaking") of the Company.



SCOPE AND PURPOSE OF THIS REPORT

We understand that the Company is contemplating to demerge the CRAMS Undertaking into SPL ("Proposed Transaction") at the share entitlement ratio as recommended by the Valuer.

The restructuring will be performed in the following steps as per the draft Scheme of Arrangement ("Scheme"):

- 1) Currently, SPL is owned by 8 shareholders and the shares from these shareholders will be acquired by SLSL prior to the Proposed Transaction;
- 2) SLSL will demerge the CRAMS Undertaking into SPL and upon the Scheme becoming effective, the existing equity shares of 1,00,000 of INR 1/- each of SPL held by SLSL shall stand cancelled without any payment.
- 3) As a part of the Scheme, the authorized share capital of SLSL to the extent of 20,00,00,000 equity shares of INR 1/- each will be transferred to and vested as the authorized share capital of SPL.

The Scheme provides that upon the demerger being effective, shareholders of SLSL, for every 1 equity share of INR 1/- each fully paid, will receive 1 equity share of INR 1/- each fully paid up of SPL, in addition to and not in lieu of the equity shares held by them in SLSL ("Share Entitlement Ratio").

In this connection, the Management of the Company ("Management") has engaged EYMBSP to submit a fairness opinion report on the share entitlement ratio for the shareholders of SLSL, with respect to the Proposed Transaction.

Our scope of work includes commenting only on the fairness of the share entitlement ratio with respect to the Proposed Transaction for the consideration of the Board of Directors of the Company.

This report is our deliverable in respect of the above engagement.

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

This report has been issued only for the purpose of facilitating the Proposed Transaction and should not be used for any other purpose.



SOURCES OF INFORMATION

In connection with this exercise, we have received the following information from the Management:

- Draft report from the Valuer titled "Share Entitlement Ratio Report for proposed demerger of "Contract Research and Manufacturing Services Undertaking" of Suven Life Sciences Limited into Suven Pharmaceuticals Limited" and final aforesaid report from the Valuer dated 05 February 2019.
- Draft Scheme of Arrangement for the Demerger of CRAMS Undertaking into SPL.
- Provisional split balance sheet of SLSL into CRAMS Undertaking and residual company as at 31 March 2018 and 30 September 2018.
- Provisional balance sheet of SPL as at 31 December 2018.
- Background information provided through emails or during discussions.

We have also obtained further explanations and information considered reasonably necessary for our exercise, from the Management.

STATEMENT OF LIMITING CONDITIONS

Provision of fairness opinions and consideration of the issues described herein are areas of our regular valuation practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

Fairness opinion analysis and result are specific to the purpose of fairness opinion and are based on the latest available balance sheet as agreed per terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

The opinion(s) rendered in this report only represent the opinion(s) of EYMBSPL based upon information furnished by the Management and other sources and the said opinion(s) shall be considered advisory in nature. Our opinion will however not be for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.

We were entitled to rely upon the information provided by the Management without detailed inquiry. Also, we have been given to understand by the Management that it has made sure that no relevant and material factors have been omitted or concealed or given inaccurately by people assigned to provide information and clarifications to us for this exercise and that it has checked out relevance or materiality of any specific information to the present exercise with us in case of any doubt. We have assumed that the information provided to us presents a fair image of CRAMS Undertaking at the Valuation Date. Accordingly, we assume no responsibility for any errors in the above information furnished by the Management and their impact on the present exercise. Also, we assume no responsibility for technical information furnished by the Management and believed to be reliable.





Our report is not nor should it be construed as our recommending the transfer or opining or certifying the compliance of the Proposed Transaction with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such Proposed Transaction.

The fee for the report is not contingent upon the results reported.

We owe responsibility to only the Board of Directors of the Company and nobody else.

We do not accept any liability to any third party in relation to the issue of this report, and our report is conditional upon an express indemnity from the Company in our favor holding us harmless from and against any cost, damage, expense and other consequence in connection with the provision of this report.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without our prior written consent, other than making the report available for inspection in physical or in an electronic form from the day of posting of notice till day of meeting/declaration of results in case of postal ballot, as per the provisions of the Companies Act, 2013 (including the rules made thereunder), secretarial standards and other applicable legal requirements for seeking shareholders' approval for the Proposed Transaction. In addition, we express no opinion or recommendation as to how the shareholders of the Company should vote at any shareholders' meeting(s) to be held in connection with the transfer.

This report is subject to the laws of India.



BACKGROUND OF SUVEN LIFE SCIENCES LIMITED, SUVEN PHARMACEUTICALS LIMITED AND CONTRACT RESEARCH MANUFACTURING SERVICES UNDERTAKING

Suven Life Sciences Limited

Suven is a bio-pharmaceutical company which manufactures and sells bulk drugs and intermediaries worldwide. It operates through three business segments - Manufacturing, Services, and Research and Development. It manufactures bulk drugs and intermediates under contract manufacturing services. It also provides a range of drug discovery and development support services to pharma and biotech companies. For the year ended 31 March 2018, Suven reported total consolidated operating revenue of INR 6,252.6 million and profit after tax of INR 1,236.9 million.

As a part of the Scheme and before the issue of shares pursuant to the demerger, the share capital of SLSL will be as under:

Share Capital	Amount (In INR)
Authorized Share Capital	
20,00,00,000 equity shares of INR 1/- each	20,00,00,000
Total	20,00,00,000
Issued, subscribed and paid-up Share Capital	
12,72,82,478 Equity shares of INR 1 /- each	12,72,82,478
Total	12,72,82,478

Contract Research and Manufacturing Services

CRAMS Undertaking is engaged in development and manufacturing of New Chemical Entity based Intermediates, Active Pharmaceutical Ingredients, Specialty Chemicals and formulated drugs under contract research and manufacturing services for global pharmaceutical, biotechnology and chemical companies.





Suven Pharmaceuticals Limited

SPL is a public limited company incorporated on 06 November 2018 under the Companies Act, 2013 in the State of Telangana.

As a part of the Scheme and before the issue of shares pursuant to the demerger, the share capital of SPL will be as under:

Share Capital	Amount (In INR)
Authorized Share Capital	20,10,00,000
20,10,00,000 equity shares of INR 1/- each	
Total	20,10,00,000
Issued, subscribed and paid-up Share Capital	
1,00,000 equity shares of INR 1/- each	1,00,000
Other equity	(71,316)
Total	28,684
Cash and cash equivalents	28,684
Total	28,684





APPROACH - BASIS OF DETERMINATION OF THE SHARE ENTITLEMENT RATIO FOR THE PROPOSED TRANSACTION

The Valuer has recommended to issue a ratio of 1 (One) equity share of INR 1/- each fully paid up of SPL for every 1 (One) existing equity share of SLSL of INR 1/- each fully paid up in consideration for the demerger of CRAMS Undertaking.

OUR COMMENT ON THE VALUER'S REPORT

Based on our independent calculation and on consideration of all the relevant factors and circumstances, we believe that the share entitlement ratio as recommended by the Valuer in our opinion is fair to the equity shareholders of SLSL.

It should be noted that we have examined only the fairness of the share entitlement ratio for the Proposed Transaction and have not examined any other matter including economic rationale of the transfer per se or accounting and tax matters involved in the Proposed Transaction.

Yours faithfully,

Parag Mehta
Principal





Ernst & Young Merchant Banking Services LLP
14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400028, India

Tel: +91 22 6192 0000
Fax: +91 22 6192 1000
ey.com

18 March 2019

The Board of Directors
Suven Life Sciences Limited
SDE Serene Chambers,
6th Floor Avenue, 7 Road No. 5,
Banjara Hills, Hyderabad - 500034

Sub: Appendix to the fairness opinion on the share entitlement ratio for the shareholders of Suven Life Sciences Limited pursuant to the proposed demerger of its Contract Research and Manufacturing Services Undertaking into Suven Pharmaceuticals Limited dated 5 February 2019

Dear Sir/Madam,

We refer to the engagement letter dated 5 November 2018 and Addendum Letter dated 18 March 2019 with Ernst and Young Merchant Banking Services LLP (formerly known as Ernst & Young Merchant Banking Services Private Limited) (hereinafter referred to as "we" or "EYMBSELLP" or "us") and the report on the fairness opinion on the share entitlement ratio for the shareholders of Suven Life Sciences Limited ("SLSL") pursuant to the proposed demerger of its Contract Research and Manufacturing Services Undertaking into Suven Pharmaceuticals Limited dated 5 February 2019 ("Fairness Opinion Report").

We had issued the Fairness Opinion Report to SLSL which was submitted to National Stock Exchange of India Limited for the approval of the Scheme of Arrangement pertaining to the demerger. It is in this connection that SLSL has received a query from NSE pertaining to SPL's financials. Our response to the query is represented in this Appendix.

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The financial information of Suven Pharmaceutical Limited represented in the Fairness Opinion Report was based on provisional financial statements. The same is now amended as per the Audited Financials dated 5 March 2019 and is presented below:

Particulars (INR million)	As per provisional financials and presented in the Fairness Opinion Report	As per Audited financials. Now to be considered
Issued, subscribed and paid-up Share Capital		
1,00,000 equity shares of INR 1/- each	1,00,000	1,00,000
Other equity	(71,316)	(85,301)
Total equity	28,684	14,699
Current Liability	Nil	13,985
Total Equity & Liability	28,684	28,684
Cash and cash equivalents	28,684	28,684
Total	28,684	28,684

Considering the above, our opinion provided in the Fairness Opinion Report stays unchanged.

Yours faithfully,

Parag Mehta
Partner





Date: March 14, 2019

To,
The General Manager
Department of Corporate Services
BSE Limited
25th Floor, P. J. Towers,
Dalal Street, Mumbai - 400 001

Stock Code: 530239

Dear Sir,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time ("SEBI Circular") for the proposed Scheme of Arrangement (Demerger) between Suven Life Sciences Limited ("Demerged Company" or "SLSL") and Suven Pharmaceuticals Limited ("Resulting Company" or "SPL") and their respective shareholders and creditors under sections 230 to 232 read with section 66 of Companies Act, 2013 and other applicable provisions of Companies Act, 2013

We refer to our Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement (Demerger) between the Demerged Company, Resulting Company and their respective shareholders and creditors.

Since the draft scheme and related documents were hosted/ uploaded on the website of the BSE on February 18, 2019, please find enclosed herewith the Complaints Report as on March 14, 2019 for your kind perusal in the format specified by the SEBI Circular.

The Complaints Report is also being uploaded on the website of the company, i.e. <http://www.suven.com/>, as per requirement of the SEBI Circular.

We request you to kindly issue Observation Letter/No Objection at the earliest so as to enable us to file the Scheme of Arrangements before the National Company Law Tribunal Bench at Hyderabad.

For Suven Life Sciences Limited


K. Hanumantha Rao
Company Secretary



Encl: as above

Suven Life Sciences Limited

Registered Office: 8-2-334 | SDE Serene Chambers | 6th Floor | Road No.5 | Avenue 7
Banjara Hills | Hyderabad - 500 034 | Telangana | India | CIN : L24110TG1989PLC009713
Tel: 91 40 2354 1142/ 3311/ 3315 Fax: 91 40 2354 1152 Email: info@suven.com website: www.suven.com

Complaints Report as on March 14, 2019
Part - A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges/SEBI	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part - B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/ Pending)
-- Not applicable --			

For Suven Life Sciences Limited

K. Hanumantha Rao
 Company Secretary

Suven Life Sciences Limited

 Registered Office: 8-2-334 | SDE Serene Chambers | 6th Floor | Road No.5 | Avenue 7
 Banjara Hills | Hyderabad - 500 034 | Telangana | India | CIN : L24110TG1989PLC009713
 Tel: 91 40 2354 1142/ 3311/ 3315 Fax: 91 40 2354 1152 Email: info@suven.com website: www.suven.com



Date: April 16, 2019

To,
Manager - Listing Compliance
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
BandraKurla Complex, Bandra (E)
Mumbai – 400051

Stock Code: SUVEN-EQ

Dear Sir,

Sub: Submission of Complaints Report as per Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended from time to time ("SEBI Circular") for the proposed Scheme of Arrangement (Demerger) between Suven Life Sciences Limited ("Demerged Company" or "SLSL") and Suven Pharmaceuticals Limited ("Resulting Company" or "SPL") and their respective shareholders and creditors under sections 230 to 232 read with section 66 of Companies Act, 2013 and other applicable provisions of Companies Act, 2013

We refer to our Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement (Demerger) between the Demerged Company, Resulting Company and their respective shareholders and creditors.

Since the draft scheme and related documents were hosted/ uploaded on the website of the NSE on March 25, 2019, please find enclosed herewith the Complaints Report as on April 16, 2019 for your kind perusal in the format specified by the SEBI Circular.

The Complaints Report is also being uploaded on the website of the company, i.e. <http://www.suven.com/>, as per requirement of the SEBI Circular.

We request you to kindly issue Observation Letter/No Objection at the earliest so as to enable us to file the Scheme of Arrangements before the National Company Law Tribunal Bench at Hyderabad.

For Suven Life Sciences Limited


K. Hanumantha Rao
Company Secretary
Encl: as above



Suven Life Sciences Limited

Registered Office: 8-2-334 | SDE Serene Chambers | 6th Floor | Road No.5 | Avenue 7
Banjara Hills | Hyderabad - 500 034 | Telangana | India | CIN : L24110TG1989PLC009713
Tel: 91 40 2354 1142/ 3311/ 3315 Fax: 91 40 2354 1152 Email: info@suven.com website: www.suven.com

Complaints Report as on April 16, 2019
Part - A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchanges/SEBI	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part - B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/ Pending)
-- Not applicable --			

For Suven Life Sciences Limited


K. Hanumantha Rao
 Company Secretary

Suven Life Sciences Limited

 Registered Office: 8-2-334 | SDE Serene Chambers | 6th Floor | Road No.5 | Avenue 7
 Banjara Hills | Hyderabad - 500 034 | Telangana | India | CIN : L24110TG1989PLC009713
 Tel: 91 40 2354 1142/ 3311/ 3315 Fax: 91 40 2354 1152 Email: info@suven.com website: www.suven.com



CERTIFIED TRUE COPY OF THE BOARD RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF SUVEN LIFE SCIENCES LIMITED, HELD ON TUESDAY, THE 5TH DAY OF FEBRUARY 2019, AT 3:30 PM, AT HYATT PLACE, ROAD NO 1, BANJARA HILLS, HYDERABAD, TELANGANA, INDIA – 500 034

APPROVAL OF THE SCHEME OF ARRANGEMENT:

“**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions, if any, read with related rules thereto as applicable under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and in accordance with relevant clauses of the Memorandum of Association and Articles of Association of the Company and subject to the requisite approval(s) of the shareholders and/or creditors of the Company and further subject to the requisite approvals, consents, sanctions and permissions of BSE Limited (“**BSE**”), National Stock Exchange of India Limited (“**NSE**”), Securities and Exchange Board of India (“**SEBI**”), Central Government, other concerned regulatory authorities and the sanction of the Hon'ble National Company Law Tribunal, Hyderabad Bench (“**NCLT**” or “**Tribunal**”) and/or such other appropriate authority, as may be applicable, the approval of the Board of Directors of the Company (“**Board**”) be and is hereby accorded to the Draft Scheme of Arrangement (“**Scheme**”) between Suven Life Sciences Limited (“**the Demerged Company**”) and Suven Pharmaceuticals Limited (“**the Resulting Company**”), a wholly owned subsidiary of Demerged Company and their respective shareholders and creditors placed before the Board and initialed by the Chairman, for the purposes of identification, which provides for demerger of “Contract Research and Manufacturing Services Undertaking” of the Company and transfer and vesting thereof into the Resulting Company.”

“**RESOLVED FURTHER THAT** the approval of the Board be and is hereby accorded as a shareholder of Suven Pharmaceuticals Limited to the Draft Scheme of Arrangement between Suven Life Sciences Limited and Suven Pharmaceuticals Limited and their respective shareholders and creditors.”



Suven Life Sciences Limited

Registered Office: 8-2-334 | SDE Serene Chambers | 6th Floor | Road No.5 | Avenue 7
Banjara Hills | Hyderabad - 500 034 | Telangana | India | CIN : L24110TG1989PLC009713
Tel: 91 40 2354 1142/ 3311/ 3315 Fax: 91 40 2354 1152 Email: info@suven.com website: www.suven.com



"RESOLVED FURTHER THAT the Share Entitlement Ratio Report dated 5 February 2019 issued by Mr. K. Ajay Kumar from M/s. Karvy & Co, Chartered Accountants, as placed before the Board be and is hereby noted and accepted."

"RESOLVED FURTHER THAT the Fairness Opinion dated 5 February 2019 issued by Ernst & Young Merchant Banking Services Private Limited, on the Share Entitlement Ratio Report prepared by Mr. K. Ajay Kumar from M/s. Karvy & Co, Chartered Accountants, as placed before the Board, be and is hereby accepted and taken on record."

"RESOLVED FURTHER THAT the certificate dated 5 February 2019 issued by M/s. Tukaram & Co, Chartered Accountants, statutory auditors of the Company, certifying inter-alia that the Scheme is in compliance with applicable Indian Accounting Standards notified under the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015 and other Generally Accepted Accounting Principles, as placed before the Board be and is hereby noted and accepted."

"RESOLVED FURTHER THAT the report from the Audit Committee recommending the Draft Scheme, taking into consideration, inter alia the Share Entitlement Ratio Report issued by Mr. K. Ajay Kumar from M/s. Karvy & Co, Chartered Accountants, Fairness Opinion issued by Ernst & Young Merchant Banking Services Private Limited, the Auditor certificate regarding the accounting treatment issued by M/s. Tukaram & Co and non- applicability of Valuation Report as placed before the Board, be and is hereby accepted and approved."

"RESOLVED FURTHER THAT the certificate dated 5 February 2019 issued by M/s. Tukaram & Co, Chartered Accountants, statutory auditors of the Company, certifying the non-applicability of requirements prescribed in Para I(A)(9)(a) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("**SEBI Scheme Circular**") pursuant to Para I(A)(9)(c) of Annexure I of SEBI Circular as placed before the Board be and is hereby noted and accepted."



Suven Life Sciences Limited

Registered Office: 8-2-334 | SDE Serene Chambers | 6th Floor | Road No.5 | Avenue 7
Banjara Hills | Hyderabad - 500 034 | Telangana | India | CIN : L24110TG1989PLC009713
Tel: 91 40 2354 1142/ 3311/ 3315 Fax: 91 40 2354 1152 Email: info@suvenc.com website: www.suven.com



"RESOLVED FURTHER THAT the Board has decided that BSE Limited be chosen as Designated Stock Exchange ("DSE") for coordinating with SEBI for obtaining approval of SEBI in accordance with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI (LODR) Regulations, 2015"**)."

"RESOLVED FURTHER THAT the following Directors/Executives, namely, Mr. Venkateswarlu Jasti, Chairman and Chief Executive Officer (DIN - 00278028) and K. Hanumantha Rao, Company Secretary of the Company (collectively referred to as Authorized Representative(s) of the Company) for the purpose of giving effect to this resolution, be and are hereby severally authorized to make such alteration and changes in the Scheme as may be expedient or necessary for satisfying the requirement or conditions imposed by the NCLT or Stock Exchanges in accordance with the SEBI (LODR) Regulations, 2015, the applicable SEBI guidelines, or any regulatory authority provided prior approval of Board of Directors shall be obtained for making any material changes in the said Scheme as approved in the Board meeting."

"RESOLVED FURTHER THAT the following Directors/Executives of the Company, namely, Mr. Venkateswarlu Jasti, Chairman and Chief Executive Officer (DIN - 00278028) and K. Hanumantha Rao, Company Secretary for the purpose of giving effect to this resolution, be and are hereby authorized jointly or severally on behalf of the Board, inter alia, for:

- (a) Filing the Scheme and/or any other information/ details/ documents/ annexures, etc., with the concerned Stock Exchange or SEBI or any other body or regulatory authority or agency to obtain approval or sanction to any of the provisions of the Scheme or for giving effect thereto;
- (b) Representing the Company before the Stock Exchanges, SEBI, as required, NCLT and such other authorities or bodies for filing and making applications and for that purpose to sign, execute and verify the Scheme, petitions, applications, undertakings, affidavits, all other documents and deeds as may be required for the purpose and to make such modifications/alterations as may be required by the aforesaid authorities or as may be thought fit and expedient;



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- (c) Filing of applications with the NCLT or other appropriate authority seeking directions as to holding/ dispensing with the meetings of the shareholders and/ or creditors of the Company, for issuing necessary notices and holding the meeting of the shareholders / creditors of the Company as may be directed by the NCLT to give effect to the Scheme;
- (d) Finalizing and settling the draft of the notices for convening/ dispensing with the meetings of the shareholders and/or creditors of the Company and the draft of the explanatory statements under any applicable provisions under the Companies Act, 2013, SEBI Circulars, or, in terms of the directions of the NCLT, or effect any other modification or amendment as they may consider necessary or desirable to give effect to the Scheme;
- (e) Filing of petitions for confirmation/ approval/ sanction of the Scheme by the NCLT or such other competent authority;
- (f) Filing affidavits, pleadings, applications or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to engage Counsels, Advocates, Solicitors, Chartered Accountants, Company Secretaries and other professionals and to sign and execute vakalatnamas/ memorandum of appearance wherever necessary, and sign and issue public advertisements and notices;
- (g) Signing all applications, petitions, affidavits, pleadings, documents, relating to the Scheme or delegate such authority to another person by a valid Power of Attorney;
- (h) Obtaining approval from such other authorities and parties including the shareholders, term loan lenders, financial institutions, creditors as may be considered necessary, to the Scheme;
- (i) Applying for and obtain requisite approval of the Central Government and any other authority or agency, whose consent is required including those of any Lenders / Creditors;
- (j) Appointing the merchant bankers, Scrutineers, Registrars and such others professionals / agencies as may be required to give effect to the Scheme;



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- (k) Settling any question or difficulty that may arise with regard to the implementation of the Scheme, and to give effect to the above resolution;
- (l) Doing all further acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto;
- (m) Deciding upon, make modifications, changes, variations, amendments, revision in and bring into effect the Scheme from time to time or give such directions as they may consider necessary to settle any question or difficulty arising thereunder or in regard to and of the meaning or interpretation thereof or implementation thereof or in any manner whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those (to the extent permissible under law) or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority or they may suo moto decide in their absolute discretion and to do all such acts, deeds, matters and things whatsoever including settling any question, doubt or difficulty that may arise with regard to or in relation to the Scheme as they may deem fit in their absolute discretion."

"RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed to the relevant documents in the presence of any of the Director of the Company in terms of the provisions of the Articles of Association of the Company."

"RESOLVED FURTHER THAT this resolution shall remain in full force and effect until otherwise amended or rescinded by the Board of Directors."

"RESOLVED FURTHER THAT a copy of this resolution duly certified as true by any Director of the Company or the Company Secretary be furnished to the concerned persons."



Suven Life Sciences Limited

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"RESOLVED FURTHER THAT the following Directors/Executives of the Company, namely, Mr. Venkateswarlu Jasti, Chairman and Chief Executive Officer (DIN - 00278028) and K. Hanumantha Rao, Company Secretary be and are hereby severally authorized to do all things and to take all incidental and necessary steps for and on behalf of the Company and to take from time to time all decisions and steps necessary, expedient or proper, with respect to implementation of the above mentioned resolution, and also to take all other decisions as it/they may, in its/their absolute decision, deem appropriate and to deal all questions or difficulties that may arise in the course of implementing the above mentioned resolution."

// Certified True Copy //

For Suven Life Sciences Limited

A handwritten signature in black ink, appearing to read "K. Hanumantha Rao".

K. Hanumantha Rao
Company Secretary



Place: Hyderabad

Date: 5 February 2019

Suven Life Sciences Limited

Registered Office: 8-2-334 | SDE Serene Chambers | 6th Floor | Road No.5 | Avenue 7
Banjara Hills | Hyderabad - 500 034 | Telangana | India | CIN : L24110TG1989PLC009713
Tel: 91 40 2354 1142/ 3311/ 3315 Fax: 91 40 2354 1152 Email: info@suven.com website: www.suven.com



CERTIFIED TRUE COPY OF THE BOARD RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF SUVEN PHARMACEUTICALS LIMITED, HELD ON TUESDAY, THE 5TH DAY OF FEBRUARY 2019, AT 5:45 PM AT HYATT PLACE, ROAD NO 1, BANJARA HILLS, HYDERABAD, TELANGANA, INDIA – 500 034

APPROVAL OF THE SCHEME OF ARRANGEMENT:

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions, if any, read with related rules thereto as applicable under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the requisite approval(s) of the shareholders and/or creditors of the Company and subject to the sanction of the Hon'ble National Company Law Tribunal, Hyderabad Bench (“NCLT” or “Tribunal”) or such other competent authority, the consent of the Board be and is hereby accorded to the Draft Scheme of Arrangement (“Scheme”) between Suven Life Sciences Limited (“the Demerged Company”) and Suven Pharmaceuticals Limited (“the Resulting Company”), a wholly owned subsidiary of Demerged Company and their respective shareholders and creditors placed before the Board and initialed by the Chairman, for the purposes of identification, which provides for demerger of “Contract Research and Manufacturing Services Undertaking” of the Demerged Company and transfer and vesting thereof into the Resulting Company.”

“RESOLVED FURTHER THAT the Share Entitlement Ratio Report dated 5 February 2019 issued by Mr. K. Ajay Kumar from M/s. Karvy & Co, Chartered Accountants, as placed before the Board be and is hereby noted and accepted.”

“RESOLVED FURTHER THAT the certificate dated 5 February 2019 issued by M/s. Tukaram & Co, Chartered Accountants, statutory auditors of the Company, certifying inter-alia that the Scheme is in compliance with applicable Indian Accounting Standards notified under the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015 and other Generally Accepted Accounting Principles, as placed before the Board be and is hereby noted and accepted.”



Suven Pharmaceuticals Limited

Registered Office: 8-2-334 | SDE Serene Chambers | 6th Floor | Road No.5
 Avenue 7 | Banjara Hills | Hyderabad - 500 034 | Telangana | India | CIN : U24299TG2018PLC128171
 Tel: 91 40 2354 3311 | Fax: 91 40 2354 1152 | Email: info@suven.com

"RESOLVED FURTHER THAT the following persons, namely, Subba Rao Parupalli (DIN - 00296951), for the purpose of giving effect to this resolution, be and are hereby authorized jointly or severally on behalf of the Board, inter alia, for:

- (a) Representing the Company before NCLT and such other authorities or bodies for filing and making applications and for that purpose to sign, execute and verify the Scheme, petitions, applications, undertakings, affidavits, all other documents and deeds as may be required for the purpose and to make such modifications/alterations as may be required by the aforesaid authorities or as may be thought fit and expedient;
- (b) Filing of applications with the NCLT or other appropriate authority seeking directions as to holding/ dispensing with the meetings of the shareholders and/ or creditors of the Company, for issuing necessary notices and holding the meeting of the shareholders / creditors of the Company as may be directed by the NCLT to give effect to the Scheme;
- (c) Finalizing and settling the draft of the notices for convening/ dispensing with the meetings of the shareholders and/or creditors of the Company and the draft of the explanatory statements under any applicable provisions under the Companies Act, 2013, or, in terms of the directions of the NCLT, or effect any other modification or amendment as they may consider necessary or desirable to give effect to the Scheme;
- (d) Filing of petitions for confirmation/ approval/ sanction of the Scheme by the NCLT or such other competent authority;
- (e) Filing affidavits, pleadings, applications or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to engage Counsels, Advocates, Solicitors, Chartered Accountants, Company Secretary and other professionals and to sign and execute vakalatnamas/ memorandum of appearance wherever necessary, and sign and issue public advertisements and notices;
- (f) Signing all applications, petitions, affidavits, pleadings, documents, relating to the Scheme or delegate such authority to another person by a valid Power of Attorney;



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- (g) Obtaining approval from such other authorities and parties including the shareholders, term loan lenders, financial institutions, creditors as may be considered necessary, to the Scheme;
- (h) Applying and obtaining requisite approval of the Central Government and any other authority or agency, whose consent is required including those of any Lenders / Creditors;
- (i) Appointing the merchant bankers, Scrutineers, Registrars and such others professionals / agencies as may be required to give effect to the Scheme;
- (j) Settling any question or difficulty that may arise with regard to the implementation of the Scheme, and to give effect to the above resolution;
- (k) Doing all further acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto;
- (l) Deciding upon, make modifications, changes, variations, amendments, revision in and bring into effect the Scheme from time to time or give such directions as they may consider necessary to settle any question or difficulty arising thereunder or in regard to and of the meaning or interpretation thereof or implementation thereof or in any manner whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those (to the extent permissible under law) or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority or they may suo moto decide in their absolute discretion and to do all such acts, deeds, matters and things whatsoever including settling any question, doubt or difficulty that may arise with regard to or in relation to the Scheme as they may deem fit in their absolute discretion."



Suven Pharmaceuticals Limited

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"RESOLVED FURTHER THAT the Subba Rao Parupalli (DIN - 00296951), be and is hereby severally authorized to do all things and to take all incidental and necessary steps for and on behalf of the Company and to take from time to time all decisions and steps necessary, expedient or proper, with respect to implementation of the above mentioned resolution, and also to take all other decisions as it/they may, in its/their absolute decision, deem appropriate and to deal all questions or difficulties that may arise in the course of implementing the above mentioned resolution."

"RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed to the relevant documents in the presence of any of the Director of the Company in terms of the provisions of the Articles of Association of the Company."

"RESOLVED FURTHER THAT this resolution shall remain in full force and effect until otherwise amended or rescinded by the Board of Directors."

"RESOLVED FURTHER THAT any one Director of the Company be and is hereby authorized to sign any copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned."

// Certified True Copy//

For Suven Pharmaceuticals Limited



Sunder Venkatraman
Director
DIN: 00300628



Place: Hyderabad

Date: 5 February 2019

Suven Pharmaceuticals Limited

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BSE - INTERNAL



DCS/AMAL/BA/R37/1460/2019-20

April 11, 2019

The Company Secretary,
Suven Life Sciences Ltd.
 8-2-334, Serene Chambers, 6th Floor,
 Road No.5, Avenue 7, Banjara Hills,
 Hyderabad, Telangana, 500034

Dear Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement by Suven Life Sciences Ltd.

We are in receipt of Draft Scheme of Arrangement by Suven Life Sciences Ltd. filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated April 10, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Suven Pharmaceuticals Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Suven Pharmaceuticals Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Registered Office : Floor-25, P.J Towers, Dalal Street, Mumbai 400 001 India
 T: +91 22 2272 1234/33 | E: corp.com@bseindia.com | www.bseindia.com
 Corporate Identity Number : L67120MH2005PLC155188

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Suven Pharmaceuticals Limited is at the discretion of the Exchange. In addition to the above, the listing of Suven Pharmaceuticals Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Suven Pharmaceuticals Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information of Suven Pharmaceuticals Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Suven Pharmaceuticals Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - ii. "There shall be no change in the shareholding pattern of Suven Pharmaceuticals Limited between the record date and the listing which may affect the status of this approval."

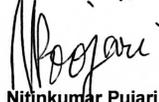
Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitinkumar Pujari
Senior Manager



National Stock Exchange Of India Limited

Ref: NSE/LIST/20048

April 23, 2019

The Company Secretary
Suven Life Sciences Limited
SDE Serene Chambers 6th Floor,
Road No. 5 Avenue 7, Banjara Hills,
Hyderabad – 500034, Telangana

Kind Attn.: Mr. Hanumantha Rao Kokkonda

Dear Sir,

Sub: Observation Letter for Scheme of Arrangement between Suven Life Sciences Limited and Suven Pharmaceuticals Limited and their respective shareholders and creditors

We are in receipt of the Scheme of Arrangement (Demerger) between Suven Life Sciences Limited (“Demerged Company” or “SLSL”) and Suven Pharmaceuticals Limited (“Resulting Company” or “SPL”) and their respective shareholders and creditors vide application dated February 11, 2019.

Based on our letter reference no Ref: NSE/LIST/77267 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“Circular”), SEBI vide letter dated April 22, 2019, has given following comments:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange and from the date of the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circular.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.



Signer: Rajendra P Bhosale
Date: Tue, Apr 23, 2019 15:00:59 IST
Location: NSE

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051,
India +91 22 26598100 | www.nseindia.com | CIN U67120MH1992PLC069769



Continuation Sheet

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from April 23, 2019, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Limited**

Rajendra Bhosale
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed



Signer: Rajendra P Bhosale
Date: Tue, Apr 23, 2019 15:00:59 IST
Location: NSE

INDEPENDENT AUDITOR'S REPORT

To the Members of
Suven Life Sciences Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Suven Life Sciences Limited** ('the Company') which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the **profit** and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matters	Auditor's Response
1.	<p data-bbox="299 288 816 394">Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p data-bbox="299 421 816 758">The application of the new revenue accounting standard involves certain key judgements relating to identification of the contract with a customer, identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised when a performance obligation is satisfied. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p data-bbox="299 784 816 833">Refer Notes 2(f) and 16 to the Standalone Ind AS Financial Statements</p>	<p data-bbox="832 288 1070 308">Principal Audit Procedures</p> <p data-bbox="832 335 1424 472">We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul data-bbox="832 498 1424 1674" style="list-style-type: none"> <li data-bbox="832 498 1424 553">• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. <li data-bbox="832 564 1424 758">• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. <li data-bbox="832 768 1424 880">• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. <li data-bbox="832 891 1424 946">• Selected a sample of continuing and new contracts and performed the following procedures: <li data-bbox="832 956 1424 1011">• Read, analysed and identified the distinct performance obligations in these contracts. <li data-bbox="832 1022 1424 1077">• Compared these performance obligations with that identified and recorded by the Company. <li data-bbox="832 1087 1424 1199">• Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. <li data-bbox="832 1210 1424 1465">• Samples in respect of revenue recorded upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services, were tested using a combination of Sales orders, Rate cards, Master Service Agreements, Dispatch advices, Delivery challans, Tax invoices and Non-returnable gate passes including customer acceptances, subsequent commercial invoicing and historical trend of collections and disputes. <li data-bbox="832 1475 1424 1530">• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. <li data-bbox="832 1541 1424 1674">• We reviewed the collation of information and the logic of the report generated from the IT system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

<p>2. Availment of Section 35(2AB) benefit under the Income tax Act, 1961. Refer Note 26 to the Standalone Ind AS Financial Statements</p>	<p>Principal Audit Procedures</p> <p>We have reviewed the status of the availment of Section 35(2AB) benefit under the Income tax Act, 1961 by the Company for a weighted tax deduction of 150% of the expenditure incurred on Scientific research in its in-house R&D facilities at Jeedimetla and Pashamylaram units.</p> <p>The current tax benefit availed for FY 18-19 is ₹809.40 lakhs (Previous year- ₹1,303.79 lakhs).</p>
<p>3. The Company enters into various financial instruments such as investments in quoted mutual funds. As at 31st March 2019, financial instruments carried at fair value through profit and loss totaled ₹22,998.92 lakhs (current investments) as disclosed in Note 5(a)(ii) to the Standalone Ind AS Financial Statements. These financial instruments are recorded at fair value as required by the relevant accounting standard. We have focused on this area due to the complexities associated with the valuation and accounting for these financial instruments.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the internal risk management procedures and the systems and controls associated with the origination and maintenance of complete and accurate information relating to financial instruments; • Utilizing our treasury experts, we also tested on a sample basis the existence and valuation of such financial instruments as at 31st March 2019. Our audit procedures focused on the integrity of the valuation models and the incorporation of the contract terms and the key assumptions, including future price assumptions and discount rates; and • Obtaining an understanding of key financial instrument contract terms to assess the appropriateness of accounting reflected in the financial report. <p>We have also assessed the appropriateness of the disclosures included in Note 27 to the Standalone Ind AS Financial Statements.</p>
<p>4. During the year, a company by the name Suven Pharmaceuticals Limited (SPL) has been incorporated which is a wholly owned subsidiary of Suven Life Sciences Limited. The management of the Company has considered a demerger of its "Contract Research and Manufacturing Services undertaking" (CRAMS) on a going concern basis into SPL with a resultant mirror image shareholding with effect from the appointed date of 1st October 2018, once the scheme of Demerger is approved by the NCLT and other stakeholders.</p> <p>This demerger will have a significant impact on the Standalone Ind AS Financial Statements of the Company as, the CRAMS undertaking is a major revenue earner for the Company.</p> <p>We have focused on this area due to the complexities associated with the demerger and accounting for these transactions.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Assessing the Management certified provisional position of assets and liabilities of CRAMS undertaking of SLSL prepared in compliance with Section 2(19AA) of the Income tax Act, 1961. • Verification of the current and proposed shareholding pattern of SPL. • Evaluation of the Scheme of Arrangement between the Company and SPL and their respective shareholders and creditors under the provisions of section 230 to 232 read with section 66 of the Companies Act, 2013 and other applicable provisions. <p>We have also assessed the appropriateness of the disclosure included in Note 38 to the Standalone Ind AS Financial Statements.</p>

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether these standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of Suvén USA branch included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets of ₹120.27 lakhs as at 31st March, 2019 and total revenue of ₹-Nil- for the year ended on that date.

The financial statements of this branch have been audited by the branch auditor, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditor.

Our opinion on the standalone Ind AS financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143 (3) of the Act, based on our audit we report that:

- a) We have sought and 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 those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note 34 to the standalone Ind AS financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For TUKARAM & CO LLP
Chartered Accountants
ICAI Firm Regn. No.004436S

Rajender Reddy K
Partner
Membership No.231834

Place: Hyderabad
Date : 25th May, 2019

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March, 2019, we report that:

Re: Suven Life Sciences Limited ('the Company')

- 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 a substantial portion of the fixed assets during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification of fixed assets as compared to the books of account were not material and have been properly dealt with in the books of accounts.
 - (c) In our opinion and according to the information and explanations given to us, all the title deeds of immovable properties are held in the name of the Company except 21.18 acres of freehold land acquired and taken possession of but yet to be registered for the Vishakhapatnam Plant amounting to ₹513.22 lakhs.
- ii. According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of accounts.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.
- vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records prescribed under sub-section (1) of section 148 of the Act in respect of production and processing activities of the

Company and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. In respect of Statutory dues:

- (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods & Service Tax, duty of customs, duty of excise, cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the dues outstanding of income-tax on account of dispute as follows:

Nature of the Statute	Nature of the Dues	Amount ₹ in Lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	7.64	A.Y 2011-12	Income Tax Appellate Tribunal -Hyderabad

- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks, governments and financial institutions. The Company did not have any debentures outstanding as at the year end.
- ix. Based on the information and explanations given to us by the management, the Company has raised moneys by way of QIP offer amounting to ₹20,000.00 lakhs in F.Y 2014-2015 of which the entire amount was utilized as at the end of the current financial year, for the purposes it was raised. No term loans were taken during the year by the Company.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Ind AS financial statements and as per the information and explanations given by the management, we report that no material fraud, by the Company or on the Company by its officers or employees, has been noticed or reported during the year.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For TUKARAM & CO LLP
Chartered Accountants
ICAI Firm Regn. No.004436S

Rajender Reddy K
Partner
Membership No.231834

Place: Hyderabad
Date : 25th May, 2019

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Suven Life Sciences Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on

the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For TUKARAM & CO LLP
Chartered Accountants
ICAI Firm Regn. No.0044365

Rajender Reddy K
Partner
Membership No.231834

Place: Hyderabad
Date : 25th May, 2019

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Notes	As at 31 st March, 2019	As at 31 st March, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	29,056.22	30,494.25
Capital work-in-progress	3	11,108.68	2,474.38
Intangible assets	4	268.50	278.31
Financial assets			
(i) Investments	5(a)(i)	13,644.38	10,229.64
(ii) Loans	5 (c)	7.22	3.79
(iii) Other financial assets	5 (e)	437.42	434.21
Other non-current assets	7	679.94	1,266.73
Total Non-current assets		55,202.36	45,181.31
Current assets			
Inventories	8	15,709.83	13,946.62
Financial assets			
(i) Investments	5(a)(ii)	22,998.92	27,872.56
(ii) Trade receivables	5(b)	15,014.63	6,153.81
(iii) Cash and cash equivalents	5(d)(i)	1,090.74	1,905.79
(iv) Bank balances other than (iii) above	5(d)(ii)	245.14	227.45
(v) Loans	5(c)	11.47	10.20
(vi) Other financial assets	5(e)	0.28	0.28
Current tax asset(net)	9	408.50	340.34
Other current assets	10	6,820.01	5,809.28
Total Current assets		62,299.52	56,266.33
TOTAL ASSETS		117,501.88	101,447.64
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	1,272.82	1,272.82
Other equity	11(b)	98,088.00	85,397.16
Total Equity		99,360.82	86,669.98
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	12(a)	177.53	222.49
Provisions	13	743.16	368.68
Deferred tax liabilities (net)	6	4,892.10	2,323.71
Other non-current liabilities	14	75.69	104.76
Total Non-current liabilities		5,888.48	3,019.64
Current liabilities			
Financial liabilities			
(i) Borrowings	12(b)	3,529.24	3,057.40
(ii) Trade payables			
(a) Total outstanding dues to Micro and Small Enterprises	12(c)	73.22	-
(b) Total outstanding dues to creditors other than Micro and Small Enterprises	12(c)	5,992.86	5,681.58
(iii) Other financial liabilities	12(d)	1,837.06	1,534.21
Other current liabilities	15	591.18	1,010.82
Provisions	13	229.02	474.01
Total current liabilities		12,252.58	11,758.02
TOTAL LIABILITIES		18,141.06	14,777.66
TOTAL EQUITY AND LIABILITIES		117,501.88	101,447.64

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date
For TUKARAM & CO LLP
Chartered Accountants
ICAI Firm registration number: 0044365

Rajender Reddy K
Partner
Membership No. 231834

Place : Hyderabad
Date : 25th May, 2019

For and on behalf of the Board of Directors of
Suven Life Sciences Limited

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

K. Hanumantha Rao
Company Secretary
Membership No. A11599

P. Subba Rao
Chief Financial Officer
Membership No. A11342

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Notes	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
INCOME			
Revenue from operations	16	66,350.44	62,525.84
Other income	17	2,422.93	2,327.07
Total Income		68,773.37	64,852.91
EXPENSES			
Cost of materials consumed	18	20,413.82	17,616.48
Changes in inventories of work-in-progress and finished goods	19	(3,061.41)	(2,120.13)
Manufacturing expenses	20	9,982.32	8,695.35
Employee benefits expense	21	6,347.79	5,873.83
Research & Development expenses	22	6,027.60	5,846.66
Finance costs	23	376.31	461.11
Depreciation and amortization expense	24	2,214.05	2,130.99
Other expenses	25	4,286.59	3,322.05
Total Expenses		46,587.07	41,826.34
Profit before tax		22,186.30	23,026.57
Tax expense			
Current tax	26	4,604.23	4,756.49
Deferred tax	26	2,575.78	2,527.90
Tax of earlier years		-	(100.55)
Profit for the year		15,006.29	15,842.73
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements gains (losses) on defined benefit plans		(21.16)	(42.33)
Income tax relating to items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		7.39	14.65
Other Comprehensive Income /(Loss) for the year, net of taxes		(13.77)	(27.68)
Total Comprehensive Income for the year		14,992.52	15,815.05
Earnings per Equity share (Par value of ₹1 each) Basic and Diluted	37	11.79	12.45

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date
For TUKARAM & CO LLP
Chartered Accountants
ICAI Firm registration number: 0044365

Rajender Reddy K
Partner
Membership No. 231834

Place : Hyderabad
Date : 25th May, 2019

For and on behalf of the Board of Directors of
Suven Life Sciences Limited

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

K. Hanumantha Rao
Company Secretary
Membership No. A11599

P. Subba Rao
Chief Financial Officer
Membership No. A11342

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

a. Equity share capital

Particulars	Number of Shares	Equity share capital
As at April 01, 2017	127,282,478	1,272.82
Changes in equity share capital during the year	-	-
As at 31st March, 2018	127,282,478	1,272.82
Changes in equity share capital during the year	-	-
As at 31st March, 2019	127,282,478	1,272.82

b. Other Equity

Particulars	Notes	Reserves & surplus			Total Equity
		Securities Premium	General reserve	Retained earnings	
Balance at April 1, 2017		23,311.69	9,036.62	39,531.79	71,880.10
Profit for the year	11(b)	-	-	15,842.73	15,842.73
Other comprehensive income	11(b)	-	-	(42.33)	(42.33)
Income tax relating to items of other comprehensive income	11(b)	-	-	14.65	14.65
Total comprehensive income for the year		-	-	15,815.05	15,815.05
Transfer to General Reserve	11(b)	-	-	(1,500.00)	(1,500.00)
Transfer from Retained Earnings	11(b)	-	1,500.00	-	1,500.00
Transaction with owners in their capacity as owners:					
Dividend paid	11(b)	-	-	(1,909.30)	(1,909.30)
Tax on distributed profit	11(b)	-	-	(388.69)	(388.69)
Balance at 31st March, 2018		23,311.69	10,536.62	51,548.85	85,397.16
Balance at April 1, 2018		23,311.69	10,536.62	51,548.85	85,397.16
Profit for the year	11(b)	-	-	15,006.29	15,006.29
Other comprehensive income	11(b)	-	-	(21.16)	(21.16)
Income tax relating to items of other comprehensive income	11(b)	-	-	7.39	7.39
Total comprehensive income for the year		-	-	14,992.52	14,992.52
Transfer to General Reserve	11(b)	-	-	(1,500.00)	(1,500.00)
Transfer from Retained Earnings	11(b)	-	1,500.00	-	1,500.00
Dividend paid	11(b)	-	-	(1,909.23)	(1,909.23)
Tax on distributed profit	11(b)	-	-	(392.45)	(392.45)
Balance at 31st March, 2019		23,311.69	12,036.62	62,739.69	98,088.00

This is the Statement of Changes in Equity referred to in our report of even date

For TUKARAM & CO LLP
Chartered Accountants
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STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Cash flow from operating activities		
Profit before tax	22,186.30	23,026.57
Adjustments :		
Depreciation and amortisation expense	2,569.41	2,476.36
Interest Income	(38.38)	(89.15)
Finance Cost	376.31	461.11
Gain on sale of Current Investment	(195.40)	(128.92)
Fair value gain on financial instruments at fair value through profit or loss	(1,900.70)	(1,687.11)
Gain on disposal of Property, plant & equipment	-	(2.00)
Changes in Operating assets and liabilities	22,997.55	24,056.85
(Increase) / Decrease in Trade Receivables	(8,860.82)	(1,570.49)
(Increase) / Decrease in Inventories	(1,763.21)	(4,695.48)
Increase / (Decrease) in Trade Payables	384.50	1,887.61
(Increase)/ Decrease in other non current financial assets	(6.64)	(27.04)
(Increase)/ Decrease in other non current assets	586.80	(1,190.11)
(Increase)/ Decrease in other current financial assets	(1.27)	(2.20)
(Increase)/ Decrease in other current assets	(1,010.73)	(2,133.96)
Increase / (Decrease) in long term provisions	374.48	85.18
Increase / (Decrease) in other non-current liabilities	(29.06)	(29.06)
Increase/(Decrease) in short term provision	(266.15)	27.83
Increase/(Decrease) in other financial liabilities	302.85	(1,669.35)
Increase/(Decrease) in other current liabilities	(419.64)	91.20
Net cash generated from operating activities	12,288.66	14,830.98
Income taxes paid (net of refunds)	4,672.39	4,353.86
Cash flows from/ (used in) operating activities (A)	7,616.27	10,477.12
Cash flows from investing activities		
Payments for Purchase of property, plant and equipment	(9,733.33)	(4,003.42)
Payment for Purchase of Intangible assets	(22.56)	(175.85)
Payments for Investments	(3,414.74)	(3,721.92)
Proceeds from sale of mutual funds	4,873.64	2,216.35
Gain on disposal of Property, plant & equipment	-	2.00
Gain on sale of Current Investment	195.40	128.92
Fair value gain on financial instruments at fair value through profit or loss	1,900.70	1,687.11
Bank balances not considered as cash and cash equivalents	(17.71)	(2.92)
Interest received	38.38	89.15
Net cash from / (used in) investing activities (B)	(6,180.22)	(3,780.58)
Cash flows from/(used in) in financing activities		
(Repayment)/Proceeds from long term borrowings	(44.96)	(2,454.69)
(Repayment)/Proceeds from short term borrowings	471.84	8.88
Finance Cost	(376.31)	(461.11)
Dividends paid to equity holders (including dividend distribution tax)	(2,301.69)	(2,297.99)
Net cash (used In) / from financing activities (C)	(2,251.11)	(5,204.91)

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(815.06)	1,491.63
Cash and cash equivalents as at the beginning of the year (Refer Note 5(d) (i))	1,905.80	414.16
Cash and cash equivalents at the end of the year	1,090.74	1,905.79
Cash and cash equivalents (Refer Note 5(d)(i))	1,090.74	1,905.79
Balances per statement of cash flows	1,090.74	1,905.79

This is the statement of cash flows referred to in our report of even date.

For TUKARAM & CO LLP
Chartered Accountants
ICAI Firm registration number: 0044365

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Partner
Membership No. 231834

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For and on behalf of the Board of Directors of
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS

NOTE: 1 Company overview

Suven Life Sciences Limited (Suven) is a bio-pharmaceutical company, began operations in 1989 as specialty chemicals provider about 29 years ago and went on to create a NCE based CRAMS (Contract Research And Manufacturing Services) business model in 1995, providing building blocks (bulk actives, drug intermediates and specialty chemicals) for global life science companies. Suven has made in-roads into drug discovery in the year 2005 with a specialisation on CNS (Central Nervous System) based programs targeting unmet medical need and 4 of the molecules in pipeline are into clinical phase of development. The Company is targeting CNS indications where there is a high unmet medical need, patient populations are identifiable, clinical endpoints can be well-defined and with possible commercialisation options. Suven Neurosciences, Inc., a Delaware Company, is a WOS (wholly owned subsidiary) of Suven, is a clinical-stage biopharmaceutical company commenced activities in October 2015, focused on the acquisition, development and commercialisation of novel therapeutics for the treatment of neurodegenerative disorders. The near-term focus for Suven Neurosciences, Inc., is to develop Suven product candidate, which we refer to as SUVN-502, for the treatment of Alzheimer's disease and other forms of dementia. Suven Pharma Inc., a Delaware Company, is a WOS (wholly owned subsidiary) of Suven, is a SPV (Special Purpose Vehicle) created on 9th March, 2019, for undertaking various business opportunities in Pharma Industry. Suven Pharmaceutical Limited (SPL) on 5th February, 2019 became WOS (wholly owned subsidiary) of Suven. SPL is engaged in the business of development and manufacturing of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API), Speciality Chemicals and formulated drugs under contract research and manufacturing services for global pharmaceutical, biotechnology and chemical companies.

The financial statements are approved for issue by the Company's Board of Directors on 25th May, 2019.

NOTE: 2 Significant accounting policies

a) Basis of preparation

(i) Compliance with IND AS

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets are measured either at fair value or at amortised cost depending on the classification
- employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation; and
- Share-based payments which are measured at fair value of the options

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in Cash and Cash equivalents. The Company has identified twelve months as its operating cycle.

c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as being the Chief Operating Decision Maker. Refer note 31 for the segment information presented.

d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

e) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient

data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

f) Revenue recognition

The Company earns revenue primarily from sale of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API) Speciality chemicals and formulated drugs under contract research and manufacturing services. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognise revenues, we apply the following five step approach:

- (1) identify the contract with a customer,
- (2) identify the performance obligations in the contract,
- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract, and
- (5) recognise revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price, the Company uses third-party prices for similar deliverables or the company uses expected cost plus margin approach in estimating the stand-alone selling price.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Effective 1st April, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18.

Refer note 2(f) – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended 31st March, 2018, for the revenue recognition policy as per Ind AS 18. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

g) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

The benefit of Government loan at a below market rate of interest is treated as Government grant, measured as the difference between proceeds received and the fair value of

loan based on prevailing market interest rates.

h) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and branches where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and branches where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

i) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

l) Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in-first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

m) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If

any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

investment with its carrying amount. An impairment loss is recognised in the statement of profit and loss, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

n) Provisions, Contingent liabilities, Contingent assets and commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

o) Investments and other financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is de-recognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is de-recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Income recognition

Interest income

Interest income from the debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

Royalty

Royalty income is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the royalty will flow to the company, and the amount of the royalty can be measured reliably.

p) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

q) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

r) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

s) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is de-recognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Property, Plant & Equipment is provided on straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in Statement of profit or loss when the assets are de-recognised.

Estimated useful life :	
- Factory buildings	25 - 30 years
- Roads	3 - 10 years
- Machinery	8 - 20 years
- Furniture, fittings and equipment	3 - 10 years
- Vehicles	8 - 10 years

t) Intangible assets

(i) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available and;
- the expenditure attributable to the software during its development can be reliably measured

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(ii) Amortisation methods and periods

Intangible assets with finite useful live are amortised over their respective individual estimated useful lives (3-10 years in case of computer software's) on a straight line basis.

(iii) Research and development

Research expenditure and development expenditure that do not meet the criteria in (i) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent period.

Estimated useful life :	
Software	3 - 10 years

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

u) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

v) Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

w) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their

expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation. Other borrowings costs are expensed in the period in which they are incurred.

x) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

Gratuity obligations

The liability or assets recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the current in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Bonus plans

The group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Share-based payments

Shared-based compensation benefits are provided to employees via the Seven Employee Stock Option Scheme -2004.

Employee Options:

The fair value of options granted under the Seven Employee Stock Option Scheme -2004 is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

- including any market performance conditions (eg. the

entity's share price)

- excluding the impact of any service and non market performance vesting conditions(eg. profitability, sales growth targets and remaining an employee of the entity for a specified time period) and;
- including the impact of any non-vesting conditions (eg. the requirement for employees to save or holding shares for a specific time period)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

y) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

impairment) unless the asset is designated at fair value through profit or loss under the fair value option

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised (i.e. removed from the company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to

a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

Investments in units of mutual funds

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

z) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

aa) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

ab) Earning per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

ac) Cash flow statement

Cash flows are reported using the direct method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing activities of the company are segregated.

ad) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

ae) Critical estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in

relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

1. Estimation of current tax expense and payable
2. Estimated Useful life of Depreciable assets / intangible assets
3. Estimation of defined benefit obligation
4. Recognition of revenue
5. Recognition of deferred tax assets for carried forward losses
6. Recoverability of advances/receivable
7. Evaluation of indicators for Impairment of assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Recent accounting pronouncements

Effective date for application of the following amendments is annual period beginning on or after 1st April, 2019. The Company is currently evaluating the effect of these amendments on the financial statements.

Ind AS 116 - Leases :

On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

Ind AS 12 – Income taxes :

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Ind AS 109- Prepayment features with Negative compensation :

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Ind AS 19 – Plan amendment, curtailment or settlement :

On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

Ind AS 23 – Borrowing Costs :

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

Ind AS 28–Long-term Interests in Associates and Joint Ventures:

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements :

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

Particulars	Land - Free Hold	Buildings - Office at Factory	Buildings - Factory (including roads)	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Laboratory Equipments	ETP Works	EDP Equipments	R&D Equipments	Total	Capital work-in-progress
Gross carrying amount													
At 1 st April, 2017	1,098.23	31.20	9,757.21	17,638.96	393.62	116.03	152.63	1,388.27	757.49	159.25	3,264.16	34,757.06	971.64
Exchange differences				4.89								4.89	
Additions	423.88	-	49.76	434.05	58.38	25.46	24.77	830.02	19.45	86.63	543.40	2,495.79	1,502.74
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 st March, 2018	1,522.11	31.20	9,806.97	18,077.90	452.00	141.49	177.40	2,218.29	776.94	245.87	3,807.56	37,257.74	2,474.38
Accumulated depreciation													
Upto 1 st April, 2017	-	1.51	701.71	1,609.80	97.74	30.57	43.40	412.07	113.31	50.64	1,248.76	4,309.50	-
Charge for the year	-	0.75	416.15	1,243.27	53.55	19.47	33.76	213.89	57.57	70.21	345.37	2,453.99	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 st March, 2018	-	2.25	1,117.85	2,853.08	151.29	50.04	77.16	625.96	170.87	120.86	1,594.13	6,763.49	-
Net Book Value as at 31st March, 2018	1,522.11	28.95	8,689.12	15,224.82	300.71	91.45	100.24	1,592.34	606.07	125.01	2,213.43	30,494.25	2,474.38
Gross carrying amount													
At 1 st April, 2018	1,522.11	31.20	9,806.97	18,077.90	452.00	141.49	177.40	2,218.29	776.94	245.87	3,807.56	37,257.74	2,474.38
Exchange difference													
Additions	14.32	-	-	360.68	21.67	16.36	14.35	167.32	13.00	40.46	450.86	1,099.02	8,634.30
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	0.45	-	-	-	-	-	-	-	0.45	-
Balance as at 31 st March, 2019	1,536.43	31.20	9,806.97	18,438.13	473.67	157.85	191.75	2,385.61	789.94	286.33	4,258.42	38,356.31	11,108.68
Accumulated depreciation and impairment													
Upto 1 st April, 2018	-	2.25	1,117.85	2,853.08	151.29	50.04	77.16	625.96	170.87	120.86	1,594.13	6,763.49	-
Charge for the year	-	0.75	422.53	1,264.81	56.28	23.23	35.74	245.46	60.33	72.58	355.36	2,537.05	-
Disposals	-	-	-	0.45	-	-	-	-	-	-	-	0.45	-
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 st March, 2019	-	3.00	1,540.38	4,117.44	207.57	73.27	112.89	871.41	231.20	193.44	1,949.49	9,300.09	-
Net Book Value as at 31 st March, 2019	1,536.43	28.20	8,266.59	14,320.69	266.10	84.58	78.86	1,514.20	558.74	92.89	2,308.93	29,056.22	11,108.68

Notes:

Refer Note 12 for information on property, plant and equipment pledged as security by the Company

Refer Note 35 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

NOTE 4: INTANGIBLE ASSETS

	Software	Total
Gross carrying amount		
At 1 st April, 2017	134.43	134.43
Additions	175.85	175.85
Disposals	-	-
Balance as at 31st March, 2018	310.28	310.28
Accumulated amortisation		
Upto 1 st April, 2017	9.60	9.60
Disposals	22.37	22.37
Balance as at 31st March, 2018	31.97	31.97
Net Book Value as at 31st March, 2018	278.31	278.31
Gross carrying amount		
At 1 st April, 2018	310.28	310.28
Additions	22.55	22.55
Balance as at 31st March, 2019	332.83	332.83
Accumulated amortisation and impairment		
Upto 1 st April, 2018	31.97	31.97
Charge for the year	32.36	32.36
Balance as at 31st March, 2019	64.33	64.33
Net Book Value as at 31st March, 2019	268.50	268.50

NOTE 5: FINANCIAL ASSETS

5 (a) (i) Non-current investments

Particulars	31 st March, 2019		31 st March, 2018	
	Shares	Amount	Shares	Amount
Investment carried at cost				
Unquoted Equity Instruments - (Fully paid up)				
a) In Subsidiary Companies				
-Equity shares of Suven Neurosciences Inc. At par value USD 0.0001	10,00,000	0.07	10,00,000	0.07
-Additional paid-in capital in Suven Neurosciences Inc.	-	13,636.26	-	10,222.52
-Equity shares of Suven Pharmaceuticals Ltd. At par value ₹1	1,00,000	1.00	-	-
b) Other Investments				
Jeedimetla Effluent Treatment Ltd	1,000	6.00	1,000	6.00
Patancheru Envirotech Pvt Ltd	10,487	1.05	10,487	1.05
Total Investments carried at cost	11,11,487	13,644.38	10,11,487	10,229.64
Total Non-Current investments	11,11,487	13,644.38	10,11,487	10,229.64
Aggregate amount of quoted investments & market value thereof		-		-
Aggregate value of unquoted investments		13,644.38		10,229.64
Aggregate amount of impairment in value of Investment in unquoted investments		-		-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

5 (a) (ii) Current investments

Particulars	31 st March, 2019		31 st March, 2018	
	Units	Amount	Units	Amount
Investment in Mutual Funds- Unquoted (Fully paid up)				
SBI Infrastructure Fund	50,000	6.70	50,000	6.80
HDFC Short Term Debt Fund-Growth	3,00,82,443	6,208.86	3,00,82,443	5,768.22
Reliance Prime Debt Fund-Growth	1,09,08,021	4,269.00	1,58,39,384	5,771.95
IDFC Low Duration Fund-Growth	4,45,63,533	11,808.26	4,45,63,533	10,973.90
SBI Liquid Fund -Growth	24,212	706.10	1,90,182	5,164.58
SBI Ultra short term fund	-	-	8,347	187.11
Total Current Investments	8,56,28,209	22,998.92	9,07,33,889	27,872.56
Aggregate amount of quoted investments & market value thereof		-		-
Aggregate value of unquoted investments		22,998.92		27,872.56
Aggregate amount of impairment in value of Investment in unquoted investments		-		-

5(b) Trade receivables

Particulars	31 st March, 2019	31 st March, 2018
Unsecured, considered good	15,014.63	6,153.81
Total receivables	15,014.63	6,153.81

5(c) Loans

Particulars	31 st March, 2019		31 st March, 2018	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to employees	11.47	7.22	10.20	3.79
Total loans	11.47	7.22	10.20	3.79

5(d) (i) Cash and cash equivalents

Particulars	31 st March, 2019	31 st March, 2018
Balances with banks		
-in current accounts	58.19	55.61
-in EEFC account	657.77	148.43
- in Cash Credit account	367.39	563.21
- Deposits with maturity of less than three months	-	1,126.91
Cash on hand	7.39	11.63
Total cash and cash equivalents	1,090.74	1,905.79

5(d) (ii) Other bank balances

Particulars	31 st March, 2019	31 st March, 2018
In unclaimed dividend accounts	57.44	51.13
Deposits -LC & BG	187.64	176.25
Interest accrued on LC & BG	0.06	0.07
Total Other bank balances	245.14	227.45

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

5(e) Other financial assets

Particulars	31 st March, 2019		31 st March, 2018	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Security Deposits	0.28	415.19	0.28	413.92
Interest accrued on deposit	-	22.23	-	20.29
Total Other financial assets	0.28	437.42	0.28	434.21

NOTE 6: DEFERRED TAX ASSETS /(LIABILITIES)

The balances comprises temporary differences attributable to :

Particulars	31 st March, 2019	31 st March, 2018
Defined benefit obligations & DST Loan	361.12	291.64
Other items		
QIP Expenses	-	41.93
Others-MAT credit	869.39	2,980.62
Total Deferred tax assets	1,230.51	3,314.19
Set-off of deferred tax liabilities pursuant to set-off provisions		
- Depreciation	4,710.82	4,574.11
- Unrealised capital gains on MF	1,411.79	1,063.79
Total Deferred tax Liabilities	6,122.61	5,637.90
Total deferred tax assets/(Liabilities) (net)	(4,892.10)	(2,323.71)

NOTE 7: OTHER NON-CURRENT ASSETS

Particulars	31 st March, 2019	31 st March, 2018
Capital advances	679.94	1,266.73
Total other non-current assets	679.94	1,266.73

NOTE 8: INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

Particulars	31 st March, 2019	31 st March, 2018
Raw materials	3,033.11	3,630.13
Work-in-progress	7,001.16	3,962.53
Finished goods	4,188.32	4,165.54
Stores and spares	1,258.36	1,916.20
Packing materials	228.88	272.22
Total inventories	15,709.83	13,946.62

NOTE 9: CURRENT TAX ASSET (NET)

Particulars	31 st March, 2019	31 st March, 2018
Advance tax balance	15,439.06	10,767.47
Less: Provision for income tax	15,030.56	10,427.13
Total Current tax asset (net)	408.50	340.34

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

NOTE 10: OTHER CURRENT ASSETS

Particulars	31 st March, 2019	31 st March, 2018
Unsecured, considered good		
VAT credit receivable	-	695.04
CENVAT credit receivable	-	1.49
Service tax credit receivable	-	19.36
MEIS receivable	536.52	1,003.83
MEIS licenses on hand	344.39	-
Duty drawback receivable	39.29	-
GST Receivable	5,043.64	2,869.42
Pre paid expenses	405.73	445.40
Advances to Material Suppliers	375.62	741.65
Advances to service providers	41.83	12.09
Others advances	32.99	21.00
Total other current assets	6,820.01	5,809.28

NOTE 11: EQUITY SHARE CAPITAL AND OTHER EQUITY

11(a) Equity share capital

Particulars	31 st March, 2019	31 st March, 2018
Authorised Capital		
400,000,000 Equity shares of ₹1 /- each	4,000.00	4,000.00
(400,000,000 Equity shares of ₹1 /- each)	4,000.00	4,000.00
Issued, Subscribed and fully paid up		
127,282,478 Equity shares of ₹1 /- each	1,272.82	1,272.82
(127,282,478 Equity shares of ₹1 /- each)	1,272.82	1,272.82

11(a).1 Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	31 st March, 2019		31 st March, 2018	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	12,72,82,478	1,272.82	12,72,82,478	1,272.82
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	12,72,82,478	1,272.82	12,72,82,478	1,272.82

11(a).2 Terms/ rights attached to equity shares

Equity shares have a par value of ₹1. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

The Board of Directors has declared and paid an interim dividend of ₹1.50/- per equity share (31st March, 2018: ₹1.50/-).

11(a).3 Shares of the Company held by holding company

Particulars	31 st March, 2019	31 st March, 2018
Jasti Property and Equity Holdings Private Limited		
76,365,000 Equity shares of ₹1/- each (Previous year:76,365,000)	7,63,65,000	7,63,65,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

11(a).4 Details of shareholders holding more than 5% shares in the Company

Particulars	31 st March, 2019		31 st March, 2018	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Jasti Property and Equity Holdings Private Limited	7,63,65,000	60.00%	7,63,65,000	60.00%

11(a).5 Shares reserved for issue under Options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note no 36

11(b) Other equity

Particulars	31 st March, 2019	31 st March, 2018
Securities premium	23,311.69	23,311.69
General reserve	12,036.62	10,536.62
Retained earnings	62,739.69	51,548.85
Total other equity	98,088.00	85,397.16

(i) Securities premium

Particulars	31 st March, 2019	31 st March, 2018
Opening balance	23,311.69	23,311.69
Add: On issue of shares	-	-
Closing Balance	23,311.69	23,311.69

(ii) General Reserve

Particulars	31 st March, 2019	31 st March, 2018
Opening balance	10,536.62	9,036.62
Transferred from Retained Earnings	1,500.00	1,500.00
Closing Balance	12,036.62	10,536.62

(iii) Retained earnings

Particulars	31 st March, 2019	31 st March, 2018
Opening balance	51,548.85	39,531.79
Net profit for the year	15,006.29	15,842.73
Transferred to General reserve	(1,500.00)	(1,500.00)
Dividend paid	(1,909.23)	(1,909.30)
Tax on distributed profit	(392.45)	(388.69)
Other Comprehensive Income		
- Remeasurements of post employment benefit obligation, net of tax	(13.77)	(27.68)
Closing balance	62,739.69	51,548.85

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

NOTE 12: FINANCIAL LIABILITIES

12(a) Non-current borrowings

Particulars	31 st March, 2019	31 st March, 2018
Secured		
Foreign currency term loan from State Bank of India (refer note (ii) below)	-	24.84
Terms of repayment: The term loan is repayable in 20 quarterly installments after roll over commencing from March'2016.		
Unsecured		
Loan from Department of Science & Technology, Government of India-I	160.55	192.97
Terms of repayment: 10 Annual installments of ₹50 Lakhs each commencing from October 2013		
Loan from Department of Science & Technology, Government of India-II	111.38	123.92
Terms of repayment: 10 Annual installments of ₹44.40 Lakhs each commencing from February 2013		
Total non-current borrowings	271.93	341.73
Less: Current maturities of Non-current borrowings (included in note 12(d))	94.40	119.24
Non-current borrowings	177.53	222.49

12(b) Current borrowings

Particulars	31 st March, 2019	31 st March, 2018
Secured		
Working Capital Loans from State Bank of India(refer note (i) below)	2,965.71	2,476.23
Working Capital Loans from Bank of Bahrain & Kuwait (refer note (i) below)	563.53	581.17
Total Current Borrowings	3,529.24	3,057.40

Notes:

- (i). Working capital loans of ₹3529.24 lakhs (PY ₹3057.40 lakhs) was availed from State Bank of India and Bank of Bahrain & Kuwait. The loan is secured by hypothecation on stocks, receivables and other current assets of the company and second charge on fixed assets of the Company
- (ii). Term loan of ₹NIL (PY ₹24.84 lakhs) was availed from State Bank of India. The loan is secured by hypothecation on fixed assets of the Company and second charge on stocks, receivables and other current assets of the Company.

Debit Balance in cash credit accounts as at 31st March, 2019 & 31st March, 2018 have been grouped under the head "Cash and Cash equivalents"

12(c) Trade payables

Particulars	31 st March, 2019	31 st March, 2018
Dues to micro enterprises and small enterprises (Refer Note below)	73.22	-
Dues to creditors other than micro enterprises and small enterprises	5,992.86	5,681.58
Total trade payables	6,066.08	5,681.58

Dues to micro and small enterprises:

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro, Small and Medium Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from few suppliers has been received and is still awaited from other suppliers. In view of this, the liability of interest calculated and the required disclosures made, in the below table, to the extent of information available with the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars	31 st March, 2019	31 st March, 2018
Principal amount remaining unpaid to any supplier as at the end of the accounting year	67.12	-
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	6.09	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	6.03	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	0.06	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to small enterprises	-	-

12(d) Other Financial liabilities

Particulars	31 st March, 2019	31 st March, 2018
Current		
Current maturities of non-current borrowings(Refer Note 12(a))	94.40	119.24
Liabilities for expenses	1,292.83	1,186.69
Payable for Capital Goods	392.39	177.15
Unpaid dividend on equity shares	57.44	51.13
Total other current financial liabilities	1,837.06	1,534.21

NOTE 13: PROVISIONS

Particulars	31 st March, 2019		31 st March, 2018	
	Current	Non-Current	Current	Non-Current
Provision for Employee benefits				
-Leave obligations	134.40	444.54	107.02	368.68
-Gratuity	94.62	298.62	366.99	-
	229.02	743.16	474.01	368.68

(i) Post-employment obligations

a) Gratuity- Defined benefit plan

The Company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 day salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

(ii) Defined Contribution plans

Particulars	31 st March, 2019	31 st March, 2018
Provident Fund	300.90	261.52
State Defined Contribution Plans		
I Employees State Insurance	32.47	40.73
II Employees Pension Scheme,1995	135.65	125.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present Value of obligation	Fair Value of Plan Assets	Net amount
01-Apr-17	783.73	494.87	288.86
Current service cost	112.96	-	112.96
Interest expense/(income)	62.70	43.94	18.76
Total amount recognised in profit or loss	959.39	538.81	420.58
Remeasurements	-	-	-
Return on plant assets, excluding amounts included in interest expense/(income)	-	-	-
Experience (gains)/loss	42.33	-	42.33
Total amount recognised in other comprehensive income	1,001.72	538.81	462.92
Employer contributions	-	108.74	(108.74)
Benefit payments	-	(12.82)	12.82
31-Mar-18	1,001.72	634.73	366.99
01-Apr-18	1,001.72	634.73	366.99
Current service cost	125.13	-	125.13
Interest expense/(income)	78.87	52.93	25.94
Total amount recognised in profit or loss	1,205.72	687.66	518.07
Remeasurements	-	-	-
Return on plant assets, excluding amounts included in interest expense/(income)	-	-	-
Experience (gains)/loss	7.30	-	7.30
Total amount recognised in total comprehensive income	1,213.02	687.66	525.36
Employer contributions	-	114.29	(114.29)
Benefit payments	(31.69)	(13.86)	(17.83)
31-Mar-19	1,181.33	788.08	393.25

(iii) Post-employment benefits (pension and gratuity)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	31 st March, 2019	31 st March, 2018
Discount rate	7.65%	8.00%
Salary growth rate	9.00%	9.00%
Attrition rate	6.50%	6.50%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(iv) Sensitivity analysis

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018
Discount rate	1%	1%	1,089.85	926.81	1,287.01	1,088.02
Salary growth rate	1%	1%	1,275.70	1,079.68	1,094.35	929.13
Attrition rate	1%	1%	1,174.08	997.16	1,189.42	1,006.78

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(v) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. A portion of the fund is invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The company intends to maintain the investment mix in the continuing years.

Changes in bond yields: A decrease in bond yields will increase plan liabilities, although this will be partially off-set by an increase in the value of the plan's bond holdings.

Inflation risk: In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

Life expectancy: The pension obligation are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in the plan's liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the employee benefit plans. Within this framework, the company's ALM objective is to match the assets to the pension obligations by investing in long term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods.

A large portion of assets in 2019 consists of government and corporate bonds, although the company also invests in equities, cash and mutual funds. The company believes that equities offer the best returns over the long term with an acceptable level of risk. The majority of equities are in a globally diversified portfolio of international blue chip entities, with a target of 60% equities held in India. The plan asset mix is in compliance with the requirements of the respective local regulations.

(vi) Defined benefit liability and employer contributions

The company has agreed that it will aim to eliminate the deficit in defined benefit pension and gratuity plan over the next nine years. Funding levels are monitored on an annual basis and the current agreed contribution rate is 12% of the basic salaries. The company considers that the contribution rate set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs will not increase significantly.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

The weighted average duration of the defined benefit obligation is 13.44 years (2018-13.24 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	Amount
Year 1	94.62
Year 2	128.47
Year 3	96.49
Year 4	96.81
Year 5	96.41
Year 6 to 10	560.64

Estimate Contribution to post employment benefit plans during the next year would be ₹196.62 lakhs

NOTE 14: GOVERNMENT GRANTS

Particulars	31 st March, 2019	31 st March, 2018
Opening Balance	133.82	162.88
Provision recognised/(reversed) during the year	29.06	29.06
Closing Balance	104.76	133.82

Particulars	31 st March, 2019	31 st March, 2018
Current portion	29.06	29.06
Non-current portion	75.69	104.76

NOTE 15: OTHER CURRENT LIABILITIES

Particulars	31 st March, 2019	31 st March, 2018
Government grants	29.06	29.06
Advance from customers	402.43	823.52
Statutory dues payable	159.69	158.24
Total other current liabilities	591.18	1,010.82

NOTE 16: REVENUE FROM OPERATIONS

Particulars	31 st March, 2019	31 st March, 2018
Sale of Products	59,547.37	56,847.99
Sale of Services	4,987.53	4,410.23
	64,534.90	61,258.22
Other Operating Income		
Export Incentives (MEIS)	1,692.44	1,267.62
Duty Drawback Received	123.10	-
	1,815.54	1,267.62
	66,350.44	62,525.84

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

NOTE 17: OTHER INCOME

Particulars	31 st March, 2019	31 st March, 2018
Interest income		
On fixed deposits	13.68	8.38
Others	24.70	80.77
Government Grants	29.06	29.06
Credit balances written back	33.03	5.29
Foreign Exchange Gain (Net)	226.37	385.54
Gain on Financial Assets	2,096.09	1,816.03
Profit due to sale of asset	-	2.00
	2,422.93	2,327.07

NOTE 18: COST OF MATERIALS CONSUMED

Particulars	31 st March, 2019	31 st March, 2018
Raw Materials		
Raw Material at the beginning of the year	3,630.13	2,066.24
Purchases during the year	19,484.29	18,901.27
Less: Raw Material at the end of the year	3,033.11	3,630.13
	20,081.31	17,337.38
Packing Materials		
Packing Material at the beginning of the year	272.22	255.37
Purchases during the year	289.17	295.95
Less: Packing Material at the end of the year	228.88	272.22
	332.51	279.10
	20,413.82	17,616.48

NOTE 19: CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND FINISHED GOODS

Particulars	31 st March, 2019	31 st March, 2018
Opening Balance:		
Work-in-progress	3,962.53	3,716.28
Finished Goods	4,165.54	2,291.67
Total opening balance	8,128.07	6,007.95
Closing Balance:		
Work-in-progress	7,001.16	3,962.53
Finished Goods	4,188.32	4,165.54
Total closing balance	11,189.48	8,128.07
	(3,061.41)	(2,120.13)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

NOTE 20: MANUFACTURING EXPENSES

Particulars	31 st March, 2019	31 st March, 2018
Power & Fuel	3,742.57	3,355.96
Consumable Stores	109.33	110.23
Factory Upkeep Expenses	2,251.98	1,974.89
Environment Management Expenses	908.78	637.97
Safety Expenses	93.62	70.43
Quality Control Expenses	782.75	456.20
Repairs & Maintenance:		
Buildings	40.22	164.73
Plant & Machinery	2,053.07	1,924.94
	9,982.32	8,695.35

NOTE 21: EMPLOYEE BENEFITS EXPENSE

Particulars	31 st March, 2019	31 st March, 2018
Salaries & Wages	5,499.45	4,953.88
Contribution to Provident & other funds	469.19	428.45
Gratuity Expense	151.07	166.70
Staff Welfare Expenses	228.08	324.80
	6,347.79	5,873.83

NOTE 22: RESEARCH & DEVELOPMENT EXPENSES

Particulars	31 st March, 2019	31 st March, 2018
R & D Salaries	1,862.39	1,679.95
R & D Materials	319.33	551.28
Patent Related Expenses	1,285.71	752.88
Lab Maintenance	764.01	707.48
R & D Other Expenses	1,440.80	1,809.70
Depreciation	355.36	345.37
	6,027.60	5,846.66

NOTE 23: FINANCE COSTS

Particulars	31 st March, 2019	31 st March, 2018
Interest	199.02	281.60
Bank Charges	177.29	179.51
	376.31	461.11

NOTE 24: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	31 st March, 2019	31 st March, 2018
Depreciation of property, plant and equipment (Refer Note 3)	2,181.69	2,108.62
Amortisation of intangible assets (Refer Note 4)	32.36	22.37
	2,214.05	2,130.99

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

NOTE 25: OTHER EXPENSES

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars	31 st March, 2019	31 st March, 2018
Rent	70.90	75.33
Rates & Taxes	35.67	46.58
Service Tax	16.24	6.24
Insurance	334.66	265.03
Communication Charges	126.40	128.63
Travelling & Conveyance	802.50	624.88
Printing & Stationery	47.34	64.09
Vehicle Maintenance	28.15	29.16
Professional Charges	355.30	348.40
Payments to Auditors (Refer note 25(a)below)	20.69	16.81
Security Charges	213.12	190.41
Donations	0.10	0.75
Repairs & Maintenance - others	106.12	82.81
Corporate Social Responsibility(Refer note 25(b)below)	659.06	330.61
Sales Promotion	646.36	334.12
Clearing & Forwarding	309.75	346.02
Commission on Sales	204.39	177.02
General Expenses	309.84	255.16
	4,286.59	3,322.05

Note 25(a): Details of payments to auditors

Particulars	31 st March, 2019	31 st March, 2018
Payment to auditors		
As auditor:		
Statutory Audit fee	16.00	12.00
Tax audit fee	-	-
In other capacity		
Other Services	4.00	4.00
Re-imburement of out -of- pocket expenses	0.69	0.81
	20.69	16.81

Note 25(b): Corporate social responsibility expenditure

Particulars	31 st March, 2019	31 st March, 2018
Amount required to be spent as per section 135 of the Act	356.48	302.58
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above	659.06	330.61

NOTE 26: INCOME TAX EXPENSE

This note provides an analysis of the Company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Note 26 (a) Income tax expense

Particulars	31 st March, 2019	31 st March, 2018
Current tax		
Current tax on profits for the year	4,604.23	4,756.49
Adjustments for current tax of prior periods	-	(100.55)
Total current tax expense	4,604.23	4,655.94
Deferred tax		
Decrease(increase) in deferred tax assets	-	-
Increase(decrease) in deferred tax liabilities	2,575.78	2,527.90
Total Deferred tax expense/(benefit)	2,575.78	2,527.90
Income tax expense	7,180.01	7,183.84
Income tax expense is attributable to:		
Profit from operations	7,180.01	7,183.84

Note 26 (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	31 st March, 2019	31 st March, 2018
Profit from operations before income tax expenses	22,186.30	23,026.57
Tax at the Indian tax rate of 34.944% (2017-18 -34.608%)	7,752.78	7,969.04
Computed expected tax expense:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	(809.40)	(1,303.79)
Corporate social responsibility expenditure	230.30	114.42
Donations	0.04	0.26
Government grant	(10.16)	(10.16)
Income tax paid at special rate	(188.77)	(241.63)
Interest on Income tax	0.92	-
Interest on MSMED	2.13	-
Interest on Service tax	0.14	-
opening DTL on impact of rate change	22.56	-
Mutual funds	126.35	-
DST Loan	12.60	-
Impact of WDV change	158.08	-
MAT Credit	(120.57)	-
Others	3.01	655.71
Income tax expenses	7,180.01	7,183.84

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Financial instruments and risk management

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

NOTE 27: FAIR VALUE MEASUREMENTS

Particulars	31 st March, 2019		31 st March, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments				
-Equity Investment	-	7.05	-	7.05
-Mutual funds	22,998.92	-	27,872.56	-
Trade Receivables	-	15,014.63	-	6,153.81
Loans	-	18.69	-	13.99
Security deposits	-	437.69	-	434.49
Cash and Cash equivalents	-	1,090.74	-	1,905.80
Bank Balances	-	57.44	-	51.13
Fixed Deposits with Banks and Interest thereon	-	187.70	-	176.31
Total Financial Assets	22,998.92	16,813.94	27,872.56	8,742.58
Financial Liabilities				
Borrowings	-	3,706.77	-	3,279.89
Current maturities of long-term debt	-	94.40	-	119.24
Unpaid dividends	-	57.44	-	51.13
Trade Payables	-	6,066.08	-	5,681.58
Capital creditors	-	392.39	-	177.15
Total Financial Liabilities	-	10,317.08	-	9,308.99

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at 31st March, 2019					
Financial assets					
Equity Investment		-	-	7.05	7.05
Investment in mutual funds	5(a)(i)	-	22,998.92	-	22,998.92
Trade Receivables		-	-	15,014.63	15,014.63
Loans		-	-	18.69	18.69
Security deposits		-	-	437.69	437.69
Fixed Deposits with Banks and Interest thereon		-	-	187.70	187.70
Total Financial Assets		-	22,998.92	15,665.76	38,664.68

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Financial liabilities measured at amortised cost & Fair Value	Notes	Level 1	Level 2	Level 3	Total
As at 31st March, 2019					
Financial Liabilities					
Borrowings		-	-	3,706.77	3,706.77
Current maturities of long-term debt		-	-	94.40	94.40
Unpaid dividends		-	-	57.44	57.44
Trade Payables		-	-	6,066.08	6,066.08
Capital creditors		-	-	392.39	392.39
Total Financial Liabilities		-	-	10,317.08	10,317.08

Financial assets measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at 31st March, 2018					
Financial assets					
Equity Investment				7.05	7.05
Investment in mutual funds			27,872.56	-	27,872.56
Trade Receivables				6,153.81	6,153.81
Loans				13.99	13.99
Security deposits				434.49	434.49
Fixed Deposits with Banks and Interest thereon				176.31	176.31
Total Financial Assets		-	27,872.56	6,785.65	34,658.21

Financial liabilities measured at amortised cost & Fair Value	Notes	Level 1	Level 2	Level 3	Total
As at 31st March, 2018					
Financial Liabilities					
Borrowings		-	-	3,279.89	3,279.89
Current maturities of long-term debt				119.24	119.24
Unpaid dividends				51.13	51.13
Trade Payables				5,681.58	5,681.58
Capital creditors				177.15	177.15
Total Financial Liabilities		-	-	9,308.99	9,308.99

Level 1: Level 1 hierarchy includes Quoted prices taken from market.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data(unobservable inputs).

NOTE 28: FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts will be entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity loss exposed to and how the entity manages the risk and the impact of them in the financial statements

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Risk	Exposure arising from	Measurement	Management Comment
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of bank deposits and monitoring of credit limits of customers
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupees	Cash flow forecasting Sensitivity analysis	All USD related Import commitment are covered by snapping from the export USD thru EEFC account
Market risk - interest risk	Long-term borrowings at variable rates	Sensitivity analysis	Interest rates were Libor plus rate of interest fixed for the full term of the loan
Market risk - security prices	Investments in Mutual funds	Sensitivity analysis	Portfolio diversification

The company's risk management is carried out by the management. Company treasury identifies, evaluates and hedges financial risk in close cooperation with the company's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

(A) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

i) Financial instruments and cash deposits

For banks and financial institutions, only high rated banks/ institutions are accepted. Other Financial assets (excluding Bank deposits) majorly constitute deposits given to State electricity departments for supply of power, which the company considers to have negligible credit exposure. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

ii) Expected credit loss for trade receivables under simplified approach

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables

Year ended 31st March, 2019

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	More than 120 days	Total
Gross carrying amount	7,298.54	3,903.06	2,582.72	248.92	981.39	15,014.63
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses (loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	7,298.54	3,903.06	2,582.72	248.92	981.39	15,014.63

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Year ended 31st March, 2018

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	Morethan 120 days	Total
Gross carrying amount	1,046.36	2,598.33	1,893.84	289.84	325.45	6,153.82
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses (loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	1,046.36	2,598.33	1,893.84	289.84	325.45	6,153.82

(B) Liquidity Risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying business, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below summarises the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

Year ended 31 st March, 2019	On Demand	in next 12 months	>1 year	Total
(i) Borrowings	3,529.24	94.40	177.53	3,801.17
(ii) Trade payables	-	6,066.08	-	6,066.08
(iii) Other financial liabilities	57.44	1,685.22	-	1,742.66
	3,586.68	7,845.70	177.53	11,609.91

Year ended 31 st March, 2018	On Demand	in next 12 months	>1 year	Total
(i) Borrowings	3,057.40	119.24	222.49	3,399.13
(ii) Trade payables	-	5,681.58	-	5,681.58
(iii) Other financial liabilities	51.13	1,363.84	-	1,414.97
	3,108.53	7,164.66	222.49	10,495.68

(C) Market risk - foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, GBP and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign forecast transactions.

The company's risk management policy is to hedge part of forecasted foreign currency sales for the subsequent months. As per the risk management policy, foreign exchange forward contracts are taken to hedge part of the forecasted sales by taking consultancy from external treasury management forms. The imports were hedged naturally by payment through EEFC account.

(a) Foreign currency risk exposure:

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars	As at 31 st March, 2019			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	712.36	-	-	-
Trade receivables(Net)	14,155.50	30.72	-	-
Financial Liabilities				
Borrowings	3,529.24	-	-	-
Trade payables	801.12	57.72	142.01	39.21
Other financial liabilities	55.50	-	-	-

Particulars	As at 31 st March, 2018			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	197.75	-	-	-
Trade receivables	5,313.53	-	-	-
Financial Liabilities				
Borrowings	3,082.24	-	-	-
Trade payables	1,248.78	17.71	14.00	7.66
Other financial liabilities	43.64	-	-	-

D) Market risk - interest risk

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cashflow interest rate risk.

(a) Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	31 st March, 2019	31 st March, 2018
Variable rate borrowings	3,529.24	3,082.24
Fixed rate borrowings	-	-
Total borrowings	3,529.24	3,082.24

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of increase/decrease in the fair value of cash flow hedges related to the borrowings if any

Particulars	Impact on Profit after tax		Impact on Other components of equity	
	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018
Interest rates-increase by 100 basis points	163.74	302.77	-	-
Interest rates-decrease by 100 basis points	96.09	176.86	-	-

NOTE 29: CAPITAL MANAGEMENT

(a) Risk management

The Company's objective when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

2. Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: -Net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet)

	31 st March, 2019	31 st March, 2018
Net debt	2,465.29	1,265.89
Total Equity	99,360.82	86,669.98
Net debt to equity ratio	2.48%	1.46%

(b) Dividends (on equity instruments)

	31 st March, 2019	31 st March, 2018
(i) Equity shares		
Interim dividend for the year ended 31 st March, 2019 of ₹1.50 (31 st March 2018-₹1.50) per fully paid share	1,909.23	1,909.30
(ii) Dividends not recognised at the end of the reporting period	-	-
The interim dividend paid has been declared as final dividend in the board meeting held on 25/05/2019	-	-

NOTE 30: UTILIZATION OF FUNDS RAISED THROUGH QIP

During the year ended 31st March 2019, the Company has raised ₹20,000 lakhs primarily for clinical development expenses, capital expenditure and general corporate purposes and any other purposes as may be permissible under applicable law.

Utilisation of QIP Funds:

Particulars	31 st March, 2019	31 st March, 2018
Amount Raised in QIP	-	-
Unutilised amount at the beginning of the year	2,133.16	7,781.20
Amount utilised during the year :	2,133.16	5,648.04
Investment in wholly owned subsidiary - Suven Neurosciences Inc.,	2,133.16	3,721.93
Investment in Capex	-	1,926.11
Unutilised amount at the end of the year	-	2,133.16

NOTE 31: SEGMENT INFORMATION

(a) Description of segments and principal activities

The Chief Executive Officer has been identified as being the chief operating decision maker(CODM). The CODM examines the Company's performance both from a product and a geographic perspective and has identified two reportable segments:

Business Segment

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

(a) Manufacturing (CRAMS)

(b) Services (DDDSS)

(c) Research and Development

- I. Manufacturing (CRAMS) - Bulk Drugs & 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Geographical Segment

The Company has identified the following geographical reportable segments:

- (a) India-The Company sells Bulk Drugs and Intermediates, Fine Chemicals & Services.
- (b) USA -The Company sells Intermediates & Services
- (c) Europe-The Company sells Bulk Drugs and Intermediates
- (d) Others -The Company sells Bulk Drugs, Intermediates & Services

Particulars	Manufacturing (CRAMS)		Services (DDDSS)		Research & Development		Unallocated		Total	
	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018
Segment Result-Operating profits(EBIT)	26,594.91	28,031.87	2,558.00	1,428.77	(6,027.60)	(5,846.66)	(778.36)	(394.97)	22,346.95	23,219.01
Interest Expense	-	-	-	-	-	-	(199.02)	(281.59)	(199.02)	(281.59)
Interest Income	-	-	-	-	-	-	38.38	89.15	38.38	89.15
Income Taxes	-	-	-	-	-	-	(7,180.02)	(7,183.84)	(7,180.01)	(7,183.84)
Net profit	26,594.91	28,031.87	2,558.00	1,428.77	(6,027.60)	(5,846.66)	(8,119.02)	(7,771.25)	15,006.29	15,842.73

Particulars	Manufacturing (CRAMS)		Services (DDDSS)		Research & Development		Unallocated		Total	
	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018
Segment Revenue Including other Income	61,387.18	59,687.64	4,987.53	2,838.20	-	-	2,398.66	2,327.07	68,773.37	64,852.91
Segment Result-Operating profits	26,594.91	28,031.87	2,558.00	1,428.77	(6,027.60)	(5,846.66)	(778.36)	(394.97)	22,346.95	23,219.01
Segment Assets	69,666.60	52,951.18	5,687.52	4,000.97	3,022.45	2,782.38	39,125.31	41,713.11	1,17,501.88	1,01,447.64
Segment Liabilities	9,189.76	8,594.07	641.72	382.64	1,592.08	1,587.28	829.02	1,194.03	12,252.58	11,758.02
Capital Expenditure	472.70	1,257.22	156.55	636.68	450.86	571.26	41.47	211.36	1,121.58	2,676.52
Depreciation	1,782.11	1,930.88	361.69	100.06	355.36	345.37	70.26	100.06	2,569.41	2,476.36

	Revenue for the year ended		Value of Net Assets as on		Additions to Fixed Assets during the year	
	31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018	FY 2018-19	FY 2017-18
INDIA	4,764.56	4,874.67	29,306.78	30,751.28	1,116.80	2,674.23
U S A	3,882.85	6,725.96	17.94	21.28	4.78	2.29
EUROPE	42,484.92	45,985.35	-	-	-	-
OTHERS	15,218.11	4,939.86	-	-	-	-
	66,350.44	62,525.84	29,324.72	30,772.56	1,121.58	2,676.52

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Information about major customers

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Revenues from one of the customers of the Company's in Europe was ₹23,317 lakhs representing approximately 35% of the Company's total revenue, for the year ended 31st March, 2019 and ₹16,580 lakhs representing approximately 26% of the Company's total revenue, for the year ended 31st March, 2018.

NOTE 32: INTEREST IN OTHER ENTITIES

The Company's subsidiaries as at 31st March, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company

Name of the entity	Place of Business/ Country of incorporation	Ownership interest held by the Company		Ownership interest held by Non-Controlling interests		Principal activity
		31 st March, 2019	31 st March, 2018	31 st March, 2019	31 st March, 2018	
Suven Neurosciences Inc.,	USA	100%	100%	0%	0%	Clinical trials business
Suven Pharmaceuticals Ltd.	India	100%	-	0%	-	CRAMS business
Suven Pharma Inc.,	USA	100%	-	0%	-	SPV for undertaking various business opportunities in Pharma Industry.

NOTE 33: RELATED PARTY TRANSACTIONS

- (a) Holding Company** : Jasti Property and Equity Holdings Private Limited
(In its capacity as sole trustee of Jasti Family Trust)
- (b) Subsidiaries:** : Suven Neurosciences Inc.,
: Suven Pharmaceuticals Ltd.
: Suven Pharma Inc.,
- (c) Key Management personnel(KMP)** : Mr. Venkateswarlu Jasti (Chairman & CEO)
Mrs. Sudha Rani Jasti (Whole-time Director)
Mr. P. Subba Rao (Chief Financial Officer)
Mr. K. Hanumantha Rao (Company Secretary)
- (d) Relative of Key Management personnel** : Mrs. Kalyani Jasti (Daughter of Mr. Venkateswarlu Jasti and Mrs. Sudharani Jasti)
- (e) Entity with common KMP** : Suven Trust

(a) Parent entities

Name	Type	Place of Incorporation	Ownership Interest	
			31 st March, 2019	31 st March, 2018
Jasti Property and Equity Holdings Private Limited	Immediate and Ultimate parent entity	India	60.00%	60.00%

(b) Subsidiaries

	31 st March, 2019	31 st March, 2018
Opening	10,222.59	6,500.67
Investment in subsidiary	3,414.74	3,721.92
Balance outstanding	13,637.33	10,222.59

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

(c) Key Management Personnel compensation

	31 st March, 2019	31 st March, 2018
Short term employee benefits	889.68	858.18
Post-employment benefits	-	-
Long term employee benefits	-	-
Termination benefits	-	-
Total Compensation	889.68	858.18
Balance outstanding	339.40	357.54

(d) Relative of Key Management Personnel compensation

	31 st March, 2019	31 st March, 2018
Short term employee benefits	232.10	158.37
Post-employment benefits	-	-
Long term employee benefits	-	-
Termination benefits	-	-
Total Compensation	232.10	158.37

(e) Entity with common KMP

	31 st March, 2019	31 st March, 2018
Suven Trust	659.06	330.61

NOTE 34: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	31 st March, 2019	31 st March, 2018
Claims against the company not acknowledged as debts		
a) Income tax appeal for Asst.year 2011-12	7.64	7.64
b) Letter of credit for imports	1,077.47	1,013.00
c) Bank Guarantee	6.50	8.50
	1,091.61	1,029.13

NOTE 35: COMMITMENTS

	31 st March, 2019	31 st March, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of Payments(including advances)	3,665.86	2,820.08
	3,665.86	2,820.08

NOTE 36: SHARE BASED PAYMENTS

(a) Employee option plan

Suven Employee Stock Option Scheme -2004 was approved by shareholders at the 2004 annual general meeting. Each option entitles the holder thereof to apply for and be allotted one equity share of the Company of ₹1.00 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of three years from the date of vesting in respect of Options granted under the Suven Employee Stock Option Scheme -2004

The vesting period for conversion of Options is as follows:

On completion of 24 months from the date of grant of the Options: 25% vests

On completion of 36 months from the date of grant of the Options: 35% vests

On completion of 48 months from the date of grant of the Options: 40% vests

The Options have been granted at the 'market price' as defined from time to time under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Set out below is a summary of option granted under the plan:

Particulars	31 st March, 2019		31 st March, 2018	
	Average exercise price per share option (₹)	Number of Options	Average exercise price per share option (₹)	Number of Options
Opening balance	22.30	200,000	23.61	455,000
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited/ Expired during the year	22.30	200,000	23.61	255,000
Closing balance	-	-	22.30	200,000
Vested and exercisable	-	-	-	200,000

Share options outstanding at the end of the year having the following expiry date and exercise prices:

Grant Date	Expiry Date	Exercise price (₹)	Share options 31 st March, 2019	Share options 31 st March, 2018
30-May-2011	29-May-2018	22.30	-	200,000
Total			-	200,000
Weighted average remaining contractual life of options outstanding at the end of the period	-	-	-	0.16 years

(i) Fair value of options granted

The fair value at grant date of options granted during the year ended 31st March, 2019 was ₹NIL per option (31st March, 2018-₹NIL). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(b) Expenses arising from share-based payment transactions

Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

	31 st March, 2019	31 st March, 2018
Employee option plan	Nil	Nil
Share appreciation rights	Nil	Nil
Total employee share based payment expense	Nil	Nil

NOTE 37: EARNINGS PER SHARE

	31 st March, 2019	31 st March, 2018
Profit After Tax (PAT)	15,006.29	15,842.73
Weighted average number of equity shares	1,272,82,478	1,272,82,478
Basic Earnings per share	11.79	12.45

Note:

There is no dilution to the Basic Earnings per share as there are no dilutive potential equity shares

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

NOTE 38: SCHEME OF ARRANGEMENT (DEMERGER)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

During the year under review, subject to the approval of NCLT and other stakeholders, the Company's Board considered and decided that the Company shall demerge CRAMS undertaking on a going concern basis to its wholly owned subsidiary, Suven Pharmaceuticals Limited (SPL) through a Scheme of Arrangement w.e.f the appointed date of 1st October, 2018 between the Company and SPL keeping in view the expected growth prospects in both CRAMS and Discovery business, which shall not only enable both the businesses to grow independently with their focused vision, strategies and operations, but also contribute significantly towards unlocking the potential value of the businesses for the shareholders.

The consideration for the demerger shall be issue of 1 (One) fully paid up equity share of face value of ₹1/- (Rupee One only) each of SPL for every 1 (One) fully paid up equity share of face value of ₹1/- (Rupee One only) each held by each shareholder in the Demerged Company (SLSL) as on the Record Date, thereby resulting in a mirror shareholding of SLSL in SPL.

NOTE 39 : Previous year figures have been regrouped and reclassified wherever considered necessary to conform to this year's classifications.

The accompanying notes from an integral part of the financial statements

For TUKARAM & CO LLP
Chartered Accountants
ICAI Firm registration number: 0044365

Rajender Reddy K
Partner
Membership No. 231834

Place : Hyderabad
Date : 25th May, 2019

For and on behalf of the Board of Directors of
Suven Life Sciences Limited

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

K. Hanumantha Rao
Company Secretary
Membership No. A11599

P. Subba Rao
Chief Financial Officer
Membership No. A11342



INDEPENDENT AUDITORS' REPORT

To the Members of Suven Pharmaceuticals Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Suven Pharmaceuticals Limited** ('the Company') which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the **LOSS** and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



24/05/2019

3-6-69, Flat No. 209, Venkatarama Towers, Opp. Talwalkars, Basheerbagh, Hyderabad - 500 029.

E-mail : tukaramco@gmail.com

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether these Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

24/05/2019



- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and 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 those books.
 - c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



24/05/2019

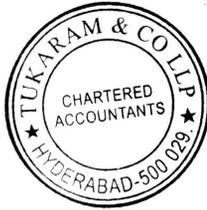
h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has no pending litigations on its financial position in its financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For TUKARAM & CO LLP
Chartered Accountants
ICAI Firm Regn. No.004436S



RAJENDER REDDY K
Partner
Membership No.231834



Place: Hyderabad
Date: 24/05/2019

24/05/2019

“Annexure – A” to the Auditors’ Report

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the Ind AS financial statements for the year ended 31st March, 2019, we report that:

Re: Suven Pharmaceuticals Limited (‘the Company’)

- i. The Company has no fixed assets and hence paragraph 3(i) of the order is not applicable to the Company.
- ii. The Company has not carried out any trading activities during the year and hence no inventory is held by the Company. Therefore paragraph 3(ii) of the order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.
- vi. In respect of the Company, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act in respect of activities of the company.
- vii. In respect of Statutory dues:
 - (a) According to the information and explanations given to us on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of income-tax, cess that have not been deposited by the Company on account of any disputes.
- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company did not have any debentures outstanding as at the year end.
- ix. Based on the information and explanations given to us by the management, the Company has not raised any moneys by way of initial public offer or further public offer of equity shares, convertible securities and debt securities. No term loans were taken during the year by the Company.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud, by the Company or on the Company by its officers or employees, has been noticed or reported during the course of our audit.



24/05/2019

- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year. Hence paragraph 3(xi) of the order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Clause (xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For TUKARAM & CO LLP
Chartered Accountants
ICAI Firm Regn. No.004436S

Rajender Reddy

RAJENDER REDDY K
Partner
Membership No.231834



Place: Hyderabad
Date: 24/05/2019

24/05/2019

Annexure - B to the Our Report of even date on the Ind AS Financial Statements of Suven Pharmaceuticals Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Suven Pharmaceuticals Limited** (“the Company”) as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the Ind AS financial statements.



24/05/2019

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For TUKARAM & CO LLP
Chartered Accountants
ICAI Firm Regn. No.004436S



RAJENDER REDDY K
Partner
Membership No.231834



Place: Hyderabad
Date: 24/05/2019

24/05/2019

SUVEN PHARMACEUTICALS LIMITED
Balance Sheet as at 31st March, 2019

(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2019
ASSETS		
Non-current assets		
Property, plant and equipment		-
Capital work-in-progress		-
Other intangible assets		-
Financial assets		
(i) Investments		-
(ii) Loans		-
(iii) Other financial assets		-
Other non-current assets		-
Total Non-current assets		-
Current assets		
Inventories		-
Financial assets:		
(i) Investments		-
(ii) Trade receivables		-
(iii) Cash and cash equivalents	3	82,826
(iv) Bank balances other than (iii) above		-
(v) Loans		-
(vi) Other financial assets		-
Current Tax Asset (net)		-
Other current assets		-
Total Current assets		82,826
TOTAL ASSETS		82,826
EQUITY AND LIABILITIES		
Equity		
Equity share capital	4(a)	100,000
Other equity	4(b)	(220,359)
Total Equity		(120,359)
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings		-
Deferred tax liabilities (net)		-
Other non-current liabilities		-
Total Non-current financial liabilities		-
Current liabilities		
Financial liabilities		
(i) Borrowings	5	100,000
(ii) Trade payables		-
(a) Total outstanding dues to Micro and Small Enterprises		-
(b) Total outstanding dues to creditors other than Micro and Small Enterprises		-
(iii) Other financial liabilities		-
Other current liabilities	6	103,185
Provisions		-
Total current liabilities		203,185
TOTAL LIABILITIES		203,185
TOTAL EQUITY AND LIABILITIES		82,826

The accompanying notes are an integral part of the financial statements
As per our report of even date

For TUKARAM & CO LLP
Chartered Accountants
Firm registration number: 0044365


Rajender Reddy K
Partner
Membership No. 231834



Place : Hyderabad
Date : 24th May 2019

For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited


Sunder Venkatraman
Director
DIN: 00300628


P. Subba Rao
Director
DIN: 00296951



SUVEN PHARMACEUTICALS LIMITED

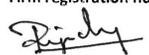
Statement of Profit and Loss for the Period from 6th November, 2018 to 31st March, 2019

(All amounts in Indian Rupees, unless otherwise stated)

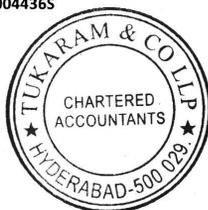
Particulars	Notes	For the Period from November 6, 2018 to March 31, 2019
Income		
Revenue from operations		-
Other income		-
Total Income		-
Expenses		
Cost of materials consumed		-
Changes in inventories of work-in-progress and finished goods		-
Manufacturing expenses		-
Excise duty		-
Employee benefits expense		-
Research & Development Expenses		-
Finance costs	7	390
Depreciation and amortization expense		-
Other expenses	8	219,969
Total Expenses		220,359
Profit before tax		(220,359)
Tax expense		
Current tax		-
Deferred tax		-
Tax of earlier periods		-
Profit for the period		(220,359)
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
Remeasurements gains/ (losses) on defined benefit plans		-
Income tax relating to items that will not be reclassified to profit or loss		
Remeasurements gains/ (losses) on defined benefit plans		-
Other Comprehensive Income (Expense) for the period, net of taxes		-
Total Comprehensive Income for the period		(220,359)
Earnings per Equity share (Par value of Rs.1 each)		
Basic and Diluted	16	(2.20)

The accompanying notes are an integral part of the financial statements
As per our report of even date

For TUKARAM & CO LLP
Chartered Accountants
Firm registration number: 0044365


Rajender Reddy K
Partner
Membership No. 231834

Place : Hyderabad
Date : 24th May 2019



For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited


Sunder Venkatraman
Director
DIN: 00300628


R Subba Rao
Director
DIN: 00296951



Statement of changes in equity for the period from 6th November, 2018 to 31st March, 2019

(All amounts in Indian Rupees, unless otherwise stated)

a. Equity share capital

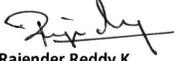
Particulars	Number of Shares	Equity share capital
Opening Balance	-	-
Equity shares issued during the period	100,000	100,000
Closing Balance	100,000	100,000

b. Other Equity

Particulars	Note	Reserves & surplus			Total Equity
		Securities Premium	General reserve	Retained earnings	
Loss for the period	4(b)	-	-	(220,359)	(220,359)
Other comprehensive income		-	-	-	-
income		-	-	-	-
Transfer to General Reserve		-	-	-	-
Transfer from Retained Earnings		-	-	-	-
Total comprehensive income/Loss for the period		-	-	(220,359)	(220,359)
Dividend paid		-	-	-	-
Tax on distributed profit		-	-	-	-
Balance as at March 31,2019		-	-	(220,359)	(220,359)

This is the Statement of Changes in Equity referred to in our report of even date

For TUKARAM & CO LLP
Chartered Accountants
Firm registration number: 0044365


Rajender Reddy K
Partner
Membership No. 231834



Place : Hyderabad
Date : 24th May 2019

For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited


Sunder Venkatraman
Director
DIN: 00300628


P Subba Rao
Director
DIN: 00296951



SUVEN PHARMACEUTICALS LIMITED

Statement of Cash flows for the period from 6th November, 2018 to 31st March, 2019

(All amounts in Indian Rupees, unless otherwise stated)

Particulars		For the Period from November 6, 2018 to March 31, 2019
Cash flow from operating activities		
Profit before tax		(220,359)
Adjustments :		
Depreciation and amortisation expense		0
Interest Income		0
Finance Cost		390
Gain on sale of Current Investment		0
(Gain)/Loss on Sale of Assets		0
Operating Profit before working capital changes		(219,969)
Movements in Working Capital		
(Increase) / Decrease in Trade Receivables		0
(Increase) / Decrease in Inventories		0
Increase / (Decrease) in Trade Payables		0
(Increase)/ Decrease in other non current financial assets		0
(Increase)/ Decrease in other non current assets		0
(Increase)/ Decrease in other current financial assets		0
(Increase)/ Decrease in other current assets		0
Increase / (Decrease) in long term provisions		0
Increase / (Decrease) in other non-current liabilities		0
Increase/(decrease) in short term provision		0
Increase/(Decrease) in other financial liabilities		0
Increase/(Decrease) in other current liabilities		103,185
Net cash from generated from operating activities		(116,784)
Income taxes paid (net of refunds)		0
Cash flows from/ (used in) operating activities	(A)	(116,784)
Cash flows from investing activities		
Payments for Purchase of property, plant and equipment		0
Payment for Purchase of Intangible assets		0
Payments for Purchase of investments		0
Proceeds from disposal of property, plant and equipment		0
Bank balances not considered as cash and cash equivalents		0
Interest received		0
Net cash from / (used in) investing activities	(B)	0
Cash flows from/(used in) in financing activities		
Repayment of long-term borrowings		0
Proceeds from Issue of Equity shares		100,000
(Repayment)/Proceeds from short term borrowings		100,000
Finance Cost		(390)
Dividends paid to company's shareholders		0
Dividend distribution tax paid to company's shareholders		0
Net cash (used in) / from financing activities	(C)	199,610
Net increase (decrease) in cash and cash equivalents	(A+B+C)	82,826
Cash and cash equivalents as at the beginning of the period		0
Cash and cash equivalents at the end of the period		82,826
Cash and cash equivalents (Refer Note 3)		82,826
Cash and cash equivalents in cash flow statement		82,826

This is the Statement of Cash Flows referred to in our report of even date

For TUKARAM & CO LLP
Chartered Accountants
Firm registration number: 0044365

Rajender Reddy K
Partner
Membership No. 231834

Place : Hyderabad
Date : 24th May 2019



For and on behalf of the Board of Directors of
Suvan Pharmaceuticals Limited

Sunder Venkatraman
Director
DIN: 00300628

P. Subba Rao
Director
DIN: 00296951



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

Note 1: Company overview

Suven Pharmaceuticals Limited is a bio-pharmaceutical company, incorporated on 06th November 2018 with object of the Development and manufacturing of Intermediates, Active Pharmaceutical Ingredients (API), Specialty Chemicals and formulated drugs under Contract Research and Manufacturing Services (CRAMS) for global pharmaceutical, biotechnology and chemical companies.

Note 2: Significant accounting policies

A). Basis of preparation

(i) Compliance with IND AS

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets are measured either at fair value or at amortised cost depending on the classification
- employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation; and
- Share-based payments which are measured at fair value of the options

B). Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in Cash and Cash equivalents. The Company has identified twelve months as its operating cycle.

C). Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as being the Chief Operating Decision Maker.

D). Foreign currency translation

- (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

- (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.



SUVEN PHARMACEUTICALS LIMITED
Notes to the financial statements

E). Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

F). Revenue recognition

The Company earns revenue primarily from sale of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API) Speciality chemicals and formulated drugs under contract research and manufacturing services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, we apply the following five step approach:

- (1) identify the contract with a customer,
- (2) identify the performance obligations in the contract,
- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract, and
- (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price, the Company uses third-party prices for similar deliverables or the company uses expected cost plus margin approach in estimating the stand-alone selling price.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Effective April 1, 2018, the Company has applied Ind AS 115 from its date of Incorporation which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18.

G). Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

The benefit of Government loan at a below market rate of interest is treated as Government grant , measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

H). Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and branches where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and branches where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

I). Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

J). Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

K). Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

L). Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in-first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.



SUVEN PHARMACEUTICALS LIMITED
Notes to the financial statements

M). Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognised in the statement of profit and loss, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

N). Provisions, Contingent liabilities, Contingent assets and commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

O). Investments and other financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Income recognition

Interest income

Interest income from the debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

Royalty

Royalty income is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the royalty will flow to the company, and the amount of the royalty can be measured reliably.



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

P). Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Q). Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

R). Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

S). Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Property, Plant & Equipment is provided on straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed of during the year.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in Statement of profit or loss when the assets are derecognised.

Estimated useful life :

- Factory buildings	25 - 30 years
- Roads	3 - 10 years
- Machinery	8 - 20 years
- Furniture, fittings and equipment	3 - 10 years
- Vehicles	8 - 10 years

T). Intangible assets

(i) Computer software



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available and;
- the expenditure attributable to the software during its development can be reliably measured

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

(ii) Amortization methods and periods

Intangible assets with finite useful life are amortized over their respective individual estimated useful lives (3-10 years in case of computer software's) on a straight line basis.

(iii) Research and development

Research expenditure and development expenditure that do not meet the criteria in (i) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent period.

Estimated useful life :

Software 3 - 10 years

U). Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.



SUVEN PHARMACEUTICALS LIMITED
Notes to the financial statements

V). Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/ (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

W).Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

X). Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.



SUVEN PHARMACEUTICALS LIMITED
Notes to the financial statements

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the current in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Bonus plans

The group recognizes a liability and an expense for bonuses. The group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Share-based payments

Share-based compensation benefits are provided to employees via the Suven Employee Stock Option Scheme -2004

Employee Options:

The fair value of options granted under the Suven Employee Stock Option Scheme -2004 is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

- including any market performance conditions (eg. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions(eg. profitability, sales growth targets and remaining an employee of the entity for a specified time period and;
- including the impact of any non-vesting conditions (eg. the requirement for employees to save or holding shares for a specific time period)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Y). Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option
- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

Investments in units of mutual funds

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds

Z). Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

AA) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

AB) Earning per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



SUVEN PHARMACEUTICALS LIMITED
Notes to the financial statements

AC) Cash flow statement

Cash flows are reported using the direct method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing activities of the company are segregated.

AD) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees as per the requirements of Schedule III, unless otherwise stated.

AE) Critical estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

1. Estimation of current tax expense and payable
2. Estimated Useful life of Depreciable assets / intangible assets
3. Estimation of defined benefit obligation
4. Recognition of revenue
5. Recognition of deferred tax assets for carried forward losses
6. Recoverability of advances/receivable
7. Evaluation of indicators for Impairment of assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Recent accounting pronouncements

Effective date for application of the following amendments is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of these amendments on the financial statements.

Ind AS 116 - Leases :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and



SUVEN PHARMACEUTICALS LIMITED

Notes to the financial statements

- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Ind AS 109- Prepayment features with Negative compensation :

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Ind AS 19 – Plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

Ind AS 23 – Borrowing Costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures :

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements :

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.



SUVEN PHARMACEUTICALS LIMITED
Notes to the Financial Statements

(All amounts in Indian Rupees, unless otherwise stated)

Note 3: Cash and cash equivalents

Particulars	As at 31 March 2019
Balances with banks	
-in current accounts	82,826
Total cash and cash equivalents	82,826

Note 4: Equity share capital and other equity

4(a) Equity share capital

	As at 31 March 2019
Authorised Capital	
10,00,000 Equity shares of Re. 1/- each	1,000,000
	1,000,000
Issued, Subscribed and fully paid up (Nos)	
100000 Equity shares of Re. 1/- each	100,000
	100,000

4(a).1 Reconciliation of the shares outstanding at the beginning and at the end of the period

	As at 31 March 2019	
	Number	Amount
Equity shares		
At the beginning of the period	-	-
Add: Issued during the period	100,000	100,000
Outstanding at the end of the period	100,000	100,000

4(a).2 Terms/ rights attached to equity shares

Equity shares have a par value of Re.1. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

4(a).3 Shares of the Company held by holding company

Particulars	As at 31 March 2019
Suven Life Sciences Limited	
1,00,000 Equity shares of Re. 1/- each	100,000

4(a).4 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2019	
	Number of Shares	% of Holding
Suven Life Sciences Limited	100,000	100.00%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.



SUVEN PHARMACEUTICALS LIMITED
Notes to the Financial Statements

(All amounts in Indian Rupees, unless otherwise stated)

4(b) Other Equity

Particulars	As at 31 March 2019
Securities premium	-
General reserve	-
Retained earnings	(220,359)
Total other equity	(220,359)

(i) Retained earning

Particulars	As at 31 March 2019
Opening balance	-
Net profit/(Loss) for the period	(220,359)
Items of other comprehensive income recognised directly in retained earning	
- Remeasurements of post employment benefit obligation, net of tax	-
Closing balance	(220,359)

Note 5: Financial liabilities

Particulars	As at 31 March 2019
Unsecured loan - Mr Sunder Venkatraman	100,000
Total other current liabilities	100,000

Note 6: Other current liabilities

Particulars	As at 31 March 2019
Liability for expenses	103,185
Total other current liabilities	103,185

Note 7: Finance costs

Particulars	For the Period from November 6, 2018 to March 31, 2019
Interest on borrowings	-
Bank Charges	390
Total Finance Costs	390

Note 8: Other expenses

Particulars	For the Period from November 6, 2018 to March 31, 2019
Rates & Taxes	5,185
Payments to Auditors	
- As Audit Fees	100,000
Directors sitting fee	40,004
Depository Fees	62,980
General Expenses	11,800
Total Other Expenses	219,969



Financial instruments and risk management

Note 9: Fair value measurements

	As at 31 March 2019	
	FVTPL	Amortised Cost
Financial Assets		
Investments	-	-
Trade Receivables	-	-
Cash and Cash equivalents	-	82,826
Bank Balances	-	-
Total Financial Assets	-	82,826
Financial Liabilities		
Borrowings	-	100,000
Trade Payables	-	-
Capital creditors	-	-
Total Financial Liabilities	-	100,000

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at March 31, 2019					
<u>Financial assets</u>					
Investments		-	-	-	-
Trade Receivables		-	-	-	-
Cash and Cash equivalents	3	-	-	82,826	82,826
Bank Balances		-	-	-	-
Total Financial Assets		-	-	82,826	82,826

Financial liabilities measured at amortised cost & Fair Value	Notes	Level 1	Level 2	Level 3	Total
As at March 31, 2019					
<u>Financial Liabilities</u>					
Borrowings	5	-	-	100,000	100,000
Trade Payables		-	-	-	-
Capital creditors		-	-	-	-
Total Financial Liabilities		-	-	100,000	100,000

Level 1: Level 1 hierarchy includes Quoted prices taken from market.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset

Level 3: Inputs are not based on observable market data(unobservable inputs).



Note 10: Financial Risk management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk.

Risk	Exposure arising from	Measurement	Management Comment
Credit risk	Cash and cash equivalents	Ageing analysis	Diversification of balances
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The company's risk management is carried out by the management. Company treasury identifies, evaluates and hedges financial risk in close cooperation with the company's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as credit risk and liquidity risk.

(A) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

i) Financial instruments and cash deposits

Credit risk arises from cash and cash equivalents. For banks and financial institutions, only high rated banks/ institutions are accepted

ii) Expected credit loss for trade receivables under simplified approach

There are no such category of assets on which provision for expected credit losses to be recognized.

(B) Liquidity Risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying business, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below summarises the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

Year ended March 31, 2019	On Demand	in next 12 months	>1 year
(i) Borrowings	100,000	-	-
(ii) Other financial liabilities	-	-	-
	100,000	-	-



Market Risk - Interest Risk

The Company has availed interest free loan from its director.Hence no cash flow interest risk will arises.

Foreign currency risk exposure

Since the company does not have any financial assets & financial liabilities in terms of foreign currency , foreign currency exposure as at the reporting date is Nil

Note 11: Capital Management

(a) Risk management :

The Company's objective when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

2. Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: -Net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet)

	As at 31 March, 2019
Net debt	17,174
Total Equity	(120,359)
Net debt to equity ratio	-14.27%

Note 12: Segment Information

As the company do not have any business operations till the reporting date,segment reporting as per Ind AS 109 "**Segment Reporting**" is not provided.

Note 13: Related Party Transactions

(a) Holding Company : Suven Life Sciences Limited

(b) Key Management personnel (KMP) : Mr. Sunder Venkatraman (Director)
Mr. P. Subba Rao (Director)

(a)Parent entities

Name	Type	Place of Incorporation	Ownership Interest as at 31st March 2019
Suven Life Sciences Limited	Immediate and Ultimate parent entity	India	100.00%

(b)Borrowings taken from KMP

	As at 31 March 2019
Opening Balance	-
ADD:Taken during the year	100,000
Closing Balnce	100,000
Balance outstanding	100,000



Note 14: Contingent Liabilities Rs. Nil during current year

Note 15: Capital Commitments

Estimated amount of contracts remaining to be executed on capital account are amounting to Rs. Nil net of capital advances

Note 16: Earnings per share

	31 March 2019
Profit/(Loss) After Tax (PAT)	(220,359)
Weighted average number of equity shares	100,000
Basic Earnings per share	(2.20)

Note:

There is no dilution to the Basic Earnings per share as there are no dilutive potential equity shares

Note 17 : Demerger Note

During the year under review, Your Board of Directors have considered and accepted the proposal of Suven Life Sciences Ltd (SLSL) to acquire the entire share holdings in the Company and your Company became Wholly Owned Subsidiary of SLSL on 5th February, 2019. As part of Scheme of Arrangement (Demerger) your Company was identified as Resulting Company. Your Company's Board considered and decided subject to approval of NCLT and other stakeholders that the SLSL shall demerge CRAMS undertaking on a going concern basis to Suven Pharmaceuticals Limited (SPL) through a Scheme of Arrangement between SLSL and SPL keeping in view the expected growth prospects in both CRAMS and Discovery business, which shall not only enable both the businesses to grow independently with their focused vision, strategies and operations, but also contribute significantly towards unlocking the potential value of the businesses for the shareholders.

The consideration for the demerger shall be issue of 1 (One) fully paid up equity share of face value of INR 1/- (Rupee One only) each of SPL for every 1 (One) fully paid up equity share of face value of INR 1/- (Rupee One only) each held by each shareholder in the Demerged Company (SLSL) as on the Record Date, thereby resulting in a mirror shareholding of SLSL in SPL.

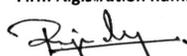
Note 18: As this is the first year of incorporation, comparative figures of previous year are not applicable.

The accompanying notes form an integral part of the financial statements

As per our report of even date

For TUKARAM & CO LLP
Chartered Accountants

Firm registration number: 0044366



Rajender Reddy K
Partner
Membership No. 231834

Place : Hyderabad
Date : 24th May 2019



For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited


Sunder Venkatraman
Director
DIN: 00300628


P Subba Rao
Director
DIN: 00296951





**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF SUVEN LIFE SCIENCES LIMITED
(DEMERGED COMPANY) AT ITS MEETING HELD ON 5 FEBRUARY 2019 PURSUANT TO
SECTION 232(2)(c) OF THE COMPANIES ACT, 2013**

The Board of Directors of Suven Life Sciences Limited in its meeting held on 5 February 2019 has considered and approved the draft Scheme of Arrangement between Suven Life Sciences Limited ("**Demerged Company**" or "**the Company**") and Suven Pharmaceuticals Limited ("**Resulting Company**") and their respective shareholders and creditors ("**Scheme of Arrangement**"), under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with applicable rules, *inter-alia* providing for transfer and vesting of the Contract Research and Manufacturing Services Undertaking ("**CRAMS Undertaking**") of the Demerged Company in to the Resulting Company.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the Board of Directors explaining the effect of the Arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders has to be appended with the notice of the meeting of the shareholders and the creditors. Further, the said Report has to lay out in particular the share exchange ratio, specifying any special valuation difficulties.

The following is the Report taking into consideration the aforesaid provision:

1. Share Entitlement Ratio

- 1.1. For the Scheme of Arrangement, the Share Entitlement Ratio Report was obtained from Mr. Ajay Kumar from M/s. Karvy & Co., Chartered Accountants who had recommended the following ratio in their report dated 5 February 2019.

"1 (One) fully paid up Equity Share of INR 1/- (Rupee One Only) each of the Resulting Company shall be issued and allotted for every 1 (One) fully paid up equity share of INR 1/- (Rupee One Only) each held in the Demerged Company"




1

Suven Life Sciences Limited

Registered Office: 8-2-334 | SDE Serene Chambers | 6th Floor | Road No.5 | Avenue 7
Banjara Hills | Hyderabad - 500 034 | Telangana | India | CIN : L24110TG1989PLC009713
Tel: 91 40 2354 1142/ 3311/ 3315 Fax: 91 40 2354 1152 Email: info@suven.com website: www.suven.com



1.2. Para 1(A)(4)(a) of Annexure I to the SEBI Scheme Circular regarding submission of Valuation Report from an Independent Chartered Accountant by the Company is not applicable as there is no change in the shareholding pattern of the listed entity (Demerged Company).

1.3. Fairness Opinion was also obtained from Ernst and Young Merchant Banking Services Private Limited, an independent Merchant Banker, on the above-mentioned Share Entitlement Ratio, who have provided in their report that the Share Entitlement Ratio stated in the Scheme of Arrangement and as provided in the Report is fair.

2. Effect of the Scheme of Arrangement on the Promoter/Non-Promoter shareholders of the Demerged Company

- 2.1. There is only one class of shareholder i.e. equity shareholders, which includes the promoter as well as non-promoter shareholders of the Demerged Company.
- 2.2. On demerger, the shareholders of the Demerged Company would receive shares in the Resulting Company i.e. Suven Pharmaceuticals Limited (mirror shareholding) whose name is recorded in the register of members on the Record Date, as per the above mentioned share entitlement ratio.
- 2.3. The equity shares in the Resulting Company to be issued to the shareholders of the Demerged Company shall be subject to the Scheme of Arrangement, and the Memorandum of Association and the Articles of Association of the Resulting Company, and shall rank pari passu with the existing equity shares of the Resulting Company in all respects including for the purpose of any dividend declared after the Scheme of Arrangement becomes effective.
- 2.4. There would be no dilution or increase in the shareholding of the promoter or the non-promoter shareholders of the Demerged Company.

Unlabeled Signature

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2.5. Further, the shareholders of the Demerged Company, classified as promoters and public currently, receiving equity shares in the Resulting Company, upon demerger would be classified as promoters and public in the same manner as that in the Demerged Company and thus, the overall economic interest of equity shareholders of the Demerged Company shall remain the same.

2.6. There would be no impact on the shareholders of the Demerged Company on reduction of capital of the Resulting Company (the Scheme of Arrangement provides for reduction of equity share capital of INR 1,00,000/- held by Demerged Company in the Resulting Company).

3. Effect of the Scheme on the Key Managerial Person (KMP) of the Demerged Company

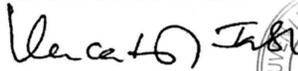
3.1. KMPs as shareholders of the Demerged Company

KMPs who holds shares in the Demerged Company on the Record Date to be announced would be allotted shares in the Resulting Company on demerger.

3.2. KMP as executives of the Demerged Company

KMPs in relation to the Contract Research and Manufacturing Services Business Undertaking of the Demerged Company would be transferred to the Resulting Company pursuant to demerger on the same terms and conditions as pre-demerger.

**For and on behalf of the Board of Directors of
Suvan Life Sciences Limited**


Venkateswarlu Jasti
Chairman and CEO



Date: 05th February, 2019

Place: Hyderabad

Suvan Life Sciences Limited

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**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF SUVEN PHARMACEUTICALS LIMITED
(RESULTING COMPANY) AT ITS MEETING HELD ON 05TH FEBRUARY, 2019 PURSUANT TO
SECTION 232(2)(c) OF THE COMPANIES ACT, 2013**

The Board of Directors of Suven Pharmaceuticals Limited in its meeting held on 5 February 2019 has considered and approved the draft Scheme of Arrangement between Suven Life Sciences Limited (the “Demerged Company”) and Suven Pharmaceuticals Limited (the “Resulting Company” or “Company”) and their respective shareholders and creditors (“Scheme of Arrangement”), under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with applicable rules, *inter-alia* providing for transfer and vesting of the Contract Research and Manufacturing Services Undertaking (“CRAMS Undertaking”) of the Demerged Company in to the Resulting Company.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the Board of Directors explaining the effect of the Arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders has to be appended with the notice of the meeting of the shareholders and the creditors. Further, the said Report has to lay out in particular the share exchange ratio, specifying any special valuation difficulties. The following is the Report taking into consideration the aforesaid provision:

1. Share Entitlement Ratio

- 1.1. For the Scheme of Arrangement, the Share Entitlement Ratio Report was obtained from Mr. Ajay Kumar from M/s. Karvy & Co., Chartered Accountants who had recommended the following ratio in their report dated 5 February 2019.

“1 (One) fully paid up Equity Share of INR 1/- (Rupee One Only) each of the Resulting Company shall be issued and allotted for every 1 (One) fully paid up equity share of INR 1/- (Rupee One Only) each held in the Demerged Company”



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Tel: 91 40 2354 3311 | Fax: 91 40 2354 1152 | Email: info@suven.com

1

1.2. In terms of Para 1(A)(4)(a) of Annexure I of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, submission of Valuation Report from an Independent Chartered Accountant is not applicable as there is no change in the shareholding pattern of the listed entity (Demerged Company).

1.3. Fairness Opinion was also obtained from Ernst and Young Merchant Banking Services Private Limited, an independent Merchant Banker, on the above-mentioned Share Entitlement Ratio, who have provided in their report that the Share Entitlement Ratio stated in the Scheme of Arrangement and as provided in the Report is fair.

2. Effect of the Scheme of Arrangement on the Promoter/Non-Promoter shareholders of the Resulting Company

- 2.1. There is only one class of shareholder i.e. equity shareholders.
- 2.2. The entire paid-up share capital of Resulting Company is held by Demerged Company and its nominees. The Resulting Company does not have non-promoter shareholders.
- 2.3. Upon the Scheme of Arrangement becoming effective, the existing equity shares of the Resulting Company, held by the Demerged Company along with its nominees shall stand cancelled as enshrined in Clause 8 of the Scheme of Arrangement.
- 2.4. On demerger, the shareholders of the Demerged Company would receive shares in the Resulting Company i.e. Suven Pharmaceuticals Limited (mirror shareholding) whose name is recorded in the register of members on the Record Date, as per the above mentioned share entitlement ratio.
- 2.5. The equity shares in the Resulting Company to be issued to the shareholders of the Demerged Company shall be subject to the Scheme of Arrangement, and the Memorandum of Association and the Articles of Association of the Resulting Company, and shall rank pari passu with the existing equity shares of the Resulting Company in all respects including for the purpose of any dividend declared after the Scheme of Arrangement becomes effective.



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2.6. Further, the shareholders of the Demerged Company, classified as promoters and public currently, receiving equity shares in the Resulting Company, upon demerger would be classified as promoters and public in the same manner as that in the Demerged Company, and thus, the overall economic interest of equity shareholders of the Demerged Company shall remain the same.

2.7. There would be no impact on the shareholders of the Demerged Company on reduction of capital of the Resulting Company (the Scheme of Arrangement provides for reduction of equity share capital of INR 1,00,000/- held by Demerged Company in the Resulting Company).

3. Effect of the Scheme on the Key Managerial Person (KMP) of the Resulting Company

The Resulting Company does not have KMP.

**For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited**


Subba Rao Parupally
Director



Date: 05th February, 2019

Place: Hyderabad

Suven Pharmaceuticals Limited

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SUVEN PHARMACEUTICALS

This is a disclosure document prepared in connection with the proposed Scheme of Arrangement involving Suven Pharmaceuticals Limited (the “Company” or “SPL” or “Resulting Company”), Suven Life Sciences Limited (“SLSL” or “Demerged Company”) and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 (“Scheme”).

THIS DISCLOSURE DOCUMENT CONTAINS 6 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES. NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS DISCLOSURE DOCUMENT.

This document is prepared to comply with the requirement of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and in accordance with the disclosures required to be made in format specified for Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the extent applicable.

You may download the Scheme & other relevant documents from the websites of SLSL and BSE Limited & National Stock Exchange of India Limited where the equity shares of SLSL are listed (“Stock Exchanges”); viz: www.suven.com; www.bseindia.com; and www.nseindia.com respectively.

This Disclosure Document dated 9th August, 2019 should be read together with the Scheme and the Notice to the shareholders of SLSL.

SUVEN PHARMACEUTICALS LIMITED

Registered Office and Corporate Office:	Door No. 8-2-334, 6 th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad, Telangana - 500034.		
Contact Person:	Mr. K. Hanumantha Rao	Telephone:	+91-40-23549414
E-mail:	investorservices@suven.com	Website:	www.suven.com
		CIN:	U24299TG2018PLC128171

NAME OF PROMOTER OF THE COMPANY

Suven Life Sciences Limited (CIN: L24110TG1989PLC009713)

SCHEME DETAILS, LISTING AND PROCEDURE

Scheme Details:

SLSL is a bio-pharmaceutical Company, incorporated on March 9, 1989 under the Companies Act, 1956 under the name of Suven Pharmaceuticals Private Limited and it became a public limited company with effect from January 4, 1995 and the name was changed to Suven Life Sciences Limited on September 20, 2003.

SLSL has two business divisions:

- (i) Contract Research and Manufacturing Services
- (ii) Discovery or Research & Development

Contract Research and Manufacturing Services (“CRAMS”): CRAMS division is engaged in development and manufacturing of New Chemical Entity (“NCE”) based intermediates, Active Pharmaceutical Ingredients (“API”), Specialty Chemicals and Formulated Drugs for global pharmaceutical, biotechnology and chemical companies.



Page 1 of 6

Suven Pharmaceuticals Limited

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Discovery or Research & Development (“Discovery Research”): Discovery Research division focuses on discovering, developing and commercializing novel pharmaceuticals products for CNS (Central Nervous System) therapies using G-Protein Coupled Receptors (G-PCR) targets for the treatment of cognitive impairment associated with Neurodegenerative Disorders like Alzheimer’s disease, Attention Deficient Hyperactivity Disorder (ADHD), Huntington’s disease, Parkinson and Schizophrenia, Major Depressive Disorders (MDD) and sleep disorders like Narcolepsy etc.

SPL was incorporated on November 6, 2018. The entire share capital of SPL was acquired by SLSL on February 5, 2019 pursuant to which SPL became a wholly owned subsidiary of SLSL. SPL is incorporated with an object to engage in the business of the development and manufacturing of New Chemical Entities based intermediates, Active Pharmaceutical Ingredients, specialty chemicals and manufacturing services for global pharmaceutical, biotechnology and chemical companies.

The Board of Directors of SLSL and SPL believe that the risk and reward associated with each of the aforesaid business divisions are different and accordingly decided to segregate the CRAMS business and Discovery Research business of SLSL by formulating a Scheme of Arrangement to demerge the CRAMS business on a *going concern* basis into SPL.

This demerger would facilitate focus growth, operational efficiency, business synergies and increased operational and customer focus in relation to CRAMS and Discovery Research businesses. For further details, please refer to the Scheme.

Listing:

Upon the Scheme becoming effective, SPL shall allot 1 (One) fully paid up equity share of face value Rs.1/- (Rupee One only) each for every 1 (One) fully paid up equity share of face value Rs.1/- (Rupee One only) each held in SLSL. The equity shares of SPL so allotted to the shareholders of SLSL would be listed on the Stock Exchanges.

Procedure:

Shareholders of the SLSL are not required to follow any procedure in relation to the proposed issuance of equity shares in the Company pursuant to the Scheme.

ELIGIBILITY FOR THE ISSUE

The eligibility criteria of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 relating to initial public offering of shares are not applicable to SPL.

INDICATIVE TIMETABLE

The listing of the equity shares of the Company shall be subject to shareholder’s approval of the Scheme, NCLT Order, SEBI exemption under 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 and listing & trading approval from the Stock Exchanges.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk. Specific attention of the shareholders are invited to the section titled “Risk Factors” of this Disclosure Document and the Information Memorandum to be issued by the Company for listing of the equity shares in compliance with BSE Observation Letter no. DCS/AMAL/BA/R37/1460/2019-20 dated April 11, 2019 read with the SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

NAME OF THE STATUTORY AUDITOR	M/s. Tukaram & Co. LLP (Firm’s Registration No. 004436S)
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Suven Pharmaceuticals Limited

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PROMOTERS OF THE COMPANY

The Promoter of the Company is Suven Life Sciences Limited (SLSL or Demerged Company). SLSL was incorporated on March 9, 1989, a company registered under the provisions of Companies Act, 1956 with CIN L24110TG1989PLC009713 and having its Registered Office at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad - 500034, Telangana. The equity shares of the SLSL are listed on the National Stock Exchange of India Limited and BSE Limited.

SLSL is a pharmaceutical research expert that leverages its innovation capability to undertake NCE based CRAMS projects involving discovery and development of molecules for innovator companies. The Company's expertise in process research, custom synthesis and NCE development support services has earned it the respect of global pharmaceutical companies.

SLSL is headquartered in Hyderabad, Telangana with its R&D facilities in Hyderabad and Sanga Reddy and three manufacturing locations in Sanga Reddy, Suryapet and Visakhapatnam. Suven has a 950+ member team; its 400+ member strong R&D team comprises of 35 PhDs and works in the research-intensive areas of analytical development, drug discovery, process R&D and formulations development.

Currently, entire share capital of the Company is held by SLSL. Post demerger, the shareholders of the SLSL as on the record date would become shareholders of the SPL. Accordingly, the promoters of SLSL shall become the promoters of the Company.

BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

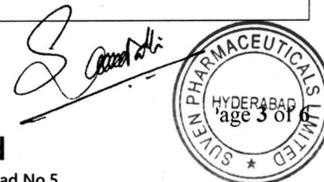
Suven Pharmaceuticals Limited ("SPL") a wholly owned subsidiary of SLSL is incorporated with an object to engage in the business of the development and manufacturing of new chemical entities based intermediates, active pharmaceutical ingredients, specialty chemicals and manufacturing services for global pharmaceutical, biotechnology and chemical companies.

Upon sanction of order from the NCLT and Scheme of Arrangement becoming effective, the tangible & intangible assets, liabilities and employees pertaining to the CRAMS division of SLSL shall be transferred to the SPL on a *going concern basis*. This would also include all brand names, trademarks, drug master files, trade names, labels, patents and domain names, designs, software and computer programmes, databases, copyrights, trade secrets and other intellectual property and all other interests exclusively relating to the goods or services being used by the SLSL in the business, activities and operations pertaining to its CRAMS division. For further details, please refer to the Scheme of Arrangement.

Strategy

The strategy of the management is to facilitate growth, operational efficiency, business synergies and increased operational and customer focus in relation to CRAMS business demerged into SPL. The key business strategy of SPL will be to focus on:

- NCE based pharmaceutical research solutions to global customers for development of key Intermediates/Active Pharmaceutical Ingredients (APIs) during clinical research stage, leading to contract manufacturing operations from clinical development stage to commercial operations.
- Development and manufacturing of specialty chemicals for non-pharmaceutical application for global customers.
- Development of niche Abbreviated New Drug Applications (ANDA) leading to manufacturing and supply of generic product for global market.
- Providing Contract Technical Services (CTC) for global pharmaceutical and biotechnology companies.

**Suven Pharmaceuticals Limited**

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BOARD OF DIRECTORS			
Sr. No.	Name	Designation	Experience including current/past position held in other firms
1.	Mr. Govind Prasad Dasu	Director	Mr. Prasad is a Chartered Accountant, has been a career banker for over 33 years having expertise in trade finance, international finance, merchant banking, corporate strategies, M&A, loan syndications, etc. He has worked with Canara Bank and Exim Bank.
2.	Mr. Sunder Venkatraman	Director	Mr. Sunder Venkatraman is the Vice President-Corporate Affairs of SLSL having 34 years of varied experience in Finance, Accounts, Audit, Taxation, Information Technology and Clinical Research. He is a Certified Management Accountant from The Institute of Management Accountants, USA, Associate Member of The Institute of Cost Accountants of India and Certified Management Consultant from Institute of Management Consultants of India.
3.	Mr. Subba Rao Parupally	Director	Mr. Subba Rao Parupally is the Chief Financial Officer of SLSL and is responsible for overseeing Accounting and Financial matters, in relation to the Company. He is a qualified Cost and Management Accountant (CMA) from the Institute of Cost and Works Accountants of India. He has got vast experience of 38 years which includes Finance, Costing, Banking, etc. from various prominent Organizations like Standard Organics Ltd, Subsidiaries of Dr Reddy's Laboratories Ltd.

OBJECTS OF THE SCHEME

The demerger, transfer and vesting of the CRAMS division on a going concern basis to SPL would result in better and efficient control of the segregated CRAMS and Discovery Research businesses in two separate companies. For further details, please refer to the Scheme of Arrangement.

DETAILS AND REASONS FOR NON-DEPLOYMENT OR DELAY IN DEPLOYMENT OF PROCEEDS OR CHANGES IN UTILIZATION OF ISSUE PROCEEDS OF PAST PUBLIC ISSUES/RIGHTS ISSUES, IF ANY, OF THE RESULTING COMPANY IN THE PRECEDING 10 YEARS

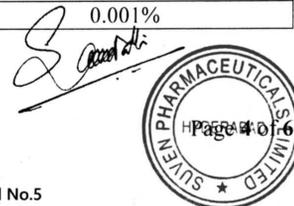
Not Applicable

NAME OF MONITORING AGENCY, IF ANY Not Applicable

TERMS OF ISSUANCE OF CONVERTIBLE SECURITY, IF ANY Not Applicable

PRE-SCHEME SHAREHOLDING PATTERN

Sr. No.	Particulars	Number of shares	% holding of Pre-Scheme
1	Promoter and Promoter Group	100,000	100.00
a.	Suven Life Sciences Limited (SLSL)	99,994	99.994%
b.	Subba Rao Parupalli*	1	0.001%
c.	Lakshmana Rao Veeramachaneni*	1	0.001%



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d.	Jahnvi Korrapati*	1	0.001%
e.	Srinivas Varadarajan Katragadda*	1	0.001%
f.	Lakshmana Rao Pothuneedi*	1	0.001%
g.	Subbareddy Venkat Singi*	1	0.001%
2	Public	-	-
	Total	100,000	100.00

* Holds shares as a nominee of Suven Life Sciences Limited (SLSL)

STANDALONE AUDITED FINANCIALS

The standalone Audited Financial Information (Ind-AS) of Suven Pharmaceuticals Limited (SPL) from the date of incorporation till March 31, 2019 is provided below:

(Rs. In Lakhs except per share data)

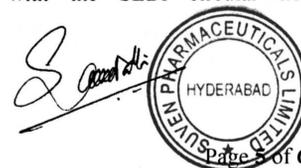
Sr. No	Particulars	Amount
1.	Total income from operations (net)	NIL
2.	Net Profit / (Loss) before tax and extraordinary items	-2.20
3.	Net Profit / (Loss) after tax and extraordinary items	-2.20
4.	Equity Share Capital	1.00
5.	Reserves and Surplus	-2.20
6.	Net worth	-1.20
7.	Basic & Diluted ¹ earnings per share	-2.20
8.	Return on net worth (%) ²	NA
9.	Net asset value per Share ³	-1.20

Please note:

1. Basic & Diluted earnings per share is computed by dividing the profit for the year after tax by the weighted average number of equity shares outstanding during the year.
2. Return on net worth (%) is computed by dividing the net profit after tax by the net worth as on March 31, 2019.
3. Net asset value per share is computed by dividing the net worth by the outstanding number of equity shares as on March 31, 2019.
4. The Company is in losses and having negative net worth.
5. No financials are available for preceding years as the Company was incorporated on November 6, 2018.
6. Consolidated financial statements are not required to be prepared.

INTERNAL RISK FACTORS

- 1) The Company has been recently incorporated with an objective to engage in the business of the development and manufacturing of new chemical entities based intermediates, active pharmaceutical ingredients, specialty chemicals and manufacturing services for global pharmaceutical, biotechnology and chemical companies. Currently, the Company does not have any business operations, post the demerger and transfer of the CRAMS division into the Company, the Company would face all the risks that are associated with that business, resources, management, existing as well potential litigations etc.
- 2) Specific attention of the shareholders is invited to the section titled "Risk Factors" in the Information Memorandum to be issued by the Company in compliance with BSE Observation Letter no. DCS/AMAL/BA/R37/1460/2019-20 dated April 11, 2019 read with the SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.



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SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against the company and amount involved- **NIL**
- B. Brief details of top 5 material outstanding litigations against the company and amount involved

NATURE OF LITGATION	NO. OF CASES	AMOUNT INVOLVED (IN INR)
Civil proceedings	NIL	NIL
Criminal proceedings	NIL	NIL
Tax matters	NIL	NIL
Labour	NIL	NIL

- C. Regulatory Action, if any, disciplinary action taken by SEBI or stock exchanges against the Promoters/Group companies in last 5 financial years including outstanding action, if any - No regulatory/ disciplinary action taken/ outstanding. However, a show cause notice has been received by SLSL from SEBI, in relation to Clause 4 of the Minimum Standards for Code of Conduct to regulate, Monitor and Report Trading by Insiders as specified in Schedule B read with Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulation, 2015, against which the Company (SLSL) is representing the matter through its advocates.
- D. Brief details of outstanding criminal proceedings against Promoters - **NIL**

ANY OTHER IMPORTANT INFORMATION OF THE COMPANY

NIL

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992 as the case may be, have been complied with and no statement made in this disclosure document is contrary to the provisions of the Companies Act, 2013, the SEBI Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in the disclosure document is true and correct.

For **Suven Pharmaceuticals Limited**


Subba Rao Parupally
Director



Date: 9 August 2019
Place: Hyderabad

Suven Pharmaceuticals Limited

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**IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL BENCH AT HYDERABAD
COMPANY APPLICATION NO. CA(CAA) NO.178/230/HDB/2019**

**In the matter of Sections 230 to 232 read with Section 66 and other applicable provisions of the
Companies Act, 2013 read with applicable rules**

and

**In the matter of Scheme of Arrangement between Suven Life Sciences Limited, ("Demerged Company")
and Suven Pharmaceuticals Limited, ("Resulting Company") and their respective Shareholders and
Creditors**

Suven Life Sciences Limited , A company incorporated under the provisions of Companies Act, 1956 with CIN L24110TG1989PLC009713 and having its registered office at Door No. 8-2-334, 6 th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad – 500 034, TelanganaFirst Applicant Company/Demerged Company
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------

**UNSECURED CREDITORS
PROXY FORM**

Name of the Unsecured Creditor	
Address of the Unsecured Creditor	
Email Id of the Unsecured Creditor	
Principal Amount due as on 31st March, 2019 (in INR)	

I/ We, the undersigned Unsecured Creditor(s) of Suven Life Sciences Limited (Demerged Company), hereby appoint

1	Name			
	Address			
	E-mail Id or failing him/her		Signature	
	Name			
2	Address			
	E-mail Id		Signature	
	or failing him/her			
	Name			
3	Address			
	E-mail Id		Signature	

as my/ our proxy to attend and vote for me/ us and on my/ our behalf at the National Company Law Tribunal convened Meeting of the Unsecured Creditor(s) of the Demerged Company to be held on Friday, the 20th day of September, 2019 at 10:30 a.m. IST at the KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry [FTAPCCI], 11-6-841, Red Hills, Hyderabad – 500004, Telangana, India, at such Meeting and any adjournment or adjournments thereof, in respect of such resolution(s) as indicated below:

Resolution	For	Against
To consider and if thought fit, approve the Scheme of Arrangement between Suven Life Sciences Limited (Demerged Company) and Suven Pharmaceuticals Limited (Resulting Company) and their respective Shareholders and Creditors (“Scheme of Arrangement”) under Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder		

Signed this _____ day of _____ 2019.

Signature of Unsecured Creditor(s):

Please affix
Revenue
Stamp of
Rs. 1/-

Signature of Proxy holder(s):

Notes:

1. The form of Proxy must be deposited at the Registered Office of the Demerged Company at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad – 500034, Telangana, at least 48 (Forty Eight) hours before the scheduled time of the commencement of the said Meeting. The Proxy(ies) should carry any of their identity proof i.e. a Pan Card / Aadhaar Card / Passport / Driving License / Voter ID Card/ employee id card or such other proof at the venue of the meeting.
2. If you are a body corporate, as the Unsecured Creditor, a copy of the resolution of the Board of Directors or the Governing Body authorizing such a person to act as its representative/proxy at the Meeting and certified to be a true copy by a director, the manager, the secretary or any other authorised officer of such Body Corporate should be lodged with the Demerged Company at its Registered Office not later the 48 (Forty Eight) hours before the Meeting.
3. All alterations made in the form of proxy should be initialled.
4. Please affix appropriate revenue stamp before putting signatures.
5. In case of multiple proxies, the proxy later in time shall be accepted.
6. Proxy need not be unsecured creditor of the Demerged Company.
7. No person shall be appointed as Proxy who is a minor.



SUVEN LIFE SCIENCES LIMITED

Registered Office: 8-2-334 | SDE Serene Chambers | 6th Floor | Road No.5 | Avenue 7
Banjara Hills | Hyderabad – 500 034 | Telangana | India | CIN: L24110TG1989PLC009713
Tel: 91 40 2354 1142/ 3311 Fax: 91 40 2354 1152 Email: info@suven.com website: www.suven.com

UNSECURED CREDITORS ATTENDANCE SLIP

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
MEETING OF THE UNSECURED CREDITORS ON FRIDAY, THE 20TH DAY OF SEPTEMBER, 2019 AT 10:30 AM IST**

Sr. No.	
Name and Address of the Unsecured Creditor	
Name and address of Proxy*	

*To be filled in by the Proxy in case he/she attends instead of the Unsecured Creditor

I/We hereby record my/our presence at the NCLT Convened Meeting of Unsecured Creditor(s) of Suven Life Sciences Limited convened pursuant to the order of Hon'ble National Company Law Tribunal dated 14th August, 2019 at the KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry [FTAPCCI], 11-6-841, Red Hills, Hyderabad – 500004, Telangana, on Friday, the 20th day of September, 2019 at 10:30 a.m. IST

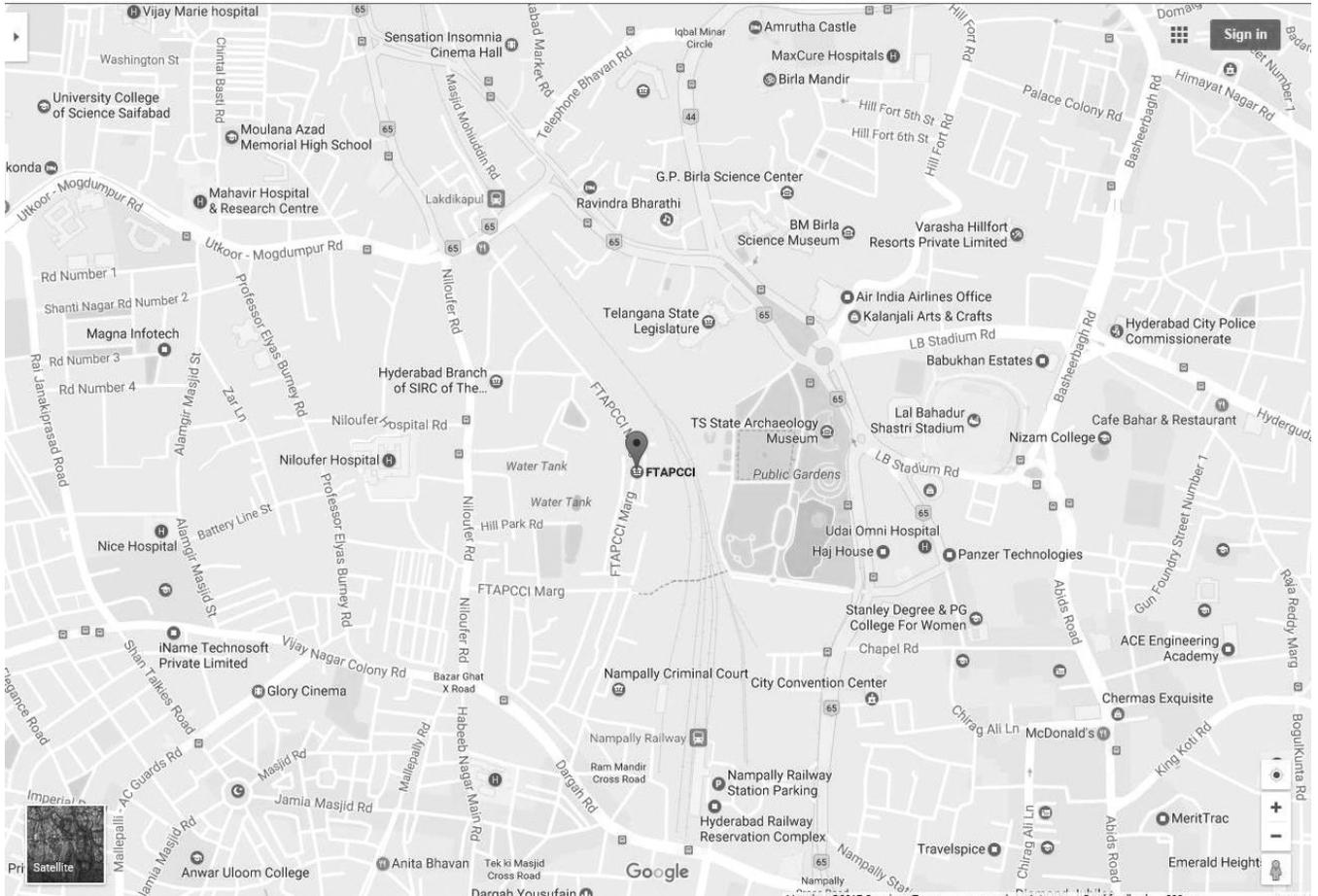
Signature of the Unsecured Creditor/ Authorized Representative: _____

Signature of the Proxy Holder: _____

Notes:

- 1) Unsecured Creditor/ Proxy Holder/ Authorized Representative wishing to attend the Meeting should bring the attendance slip to the Meeting and hand over at the entrance of the venue of the Meeting duly signed.
- 2) Unsecured Creditor/ Proxy Holder/Authorized Representative desiring to attend the Meeting is requested to bring his/ her copy of Notice for reference at the Meeting.

Route Map



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