



CS/BSE&NSE/AR2019/2019-20
July 20, 2019

To
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

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

Stock Code: SUVEN

Stock Code: 530239

Dear Sir/Madam,

Sub: Furnishing of Notice of the 30th Annual General Meeting (AGM) and Annual Report 2018-19 under Regulation 34 of the SEBI (LODR) Regulations, 2015

.....

With reference to the above subject, pursuant to Regulation 34 of the SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Notice of the 30th AGM of the Members of the Company and the Annual Report for the financial year 2018-19. The same will also be hosted on the website of the Company at: <http://www.suven.com/annualreports.aspx>.

The schedule of the AGM is set out below:

Event	Event date
Cut-off date to vote on AGM resolutions	07-Aug-2019
Commencement of e-voting	10-Aug-2019 at 9:00 a.m. IST
End of e-voting	13-Aug-2019 at 5:00 p.m. IST

The 30th AGM of the Members of the Company will be held on Wednesday, the 14th August, 2019 at 3:00 p.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.

This is for your information and record.

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

K. Hanumantha Rao
Company Secretary

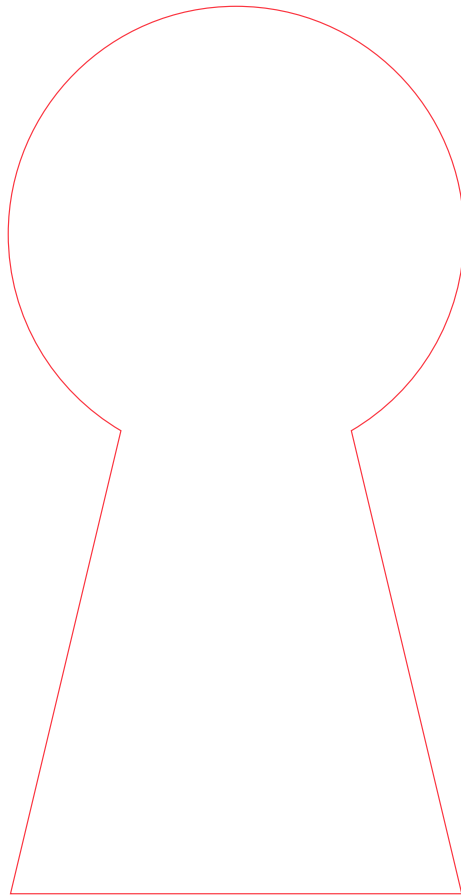
Suven Life Sciences Limited

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Banjara Hills | Hyderabad – 500 034 | Telangana | India | CIN: L24110TG1989PLC009713
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SUVEN LIFE SCIENCES LIMITED

30 years on...
Unlocking value



SUVEN LIFE SCIENCES LIMITED

30th Annual Report 2018-19

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Reset your mind!

For Suven Lifesciences will never be the same again



**We have made the most decisive change
in our 30-year journey**

- We are rewriting the business rules
- We are resetting the performance bar
- We are restructuring the organisation

These initiatives, we believe, hold the promise to rerate your investment in the organisation.

Unlocking value

BY DEFINING THE PATH



There comes a time in every journey where you need to make a choice, whether you wish to remain a large fish confined in a small bowl or aspire to become a large fish that enjoys the fruits of being a large waterbody.

At Suven, we chose the latter.

For we understand that we have attained a critical mass. And we realise that the time has come to give each business the independence to emerge self-dependent, successful, and sustainable.

Hence, we are transforming two business verticals into two independent companies. Our NCE business will remain in Suven Lifesciences, while our CRAMS business will get transferred into Suven Pharmaceuticals, post demerger.

This decisive move, we believe, will unlock significant value for our shareholders.

Financial stability: We decided on the strategic division now since we attained critical mass.

For the CRAMS business, the long term relationship and reputation earned from among global innovators will help in increasing the flow of projects. Moreover, we have better traction on our commercial supplies segment (Commercial CRAMS and Specialty Chemicals), which will lead to revenue visibility over the medium-term.

For the NCE business, we have created a cash reserve of ₹300+ crore, which should fund the R&D initiatives for the next 2-3 years.

Profitability improvement: With this demerger, each operation will have to book its expenses in its books. As there will not be any NCE based R&D expenses to be absorbed by the CRAMS business, the profitability of the CRAMS vertical would increase.

Superior valuation: Any business that focuses on one particular business secures a higher rating than a combination of businesses within a single umbrella. In keeping with this reality, we believe that our segregation of business into separate companies will secure a superior valuation.

Prospective investors: This is the era of the niche. Investors wish to partner one way or the other since they are apprehensive of being part of a Company with both verticals. This demerger provides an opportunity for the investor to choose either pure-play CRAMS or focused NCE and for the Company to partner with the right investor community.

**HENCEFORTH,
EACH COMPANY
WILL HAVE TO
SURVIVE, THRIVE,
SUCCEED,
AND SUSTAIN
INDIVIDUALLY.**

SUVEN LIFE SCIENCES: RESPECTED GLOBALLY FOR ITS NCE DEVELOPMENT KNOWLEDGE, EXPERTISE AND ASSETS.

Suven Life Sciences Limited is a biopharmaceutical company specialised in NCE-based CRAMS for global life science companies and drug discovery and developmental activities in Central Nervous System disorders.

The Company has a 929-member team; its 429-member strong R&D team comprises of 39 PhDs and works in the research-intensive areas of analytical development, drug discovery, process R&D, and formulations development.

Vision

- In search of new CNS therapies
- Become a leading company focused on treatments for unmet medical needs in Mental Health

Mission

Health for patients and Value for partners

TOTAL REVENUE

(₹ Crores)

687.73

It increased by 6% over the previous year; the drop from the budgeted 15% was owing to deferment of sales into the following year

NET PROFIT

(₹ Crores)

149.93

It declined by 5% over the previous year; the drop was a result of volatility in raw material availability and price.

EBIDTA MARGIN

(%) (POST R&D)

36.54%

It stood at 40.04% in 2017-18; the drop in margins was owing to a change in the product mix.



60%

Promoters holding,
March 31, 2019 (%)

8.15%

Institutional holding,
March 31, 2019 (%)

3,321

Market capitalisation,
March 31, 2019 (₹ crores)

70

Customers,
March 31, 2019

Headquarters	Manufacturing facilities			R&D facilities		Global presence
Banjara Hills Hyderabad, Telangana	Pashamylaram Telangana	Suryapet, Telangana	JNPC, Visakhapatnam, Andhra Pradesh	Jeedimetla, Telangana	Pashamylaram, Telangana	New Jersey, USA
Corporate office, Business Development, Finance, Human Resources, and Administration	API and formulation facility	Intermediate Facility	API and Intermediate facility	Discovery Research, Process Research and Pilot plant	Discovery Research, Process Research, Formulation R&D and IP Management	Development, Project Management & IP Management

CASH PROFIT
(₹ Crores)

201.51

It stood at ₹208.47 in 2017-18.

R&D EXPENSES
(₹ Crores)

60.28

It was ₹58.47 Crores in 2017-18; the increase was primarily due to the clinical trials in progress.

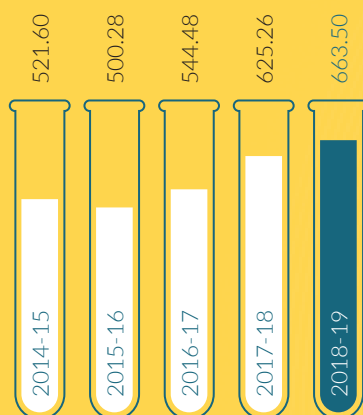
CAPEX
(₹ Crores)

200.00

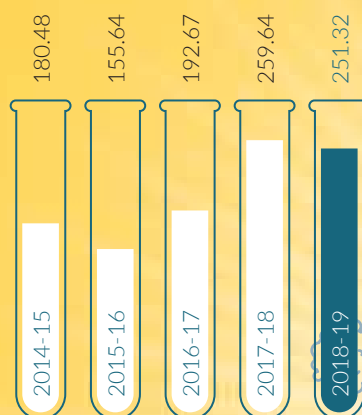
Planned for 2019-20 in creating infrastructure for the future.

GROWING FORWARD... YEAR ON YEAR

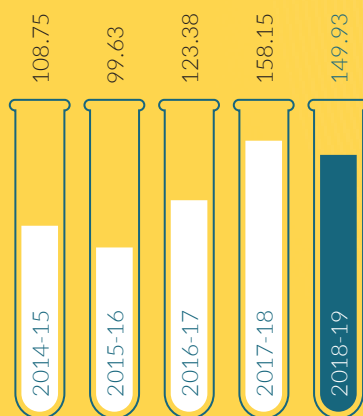
Revenue From Operations
(₹ crore)



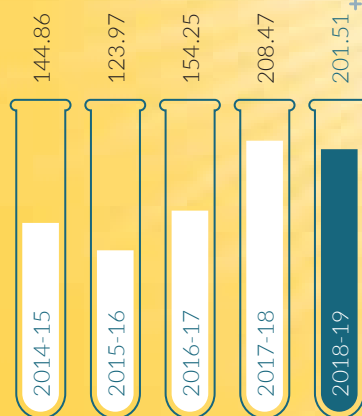
EBIDTA
(₹ crore)



Net Profit
(₹ crore)

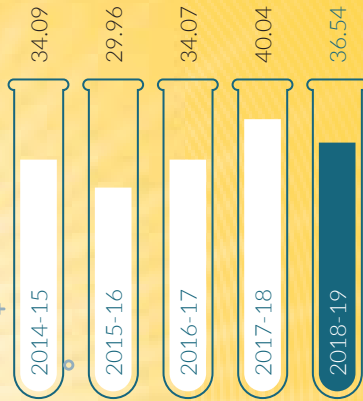


Cash Profit
(₹ crore)

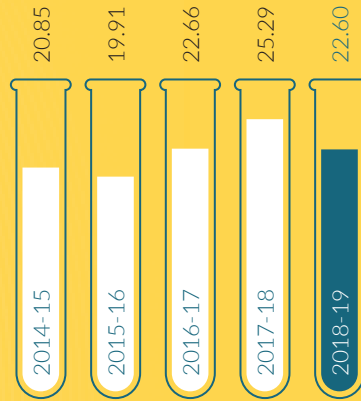




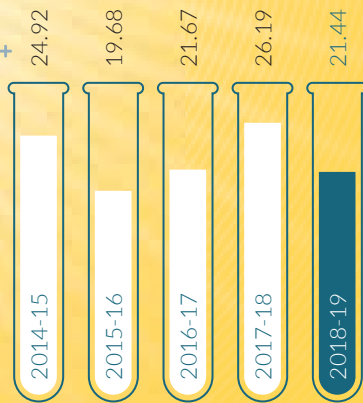
EBIDTA Margin (%)



Net Margin (%)



ROCE (%)



From the Chairman's desk

“After our three-decade-old momentous journey, we took a decisive step - we are demerging our business vertical into two independent companies.”



Dear shareholders

The last thirty years of our journey has been challenging yet very exciting. And today we are at the threshold of an inflection point which, if things go right, could emerge as a defining moment in our lives.

As I look back, I am satisfied with the tremendous progress we have made over the years. We generated healthy returns while transforming our business model. We executed well against our strategy, and our pipeline has never been stronger.

I look at fiscal 2018-19 as an inflection point in our journey during which we laid the foundation for taking a big leap – Suven Lifesciences will never be the same again.

One, we are demerging our business verticals into separate companies. While Suven Lifesciences will have the NCE segment, the CRAMS business will move to Suven Pharmaceuticals. This was absolutely necessary as both verticals have attained a critical mass. This demerger will attract focused global investors whose risk-return appetite aligns with the risk-return profile resident within the business models of each Company – in turn, driving valuations. This segregation, I believe, will build shareholder value.

Two, we completed the Clinical Trial (Phase II) of our lead molecule SUVN-502, *masupirdine*. Our molecule has gone through multiple DSMB (Drug Safety Monitoring Board) meetings without any major observations, and we are confident that our molecule will



have a good safety margin. Its efficacy will determine the journey ahead. If the molecule can make it through to Phase III, Suven will emerge as one of the very few Indian companies to secure a position in the coveted global innovator community. If it does not, it goes to the shelf. However, our journey does not stop here. For our second molecule, SUVN-G3031, *samelisant* is on course to enter the Clinical Trials (Phase II) for a new indication - Narcolepsy [excessive day time sleep disorder] by August 2019.

Three, we invested US\$ 35 million in Shore Suven Pharma, Inc., (now Rising Holdings, Inc.), a US-based company for a 25% stake in the Company. I am excited about the prospects of this initiative as it promises to open another revenue vertical for our CRAMS business, strengthening the inflow and stability of revenues over 2 to 3 years. Also, this happens to be our first inorganic growth initiative, which makes this initiative more special.

Rising Holdings, a virtual company, enjoys formulation distribution and develops its products in collaboration with partners. Suven, being an earlier partner, will have the option to develop new products and supply on a profit-sharing basis. This combination appears to be a perfect fit.

The formulation development and supply opportunity will create another revenue vertical for our CRAMS business. Our new formulations manufacturing facility is expected to come on stream by the 2nd quarter of calendar 2020, which shore our formulation capability.

Our new journey ...begins!

Going forward, I am optimistic about the possibilities. For one, I remain confident of an improved performance of our CRAMS business owing to the traction visible at the start of the year. Two, even as I am prepared mentally for an initial setback in our NCE journey, there remains a ray of hope for a positive outcome. Moreover,

with the recent initiatives kicking in over the medium term, I am convinced that Suven will continue to deliver on its shareholder commitment – of delivering value to shareholders year-on-year.

As we move forward into 2019-20, I would like to express my sincere gratitude to my fellow Directors for their commitment and professionalism in paving Suven's long-term path. My deep appreciation to all our valued shareholders for their confidence and support. My thanks to our customers, suppliers, and lenders who continue to partner our growth. Lastly, our management team and staff for their invaluable and ongoing dedication in contributing to the Company's growth.

Warm regards

Venkat Jasti
Chairman & CEO

DREAM.
DARE.
DELIVER



Our NCE story is one of walking the road less travelled with sheer grit and determination, passion, and perseverance. It's about looking at every wall as a possible door. It's about walking hand-in-hand with risk and challenges towards the gateway of success.

In a nutshell, it's about daring to dream, daring to dare, and daring to deliver.

Dream: Suven has always dreamed big. For when the world queued for creating new and superior drugs for Cardiology, Oncology and we chose CNS (Central Nervous System) as the pathway since this has the highest unmet medical need.

Why was this tough?

The CNS is the most complex yet the most efficient part of any human because it ignites and controls every emotion and action of the individual human. As the signals from the brain differ each time. Consider this: the same person, in an identical situation, reacts differently at different times.

What is even more surprising is that experts in the field know little about what is going on in the brain – accurately measuring its performance or otherwise appears to be a far cry. As a result, unlike other ailments like (diabetes, cardio-related ailments, etc.) there is no certain quantitative measure for brain-related ailments.

Interestingly, only a couple of decades ago, a person who had some brain-related disorder immediately earned the titled 'HE IS MAD.'

It was roughly more than two decades ago that Suven dreamt of developing a solution for the CNS-related diseases, where the failure is the norm and success is a rarity.

Dare: Suven dared to live their dream – each day across the last 14 years. Each day we whispered to ourselves that it's going to work when the world around us screamed that failure was waiting at the very next step.

We have encountered challenges, but at every adversity, we got up with a firmer mind to resolve. Our journey became increasingly arduous as we went uphill because competing molecules had fallen along the way – but we patiently persevered.

Passion & Patience pays!

Delivered: It certainly does. For today Suven possesses one of the largest pipeline of innovative assets in the CNS space – 13 molecules in all of which two are in Clinical Trials (Phase II), and two are undergoing long-term toxicology studies and would be ready to enter Clinical Trials Phase II.

**GOING FORWARD,
WE SHOULD HAVE
A NEW MOLECULE
INTO PROOF-OF-
CONCEPT PHASE-
II EVERY YEAR.**

A 15-minute discussion with the management team on the Company's performance in 2018-19

“Fiscal 2019-20 will be a defining year for Suven Lifesciences. If all goes well, it could become the inflection point for the Company and all the shareholders of the Company.”

The Company's financial growth was a little subdued in fiscal 2018-19. What reasons would you ascribe to this performance?

Fiscal 2018-19 was a watershed in the Company's journey in more ways than one. However, from a financial perspective, the growth numbers remained a little subdued. This was primarily owing to the reduced volumes in our Commercial CRAMS segment – revenue was down by almost 33% over the previous year. The slowdown in this segment was primarily owing to the unavailability of critical inputs – a trend triggered by China - which impacted the global pharmaceutical industry. Our specialty chemicals segment, on the other hand, registered healthy volumes which more than compensated the shortfall in revenue from Commercial CRAMS space.

Surprisingly, you have reported a dip in profits and profitability.

Yes, that is true. This dip has transpired after three straight years of growing profits and profitability. This decline happened owing to multiple factors:

- A change in the product mix in the Base CRAMS segment with an increase in Phase I projects
- A fall in the volumes of Commercial CRAMS which is a high-margin business
- A spike in raw material costs owing to the shortage in supply of raw materials

When do you expect a resolution to the raw material issues?

Currently, there is no immediate alternate source for some of the important inputs. However, we are doing backward integration in a small way – for supply chain security and managing our commitments. I am happy to mention that we have secured our

raw materials for the first two quarters of the current year, which provides relief. We will continue to look for alternate sources in addition to our backward integration to de-risk against such a situation in the future.

You mentioned that the specialty chemicals segment performed better. Could you throw some light on the performance of the segment?

The specialty segment reported a growth of ~40% over the previous year. We received more orders for existing molecules compared to the forecasted volumes. Towards the close of the fiscal, we supplied initial volumes of a new intermediate for an agrochemical molecule as our client commercialised this product in 2018-19.

You referred to fiscal 2018-19 as a watershed in the Company's journey. Why would you say that?

Fiscal 2018-19 is one of the most important milestones in the Company's journey because of several important

events that the Company's financial performance does not reflect.

One, we completed the clinical trial for our key NCE molecule SUVN-502, *masupirdine*. Our molecule has gone through multiple DSMB (Drug Safety Monitoring Board) meetings without any major observations, and we are confident that our molecule will have a good safety margin.

Two, we announced the demerger of our two businesses (CRAMS and NCE) into two separate companies. This strategy, I am confident, will be value-accretive for all the stakeholders of both companies.

Three, for SUVN-G3031, *samelisant*, we have zeroed in on a new indication - Narcolepsy, excessive day time sleep disorder, and we hope to start the

trials for this molecule by August 2019.

Four, we acquired a minority stake in Shore Seven Pharma, Inc. (Rising Holdings, Inc.), through our subsidiary. The Company is a pharmaceutical distribution company and develops Niche ANDAs in collaboration with partners. Our base CRAMS team could do this development work henceforth. Moreover, if and when the ANDAs get approved, we should be able to supply the material...in effect strengthen our CRAMS business going forward.

These are important initiatives, which could have a positive impact on the Company's financial performance and profitability.

You appear positive for 2019-20. Could you throw some light on the reasons for your optimism?

I am excited and anxious.

I am excited for the prospects of

our CRAMS vertical where we see positive traction in the Commercial CRAMS segment and the specialty segment which should continue the positive momentum owing to repeat volumes for existing molecules and additional volumes from the new agrochemical intermediates.

Anxiety is owing to our NCE vertical where our flagship molecule SUVN-502, *masupirdine*, which is at a crucial juncture in the development journey. A positive outcome from here would mean a monetising opportunity in terms of returns and respect from the global scientific community for the painstaking efforts of the Company during the past 13 years of the development journey. Otherwise, it goes to the shelf.

What are the capex plans for 2019-20?

We have budgeted a capital outlay of about ₹200 crore in the next 12-18 months - this includes

- We plan to invest about ₹90 crore towards the formulation development and manufacturing.
- We have initiated the construction of a brand new multi-purpose plant at Vizag at an investment of about ₹110 crore.

We will fund this investment from business accruals and partially by a loan.

What is your message to shareholders?

Fiscal 2019-20 could emerge as a defining year for Suven Lifesciences. If all goes well, with a positive outcome of SUVN-502, *masupirdine*, it could become the inflection point for the Company taking it to an entirely new orbit. If our SUVN-502, *masupirdine* does not make it through the gate, it goes to shelf, but the journey will continue with unabated zeal for the development molecules from the pipeline starting with SUVN-G3031, *samelisant* by August 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

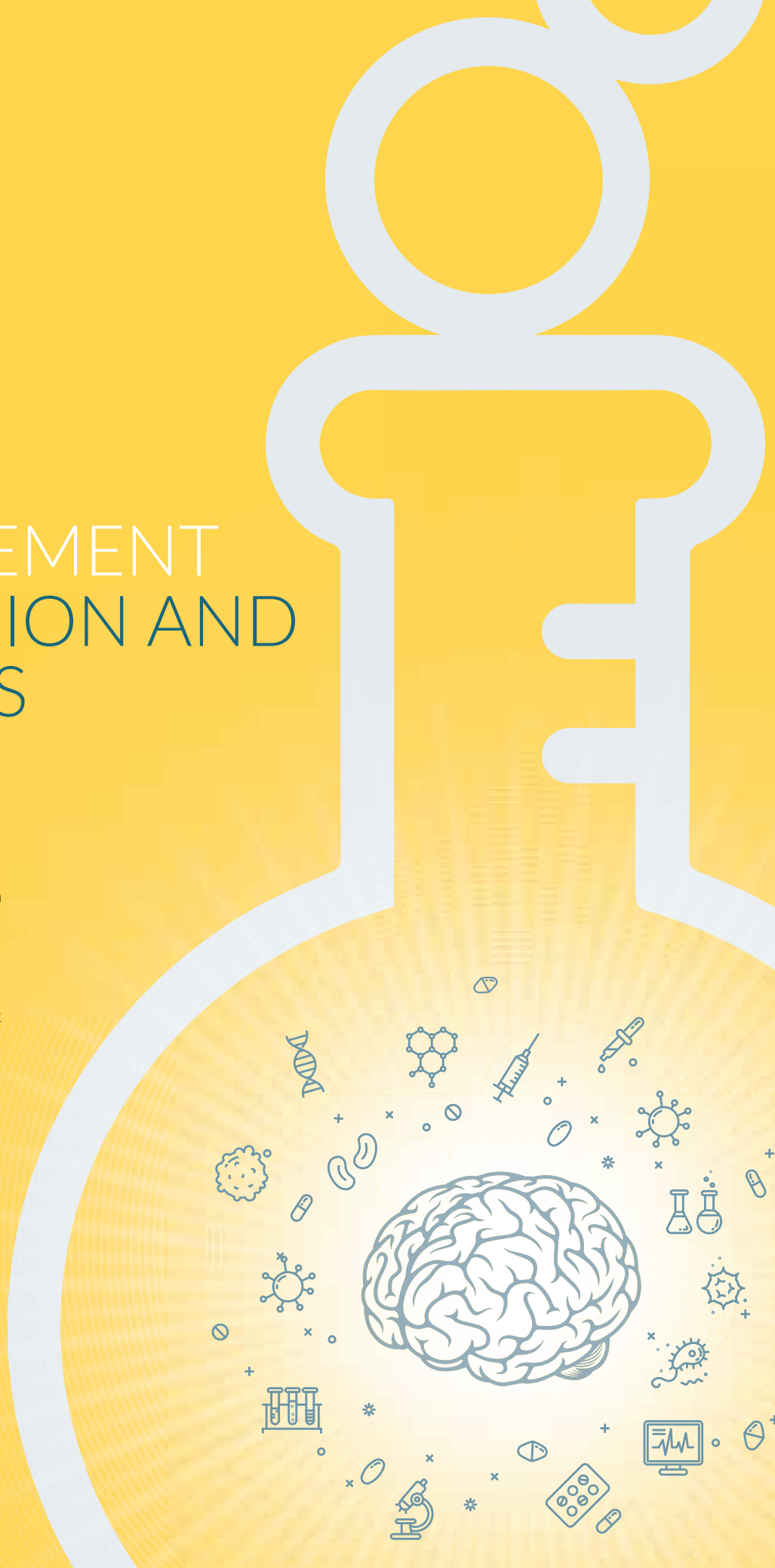
Global economy

The momentum gained by the world economy from the second half of 2016 started its downward descent in 2018. In one year, a number of factors crept in which contributed to a weakened global expansion, especially in the second half of 2018.

Moreover, with this weakness expected to persist into the first half of 2019, the World Economic Outlook projects a decline in growth in 2019. Global growth, which peaked at close to 4% in 2017, softened to 3.6% in 2018 and is projected to decline further to 3.3% in 2019.

Changes that derailed the world from becoming better

- The escalation of US-China trade tensions
- Macroeconomic stress in Argentina and Turkey
- Disruptions to the auto sector in Germany
- Tighter credit policies in China
- Financial tightening in the larger advanced economies



3.60

The global GDP growth in 2018 (%)

2.20

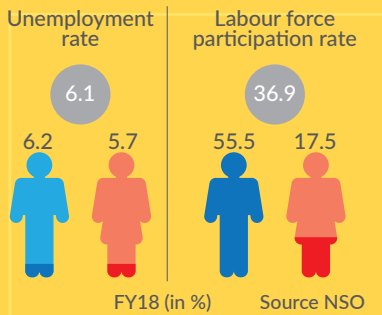
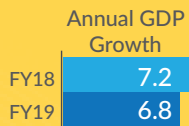
GDP growth in advanced economies in 2018 (%)

4.50

GDP growth in developing economies in 2018 (%)

Double whammy

Economic growth slowed to 5.8% in the March quarter. The unemployment rate, meanwhile, hit 6.1% in 2017-18



Source: Ministry of statistics and programme implementation

Indian economy

India, the bright start in the global economic village, appeared to slow a little in 2018-19 as India's GDP growth dipped for the second consecutive year. According to the National Statistical Office (NSO), the nation achieved GDP growth of 6.8% in 2018-19 down from 7.2% in 2017-18.

The dismal growth of the India economy was primarily owing to the sub-optimal performance in the second half of the year – in Q4 of 2018-19 India's GDP growth declined to 5.8%, the lowest in five years.

Slowdown in the fourth quarter GDP was due to temporary factors like the stress in the NBFC (non-banking financial company) sector affecting consumption finance. The first quarter of the current fiscal is also expected to witness relatively slow growth.

Furthermore, India's industrial production contracted by 0.1% in March 2019, the lowest in 21 months, mainly due to the manufacturing sector slow down. On an annual basis, IIP growth slowed to a three-year low of 3.6% in the 2018-19 fiscal as against 4.4% in the previous fiscal.

Besides, the NSO released the annual Periodic Labour Force Survey (PLFS), confirming that the unemployment rate was at 6.1% in 2017-18.

Despite this gloom, there were some factors to cheer about.

- According to the data released by the Ministry of Statistics and Programme Implementation, the per-capita income at current prices during 2018-19 is estimated to have attained a level of ₹1,26,406 (₹10,533.83 monthly) as compared to the estimated for the year 2017-18 of ₹1,14,958 (₹9,579.83 a month), showing a rise of 10%.
- Improvement in the investment rate has been the most positive development in 2018-19, increasing by 30 basis points to 28.9%.
- Revenue from Goods and Services Tax (GST) witnessed 10% growth from the year-ago period at

Rs1.13 trillion in April (for March 2019), the highest ever since its implementation. This is encouraging as it indicates that the tax base is increasing gradually with GST getting stabilised.

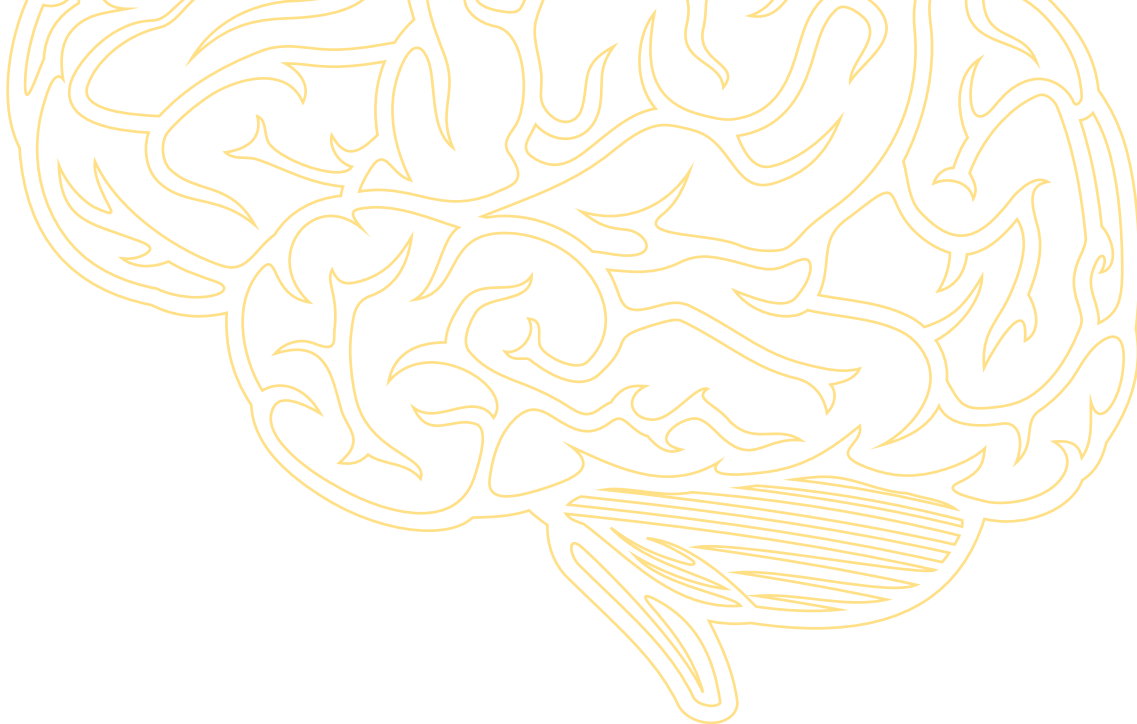
- India moved up by 23 places in the World Bank's Ease of Doing Business Index 2018 to the 77th rank.

Going forward, there continues to be optimism on India's growth prospects.

According to Moody's, the Indian economy is expected to grow at 7.3% in calendar years 2019 and 2020. The government spending announced ahead of the general elections in 2019 is expected to support near-term growth.

The International Monetary Fund (IMF) has forecast India's GDP growth at 7.3% in 2019 (2019-20) and 7.5% in 2020. Their optimism is based on the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy.

Asian Development Bank and the RBI estimate GDP growth for 2019-20 at 7.2%.



Global Research & Outsourcing

Innovation is a key word throughout the pharmaceutical industry and the healthcare community and its pursuit is a business imperative for these sectors.

The pharmaceutical industry's success is pivoted on journeying the development path for the prevention and treatment of common, complex, and neglected diseases, and for improvements in existing treatments.

As such, pharmaceutical companies continue to work tirelessly to bring the most innovative and cutting-edge treatments to patients. Being a research-driven industry, approximately US\$150 billion is spent by pharmaceutical companies every year on research and development projects.

Out of thousands of compounds, only a small percentage gain regulatory approval to be used by patients to treat disease and improve quality of life.

Moreover, escalating cost have made it prohibitive for innovator companies to undertake the full research and development lifecycle on their own. Further, increasing regulatory complexities have also made research outsourcing a viable option for global innovator companies.

This has mandated innovator companies to outsource NCE research and development activities to efficient and supportive R&D havens across the globe – a strategy that helps in reducing the development time.

Contract research services

Contract research organisations (CRO's) have changed the way research is conducted in companies. CROs offer a wide variety of services these days. The major factors that are anticipated to drive the contract research organisation market in the upcoming years include an increasing number of clinical trials and growing R&D expenditure.

According to a report by Zion Market Research, the global contract research organisation market was valued at approximately US\$ 34.12 billion in 2018 and is expected to generate around US\$ 55.16 billion by 2025, at a CAGR of around 7.10% between 2019 and 2025.

Various factors driving the Contract Research Organisation Services market growth are

- Increasing prevalence of diseases such as cardiovascular, diabetes, & oncological
- A robust pipeline of pharmaceutical & biopharmaceutical products

- An increasing complexity of clinical trials and fast-paced changing regulatory framework associated with commercialisation.

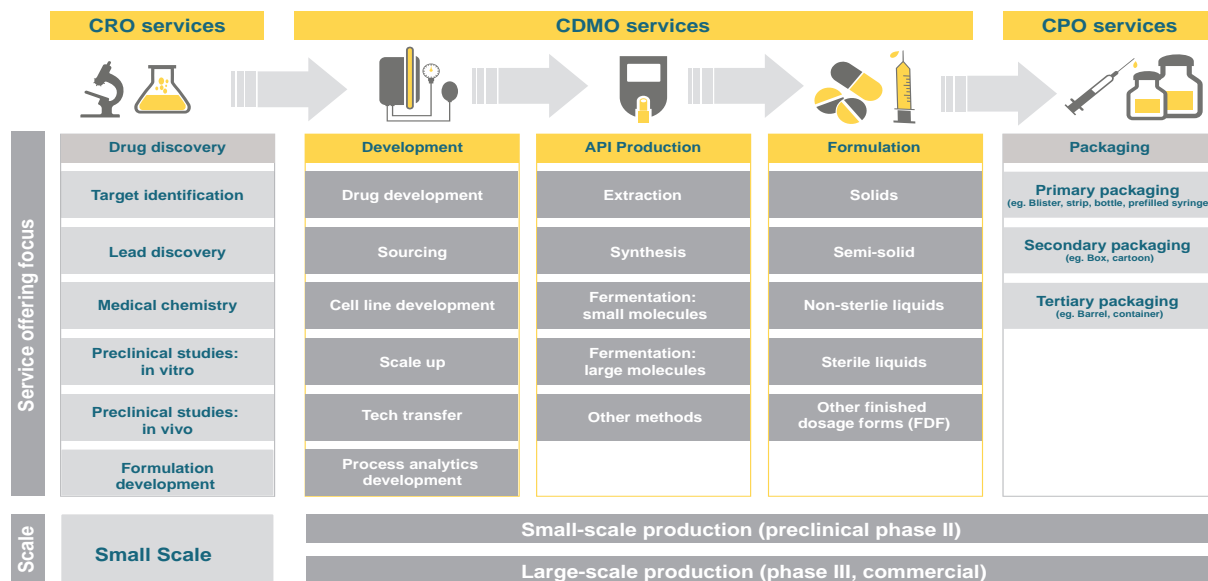
Global Contract Development and Manufacturing Organisations

The pharmaceutical industry is evolving towards targeted drug delivery platforms, complex molecules such as biologics and niche indications, all of which require a wider range of development capabilities and manufacturing capacity to ensure accelerated speed to market.

As a result pharmaceutical companies, both large and small, look for strategic, integrated partners, who can seamlessly deliver on multiple verticals, thereby reducing complexity of their supplier network.

They turn to contract manufacturing and development organisations (CDMOs) with a motivation of reducing capital investment and at the same time gaining access to specialised expertise. The major motivation for sponsors apart from cost reduction is the impeccable track record the CDMOs carry in terms of product quality, on-time delivery, regulatory compliance, safety, and value. Also, CDMOs offer long-term supply security and share the risks due to their robust financial structures.

Overview of the CDMO value chain



(Source: The pharmaceutical CDMO industry is consolidating report by EY)

Sponsors also get access to advanced technologies and expertise like which otherwise requires investment for separate containment area. This helps the sponsor to focus on their core competencies. In addition, CDMOs take care of end-to-end supply chain that reduces a sponsor's effort associated with management of inventory and logistics. This in turn helps to eliminate penalties associated with rescheduling due to delays. CDMOs offering integrated services help reduce time to market by performing all steps under one roof.

There are approximately 300 pharmaceutical CDMOs supporting the industry. Despite increasing merger and acquisition M&A activity in this niche space, the market remains highly fragmented; the top five CDMOs collectively account for just 15% of the market.

Prospects: With innovation emerging as the cornerstone for growth of the global pharmaceutical industry, the CDMO segment has become a critical mandate for all innovation. Moreover, while innovation efforts may fail to secure the necessary approvals, the CDMO efforts continue to generate healthy revenue and returns. Hence, this segment is expected to grow – and grow at a faster clip than the global pharmaceutical industry.

According to the “Global Contract Development and Manufacturing Organisation (CDMO) Outsourcing Market 2018-2022” report, the Global Contract Development and Manufacturing Organisation market is expected to grow at a CAGR of 7.24% during the period 2018-2022.

According to a market report published by Credence Research, Inc.' Pharmaceutical CDMO Services Market - Growth, Future Prospects,

Competitive Analysis, 2018 - 2026, the global Pharmaceutical CDMO Services Market was estimated at US\$ 65.6 Bn in 2017 expanding at a CAGR of 6.5% from 2018 to 2026, to reach US\$ 116.2 Bn by 2026.

In 2018, a record number of novel drugs developed by pharmaceutical companies across the globe were approved by various regulatory bodies – the US FDA alone approved 59 novel drugs in 2018 against 46 in 2017

Business division 1

CONTRACT RESEARCH AND MANUFACTURING SERVICES (CRAMS)

The Company is in the business of NCE-based Contract Research and Manufacturing Services (CRAMS) for over two decades, supporting the needs of the global life science industry and Fine Chemical majors. Its services include Custom Synthesis, Process R&D, Scale Up and Contract Manufacturing of intermediates, APIs and formulations

This business vertical comprises four segments, namely Base CRAMS, Commercial CRAMS, Specialty Chemicals, and Contract Technical Services.

Base CRAMS: This segment contributes about 45% to the Company's total revenue. The Company partners with innovators for NCE molecule development and supply of intermediates - it currently has 116 active projects as on March 31, 2019.

The Company gets an order for a new product at Phase I, which gradually moves further based on the innovator's success; the volume of intermediates supplied increases ten

times if the product moves to Phase II and, similarly, if it moves to Phase III. The profit margins in supplies for Phase I are low due to low volumes and involvement in R&D; profit margins improve substantially in Phase II and Phase III.

During the year, the Company received 30 new projects, the majority of which were in the Phase I stage of development. Revenue from Base CRAMS remained at previous year levels.

Prospects: The increasing need for capable and reliable R&D partners is expected to drive business prospects for the current year. Further, focused NCE efforts by global pharmaceutical majors are increasing the likelihood of a more significant proportion of NCE development projects to move up the development cycle.

Commercial CRAMS: This segment is a high-value, high-margin business involving the supply of intermediates for NCE's that are already launched by innovators companies.

Suven supplies intermediates for four molecules addressing Rheumatoid Arthritis, Diabetes, Depression and Women's Health for the US and EU based clients. It is among the 2-3 suppliers for the intermediaries to its clients. Revenue increases gradually based on a ramp-up in sales for the innovator in its home area and launch in new territories and countries.

During the year, revenue from this segment declined considerably on two accounts

- Orders for existing molecules were not significant
- Supply chain issues which disrupted raw material availability impacted volume delivery

Prospects: Going forward, the Company expects orders which will provide heartening volumes and healthy growth.

Specialty Chemicals: The Company supplying intermediates (derived out of its CRAMS competence) for one specialty chemical product (agrochemical) to a large global

87%

Export contribution to total revenue

841

Projects successfully undertaken

120

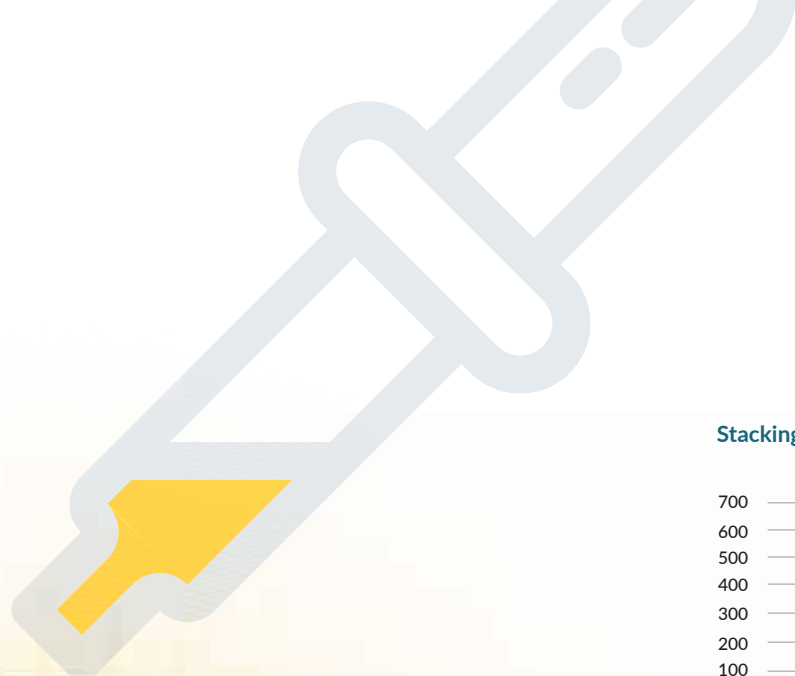
Active projects as on March 31, 2019

270

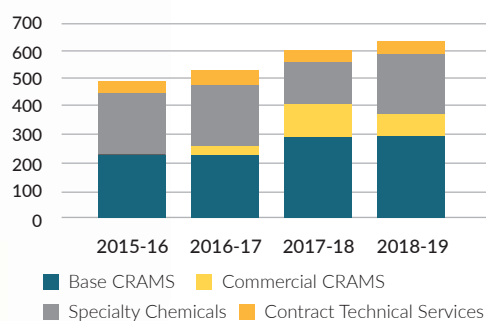
R&D team working on CRAMS projects

70

Relationship with global pharma companies



Stacking up of segmental revenue (₹ crore)



conglomerate operating in pharmaceuticals and agrochemicals.

During the year, volumes for the existing intermediates remained healthy. Also, the Company received approval for its intermediate for another agrochemical molecule for which it initiated commercial supplies towards the close of 2018-19 – this strengthened business performance. Revenue from this segment increased by about 40% over the previous year.

Prospects: The Company has secured interesting orders for its existing intermediate supplies. Besides, the ramp-up in volumes for the new molecule should add healthy quantities in the current year.

Moreover, the team is working on developing intermediates for 2-3 new molecules. The Company should generate healthy revenue for its development efforts post approval of the innovator's molecules.

Base CRAMS – progressive performance

	FY14	FY15	FY16	FY17	FY18	FY19
Phase I	52	57	64	70	72	82
Phase II	46	52	48	38	36	33
Phase III	1	1	1	2	1	1
Commercial	3	3	3	3	4	4
Active	102	113	116	113	113	120

Business division 2

NEW CHEMICAL ENTITIES (NCE)

Since 2005, Suven has pursued its innovation passion by creating a pipeline of discovery asset that address the high-growth yet underserved CNS therapy – more specifically, they cater to the niche areas of cognitive impairment associated with neurodegenerative disorders like Alzheimer's, Attention Deficient Hyperactivity Disorder (ADHD), Huntington's chorea, Parkinson's and Schizophrenia.

SUVN-502, *masupirdine*, the flagship molecule is a class of selective 5-HT₆ receptor compound for the treatment of Alzheimer's disease. This molecule is undergoing Clinical Trials (Phase II). During the year, the Company enrolled 564 patients against the required 537 patients. Some of the patients came back for the drug post their trial period.

SUVN-G3031, *samelisant*, the other valuable discovery asset is a selective H₃ inverse agonist class of drug, which is used to treat cognitive dysfunction associated with AD/Schizophrenia. During the year, the Company, together with its Key Opinion

Leaders, finalised a new indication called Narcolepsy (excessive day time sleep disorder). The team focused its energies on preparing for finalising the protocol and getting the paperwork in place for filing with the FDA for Clinical Trials (Phase II). The team plans to initiate the trial in August 2019.

The other two drugs namely SUVN-D4010 and SUVN-911 continued their development journey through the long-term safety toxicology. One of them will move into the Clinical Trials (Phase II) in the next 18-24 months.

13

Molecule pipeline

2

Molecules in Clinical Trials - Phase II

119.85

R&D expense toward NCE development in 2018-19 (₹ crore)

159

R&D team working on the NCE pipeline



20

Investment (US\$ mn) so far towards Phase 2 clinical development of SUVN-502, *masupirdine*

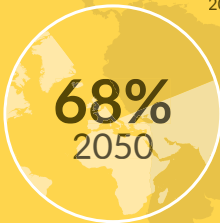
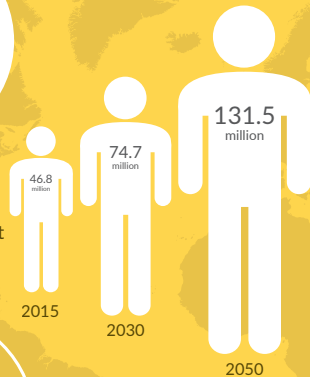
The Global Impact of dementia



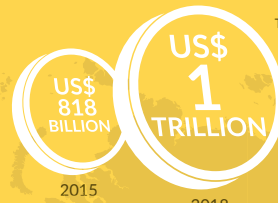
Around the world, there will be 9.9 million new cases of dementia in 2015

one every 3 seconds

46.8 million people worldwide are living with dementia in 2015
This number will almost double every 20 years.



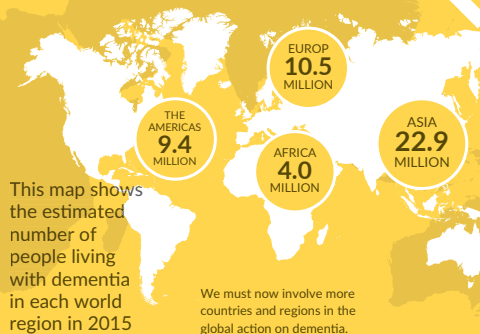
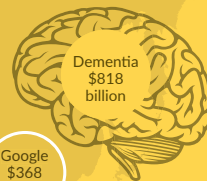
Much of the increase will take place in low and middle-income countries (LMICs): in 2015, 58% of all people with dementia live in LMICs, rising to 63% in 2030 and 68% in 2050.



The total estimated worldwide cost of dementia in 2015 is US \$ 818 billion. By 2018 dementia will become a trillion dollar disease rising to

US \$ 2 trillion by 2030

If global dementia care were a country it would be the 18th largest economy in the world exceeding the market values of companies such as Apple and Google.



This map shows the estimated number of people living with dementia in each world region in 2015

We must now involve more countries and regions in the global action on dementia.

The World Alzheimer Report 2015 was independently researched by King's College London and supported by Bupa.

ANALYSIS OF THE FINANCIAL STATEMENTS

(on the basis of the Standalone Financial Statements)

Suven's financial performance in 2018-19 was subdued owing to sectoral headwinds that thwarted the Company's growth aspirations on business profitability.

Statement of Profit and Loss

Revenue from operations increased marginally by 6% from ₹62,525.84 Lakhs in 2017-18 to ₹66,350.44 Lakhs in 2018-19. This was a lower than the estimated 15% growth at the start of the fiscal. The subdued performance was primarily owing to a decline in volumes in the Commercial CRAMS segment. The Base CRAMS segment was at previous year levels while revenue from Specialty Chemicals increased significantly owing to repeat orders for the existing molecule and supply of small quantities for a new molecule for which Suven is the approved intermediate supplier.

Supply chain disruption of raw material owing to closure of capacities in China (due to environment concerns) resulted in an unprecedentedly rise in raw material prices – it impacted business deliveries. Cost of materials consumed and manufacturing expenses increased by 16% and 15% respectively over 2017-18. The factors weighed on the Company's profitability. The Pre-R&D

EBITDA Margin declined from 49.05% in 2017-18 to 45.31% in 2018-19

R&D expenses increased by about 3.09% - from ₹5,846.66 Lakhs in 2017-18 to ₹6,027.60 Lakhs in 2018-19. EBITDA margin declined from 40.04% in 2017-18 to 36.54% in 2018-19. Net Profit (post adjustments) for the year stood at ₹14,992.52 Lakhs in 2018-19 against ₹15,815.05 Lakhs in 2017-18.

Balance Sheet

Shareholders' Fund increased from ₹86,669.98 Lakhs as on March 31, 2018 to ₹99,360.82 Lakhs as on March 31, 2019 – an increase owing to ploughing of operational surplus into the business.

The balance under Tangible Assets stood at the previous year's as the Company continued to invest in its capex projects – capital work-in-progress increased from Rs2,474.38 Lakhs as on March 31, 2018 to ₹11,108.68 Lakhs as on March 31, 2019. Some of these projects will be commissioned in the current year (2019-20).

These projects were funded largely through internal accruals (sale of liquid

investments). The Company reduced its long-term borrowings, even as short-term borrowings increased to meeting increasing working capital requirements. The debt-equity ratio stood at 0.35% as on March 31, 2019 against 0.52% as on March 31, 2018.

Internal Control

The Company is committed to ensuring an effective Internal Control System and Internal Control Environment that will help in preventing and detecting errors, irregularities and frauds, thus ensuring security of Company's assets and efficiency of operations. The Company has an internal control system and mechanism which is commensurate with the size and complexity of business and aligned with evolving business needs.

The Company has laid down Internal Financial Controls as detailed in the Companies Act, 2013 and has covered major processes commensurate with size of the business operations. Controls have been established at the entity level and process levels, and are designed to ensure compliance with internal control requirements, regulatory compliance and appropriate recoding and reporting of financial and operational information.



Base CRAMS – progressive performance

Particulars	As at 31st March, 2019	As at 31st March, 2018	% Change	Reasons
Debtors Turnover (Days)	83	36	130%	This was owing to higher sales in Q4
Inventory Turnover (Days)	86	81	6%	Normal
Current Ratio	5.08	4.79	6%	Normal
Debt Equity Ratio (%)	0.35%	0.52%	32%	Repayment of long-term loans improved the Company's financial strength.
PBT to net sales (%)	33.44%	36.83%	-9%	The PBT & PAT has come down due to a change in the product mix and also there has been an increase in the raw material costs.
PAT to net sales (%)	22.60%	25.29%	-11%	

Risk Management

“If you don’t invest in risk management, it doesn’t matter what business you’re in, it’s a risky business.”

Gary Cohn

Suven’s integrated risk management approach, developed over the years, focuses on mitigating the adverse impact of risks on its business objectives. The risk mitigation measures of the Company are placed before the Board periodically for review and their alignment with sectoral dynamics and evolving trends.

Risks about the CRAMS business

1) Stability risk

The business appears to be unstable owing to the lack of predictability in client stickiness and hence, business growth.

Mitigation: Over the last two decades, the Company has patiently and passionately worked to strengthen business stability and revenue predictability – the Commercial CRAMS, and Specialty Chemicals segment account together account for 46% of the Company’s revenue. Going forward, as new molecules (of innovator clients) get approved, the proportion of revenue from these verticals will only increase.

2) Sustainability risk

The increasing cost of innovation, high attrition and its growing

complexity may dampen the innovative pipeline. This could impact business sustainability going forward.

Mitigation: Evolving new-age ailments have mandated innovation by global pharmaceutical companies for developing novel medical solutions. Likewise, prohibitive costs and increasing complexity of innovation have forced innovator companies to partner with capable, trusted, and cost-effective partners. Suven’s expertise, capability, and timely delivery are well established among global innovators. As a result, the flow of CRAMS projects is expected to sustain over the coming years.

Risks about the NCE business

1) Success risk

NCE development is a risky proposition involving huge fund outlay. Non-approval of molecules could lead to not realising monetisation opportunity – impacting business operations.

Mitigation: As a proactive de-risking, the Company follows a conservative policy, thereby making the business increasingly safe and sustainable

- Expense the R&D cost incurred

during the year in the Statement of Profit and Loss

- Fund NCE development initiatives using cash accrued from the business
- Take no loans for funding R&D expenses

2) Source risk

The inability to generate large volumes of cash could jeopardise the NCE development program.

Mitigation: The Company has adequate cash to cover next 2 years program.

Risks about the organisation

1) Skill risk

The Company’s business squarely rests on its knowledge capital. A brain drain from the Company could impact business operations.

Mitigation: The Company’s business model and operations provide a learning and career enhancement opportunity like no other in the pharmaceutical industry. This reality attracts and retains talent within the Company. Besides, the Company provides adequate authority and opportunity to its people to participate

in business management, which provides an enabling ecosystem.

2) Strategy risk

The Company needs to extend its knowledge capital to complementary business verticals for strengthening business momentum.

Mitigation: The Company focuses on leveraging its knowledge capital in developing its formulation vertical. In line with the Company's business model, this vertical would also operate on a development-delivery for niche formulation. The Company has already filed 5 ANDAs (3 own and 2 on behalf of customers) and is setting up a

dedicated formulation manufacturing unit which should commence operations in the next 18-20 months. Also, the investment in Shore Seven Pharma Inc. (Rising Holdings, Inc.), a company in this space, showcases its determined intent into establishing a significant presence in the small volume niche formulation space.



SUSTAINABILITY AND SOCIAL RESPONSIBILITY

At Suven, we are determined on making a positive difference to underprivileged. Our aim is to make a lasting difference in the lives of the underprivileged through our social interventions.

In keeping with this goal, our outreach programs are focused on the Promoting education, health care, Empowering women, women development and Child welfare, environmental sustainability, Safe drinking water, improving the standard of living of the community members

Women and Child Welfare and Empowering Women: Bharosa Center at Suryapet

Suven partnered with the Government of Telangana to establish She-Bharosa Centre for women and children who are victims of violence or survivors in the district of Suryapet and support the Centre for a period of 3 years.

Bharosa is an integrated Centre for women and children. The objective of this organisation is to reduce the re-victimisation of women and children affected by violence and sexual abuse.

A range of services including police, prosecution, legal, psychological, medical and rehabilitation services are offered by well-qualified and trained staff at Bharosa

The Bharosa Centre will create an environment of empathy for the Woman & Child victims which will infuse confidence to face life, along with its challenges, once again. A special court be located in the premises of Bharosa Centre which will hear child sexual cases and those of rape victims.

Safe Drinking Water

Suven has set up purified drinking water plants and also supplies drinking water to communities due to scarcity of water resources.





Education: Suven provides educational scholarships, tuition assistance to underprivileged and mid-day meal programs and science on wheel mobile lab.



Bharat Ke Veer: Benefit to armed forces veterans, war widows and their dependents



Health Care:

During the year, Suven helped 11 under privileged children with congenital heart diseases (CHD) to undergo heart surgeries with financial support through Hrudaya- Cure A Little Heart Foundation, Hyderabad.



LV Prasad Eye Institute has a proven track record in Education in Eye Care.

During the year Suven entered into an MoU with LV Prasad Eye Institute to financially support the setting up of a clinical Research Training Centre and training of eye care personnel for a period of 3 years



SCIENCE ON WHEELS



Science on Wheels Program: April 18 -March'19

Quantitative Exposure Data 2018-19

Program	Activities	Deliverables Achieved
School Visits	No. of School Visits	178
	Total Student Exposures	18548
	Total Teacher Exposures	398
Science Fair	No. of Fairs conducted	4
	Total Student Exposures	6395
	No. of Young Instructors	230
	No. of Teachers	385
	No. of Visitors	131
Community Visits	No. of Visits	22
	No. of Children	514
	No. of Community members	539
Teacher Training	No. of Programs	1
	No. of Days	1
	No. of Teachers	30

Exposure : An exposure is a measure of program reach. It is a count of number of times program has face to face interaction with (child, teacher and community members). (Each exposure is 2-3 hours in duration)

CORPORATE INFORMATION

Board of Directors

Shri Venkateswarlu Jasti
Chairman & CEO

Smt. Sudharani Jasti
Whole-time Director

Dr. M. R. Naidu
Director

Shri D. G. Prasad
Director

Prof Seyed E. Hasnain
Director

Shri M Gopalakrishna, IAS (Retd.)
Director

Shri Santanu Mukherjee (w.e.f. 15th May, 2018)
Director

Smt. J.A.S. Padmaja (w.e.f. 14th November, 2018)
Director

Chief Financial Officer

CMA P. Subba Rao

Company Secretary

CS K. Hanumantha Rao

Statutory Auditors

Tukaram & Co LLP
Chartered Accountants
209 & 409, Venkataram Towers
Basheer Bagh, Hyderabad - 500 029

Internal Auditors

Vemulapalli & Co.,
Chartered Accountants
H. No. 14-1-90/435, Sai Dwarakamai
1st Floor, Gayatri Nagar Colony, Allapur
Borabanda, Hyderabad – 500 038

Secretarial Auditors

dvmgopal & associates
Company Secretaries
6/3/154-159, Flat No. 303, 3rd Floor,
Royal Majestic, Prem Nagar Colony
Hyderabad – 500 004

Bankers

State Bank of India
Bank of Bahrain & Kuwait

Registrars & Share Transfer Agents

Karvy Fintech Private Limited
Karvy Selenium, Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032

Manufacturing Facilities

Unit – 1: Dasaigudem (V), Suryapet (M)
Suryapet Dist. Telangana – 508 213

Unit – 2: Plot No.18, Phase III, IDA
Jeedimetla, Hyderabad, Telangana – 500 055

Unit – 3: Plot No(s). 262- 264 & 269 – 271, IDA,
Pashamylaram, Sanga Reddy Dist.
Telangana – 502 307

Unit – 4: Plot No(s). 65 – 67, JN Pharmacy,
Parwada, Visakhapatnam,
Andhra Pradesh – 531 019

Research and Development Centre(s)

Research Centre – I

Plot No.18, Phase III, IDA Jeedimetla,
Hyderabad, Telangana – 500 055

Research Centre – II

Bio-Pharmaceutical Lab
Plot No(s). 267- 268, IDA Pashamylaram,
Sanga Reddy Dist. Telangana – 502 307

Research Centre – III

Formulation Development Centre
Plot No(s). 265 to 268, IDA
Pashamylaram, Sanga Reddy Dist.
Telangana – 502 307

Registered Office

8-2-334 I 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@sven.com website: www.sven.com

BOARD'S REPORT

To the Members of
Suven Life Sciences Limited

Your Company's Board of Directors has pleasure in presenting this 30th Annual Report together with Ind AS compliant Audited Financial Statements of the Company for the financial year ended 31st March, 2019.

Financial Performance

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations	66,350.44	62,525.84	66,350.44	62,525.84
Operating expenditure	43,996.71	39,234.24	50,307.62	42,706.55
Depreciation and amortization	2,214.05	2,130.99	2,214.05	2,130.99
Operating profit	20,139.68	21,160.61	13,828.77	17,688.30
Finance cost	376.31	461.11	377.38	462.78
Other income	2,422.93	2,327.07	2,422.93	2,327.07
Profit before Tax	22,186.30	23,026.57	15,874.32	19,552.59
Tax expenses	7,180.01	7,183.84	7,180.01	7,183.84
Profit for the year	15,006.29	15,842.73	8,694.31	12,368.75
Other Comprehensive Income				
Items that will not be reclassified to profit or loss	(21.16)	(42.33)	(21.16)	(42.33)
Income tax relating to items that will not be reclassified to profit or loss	7.39	14.65	7.39	14.65
Total Other Comprehensive Income	(13.77)	(27.68)	(13.77)	(27.68)
Total Comprehensive Income	14,992.52	15,815.05	8,680.54	12,341.07
Retained earnings - opening balance	51,548.86	39,531.80	41,623.11	33,080.03
Add:				
Profit for the year	14,992.52	15,815.05	8,680.54	12,341.07
Less:				
Dividend including dividend tax	(2,301.68)	(2,297.99)	(2,301.68)	(2,297.99)
Transfer to General Reserve	(1,500.00)	(1,500.00)	(1,500.00)	(1,500.00)
Retained earnings - closing balance	62,739.70	51,548.86	46,501.97	41,623.11

Review of Operations

During the year under review your Company performed well and recorded standalone revenue from operations of ₹66,350 lakhs as against ₹62,526 lakhs in the previous year. Profit after Tax (PAT) of the Company was down by 5% to ₹14,992 lakhs from ₹15,815 lakhs in the previous financial year. The Earnings per Share (EPS) of your

Company has come down to ₹11.79 in fiscal 2018-19 per share from the previous year EPS of ₹12.45 in fiscal 2017-18 per share.

Your Company's consolidated revenue from operations for the year 2018-2019 remained the same as that of standalone revenue. The consolidated profit after tax decreased to ₹8,681 lakhs mainly

due to clinical development expenditure incurred by Suven Neurosciences, Inc., (formerly Suven Inc.,) on SUVN-502. The new Wholly Owned Subsidiary (WOS) companies, Suven Pharma Inc., in USA and Suven Pharmaceuticals Limited (SPL) are yet to commence operations, as such there are no reportable financials as of 31st March, 2019 in respect of the said new WOS(s).

The consolidated financial statements of the Company prepared in accordance with Indian Accounting Standards as specified in the Companies (Indian Accounting Standards) Rules, 2015, form part of the Annual Report.

Scheme of Arrangement (Demerger)

During the year under review, subject to approval of NCLT and other stakeholders your 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 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.

Exports

The exports of the Company continue to be a major chunk of revenue accounting for a volume of ₹61,586 lakhs, representing 93% of the total revenue of ₹66,350 lakhs during the year under review.

Dividend

Your Company's Board of Directors declared an interim dividend of ₹1.50 per equity share on 5th February, 2019. The total cash outflow on account of dividends including dividend tax paid is ₹2,302 lakhs. The Company has paid the interim dividend to the shareholders who are on the Register of Members of the Company as on the Record Date 15th February, 2019 notified to the stock exchanges in terms of SEBI (LODR) Regulations, 2015. In view of the funds requirements for meeting the expansion plans, the Board recommends that interim dividend already paid may please be treated as the final dividend for the year 2018-2019.

Transfer to Reserves

The Company transferred ₹1,500 lakhs to the general reserve during the current financial year.

Research and Development

During the year your Company has spent ₹6,478 lakhs on innovative R&D in CNS therapies accounting for 10% on sales. Suven is a biopharmaceutical company focused on discovering, developing and commercialising novel pharmaceutical products,

which are first in class or best in class CNS therapies through the use of GPCR targets. Suven has 4 clinical stage compounds, a Phase 2 undergoing SUVN-502, Phase 2 ready SUVN-G3031, Phase 1 completed SUVN-D4010 and Phase 1 commenced SUVN-911.

In addition to these clinical compounds the Company has nine (9) internally-discovered therapeutic drug candidates currently in various stages of pre-clinical development targeting conditions such as ADHD, dementia, depression, Huntington's disease, Parkinson's disease and pain.

Share Capital

The paid up Equity Share Capital as on 31st March, 2019 was ₹1272.82 lakhs. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options or sweat equity shares.

Extract of Annual Return

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at 31st March, 2019 forms part of this report as "**Annexure – A**".

Number of Meetings of the Board and Audit Committee

During the year under review six Board Meetings were convened and held and four Audit Committee Meetings were convened and held. The details of Board meetings and Audit Committee meetings are presented in the Corporate Governance report, which forms part of this Annual Report.

The Audit Committee composed of all independent directors. Shri D. G. Prasad is the Chairperson of the Audit Committee and Dr. M. R. Naidu, Shri M. Gopalakrishna and Shri Santanu Mukherjee are members of the Audit Committee. The time gap between the said meetings was within the period prescribed under the provisions of the Companies Act, 2013 and the SEBI guidelines thereof.

Directors Responsibility Statement

Your Directors state that:

- (a) The applicable accounting standards have been followed in the preparation of the Annual Accounts.
- (b) Such accounting policies have been selected and applied consistently and judgments and estimates made when required that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- (d) The Directors have prepared the Annual Accounts on a going concern basis.
- (e) Proper internal financial controls were in place to be followed by the Company and that the financial controls were adequate and were operating effectively.
- (f) Proper systems devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Dividend Policy

The Board has adopted a suitable Policy for Dividend Distribution as per the requirements of SEBI Guidelines. The policy is stated in the Annual Report and has been uploaded on the Company's website and can be accessed at <http://www.suven.com/pdf/Policy-for-Dividend-Distribution.pdf>

Particulars of Loans, Guarantees or Investments

Your Company has invested a sum of ₹13,636 lakhs in Suven Neurosciences, Inc., for its business purpose. Your Company acquired entire share capital of ₹1.00 lakh in Suven Pharmaceuticals Limited identified as Resulting Company for the purpose of Scheme of Arrangement (Demerger) and as of 31st March, 2019 no investments were made in newly formed Suven Pharma, Inc. in USA. Apart from these investments, the Company did not give any Loans, or provided Guarantees or any security during the year under the provisions of Section 186 of the Companies Act, 2013.

Subsidiary companies

Your Company has two international wholly owned subsidiary companies and one Indian wholly owned subsidiary company as on 31st March, 2019. During the FY 2018-2019, Suven Pharmaceuticals Limited in India and Suven Pharma, Inc., in USA have become subsidiary companies.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiary in Form AOC-1 forms part of Board's Report as "Annexure B". The separate audited financial statements in respect of the subsidiary company shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The separate audited financial statements in respect of the subsidiary company is also available on the website of your Company at <http://www.suven.com/annual-reports.html>

Related Party Transactions

The Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed Form

AOC-2 pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, forms part of this report as "Annexure – C".

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

Material Changes and Commitments Affecting Financial Position of the Company

Your company invested in the month of April, 2019 30 Million USD in Suven Pharma, Inc. a newly formed Wholly Owned Subsidiary in USA for the purpose of acquisition of the assets of Rising Pharmaceuticals as per the US Court Bankruptcy proceedings. Except the said investment, there are no other material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March, 2019 and the date of the Directors' report i.e. 25th May, 2019.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, forms part of this report as "Annexure – D".

Risk Management Policy

The Board formulated a suitable risk policy to take care of unique business models of your Company: Contract Technical Services (CTS) and CRAMS. Suven is an IP creating and protecting company, strictly adheres to and harmonise with the global patent regime. To ensure the security and confidentiality of client data access to client data, is restricted to the senior most team leader working on the respective project and observes strict standards of confidentiality by entering into an internal CDA. We believe that strict compliances to the non-disclosure requirements insulate our Company against risks relating to IPR infringement claims of our clients. In addition to these practices, your company regularly conducts safety and preventive audits in all plants and ensures that necessary safeguards are in place to protect the work force and assets against all perils with appropriate insurance policies.

Corporate Social Responsibility

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee composed of Shri M. Gopalakrishna as Chairperson, Shri D. G. Prasad, Prof. Seyed E. Hasnain, Shri Venkateswarlu Jasti and Smt. Sudharani Jasti as members. The CSR programs of the Company are being implemented by Suven trust formed for this purpose.

As of 31st March, 2019 there were no amounts due payable to Suven Trust by your Company. The CSR Committee is responsible for formulating, monitoring the CSR policy and review of CSR programs of the Company. Annual Report on CSR Activities forms part of this Report as "Annexure – E".

Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and as per the SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Directors and Key Managerial Personnel

Mr. Santanu Mukherjee (DIN: 07716452) was appointed as an Independent and Non-Executive Additional Director by the Board of Directors of the Company w.e.f. 15th May 2018 in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, he is not liable to retire by rotation for a term of 5 years from 15th May, 2018. The shareholders approved his appointment as Independent Director in the 29th AGM held on 14th August, 2018. He was also inducted as a member of Audit Committee of your Company.

Ms. J.A.S. Padmaja (DIN: 07484630) was appointed as an Independent and Non-Executive Additional Director by the Board of Directors of the Company w.e.f. 14th November, 2018 in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, she is not liable to retire by rotation for a term of 5 years from 14th November, 2018. The shareholders approved her appointment through postal ballot voting concluded on 20th March, 2019.

During the year under review the Two Independent Directors Dr. M. R. Naidu and Shri M Gopalakrishna were re-appointed for 2nd term of 5 years each as per the requirements of SEBI (Listing Obligations and Disclosure), Regulations, 2015 as amended and Shri D. G. Prasad was also re-appointed as Independent Director by the members through the postal ballot voting concluded on 20th March, 2019 for 2nd term of 5 years w.e.f. 1st April, 2019.

The Company did not appoint any Key Managerial Personnel during the year under review. All Independent Directors have given declarations confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. None of the Directors or Key Managerial Personnel has resigned during the year under review.

Directors Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013, Smt. Sudharani Jasti, Whole-time Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

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

Deposits

During FY 2018-19, the Company has not accepted any fixed deposits, and, as such, no amount on account of principal or interest on deposits was outstanding as on the date of the balance sheet.

Internal Financial Control Systems and their Adequacy

Your Company has laid down set of standards which enables to implement internal financial control across the organisation and ensure that the same are adequate and operating effectively(1) to provide reasonable assurances that: transactions are executed in conformity with generally accepted accounting principles/ standards or any other criteria applicable to such statements, (2) to maintain accountability for assets; access to assets is permitted only in accordance with management's general or specific authorisation and the maintenance of records that are in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the assets that could have a material effect on the financial statements.

Vigil Mechanism

The Company has put in place Whistle Blower Policy a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company

Particulars of Employees and Remuneration

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report as **"Annexure - F"**.

Investor Service

Your Company's share registry operations (physical as well as electronic form of holdings) will continue with Karvy Fintech Private Limited, Registrars and Transfer Agents. They can be contacted at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032, Phone No. 040-6716 1565 Fax No. 040 -2300 1153 for any query relating to Shares.

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

Corporate Governance

A detailed Report on Corporate Governance prepared in substantial compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges together with the Auditors' Certificate regarding the compliance of conditions of corporate governance, is presented in a separate section forming part of the Annual Report.

Management's Discussion and Analysis

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

AUDITORS

Statutory Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder the Company in its Annual General Meeting (AGM) held on 14th August, 2017 has appointed M/s. TUKARAM & Co LLP, Chartered Accountants (Firm Registration No. 004436S), as statutory auditors of the Company, from the conclusion of the 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting to be held in the year 2022. The Companies (Amendment) Act, 2017 dispensed the ratification of auditor's appointment at every Annual General Meeting. The Auditors' Report does not contain any qualifications.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. dvmgopal & associates, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report forms part of this report as "Annexure-G". The Secretarial Audit Report does not contain any qualifications.

Cost Audit

In terms of Cost (Records and Audit) Amendment Rules, 2014 dated 31st December, 2014 issued by the Central Government, the requirement for Cost Audit is not applicable to the Company based on the export turnover criteria prescribed under Cost Audit Rules.

Business Responsibility Report

A detailed Business Responsibility Report (BRR) is prepared. As a green initiative the BRR is placed on website of your company and can be accessed at web link at <http://www.suven.com/annual-reports.html>

Employees Stock Option Schemes

During the year, there has been no material change in the 'Suven Employees Stock Option Scheme, 2004' (referred as 'the scheme'). The scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The details are available on the company's web link at: http://suven.com/pdf/ESOP-Annexure_to_the_Board's_Report.pdf

Transfer of Unpaid and Unclaimed amounts to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, declared dividends which remained unpaid or unclaimed for a period of seven years have been transferred by the company to the IEPF, which has been established by the central government.

The above referred rules also mandate transfer of dividends remained unpaid and unclaimed for a period of seven years as well as the underlying equity shares to IEPF Authority. The Company shall accordingly follow the procedures prescribed in this regard.

General

During the FY 2019, there is no change in the nature of business of the company or of its wholly owned subsidiaries. Except Suven Pharma Inc., in USA and Suven Pharmaceuticals Limited in India which have become wholly owned subsidiary companies, there are no other companies have become or ceased to be your Company's subsidiaries, joint ventures or associate companies during the year.

The Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India during the year under review.

There are no significant material orders passed by the Regulators/ Courts, which would impact the going concern status of the Company and its future operations.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgements

Your Directors wish to place on record their gratitude to Shareholders for the confidence reposed by them and thank all the shareholders, customers, dealers, suppliers and other business associates for their contribution to your Company's growth. The Directors also wish to place on record their appreciation of the valuable services rendered by the executives, staff and workers of the Company.

Your Directors also thank the Central Government and State Government, the Financial Institutions and Banks for their support during the year and we look forward to its continuance.

For and on behalf of the Board of Directors

Place: Hyderabad,
Date: 25th May, 2019

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

ANNEXURE – A TO THE BOARD'S REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i).	CIN	L24110TG1989PLC009713
(ii).	Registration Date	09-03-1989
(iii).	Name of the Company	SUVEN LIFE SCIENCES LIMITED
(iv).	Category / Sub-Category of the Company	Company limited by shares / Public company
(v).	Address of the Registered office and contact details	# 8-2-334, SDE Serene Chambers 6th Floor, Avenue 7, Road No. 5 Banjara Hills, Hyderabad – 500 034 Telangana, India Tel: 91-40-2354 1142/ 3311
(vi).	Whether listed company	Yes
(vii).	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Ph: 91-40-6716 1559 Contact Person: Ms. C. Shobha Anand

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Pharmaceuticals	210	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	holding/ subsidiary/ associate	% of shares held	Applicable Section
1	Jasti Property and Equity Holdings Private Limited * Plot No. 396, Road No. 22B Jubilee Hills, Hyderabad – 500 033 Telangana, India	U74900TG2015PTC097580	holding	60%	2(46)
2	Suven Neurosciences Inc., 1100 Cornwall Road, Monmouth Junction, New Jersey 08852, USA	NA	subsidiary	100%	2(87)
3	Suven Pharmaceuticals Limited # 8-2-334, SDE Serene Chambers, 6 th Floor, Avenue 7, Road No. 5, Banjara Hills, Hyderabad – 500 034 Telangana, India	U24299TG2018PLC128171	subsidiary	100%	2(87)
4	Suven Pharma Inc., 1100 Cornwall Road, Monmouth Junction NJ 08852, USA	NA	subsidiary	100%	2(87)

* In its capacity as sole trustee of Jasti Family Trust.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER AND PROMOTER GROUP										
(1)	Indian									
(a)	Individual/HUF	5000	-	5000	-	5000	-	5000	-	-
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corp.	76365000	-	76365000	60.00	76365000	-	76365000	60.00	-
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any Other....	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1)	76370000	-	76370000	60.00	76370000	0	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	-	76370000	60.00	76370000	-	76370000	60.00	0.00
B. PUBLIC SHAREHOLDING										
(1)	Institutions									
(a)	Mutual Funds	5633388	18000	5651388	4.44	2742735	18000	2760735	2.17	-2.27
(b)	Banks / FI	131479	-	131479	0.10	266046	0	266046	0.21	0.11
(c)	Central Govt.	-	-	-	-	-	-	-	-	-
(d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	384196	-	384196	0.30	129196	-	129196	0.10	-0.20
(g)	FIs	3182470	-	3182470	2.50	7222373	-	7222373	5.67	3.17
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total(B)(1):	9331533	18000	9349533	7.35	10360350	18000	10378350	8.15	0.81
(2)	Non-Institutions									
(a)	Bodies Corp.									
	(i). Indian	4929569	7000	4936569	3.88	4950735	3000	4953735	3.89	0.01
	(ii). Overseas	-	-	-	-	-	-	-	-	-

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Individuals									
	(i). Individual shareholders holding nominal share capital upto ₹1 lakh	27305275	548231	27853506	21.88	25206582	478431	25685013	20.18	-1.70
	(ii). Individual shareholders holding nominal share capital in excess of ₹1 lakh	3058665	-	3058665	2.40	4119407	-	4119407	3.24	0.83
(c)	Others	5602005	112200	5714205	4.49	5725773	50200	5775973	4.54	0.05
i)	Non Resident Indians	4848614	112200	4960814	3.90	4906877	50200	4957077	3.89	0.01
ii)	NRI Non-Repatriation	437521	-	437521	0.34	451590	-	451590	0.35	0.00
iii)	Clearing Members	132937	-	132937	0.10	123087	-	123087	0.10	0.00
iv)	NBFC	33164	-	33164	0.03	80004	-	80004	0.06	0.03
v)	Trusts	1215	-	1215	0.00	1215	-	1215	0.00	0.00
vi)	I E P F	148554	-	148554	0.12	163000	-	163000	0.13	0.02
	Sub-total (B)(2):	40895514	667431	41562945	32.65	40002497	531631	40534128	31.85	-0.81
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	50227047	685431	50912478	40.00	50362847	549631	50912478	40.00	0.00
C Shares held by Custodian for GDRs & ADRs										
	Grand Total (A+B+C)	126597047	685431	127282478	100.00	126732847	549631	127282478	100.00	0.00

i) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Jasti Property and Equity Holdings Private Limited *	76365000	60.00	0.00	76365000	60.00	0.00	0.00
2.	Venkateswarlu Jasti	1000	0.00	0.00	1000	0.00	0.00	0.00
3.	Sudharani Jasti	1000	0.00	0.00	1000	0.00	0.00	0.00
4.	Madhavi Jasti	1000	0.00	0.00	1000	0.00	0.00	0.00
5.	Kalyani Jasti	1000	0.00	0.00	1000	0.00	0.00	0.00
6.	Sirisha Jasti	1000	0.00	0.00	1000	0.00	0.00	0.00
	Total	76370000	60.00	0.00	76370000	60.00	0.00	0.00

* In its capacity as sole trustee of Jasti Family Trust.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No	At the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	76370000	60.00	76370000	60.00
2.	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
3.	At the end of the year			76370000	60.00

(iv). Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No	Name of the Share Holder	Shareholding at the beginning/end of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	IDFC PREMIER EQUITY FUND	3748958	2.95	01/04/2018			3748958	2.95
				27/04/2018	-37197	Transfer	3711761	2.92
				18/05/2018	-342211	Transfer	3369550	2.65
				25/05/2018	-200000	Transfer	3169550	2.49
				01/06/2018	-240336	Transfer	2929214	2.30
				08/06/2018	-229970	Transfer	2699244	2.12
				15/06/2018	-1022531	Transfer	1676713	1.32
				22/06/2018	-394515	Transfer	1282198	1.01
				29/06/2018	-67252	Transfer	1214946	0.95
				06/07/2018	-615955	Transfer	598991	0.47
				13/07/2018	-100001	Transfer	498990	0.39
				17/08/2018	-25554	Transfer	473436	0.37
				24/08/2018	-473436	Transfer	0	0.00
		31/03/2019	0		0	0.00		
2	RAMBABU CHIRUMAMILLA	3184188	2.50	01/04/2018			3184188	2.50
		3184188	2.50	31/03/2019			3184188	2.50
3	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	0	0.00	01/04/2018			0	0.00
				15/06/2018	497000	Transfer	497000	0.39
				22/06/2018	466000	Transfer	963000	0.76
				06/07/2018	100000	Transfer	1063000	0.84
				17/08/2018	100000	Transfer	1163000	0.91
				31/08/2018	-200000	Transfer	963000	0.76
				19/10/2018	81300	Transfer	1044300	0.82
				26/10/2018	170000	Transfer	1214300	0.95
				09/11/2018	100000	Transfer	1314300	1.03
				23/11/2018	300000	Transfer	1614300	1.27
		30/11/2018	25000	Transfer	1639300	1.29		

Sl. No	Name of the Share Holder	Shareholding at the beginning/end of the Year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
				14/12/2018	47000	Transfer	1686300	1.32
				01/02/2019	9000	Transfer	1695300	1.33
				01/03/2019	16000	Transfer	1711300	1.34
				08/03/2019	64000	Transfer	1775300	1.39
				15/03/2019	-70000	Transfer	1705300	1.34
		1705300	1.34	30/03/2019			1705300	1.34
4	FINQUEST SECURITIES PVT. LTD - CLIENT BENEFICIARY A/C	1299000	1.02	01/04/2018			1299000	1.02
				29/06/2018	246000	Transfer	1545000	1.21
				29/06/2018	-246000	Transfer	1299000	1.02
				27/07/2018	65400	Transfer	1364400	1.07
				27/07/2018	-65400	Transfer	1299000	1.02
				10/08/2018	15700	Transfer	1314700	1.03
				10/08/2018	-15700	Transfer	1299000	1.02
				07/09/2018	53500	Transfer	1352500	1.06
				07/09/2018	-53500	Transfer	1299000	1.02
				07/12/2018	-500000	Transfer	799000	0.63
		799000	0.63	31/03/2019			799000	0.63
5	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EMERGING	1217551	0.96	01/04/2018			1217551	0.96
				06/04/2018	-306252	Transfer	911299	0.72
				13/04/2018	-911299	Transfer	0	0.00
		0	0.00	31/03/2019			0	0.00
6	HSBC GLOBAL INVESTMENT FUNDS - ASIA EX JAPAN EQUITY	0	0.00	01/04/2018			0	0.00
				28/09/2018	283166	Transfer	283166	0.22
				05/10/2018	221556	Transfer	504722	0.40
				26/10/2018	89324	Transfer	594046	0.47
				02/11/2018	49254	Transfer	643300	0.51
				23/11/2018	30962	Transfer	674262	0.53
				30/11/2018	92328	Transfer	766590	0.60
				31/12/2018	82135	Transfer	848725	0.67
				04/01/2019	45075	Transfer	893800	0.70
		893800	0.70	31/03/2019			893800	0.70
7	SURYAVANSHI COMMOTRADE PRIVATE LIMITED	0	0.00	01/04/2018			0	0.00
				14/09/2018	385651	Transfer	385651	0.30
				21/09/2018	114349	Transfer	500000	0.39
				28/09/2018	200000	Transfer	700000	0.55
				12/10/2018	100000	Transfer	800000	0.63
				14/12/2018	10000	Transfer	810000	0.64
		810000	0.64	31/03/2019			810000	0.64

Sl. No	Name of the Share Holder	Shareholding at the beginning/end of the Year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
8	VENKATA VAJRAMMA U	694044	0.55	01/04/2018			694044	0.55
		694044	0.55	31/03/2019			694044	0.55
9	LIC MF UNIT LINKED INSURANCE SCHEME (ULIS)	588128	0.46	01/04/2018			588128	0.46
				27/04/2018	-143308	Transfer	444820	0.35
				11/05/2018	-72650	Transfer	372170	0.29
				18/05/2018	-73233	Transfer	298937	0.23
				15/06/2018	-5000	Transfer	293937	0.23
				13/07/2018	-49692	Transfer	244245	0.19
				12/10/2018	-90000	Transfer	154245	0.12
				19/10/2018	-83050	Transfer	71195	0.06
				26/10/2018	-16300	Transfer	54895	0.04
				28/12/2018	-53892	Transfer	1003	0.00
				31/12/2018	-1003	Transfer	0	0.00
				0	0.00	31/03/2019		
10	MANIKUMARI U	325000	0.26	01/04/2018			325000	0.26
				04/05/2018	27510	Transfer	352510	0.28
				11/05/2018	57490	Transfer	410000	0.32
				18/05/2018	20000	Transfer	430000	0.34
				15/06/2018	-80000	Transfer	350000	0.27
				22/06/2018	-35000	Transfer	315000	0.25
				13/07/2018	-10000	Transfer	305000	0.24
				24/08/2018	-50000	Transfer	255000	0.20
				31/08/2018	-60000	Transfer	195000	0.15
				14/09/2018	-10000	Transfer	185000	0.15
				28/09/2018	-5000	Transfer	180000	0.14
				16/11/2018	-25000	Transfer	155000	0.12
				23/11/2018	21000	Transfer	176000	0.14
				07/12/2018	12429	Transfer	188429	0.15
				14/12/2018	21571	Transfer	210000	0.16
				25/01/2019	69500	Transfer	279500	0.22
		01/02/2019	40500	Transfer	320000	0.25		
		08/02/2019	51000	Transfer	371000	0.29		
		15/03/2019	184000	Transfer	555000	0.44		
		22/03/2019	7745	Transfer	562745	0.44		
		562745	0.44	31/03/2019			562745	0.44

(v). Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SHRI VENKATESWARLU JASTI				
	At the beginning of the year	1000	0.00	1000	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	1000	0.00
2	SMT SUDHARANI JASTI				
	At the beginning of the year	1000	0.00	1000	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	1000	0.00
3	DR. M. R. NAIDU				
	At the beginning of the year	5500	0.00	5500	0.00
	Transfer on 24/08/2018	(1500)	0.00	4000	0.00
	Transfer on 31/08/2018	(500)	0.00	3500	0.00
	At the end of the year			3500	0.00
4	SHRI. D. G. PRASAD				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	0	0.00
5	PROF. SEYED E. HASNAIN				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	0	0.00
6	SHRI M GOPALAKRISHNA				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	0	0.00
7	SHRI SANTANU MUKHERJEE				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	0	0.00

Sl. No.	Name of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	SMT J.A.S. PADMAJA				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	0	0.00

Sl. No.	Name of the KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. K. HANUMANTHA RAO				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	0	0.00
2.	Mr. P. SUBBA RAO				
	At the beginning of the year	56,000	0.04	56,000	0.04
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	-	-	56,000	0.04

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i). Principal Amount	3,082.24	316.89	0	3,399.13
(ii). Interest due but not paid	0	0	0	0
(iii). Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	3,082.24	316.89	0	3,399.13
Change in Indebtedness during the financial year				
• Addition	0	0	0	0
• Reduction	447.00	(44.96)	0	402.04
Net Change	(447.00)	44.96	0	(402.04)
Indebtedness at the end of the financial year				
(i). Principal Amount	3,529.24	271.94	0	3801.18
(ii). Interest due but not paid	0	0	0	0
(iii). Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	3,529.24	271.94	0	3,801.18

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD & CEO		Name of WTD	Total Amount
		Venkateswarlu Jasti		Sudharani Jasti	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	290.87		145.43	436.30
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	19.01		9.51	28.52
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			-	-
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
	- as % of profit	238.36		119.18	357.54
	- Others, specify...				
5.	Others, please specify – PF	34.90		17.45	52.35
	Total (A)	583.14		291.57	874.71
	Ceiling as per the Act				'Refer Note'

Note: In terms of the provisions of the Companies Act, 2013, the remuneration payable to MD & CEO and WTD shall not exceed 10% of the net profit of the Company. The remuneration paid to MD & CEO and WTD is well within the said limit.

B. Remuneration to other directors:

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Dr. M. R. Naidu	Shri D. G. Prasad	Shri M. Gopala krishna	Shri Santanu Mukherjee	Smt. J.A.S. Padmaja	
1.	Independent Directors						
	• Fee for attending board / committee meetings	2.30	3.20	2.80	2.70	1.60	12.60
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (1)	2.30	3.20	2.80	2.70	1.60	12.60
2.	Other Non-Executive Directors	Prof. Seyed E. Hasnain					
	• Fee for attending board / committee meetings	2.40	-	-	-	-	2.40
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	2.40	-	-	-	-	2.40
	Total (B)=(1+2)	4.70	3.20	2.80	2.70	1.60	15.00
	Total Managerial Remuneration					Total (A+B)	889.71
	Overall Ceiling as per the Act						'Refer Note'

Note: In terms of the provisions of the Companies Act, 2013, the remuneration payable to Non-executive and Independent Directors shall not exceed 1% of the net profit of the Company. The Company is paying only sitting fee to all Non-executive and Independent Directors for attending Board/Committee meetings.

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	Chief Financial Officer	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.43	31.46	55.89
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	24.43	31.46	55.89

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NA	NA	NA	NA
Punishment	NIL	NA	NA	NA	NA
Compounding	NIL	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NIL	NA	NA	NA	NA
Punishment	NIL	NA	NA	NA	NA
Compounding	NIL	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NA	NA	NA	NA
Punishment	NIL	NA	NA	NA	NA
Compounding	NIL	NA	NA	NA	NA

For and on behalf of the Board of Directors

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Place: Hyderabad,
Date: 25th May, 2019

ANNEXURE –B TO THE BOARD'S REPORT

Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Name of the Subsidiary	Suven Neurosciences Inc.,	Suven Pharmaceuticals Ltd	Suven Pharma Inc.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-03-2019	31-03-2019	31-03-2019
Reporting currency	USD	INR	USD
Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR 68.35	1.00	0
Share capital	20,340,000	100,000	0
Reserves & surplus	(24,177,446)	(220,359)	0
Total assets	34,182	82,826	0
Total Liabilities	3,871,628	203,185	0
Investments	NIL	NIL	NIL
Turnover	NIL	NIL	NIL
Profit before taxation	(9,198,311)	(220,359)	0
Provision for taxation	NIL	NIL	NIL
Profit after taxation	(9,198,311)	(220,359)	0
Proposed Dividend	NIL	NIL	NIL
% of shareholding	100.00%	100.00%	100.00%

1. Names of subsidiaries which are yet to commence operations:

Suven Pharmaceuticals Ltd in India and Suven Pharma Inc. in USA are formed during the year 2018-2019 and yet to commence operations.

2. Names of subsidiaries which have been liquidated or sold during the year: NIL

For and on behalf of the Board of Directors

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Place: Hyderabad,
Date: 25th May, 2019

ANNEXURE –C TO THE BOARD'S REPORT

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. There are no contracts/arrangements/transactions entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which are not at arm's length basis.
2. The following are the contracts/arrangements/transactions entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which are at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Ms. Kalyani Jasti – daughter of Shri Venkateswarlu Jasti, Chairman and CEO and Smt. Sudharani Jasti, Whole-time Director	Serving the company as President (US Operations)	5 Years	Looks after US Operations, co-ordination with international customers and review of technical contracts of the Company.	22nd Sept, 2014	Monthly salary of USD 26,235 being paid in terms of approval given by the members in EGM held on 21st October 2014 and with the approval of the Audit Committee.

For and on behalf of the Board of Directors

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Place: Hyderabad,
Date: 25th May, 2019

ANNEXURE –D TO THE BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i). the steps taken or impact on conservation of energy;

Continue to Invest in the existing and Upcoming Projects

- (1). High efficiency chillers – Screw chillers instead of reciprocating compressors. screw are more efficient Consume less power and less wear &tear compare reciprocating Chiller for Chilled brine and chilled water application.
- (2). DCS/ PLC, SCADA systems for Monitoring and control of Utilities & Process.
- (3). Closed Loop Chilled water Pump Circulation system instead of Open Loop system for Air Conditioning units
- (4). Selection of high efficient pumps with Right head & capacity multi pump configuration for Cooling tower, Chilled water for Process , HVAC duty etc. with Smart and intelligent monitoring and control system instead of fixed flow and fixed speed single pump system
- (5). Automatic Chillers Condenser tube Cleaning System – To avoid scales build up in condenser in chillers save power 7% /deg in rise in approach temp.
- (6). High efficiency agitator for efficient mixing and heat transfer, mass transfer, solid suspension, blending etc. thus reduce power consumption
- (7). Variable speed Drives for fans, Blowers, agitator sand Pumps, vacuum pumps etc.
- (8). Condensate recovery & recycling systems
- (9). IE3 Motors instead of IE2 motors
- (10). Capacitor Banks Power factor improvement
- (11). LED Light fixtures instead of CFL
- (12). Natural light utilization and minimize use of day light

(ii). the steps taken by the company for utilising alternate sources of energy;

Proposed to use renewable energy and reduce Grid power

(iii). the capital investment on energy conservation equipment's;

Additional capex 100 lakhs propose to spend on Smart or High efficiency Utilities & Process equipment's such as Screw chillers, Screw Air Compressors, Pumps, Agitators, Vacuum

systems, Fans, Blowers, Motors, Drives and Smart /intelligent Monitoring control system such as Instruments, PLC's, DCS.

(B) TECHNOLOGY ABSORPTION

(i). Efforts made towards technology absorption;

Research & Development at Suven comprises of New Chemical Entity Development, process development for intermediates and API's and formulation development for generics under CRAMS segment

(ii). Benefits derived like product improvement, cost reduction, product development, import substitution;

Based on the R&D we develop new products and file product patents, modification of existing process of intermediates and API's for reduced time cycle and also for reduction of bi-products thus lessening the load on environment while achieving cost reduction.

(iii). In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year).

a)	Technology imported	NIL
b)	Year of import	NA
c)	Whether the technology been fully absorbed	NA
d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	NA

(iv). Expenditure incurred in the R&D centers and innovation centers of Suven during Financial Year (FY) 2018-19 are given below

(₹ in lakhs)

Expenditure on R&D and Innovation	Standalone		Consolidated	
	FY 2019	FY 2018	FY 2019	FY 2018
(a) Capital	450.86	543.40	450.86	543.40
(b) Recurring	6,027.60	5,846.66	11,985.07	9,021.54
(c) Total R&D expenditure	6,478.46	6,390.06	12,435.93	9,564.94
(d) Total R&D and innovation expenditure as a percentage of total turnover	10%	10%	19%	15%

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

	Year ended 31 st March, 2019	Year ended 31 st March, 2018
(a) Foreign Exchange earned	56,217.76	50,660.96
(b) Foreign Exchange outgo	17,994.28	20,012.17

For and on behalf of the Board of Directors

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Place: Hyderabad,
Date: 25th May, 2019

ANNEXURE – E TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes	CSR Policy is stated herein below: Web link: http://www.suven.com/corporate-social-responsibility.html
2.	Composition of the CSR Committee	Shri M Gopalakrishna – Chairman of CSR committee (Independent Director) Shri D. G. Prasad (Independent Director) Prof Seyed E. Hasnain (Non-executive Director) Shri Venkateswarlu Jasti (Chairman & CEO) Smt. Sudharani Jasti (Whole-time Director)
3.	Average net profit of the Company for last three financial years	₹17,823.97 lakhs
4.	Prescribed CSR Expenditure (two percent of the amount specified at item 3 above)	₹356.48 lakhs
5.	Details of CSR spend for the financial year	
	(a). Total amount spent for the financial year 2018-19	₹ 659.06 lakhs
	(b). Amount unspent, if any	Nil

(c) Manner in which the amount utilized by Suven Trust during the financial year is detailed below:

₹ in lakhs)

Sr. No.	Projects / Activities	Sector	Projects or Programmes	Amount Outlay (Budget) Project or Programs Wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount Spent: Direct/ through implementing agency
			District and State				
1.	Educational Scholarship, Tuition Support, Training to promote rural sports and Vocational Training	Education, training to promote rural sports and promoting education	Sanga Reddy, Suryapet, Hyderabad and Vizag	60.00	59.14	394.28	Direct & Agastya International Foundation
2.	benefit of armed forces veterans, war widows and their dependents	measures for the benefit of armed forces veterans, war widows and their dependents	Hyderabad	50.00	50.00	50.00	Through implementing agency
3.	empowering women	empowering women	Suryapet Dist. Telangana	70.00	70.00	70.00	Through implementing agency
4.	Providing safe drinking water to community, installing RO Plant, Maintenance and water supply	safe drinking water	Suryapet Dist. Telangana	22.00	21.47	76.99	Direct
5.	Rural Development Project & environmental sustainability	Rural Development & environmental sustainability	Hyderabad, Suryapet, Sanga Reddy Dist.	26.00	26.24	141.71	Through implementing agency

Sr. No.	Projects / Activities	Sector	Projects or Programmes	Amount Outlay (Budget) Project or Programs Wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount Spent: Direct/ through implementing agency
			District and State				
6.	Mid-Day Meal programme	poverty and malnutrition	Guntur Dist., AP	3.00	3.00	11.00	Through implementing agency
7.	promoting health care including preventive health care	promoting health care including preventive health care	Suryapet, Hyderabad and Vizag	165.00	163.90	368.94	Through implementing agency
8.	Earmarked for utilization by Suven Trust on the identified CSR programs on progress basis.				265.31	265.31	Through implementing agency
TOTAL					659.06	1378.23	

6. Out of the total amount of ₹659.06 lakhs spent during the financial year 2018-2019, the amount of ₹265.31 lakhs pertains to previous years.
7. The implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

M. Gopalakrishna
Chairman – CSR Committee
DIN: 00088454

Place: Hyderabad,
Date: 25th May, 2019

Brief contents of the CSR policy as approved by the Board

Our Company recognises that business enterprises are economic organs of society and part of society and draw on societal resources for their growth. We have a duty towards society and the communities and neighborhoods in whose vicinity we operate

The Company undertake the following CSR Projects/ Programs in any of the following areas:

- Promoting preventive health care and sanitation and making available safe drinking water to the communities where SUVEN operates;
- Promoting education, including special education and employment enhancing vocational skills among children, literacy and digital literacy among women, elderly, and the differently abled and enhance livelihood opportunities through projects.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources, promotion of art, culture and heritage sites and maintaining quality of soil, air and water.

ANNEXURE – F TO THE BOARD'S REPORT

Information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i). the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Sl. No.	Name of the Director	ratio of the remuneration to the median remuneration of the employees
1.	Shri Venkateswarlu Jasti – Chairman & CEO	21.77 : 1
2.	Smt. Sudharani Jasti – Whole-time Director	10.88 : 1

Dr. M. R. Naidu, Shri D. G. Prasad, Shri M. Gopalakrishna, Shri Santanu Mukherjee, Smt. J.A.S. Padmaja, Independent Directors and Prof Seyed E. Hasnain, Non-executive Director were paid only sitting fees for attending the Board/ Committee Meetings.

(ii). the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sl. No.	Particulars	percentage increase in remuneration
1.	Chairman & CEO	15.00%
2.	Whole-time Director	15.00%
3.	Chief Financial Officer	10.77%
4.	Company Secretary	10.00%

Dr. M. R. Naidu, Shri D. G. Prasad, Shri M. Gopalakrishna, Shri Santanu Mukherjee, Smt. J.A.S. Padmaja, Independent Directors and Prof Seyed E. Hasnain, Non-executive Director were paid only sitting fees for attending the Board/ Committee Meetings.

(iii). the percentage increase in the median remuneration of employees in the financial year; 10.00%

(iv). the number of permanent employees on the rolls of company; There were 1082 permanent employees as on 31st March 2019

(v). average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 10.69%. Whereas the remuneration of managerial personnel worked out 15.00% for the same financial year. The increments to managerial personnel were considered based on the performance of the Company and in line with the limit approved by the shareholders in the general meeting.

(vi). Affirmation that the remuneration is as per the remuneration policy of the company. Yes

Statement of particulars of employees pursuant to the provision of Sec 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended. List of top ten employees in terms of remuneration drawn will be provided upon request by any Member of the Company interested in obtaining the same.

name of the employee	the age of employee	designation of the employee	gross remuneration received (Rs. in lakhs)	nature of employment, whether contractual or otherwise	qualifications of the employee	experience of the employee	date of commencement of employment	the last employment held by such employee before joining the company
Shri Venkateswarlu Jasti	70 years	Chairman & CEO	583.14	Regular	M. Pharma; M.S. (Indus. Pharmacy)	45 years	09-03-1989	Business in USA
Smt. Sudharani Jasti	65 years	Whole-time Director	291.57	Regular	B. Sc.	38 years	09-03-1989	Business in USA
Dr. NVS Ramakrishna	57 years	Vice President (Discovery Research)	189.58	Regular	M. Sc., Ph. D	30 years	04-03-2002	Zyodus Cadila

None of the employee is related to the Directors except Shri Venkateswarlu Jasti who is spouse of Smt. Sudharani Jasti.

For and on behalf of the Board of Directors

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Place: Hyderabad,
Date: 25th May, 2019

ANNEXURE –G TO THE BOARD'S REPORT

SECRETARIAL AUDIT REPORT For the financial year ended 31st March, 2019

FORM NO. MR-3

*Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014*

To
The Members
Suven Life Sciences Limited
Hyderabad.

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by Suven Life Sciences Limited (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Audit Period covering the Financial Year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended 31st March, 2019 ("Audit Period") and we report that during the period under review the Company has complied with the provisions of the following Act, Rules, Regulations, Guidelines and Standards:

1.1. The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made thereunder;

1.2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

1.3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

1.4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

1.5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

1.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

1.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

1.5.3. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

1.5.4. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

1.5.5. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1.6. The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.

2. The Company is engaged in the business of manufacture and sale of bulk drugs and intermediaries. In view of the Management and on the basis of the Guidance Note issued by the ICSI, the following Industry Specific Acts are applicable:

2.1. Drugs and Cosmetics Act, 1940 read with the Drugs and Cosmetics Rules, 1945;

2.2. Narcotic Drugs and Psychotropic Substances Act, 1985 read with the Narcotic Drugs and Psychotropic Substances Rules, 1985;

2.3. Petroleum Act, 1934;

2.4. Inflammable Substances Act, 1952;

2.5. Explosives Act, 1884 read with Explosives Rules, 1983;

2.6. Poisons Act, 1919;

2.7. Indian Boilers Act, 1923.

Based on our verification and in reliance of the Compliance Certificates given by the respective Department Heads, the Company has complied with the said Industry Specific Acts.

3. We report that:

3.1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors.

The changes in the composition of the Board of Directors during the period under review were carried out in accordance with the applicable provisions.

- 3.2. Adequate Notice along with agenda and detailed notes on agenda is given to all the Directors electronically to schedule the Board Meetings.
- 3.3. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- 3.4. The Company has authorized Company Secretary of the Company to approve the transfer of shares and to instruct/advise the Share Transfer Agent and attend Shareholders Grievances, from time to time and the Board has been taking note of the same.
- 3.5. The Company's Corporate Social Responsibility activities are carried on through "Suven Trust".
- 3.6. The Company has given Newspaper advertisement on 23rd June, 2018, which is slightly later than the due date, inter-alia informed on Shares due for transfer to Investor Education and Protection Fund.
- 3.7. Decisions at the meetings of the Board of Directors and Committees of the Board of the Company were taken unanimously.
- 3.8. It is to be noted that for the Audit Period the following Acts are not applicable:
 - 3.8.1. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- 3.8.2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

- 3.8.3. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- 3.8.4. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2009 or the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

- 3.9. There exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. We further report that during the audit period, there were no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as provided in Auditor's Report.

For **Dvmgopal & Associates**
Company Secretaries

DVM Gopal
Proprietor
M No: F 6280
CP No: 6798

Place: Hyderabad
Date: 25th May, 2019

Note: This letter is to be read with our letter of even date, which is annexed, and form an integral part of this report.

ANNEXURE

To
The Members
Suven Life Sciences Limited
Hyderabad.

Our Report of even date is to be read along with this letter

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **dvmgopal & associates**
Company Secretaries

DVM Gopal
Proprietor
M No: F6280
CP No: 6798

Place: Hyderabad
Date: 25th May, 2019

POLICY FOR DIVIDEND DISTRIBUTION

POLICY in brief:

Your Company's Board follows the provisions of the Companies Act, 2013 and other applicable Regulations of SEBI LODR with regard to payment of dividends at its discretion during the fiscal year and may recommend the interim/special dividends paid as final dividends. Your Company observed all the parameters prescribed by SEBI in relation to the following key aspects for considering payment of dividend for any year.

- (a) The circumstances under which the shareholders of the company may or may not expect dividend
- (b) The financial parameters that shall be considered while declaring dividend
- (c) Internal and external factors that shall be considered for declaration of dividend
- (d) How the retained earnings shall be utilised
- (e) Parameters that shall be adopted with regard to various classes of shares

For detailed policy please visit website of your Company at the web link: <http://www.suven.com/pdf/Policy-for-Dividend-Distribution.pdf>

REPORT ON CORPORATE GOVERNANCE

I. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company firmly believes that good corporate governance practices are ingredients for the balanced development of an organisation which would not only maximise the shareholder's value but also contributed to sustained and long lasting development of the organisation. The Board of Directors believes in ethical values and high moral standards in achieving the highest standards of corporate governance. All the SUVEN activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices.

Simultaneously, in keeping with best practices, your Company committed to provide full spectrum of quality services and products in Contract Technical Services (CTS) and Contract Research and Manufacturing Services (CRAMS) by fulfilling customer's satisfaction.

II. BOARD OF DIRECTORS

Composition of Board

The Board represents an optimum mix of professionalism, knowledge and experience. As on 31st March, 2019, your company had a total strength of eight (8) Directors on the Board, comprising of: two (2) Executive Directors, one (1) Non-executive Director (i.e. 10%) and five (5) Independent Directors (i.e. 60%). The Company immensely benefits from the professional expertise of the Independent Directors. The Board has an adequate combination of Executive Directors, Non-Executive and Independent Directors.

None of the Directors on the Board is Member of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies have been made by the Directors.

Key information pertaining to Directors as on 31st March, 2019

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM held on August 14, 2018	Directorship in other Public Companies	No. of Committee positions held in all companies	
		held	attended			Chairman	Member #
Shri Venkateswarlu Jasti	Chairman & CEO Promoter	6	6	Yes	-	-	-
Smt. Sudharani Jasti	Whole-time Director Promoter	6	3	Yes	-	-	1
Dr. M. R. Naidu	Independent Non-Executive Director	6	4	No	-	-	2
Shri D. G. Prasad	Independent Non-Executive Director	6	6	Yes	4	2	3
Prof Seyed E. Hasnain	Non-Executive Director	6	5	Yes	1	-	-
Shri M Gopalakrishna	Independent Non-Executive Director	6	5	No	7	3	8
Shri Santanu Mukherjee *	Independent Non-Executive Director	6	6	Yes	4	-	1
Smt. J.A.S. Padmaja **	Independent Non-Executive Director	6	3	-	-	-	-

* Appointed as Independent director effective 15th May, 2018

** Appointed as Independent director effective 14th November, 2018

Committee membership includes chairperson position

Name of the other listed companies where the person is a director and the category of directorship

Name of the Director	Name of the other listed companies	Category
Shri Venkateswarlu Jasti	Nil	-
Smt. Sudharani Jasti	Nil	-
Dr. M. R. Naidu	Nil	-

Name of the Director	Name of the other listed companies	Category
Shri D. G. Prasad	1) Gokak Textiles Limited	Independent director
	2) Natco Pharma Limited	Independent director
	3) Moschip Technologies Limited	Independent director
Prof Seyed E. Hasnain	Nil	-
Shri M Gopalakrishna	1) JOCIL Limited	Independent director
	2) Pitti Engineering Limited	Independent director
	3) BGR Energy Systems Limited	Independent director
	4) Olectra Greentech Limited	Independent director
Shri Santanu Mukherjee	1) Donear Industries Limited	Independent director
	2) Bandhan Bank Limited	Independent director
Smt. J.A.S. Padmaja	Nil	-

Meetings of the Board

The Board met six times during the Financial Year on 15th May, 2018, 14th August, 2018, 14th November, 2018, two separate meetings on 05th February, 2019 and 09th March, 2019.

The time gap between any two meetings did not exceed one hundred and twenty days as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the required information was suitably placed before the board meetings. The details relating to financial and commercial transactions where directors may have a potential interest, if any, were provided to the Board and interested directors abstained from the meetings.

Disclosure of relationships between directors inter-se

None of the Directors is related to other Directors, except Shri Venkateswarlu Jasti who is spouse of Smt. Sudharani Jasti.

No. of shares held by Non-Executive Directors

Sl. No.	Name of Director	No. of equity shares held as on 31st March 2019
1.	Dr. M. R. Naidu	3,500
2.	Shri D. G. Prasad	NIL
3.	Prof Seyed E. Hasnain	NIL
4.	Shri M Gopalakrishna	NIL
5.	Shri Santanu Mukherjee	NIL
6.	Smt. J.A.S. Padmaja	NIL

There were no convertible instruments held by non-executive directors

Familiarization programmes imparted to the independent directors

Your Company organized familiarization programmes to the Independent Directors with respect to their duties, roles, responsibilities, business models and operations of the Company and certain key aspects of Insider Regulations of SEBI. Your

Company endeavors to organize necessary familiarization programmes as and when required. The terms and conditions of appointment of the independent directors are disclosed on the website of the Company. The information on the familiarization programmes can be accessed from our Company's website at Web link: <http://www.suven.com/pdf/familiarization-program-for-independent-directors.pdf>

A Chart or a Matrix setting out the skills/expertise/competence of the board of directors

Your Company's Board identified certain multi dimensional core skills/expertise as detailed below and available with the Board:

Sr. No	Category of Directors	Skills / Expertise
1	Executive Directors	Leadership and Management skills, industry experience, decision making skill, and governance
2	Non Executive Directors	Knowledge in sector and governance
3	Independent Directors	Financial skills, Governance and professional skills for decision making.

Confirmation from the Board

The Board of Directors verified the veracity of declarations given by the Independent Directors and in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

None of the independent directors has resigned from the Directorship of the company before the expiry of their tenure of appointment.

Committees of the Board

The Board constituted various committees. The Role of Committees induced with necessary terms of references under the regulatory framework to function as per the Corporate Governance norms.

III. AUDIT COMMITTEE

Composition and terms of reference

The present Audit Committee comprises of all Independent Directors. All of whom possess accounting and financial management expertise/ exposure.

The terms of reference to the Audit committee given by the Board shall be as per the provisions of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The Committee reviews the information as specified under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

The composition of the Audit Committee is as follows

Name of Director & Designation	Category of Director	No. of Meetings	
		Held	Attended
Shri D. G. Prasad – Chairman	Independent & Non-Executive Director	4	4
Dr. M. R. Naidu – Member	Independent & Non-Executive Director	4	3
Shri M Gopalakrishna – Member	Independent & Non-Executive Director	4	3
Shri Santanu Mukherjee – Member*	Independent & Non-Executive Director	4	3

* W.e.f. 14th August, 2018

In addition to the members of the audit committee, these meetings are attended by the Heads of Accounts & Finance, Internal Auditors and Statutory Auditors of the Company and the Company Secretary acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee Shri D. G. Prasad attended the annual general meeting (AGM) held on 14th August, 2018.

Meetings held during the year

During the year Audit Committee met four times on 15th May, 2018, 14th August, 2018, 14th November, 2018 and 05th February, 2019. The attendance of the Committee Members was presented in the above table.

IV. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) comprises of Independent, Non-executive and Executive Directors. The terms of reference of the NRC given by the Board covers all aspects specified under the provisions of the Companies Act, 2013 and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time:

The composition of the Nomination and Remuneration Committee is as follows

Name of Director & Designation	Category of Director	No. of Meetings	
		Held	Attended
Shri D. G. Prasad – Chairman	Independent & Non-executive Director	3	3
Dr. M. R. Naidu – Member	Independent & Non-executive Director	3	3
Shri M. Gopalakrishna – Member	Independent & Non-executive Director	3	3
Prof Seyed E. Hasnain – Member	Non-Executive Director	3	3
Shri Venkateswarlu Jasti - Member	Executive Director	3	3

During the year Nomination and Remuneration Committee met three times on 15th May, 2018, 14th November, 2018 and 5th February, 2019. The attendance of the Committee Members was presented in the above table.

The Chairman of the Nomination and Remuneration Committee Shri D. G. Prasad attended the annual general meeting (AGM) held on 14th August, 2018.

Remuneration Policy for selection and appointment of directors/ senior management and their remuneration

The Nomination and Remuneration (N&R) Committee has adopted a policy which, inter alia, deals with the manner of selection of all Directors and Senior management personnel and their remuneration as under: Policy enables the management to engage HR consultants whenever external advise needed in this behalf.

Criteria of selection of all categories of Directors and Senior Management Personnel

- The incumbent must be a graduate or above with ability to understand the Board procedures and having rudimentary knowledge over financial statements.
- Must possess reasonable experience at the Board/senior management level.
- Must have ethical behavior and willingness to comply with all applicable statutory requirements like declaring their interests in the companies/ entities, following the requirements of Board procedures, attending Board/ Committee meetings and active participation in all matters placed before the Board.
- Must be able to exercise independent judgment over the matters reported to the Board.
- Where necessary recommend to the Board for an increase in the remuneration of non-executive directors subject to provisions of Companies Act, 2013.
- The Committee may review and give a guidance note on all salary increases and bonus payments for all direct reports to the CEO in line with the industry standards. The Committee

may review and give a general guidance note on the quantum of salary increases and bonus payments for all other staff in line with the industry standards

- For criteria of making payments to non-executive directors please refer to web link at: <http://www.suven.com/pdf/composition-of-various-committees-of-board-of-directors-2018.pdf>

Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, committees and of the independent directors on parameters such as level of engagement, contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process as well as the evaluation of the working of its Committees, information needs of the Board, execution and performance of specific duties, obligations and governance.

Remuneration paid to the Executive Directors and sitting fees paid to Non-Executive Directors during 2018-2019 is as under:

Executive Directors

(Rs. In Lakhs)

Name of the Director	Salary & Allowances	Commission	Contribution to Provident Fund	Perquisites	Total
Shri. Venkateswarlu Jasti Chairman & CEO	290.87	238.36	34.90	19.01	583.14
Smt. Sudharani Jasti Whole-time Director	145.43	119.18	17.45	9.51	291.57

For details of other elements of remuneration please refer to Form MGT-9 (Extract of Annual Return) marked as Annexure-A to the Board's Report. The services of Chairman & CEO and Whole-time Director are governed by the resolutions as approved by the shareholders in the general meeting. There is no separate provision for payment of severance fee and notice period for termination of services.

Non-Executive Directors

Name of the Director	Sitting fee (₹ in lakhs) #
Dr. M. R. Naidu	2.30
Shri D. G. Prasad	3.20
Prof Seyed E. Hasnain	2.40
Shri M Gopalakrishna	2.80
Shri Santanu Mukherjee	2.70
Smt. J.A.S. Padmaja	1.60

Net of taxes

V. I. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Stakeholders' Relationship Committee of Directors reviews the following:

Expedient redressal of investor's grievances, Transfer of shares, Dematerialisation/Re-materialisation, Non receipt of Annual Reports and declared dividend, all other matters related to shares.

The Constitution of Stakeholders' Relationship Committee is as follows:

Name of the Director	Category of Director	No. of Meetings	
		Held	Attended
Shri M Gopalakrishna – Chairman	Independent & Non-executive Director	1	1
Dr. M. R. Naidu – Member	Independent & Non-executive Director	1	1
Smt. Sudharani Jasti – Member	Executive Director	1	-

During the year Stakeholders' Relationship Committee met on 15th May, 2018. The attendance of the committee members was presented in the above table. Smt. Sudharani Jasti member of the Committee attended the annual general meeting (AGM) held on 14th August 2018 as per request of the Chairman of the Stakeholders' Relationship Committee Shri M Gopalakrishna.

Name and Address of Compliance Officer

CS K. HANUMANTHA RAO
Company Secretary & Compliance Officer
Suven Life Sciences Limited
SDE Serene Chambers, 6th Floor, Road No. 5
Avenue 7, Banjara Hills, Hyderabad – 500 034
CIN: L24110TG1989PLC009713
Tel: +91 40-2354 1142/ 3311, Fax: +91 40-2354 1152

Details of complaints/requests received and redressed

During the year 2018-2019, 143 complaints were received pertaining to the dividends, annual reports, change of bank/ address details and split shares etc. from shareholders and the complaints have been resolved to the satisfaction of the Complainants. One complaint was pending to be resolved as on 31-03-2019.

VI. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

To review the existing CSR Policy and to monitor progress of CSR programs undertaken on priority basis by the Suven Trust as notified by CSR Committee of the Board from time to time.

The composition of the Corporate Social Responsibility Committee and the details of Members' participation at the Meeting of the Committee held on 15th May, 2018 are as under:

Name of the Director	Category of Director	No. of Meetings	
		Held	Attended
Shri M Gopalakrishna – Chairman	Independent & Non-executive Director	1	1
Shri D. G. Prasad – Member	Independent & Non-executive Director	1	1
Prof Seyed E. Hasnain – Member	Non-executive Director	1	1
Shri Venkateswarlu Jasti – Member	Executive Director	1	1
Smt. Sudharani Jasti – Member	Executive Director	1	-

VII. ESOP COMPENSATION COMMITTEE

The Committee has been authorized to frame suitable policies and systems to ensure that there is no violation by an employee of any applicable laws in India including the Securities and Exchange Board of India (Insider Trading) Regulations 2015; and perform such functions required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014. The ESOP Scheme implemented by the Company in the year 2004. In terms of the Scheme it ceased to be in operation w.e.f. 2011. As of 31st March, 2019, there were no outstanding options exercisable by any employee of the Company.

The ESOP Compensation Committee composed of Dr. M. R. Naidu as Chairman, Shri M Gopalakrishna as Member and Shri Venkateswarlu Jasti as Member of the Committee.

VIII. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 29th January, 2019, carried out inter alia, the following process:

Evaluation of performance of Non Independent Directors and the Board of Directors as a whole; evaluation of performance of

the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors and evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the Meeting.

IX. GENERAL BODY MEETINGS

Annual General Meeting: Location, date and time of last three Annual General Meetings (AGMs) and Special Resolutions passed there at:

Year	Venue	Date and Time	No. of Special Resolutions passed
2017-18	KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry [FAPCCI], 11-6-841, Red Hills, Hyderabad –500 004	14/08/2018 11:30 AM	NIL
2016-17	KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry [FAPCCI], 11-6-841, Red Hills, Hyderabad –500 004	14/08/2017 11:30 AM	NIL
2015-16	KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry [FAPCCI], 11-6-841, Red Hills, Hyderabad –500 004	10/08/2016 10:30 AM	NIL

Postal Ballot:

The details of special/ordinary resolutions passed last year through postal ballot:

The following special/ordinary resolutions were proposed and passed by the shareholders

Item No.	Description of the Resolutions
1.	Special Resolution: To re-appoint Dr. M. R. Naidu as an Independent Director for second term
2.	Special Resolution: To re-appoint Mr. M. Gopalakrishna as an Independent Director for second term
3.	Special Resolution: To re-appoint Mr. D. G. Prasad as an Independent Director for second term
4.	Ordinary Resolution: Appointment of Ms. J.A.S. Padmaja as an Independent Director

The details of voting pattern:

Name of the Resolution	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
Special Resolution: To re-appoint Mr. M. R. Naidu as an Independent Director for second term	127282478	88228898	69.32	84026587	4202311	95.24	4.76
Special Resolution: To re-appoint Mr. M. Gopalakrishna as an Independent Director for second term	127282478	88228898	69.32	87928159	300739	99.66	0.34
Special Resolution: To re-appoint Mr. D.G. Prasad as an Independent Director for second term	127282478	88228898	69.32	87444132	784766	99.11	0.89
Ordinary Resolution: Appointment of J.A.S. Padmaja as an Independent Director	127282478	88228893	69.32	88137418	91475	99.90	0.10

Person who conducted the postal ballot exercise:

Ms. D. Renuka, Company Secretary in Practice, Hyderabad (Membership No A11963 and certificate of practice no. 3460) was appointed as the scrutinizer for carrying out the postal ballot process for the above items in a fair and transparent manner.

Whether any special resolution is proposed to be conducted through postal ballot:

There is no proposal to seek approval of the members by way of special resolution through postal ballot.

Procedure for postal ballot:

In compliance with the Listing Regulations and sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with applicable rules, the company provided an electronic voting facility to all its shareholders, to enable them to cast their votes electronically. The company engaged the services of KARVY for the purpose of providing e-voting facility to all its shareholders. The shareholders have the option to vote either by physical ballot or e-voting.

The company dispatched the postal ballot notices and forms along with self-addressed business reply envelope to its shareholders whose names appeared on the register of members/list of beneficiaries as on a cut-off date. The postal ballot notice is sent to the shareholders in electronic form to the e-mail IDs registered with the DPs/RTA.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the shareholders as on the cutoff date. Shareholders desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutiniser on or before the closing of the voting

period. Shareholders desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last day of e-voting. The last date specified by the company for receipt of duly completed postal ballot forms or e-voting is deemed to be the date of passing of the resolutions.

The scrutinizer submitted her report to the chairman of the board of directors after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced. The results are also displayed on the company's website www.suven.com, besides being communicated to the stock exchanges and RTA.

X. MEANS OF COMMUNICATION

Quarterly Results, Press Releases, Presentations and Publications:

The quarterly results are generally published in widely circulated national newspapers the Business Standard and in one vernacular Language newspaper Andhra Prabha (Telugu Daily). And also the half yearly and Annual Audited Financial Results are published in the same manner.

The Financial Results are also displayed on the Company's website www.suven.com official news releases; presentations made to the institutional investors/ analysts/ media are also displayed on the Company's website.

Management Discussion and Analysis detailed report is forming part of this Annual Report.

The Company is filing/ submitting its Shareholding Pattern, Financial Results, Report on Corporate Governance on quarterly/ half-yearly /yearly basis and was posted on the website of the Company as well as on the website of BSE/ NSE in accordance with the SEBI Regulations which may be accessed by the shareholders.

XI. GENERAL SHAREHOLDERS INFORMATION

(i) Annual General Meeting:

Financial Year	: 2018 – 2019
Day and Date	: Wednesday, 14th day of August, 2019
Time	: 3.00 p.m.
Venue	: KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry [FTAPCCI], 11-6-841, Red Hills, Hyderabad –500 004

(ii) Financial Calendar (tentative)

Financial Year 1st April, 2019 to 31st March, 2020

Quarter Ending	Release of Results
June 30, 2019	latest by August 14, 2019
September 30, 2019	latest by November 14, 2019
December 31, 2019	latest by February 14, 2020
March 31, 2020	May 15, 2020*

*instead of publishing quarterly un-audited results, the Company may opt to publish Audited Annual within 60 days from the end of the financial year as per SEBI Regulations.

(iii) **Dates of Book Closure:** from 12th August, 2019 to 14th August, 2019 (both days inclusive)

(iv) **Dividend Disclosure:** The Board of Directors declared and paid on 25th February, 2019 an interim dividend of ₹1.50 per equity share face value of ₹1.00 each for the financial year 2018-2019 to the shareholders whose names appeared on 15th February, 2019 being the Record date notified to the Stock Exchanges. Your Directors recommend that the interim dividend paid be treated as final dividend for the year 2018-2019.

(vii) Stock Market Price Data BSE and NSE

Month	BSE Limited (BSE)	BSE Limited (BSE)			National Stock Exchange (NSE)		
		High ₹	Low ₹	Volume (No.)	High ₹	Low ₹	Volume (No.)
2018	April	202.00	169.35	1,780,480	201.90	168.25	12,134,668
	May	202.55	178.45	1,835,349	203.80	178.35	11,661,690
	June	242.00	183.15	2,821,205	242.40	183.10	22,130,104
	July	241.95	203.00	1,499,131	241.80	202.10	11,888,368
	August	300.05	220.00	3,946,701	299.85	220.00	28,614,229
	September	337.70	232.90	4,651,442	337.80	232.00	28,179,719
	October	280.00	218.30	2,545,138	280.15	218.00	12,760,649
	November	260.50	224.00	1,528,621	260.65	223.30	8,573,791
	December	243.25	216.35	758,023	243.45	216.00	4,220,263
	2019	January	239.80	183.25	732,250	239.70	182.70
February		245.50	191.90	897,617	245.50	191.65	7,481,807
March		275.00	241.75	964,830	273.30	241.35	8,241,680

Mode of Dividend payment and date

Dividend remitted through National Automated Clearing House (NACH) at approved locations, wherever NACH details are available with the Company; and in all other cases, through warrants payable at par. These warrants shall be valid for a period of 90 days. Post expiry of validity period, these may be sent to the Company's Office at # 8-2-334, SDE Serene Chambers, 6th Floor, Avenue 7, Road No. 5, Banjara Hills, Hyderabad – 500 034 for issue of demand drafts in lieu of expired dividend warrants.

(v) Listing on Stock Exchanges

The shares of the Company are listed on

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

National Stock Exchange of India Limited

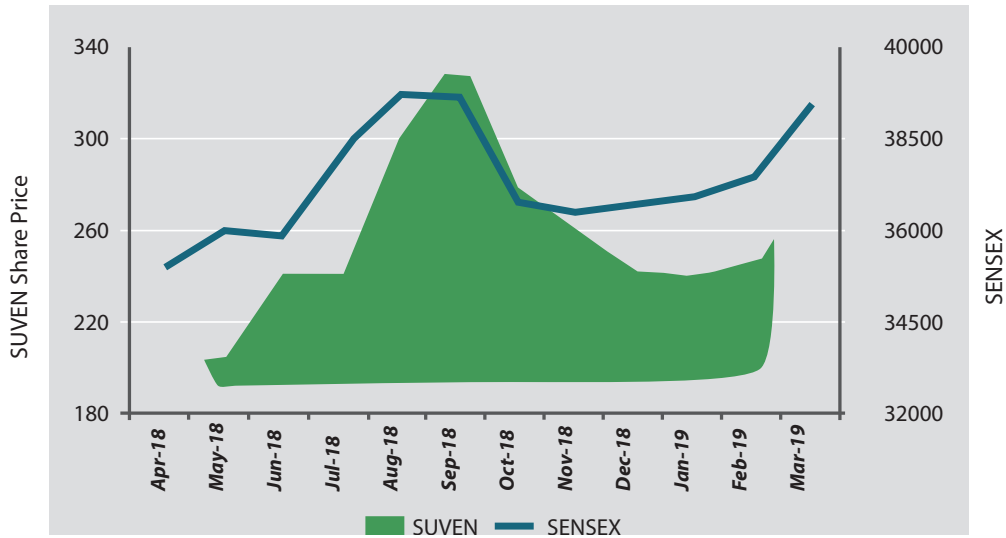
Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

The Company confirms that it has paid annual listing fees due to the stock exchanges for the financial year 2019-2020.

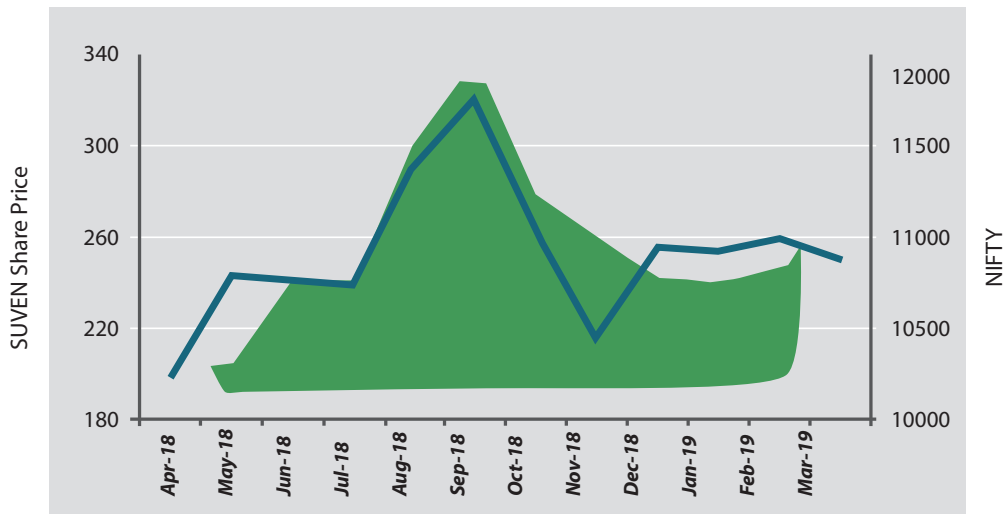
(vi) Stock Code

Stock Exchanges	Scrip Code	Scrip ID
BSE Limited	530239	SUVEN
National Stock Exchange of India Limited	SUVEN-EQ	SUVEN
Depository for Equity Shares	: NSDL and CDSL	
Demat ISIN Number	: INE495B01038	

Stock Price Performance in comparison with BSE SENSEX



Stock Price Performance in comparison with NSE NIFTY



(viii) In case the securities are suspended from trading, the directors report shall explain the reason thereof

During the year under review there was no suspension of trading in the securities of the company.

(ix) Registrar and Share Transfer Agents : (RTA)

Karvy Fintech Private Limited
 Unit: Suvan Life Sciences Limited
 Karvy Selenium, Tower B, Plot 31-32,
 Gachibowli, Financial District,
 Nanakramguda, Hyderabad - 500 032
 Ph: 91-40-6716 1565/1559, Fax No 91-40 2300 1153
 Email: einward.ris@karvy.com

(x) Share Transfer System

Karvy Fintech Private Limited, (a SEBI Registered RTA) has been authorised to process all the valid transfer requisitions on a weekly basis and a memorandum of transfers, if any, will be submitted to the Company. The share certificates duly transferred will be dispatched to the transferees. For this purpose the Company authorized the Company Secretary of the Company to monitor the Memorandum of Share Transfers (MOT) as and when reported by RTA and he approves the Share transfers. Company Secretary submits a comprehensive report to the Board every quarter covering various activities relating to investor services.

The Company has obtained and filed with the Stock Exchange(s), the half-yearly certificates from Company secretary in practice for due Compliance with the share transfer formalities as required under regulation 40(9)&(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xi) Distribution Shareholding Pattern as on 31st March, 2019

Category (Amount)	Shareholders		Shareholders	
	Number	% to total	Number	% to total
1 – 5000	63364	98.57	17755954.00	13.95
5001 – 10000	459	0.71	3347506.00	2.63
10001 – 20000	230	0.36	3384692.00	2.66
20001 – 30000	82	0.13	1983066.00	1.56
30001 – 40000	27	0.04	982140.00	0.77
40001 – 50000	19	0.03	880268.00	0.69
50001 – 100000	45	0.07	2999896.00	2.36
100001 – and above	55	0.09	95948956.00	75.38
TOTAL	64281	100.00	127282478.00	100.00

(xii) Categories of shareholders as on 31st March, 2019

Sl. No	Category	Cases	Holding	%To Equity
1	Promoters	6	76370000	60.00
2	Resident Individuals	61832	29742420	23.27
3	Foreign Institutional Investors	65	7222373	5.67
4	Non Resident Indians	1650	5470667	4.30
5	Corporate Bodies	622	4953735	3.89
6	Mutual Funds	4	2115831	1.66
7	Others	102	1407452	1.11
	TOTAL	64281	127282478	100.00

(xiii) Dematerialization of shares and liquidity

As on 31st March, 2019, 99.57% of the paid up equity capital of the Company has been dematerialised and the trading of Equity shares in the Stock Exchanges is under compulsory dematerialisation.

Members are encouraged to opt for dematerialization of shares to eliminate bad deliveries, forgery, fake transfers etc., in the market.

(xiv) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ ADRs/ Warrants or any Convertible instruments in the past and hence as on March 31, 2019, the Company does not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

(xv) Commodity price risk or foreign exchange risk and hedging activities

Our Company is following the natural hedging only as our receipts are more than the payments and also some of the exports are covered under forward cover as such there are no foreign exchange risks.

(xvi) Plant Locations

Unit – 1

Dasaigudem Village, Suryapet Mandal Suryapet Dist.
Telangana – 508 213

Unit – 2

Plot No. 18, Phase III, IDA, Jeedimetla, Hyderabad
Telangana – 500 055

Unit – 3

Plot No(s). 262 - 264 & 269 - 271, IDA, Pashamylaram,
Sanga Reddy Dist. Telangana – 502 307

Unit – 4

Plot No(s). 65, 66 and 67, JN Pharmacy Parwada, Visakhapatnam,
Andhra Pradesh – 531 019

Research and Development Centre(s)

Research Centre – I

Plot No.18, Phase III, IDA Jeedimetla
Hyderabad – 500 055 Telangana

Research Centre – II

Bio-Pharmaceutical Lab
Plot No(s). 267- 268, IDA Pashamylaram
Sanga Reddy Dist. Telangana – 502 307

Research Centre – III

Formulation Development Centre
Plot No(s). 265 to 268, IDA Pashamylaram
Sanga Reddy Dist., Telangana – 502 307

(xvii) Address for Correspondence

Regd. Office: # 8-2-334, SDE Serene Chambers,
6th Floor, Road No. 5, Avenue 7,
Banjara Hills, Hyderabad – 500 034 Telangana
CIN: L24110TG1989PLC009713
Tel: +91 40-2354 3311 / 2354 1142, Fax: +91 40-2354 1152
E-mail: info@suvan.com, investorservices@suvan.com
Website: www.suvan.com

(xviii) Credit Ratings

Your Company engaged the services of CARE Rating agency for rating of borrowings availed from the Banks to meet business requirements. The present rating assigned to short term borrowing is A1. Your Company had no long term outstanding borrowings as of 31st March, 2019.

(xix) Unpaid / Unclaimed Dividend

Pursuant to the provisions of Section 123 of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by Company to the Investor Education and Protection Fund, established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. Pursuant to Section 124 of the Companies Act, 2013 the shares forming part of unclaimed dividends of the shareholders were transferred to IEPF Authority as per IEPF Rules.

Shareholders of the Company who have either not received or have not en-cashed their dividend warrants, for the financial years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 are requested to claim the unpaid/unclaimed dividend from the Company before transfer to the fund.

(xx) Reconciliation of Share Capital Audit Report

A qualified practicing Company Secretary carried out a quarterly share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL)

and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/ paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

XII. OTHER DISCLOSURES

(i) Related party transactions

All related party transactions with related parties during the financial year were done in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No materially significant transactions with related parties were entered during the financial year which was in conflict with the interest of the Company. None of the Non-Executive Directors has any pecuniary material relationship or material transactions with the Company for the year ended March 31, 2019. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at Web link <http://www.suvan.com/pdf/policy-on-related-party-transactions.pdf>

(ii) Legal Compliance

There were no instances of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

(iii) Whistle Blower Policy

The Company has a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. Pursuant thereto, anyone can approach directly Chairman of the Audit Committee or through Company Secretary to report any suspected or confirmed incident of fraud/ misconduct it is affirmed that no personnel has been denied access to the audit committee and can be accessed at Web link <http://www.suvan.com/pdf/suvan-whistle-blower-policy.pdf>

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

Mandatory requirements

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is being reviewed from time to time.

Non-mandatory requirements

1. The Board:

Office for non-executive Chairman at Company's expense:
Not Applicable

2. Shareholder Rights:

Half-yearly declaration of financial performance to each household of shareholders: Not complied

3. Audit qualifications:

Complied as there are no audit qualifications

4. Separate posts of Chairman & CEO: Not Applicable

5. Reporting of Internal Auditor:

The Internal auditors report directly to Audit Committee:
Complied

(v) web link policy for determining 'material' subsidiaries

The Board has approved a policy for determining 'material' subsidiaries which has been uploaded on the Company's website and it can be accessed at Web link:

http://www.suven.com/pdf/Policy_On_Determining_Material_Subsiidiaries.pdf

(vi) disclosure of commodity price risks and commodity hedging activities:

The Company did not undertake any commodity hedging activities during the year hence there were no commodity price risks involved.

(vii) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a.	number of complaints filed during the financial year	Nil
b.	number of complaints disposed of during the financial year	N.A.
c.	number of complaints pending as on end of the financial year.	N.A.

XIII. Non-compliance of any requirement of corporate governance report

Our company has complied with all requirements of corporate governance report for the year 2018-2019.

XIV. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report

Our Company has complied with all the provisions of the above said Regulations of SEBI for the year 2018-2019

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To
The Members of
Suven Life Sciences Limited

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2019.

For **Suven Life Sciences Limited**

Venkateswarlu Jasti
Chairman & CEO
DIN: 00278028

Place: Hyderabad
Date: 25th May, 2019

INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Suven Life Sciences Limited

1. We, M/s. TUKARAM & CO LLP, Chartered Accountants, the Statutory Auditors of **SUVEN LIFE SCIENCES LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2019.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **TUKARAM & CO LLP**
Chartered Accountants
(Firm Registration No. 0044365)

Rajender Reddy K
Partner
Membership No. 231834

Place: Hyderabad
Date: 25th May, 2019

STANDALONE
FINANCIAL STATEMENTS

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="204 292 788 416">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="204 443 788 824">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="204 851 788 907">Refer Notes 2(f) and 16 to the Standalone Ind AS Financial Statements</p>	<p data-bbox="804 292 1070 325">Principal Audit Procedures</p> <p data-bbox="804 348 1468 499">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="804 526 1468 1833" style="list-style-type: none"> <li data-bbox="804 526 1468 582">• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. <li data-bbox="804 602 1468 824">• 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="804 830 1468 955">• 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="804 961 1468 1017">• Selected a sample of continuing and new contracts and performed the following procedures: <li data-bbox="804 1031 1468 1087">• Read, analysed and identified the distinct performance obligations in these contracts. <li data-bbox="804 1100 1468 1162">• Compared these performance obligations with that identified and recorded by the Company. <li data-bbox="804 1176 1468 1301">• 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="804 1313 1468 1597">• 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="804 1603 1468 1665">• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. <li data-bbox="804 1674 1468 1833">• 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 Suven 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.0044365

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 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
ICAI Firm registration number: 004436S

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 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: 004436S

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

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), Specialty 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

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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

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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

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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

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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 Soven Employee Stock Option Scheme -2004.

Employee Options:

The fair value of options granted under the Soven 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 31st 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 31st 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 31st 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 31st 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 31st 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

NOTE 4: INTANGIBLE ASSETS

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

	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

5(e) Other financial assets

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

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

NOTE 10: OTHER CURRENT ASSETS

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

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 (400,000,000 Equity shares of ₹1 /- each)	4,000.00	4,000.00
	4,000.00	4,000.00
Issued, Subscribed and fully paid up		
127,282,478 Equity shares of ₹1 /- each (127,282,478 Equity shares of ₹1 /- each)	1,272.82	1,272.82
	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:

- 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
- 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

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

(iv) Sensitivity analysis

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

NOTE 17: OTHER INCOME

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

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-imbusement 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-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 2015, 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

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

Information about major customers

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

(c) Key Management Personnel compensation

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

	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

Set out below is a summary of option granted under the plan:

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

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: 004436S

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

CONSOLIDATED
FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
Suven Life Sciences Limited

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Suven Life Sciences Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by 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 consolidated state of affairs of the Group as at 31st March, 2019, the consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated 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 consolidated 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 consolidated 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 consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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>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>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>Refer Notes 2(f) and 16 to the Consolidated Ind AS Financial Statements</p>	<p><u>Principal Audit Procedures</u></p> <p>We assessed the Group'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 style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • 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. • 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. • Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Group. • 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. • 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 Group 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. • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. • 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.</p> <p>Refer Note 26 to the Consolidated Ind AS Financial Statements</p>	<p><u>Principal Audit Procedures</u></p> <p>We have reviewed the status of the availment of Section 35(2AB) benefit under the Income tax Act, 1961 by the Group 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 Group 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 totalled ₹22,998.92 lakhs (current investments) as disclosed in Note 5(a)(ii) to the Consolidated 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 Consolidated 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 (SLSL). The management of the Group has considered a demerger of SLSL's "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 Holding Company, SLSL as, the CRAMS undertaking is a major revenue earner for it.</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 37 to the Consolidated Ind AS Financial Statements.</p>

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

The Group'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 consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated 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 consolidated 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 Consolidated Ind AS Financial Statements

The Holding 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 consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated 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 consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether these consolidated 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 consolidated 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 consolidated 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 and its subsidiary companies which are companies incorporated in India, have 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements.

Materiality is the magnitude of misstatements in the consolidated 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 / financial information of Suven Neurosciences, Inc and Suven Pharma Inc, wholly owned subsidiaries, whose financial statements / financial information reflect total assets of ₹23.36 lakhs as at 31st March, 2019, total expenses of ₹6,309.78 lakhs and total revenue of ₹-Nil-for the year ended on that date, as considered in the consolidated Ind AS financial statements.

Suven Neurosciences, Inc, a wholly owned subsidiary, is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Groups' management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Group's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Group and audited by us.

Suven Pharma Inc, a wholly owned subsidiary located outside India is a Special Purpose Vehicle (SPV) incorporated on 4th March, 2019 for undertaking various business opportunities in the Pharma Industry. There were no transactions since incorporation and the financial statements have not been prepared for the company as at the year end, hence we have not considered the same for the purpose of consolidation.

Our opinion on the consolidated 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 reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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 of the aforesaid consolidated Ind AS financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows dealt with by this Report

are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian 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 of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and one of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a Director of that company 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-A" which is based on the auditor's reports of the Holding Company and one of its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- 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 Holding Company and its subsidiary companies 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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 33 to the consolidated Ind AS financial statements;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group incorporated in 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

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

of even date on the consolidated Ind AS Financial Statements of Suven Life Sciences Limited.

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

In conjunction with our audit of the consolidated Ind AS financial statements of Suven Life Sciences Limited as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of Suven Life Sciences Limited (hereinafter referred to as the "Company") and its subsidiary companies one of which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, its subsidiary companies, one of which is a company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 the respective 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 internal financial controls over financial reporting of the Holding Company, its subsidiary companies, one of which is a company incorporated in India, 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. 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 consolidated 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 internal financial controls system over financial reporting of the Holding Company, its subsidiary companies, one of which is a company incorporated in India.

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.

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 Holding Company, its subsidiary companies, one of which is a company incorporated in India, have, 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 respective companies 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

CONSOLIDATED 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)	7.05	7.05
(ii) Loans	5 (c)	7.22	3.79
(iii) Other financial assets	5 (e)	439.31	436.01
Other non-current assets	7	679.94	1,266.73
Total Non-current assets		41,566.92	34,960.52
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)	1,113.04	2,594.88
(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		62,321.82	56,955.42
TOTAL ASSETS		1,03,888.74	91,915.94
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	1,272.82	1,272.82
Other equity	11(b)	81,826.56	75,467.83
Total Equity		83,099.38	76,740.65
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) 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	75.70	104.76
Total Non-current liabilities		5,888.49	3,019.64
Current liabilities			
Financial liabilities			
(i) Borrowings	12(b)	3,530.24	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)	4,484.35	1,931.84
Other current liabilities	15	591.18	1,010.82
Provisions	13	229.02	474.01
Total Current liabilities		14,900.87	12,155.65
TOTAL LIABILITIES		20,789.36	15,175.29
TOTAL EQUITY AND LIABILITIES		1,03,888.74	91,915.94

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: 004436S

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

CONSOLIDATED 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	6,612.45	6,126.91
Research & Development expenses	22	11,985.07	9,021.54
Finance costs	23	377.38	462.78
Depreciation and amortization expense	24	2,214.05	2,130.99
Other expenses	25	4,375.37	3,366.40
Total Expenses		52,899.05	45,300.32
Profit before tax		15,874.32	19,552.59
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		8,694.31	12,368.75
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		8,680.54	12,341.07
Earnings per Equity share (Par value of ₹1 each) Basic and Diluted	36	6.83	9.72

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

CONSOLIDATED 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	12,72,82,478	1,272.82
Changes in equity share capital during the year	-	-
As at 31st March, 2018	12,72,82,478	1,272.82
Changes in equity share capital during the year	-	-
As at 31st March, 2019	12,72,82,478	1,272.82

b. Other Equity

Particulars	Notes	Reserves & surplus				Total Equity
		Securities Premium	General reserve	Retained earnings	Exchange differences on translating the financial statement of foreign operations	
Balance at April 1, 2017		23,311.69	9,036.62	33,080.03	(1.28)	65,427.06
Profit for the year	11(b)	-	-	12,368.75	-	12,368.75
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		-	-	12,341.07	-	12,341.07
Foreign exchange translation reserve						
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:						
Foreign exchange translation reserve	11(b)	-	-	-	(2.31)	(2.31)
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	41,623.11	(3.59)	75,467.83
Balance at April 1, 2018		23,311.69	10,536.62	41,623.11	(3.59)	75,467.83
Profit for the year	11(b)	-	-	8,694.31	-	8,694.31
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		-	-	8,680.54	-	8,680.54
Transfer to General Reserve	11(b)	-	-	(1,500.00)	-	(1,500.00)
Transfer from Retained Earnings	11(b)	-	1,500.00	-	-	1,500.00
Foreign exchange translation reserve	11(b)	-	-	-	(20.12)	(20.12)
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	46,501.96	(23.71)	81,826.56

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

For TUKARAM & CO LLP

Chartered Accountants
ICAI Firm registration number: 004436S

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

CONSOLIDATED STATEMENT OF CASH FLOWS 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	15,874.32	19,552.59
Adjustments :		
Depreciation and amortisation expense	2,569.41	2,476.36
Interest Income	(38.38)	(89.15)
Finance Cost	377.38	462.78
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	16,686.64	20,584.55
(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	(6.73)	(28.84)
(Increase)/ Decrease in other non current assets	586.80	(1,188.11)
(Increase)/ Decrease in other current financial assets	(1.27)	(2.20)
(Increase)/ Decrease in other current assets	(1,010.73)	(2,135.96)
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	(266.16)	27.83
Increase/(Decrease) in other financial liabilities	2,552.51	(1,678.74)
Increase/(Decrease) in other current liabilities	(419.63)	91.20
Net cash generated from operating activities	8,227.32	11,347.48
Income taxes paid (net of refunds)	4,672.39	4,353.86
Cash flows from/ (used in) operating activities (A)	3,554.93	6,993.62
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	-	-
Proceeds from sale of mutual funds	4,873.64	2,216.35
Foreign currency translation reserve	(20.12)	(2.31)
Gain on disposal of Property, plant & equipment	-	2.00
Proceeds from sale of Investments	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	(17.70)	(2.92)
Interest received	38.38	89.15
Net cash from /(used in) investing activities (B)	(2,785.59)	(60.96)
Cash flows from/(used in) in financing activities		
(Repayment)/Proceeds from long term borrowings	(44.95)	(2,454.69)
(Repayment)/Proceeds from short term borrowings	472.84	8.88
Finance Cost	(377.38)	(462.78)
Dividends paid to equity holders (including dividend distribution tax)	(2,301.69)	(2,297.99)
Net cash (used In) / from financing activities (C)	(2,251.18)	(5,206.58)

CONSOLIDATED STATEMENT OF CASH FLOWS 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)	(1,481.84)	1,726.08
Cash and cash equivalents as at the beginning of the year (Refer Note 5(d) (i))	2,594.89	868.80
Cash and cash equivalents at the end of the year	1,113.04	2,594.88
Cash and cash equivalents (Refer Note 5(d)(i))	1,113.04	2,594.88
Balances per statement of cash flows	1,113.04	2,594.88

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: 004436S

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

NOTES TO THE CONSOLIDATED 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:

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

- 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

(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 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 (g) – 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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

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

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.

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

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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

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

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.

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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 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.

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 is 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

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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 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 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

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

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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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.

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 CONSOLIDATED 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

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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 1st April, 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 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 CONSOLIDATED 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 31st 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 31st 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 31st 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 31st 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 31st 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 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

NOTES TO THE CONSOLIDATED 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 in other equity instruments(fully paid up)- Unquoted				
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 Investment carried at cost	11,487	7.05	11,487	7.05
Total Non-Current investments	11,487	7.05	11,487	7.05
Aggregate amount of quoted investments & market value thereof		-		-
Aggregate value of unquoted investments		7.05		7.05
Aggregate amount of impairment in value of Investment in unquoted equity investments		-		-

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(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 Investment	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	80.50	744.70
-in EEFC account	657.77	148.43
- in Cash Credit account	367.38	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	1,113.04	2,594.88

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

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(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	417.08	0.28	415.71
Interest accrued on deposit	-	22.23	-	20.30
Total Other Financial assets	0.28	439.31	0.28	436.01

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/(liability) net	408.50	340.34

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(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 (400,000,000 Equity shares of ₹1 /- each)	4,000.00	4,000.00
	4,000.00	4,000.00
Issued, Subscribed and fully paid up		
127,282,478 Equity shares of ₹1 /- each (127,282,478 Equity shares of ₹1 /- each)	1,272.82	1,272.82
	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 CONSOLIDATED 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	46,501.96	41,623.11
Foreign Exchange Translation Reserve	(23.71)	(3.59)
Total other Equity	81,826.56	75,467.83

(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	41,623.11	33,080.03
Net profit for the year	8,694.31	12,368.76
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	46,501.96	41,623.11

(iv) Foreign Exchange Translation Reserve

Particulars	31 st March, 2019	31 st March, 2018
Opening balance	(3.59)	(1.28)
Exchange differences on translating the financial statement of foreign operations	(20.12)	(2.31)
Closing Balance	(23.71)	(3.59)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 12: FINANCIAL LIABILITIES

12(a) Non-current borrowings

	31 st March, 2019	31 st March, 2018
Secured		
Foreign currency term loan from State Bank of India (refer note (ii) below)	-	24.84
<i>Terms of repayment: The term loan is repayable in 20 quarterly installments after roll over commencing from March'2016.</i>		
Unsecured		
Loan from Department of Science & Technology, Government of India-I	160.55	192.97
<i>Terms of repayment: 10 Annual installments of ₹50 Lakhs each commencing from October 2013</i>		
Loan from Department of Science & Technology, Government of India-II	111.38	123.92
<i>Terms of repayment: 10 Annual installments of ₹44.40 Lakhs each commencing from February 2013</i>		
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

	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
Loan From Director	1.00	-
Total Current Borrowings	3,530.24	3,057.40

(i). Working capital loans of ₹3,529.24 (PY ₹3,057.40) 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) 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
Current		
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 CONSOLIDATED 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	3,940.12	1,584.32
Payable for Capital Goods	392.39	177.15
Unpaid dividend on equity shares	57.44	51.13
Total other current financial liabilities	4,484.35	1,931.84

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 CONSOLIDATED 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	394.25

(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 CONSOLIDATED FINANCIAL STATEMENTS

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

(iv) Sensitivity analysis

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

	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.

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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 INR 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	75.70	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 CONSOLIDATED 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	289.16	295.95
Less: Packing Material at the end of the year	228.87	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 CONSOLIDATED 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	5,764.11	5,206.96
Contribution to Provident & other funds	469.19	428.45
Gratuity Expense	151.07	166.70
Staff Welfare Expenses	228.08	324.80
	6,612.45	6,126.91

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
Clinical Development expenses	5,957.47	3,174.88
Depreciation	355.36	345.37
	11,985.07	9,021.54

NOTE 23: FINANCE COSTS

Particulars	31 st March, 2019	31 st March, 2018
Interest	199.02	281.60
Bank Charges	178.36	181.18
	377.38	462.78

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 CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 25: OTHER EXPENSES

Particulars	31 st March, 2019	31 st March, 2018
Rent	92.86	94.81
Rates & Taxes	36.44	47.38
Service Tax	16.24	6.24
Insurance	347.21	272.01
Communication Charges	126.40	128.63
Travelling & Conveyance	811.20	632.75
Printing & Stationery	47.34	64.09
Vehicle Maintenance	28.15	29.16
Professional Charges	392.81	352.80
Payments to Auditors (Refer note 25(a)below)	25.97	20.85
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	311.85	255.94
Total Other Expenses	4,375.37	3,366.40

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	21.28	16.04
Tax audit fee	-	-
In other capacity		
Other Services	4.00	4.00
Re-imbusement of out -of- pocket expenses	0.69	0.81
	25.97	20.85

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 CONSOLIDATED FINANCIAL STATEMENTS

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

(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

(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	15,874.32	19,552.59
Tax at the Indian tax rate of 34.944% (2017-18 -34.608%)	5,547.12	6,766.76
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)	-
Current taxes of subsidiaries incorporated outside India	2,205.31	1,202.27
Others	3.36	655.71
Income tax expenses	7,180.01	7,183.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Financial instruments and risk management

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	-	439.58	-	436.29
Cash and Cash equivalents	-	1,113.04	-	2,594.89
Bank Balances	-	57.44	-	51.13
Fixed Deposits with Banks and Interest thereon	-	187.70	-	176.31
Total Financial Assets	22,998.92	16,838.13	27,872.56	9,433.47
Financial Liabilities				
Borrowings	-	3,707.77	-	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	-	10,318.08	-	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 and liabilities measured at fair value - recurring fair value measurements	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		-	-	439.58	439.58
Fixed Deposits with Banks and Interest thereon		-	-	187.70	187.70
Total Financial Assets		-	22,998.92	15,667.65	38,666.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Financial assets and liabilities measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
As at 31st March, 2019					
Financial Liabilities					
Borrowings		-	-	3,707.77	3,707.77
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		-	-	10,318.09	10,318.09

Financial assets and liabilities measured at fair value - recurring fair value measurements	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	5(a)(i)	27,872.56	-	-	27,872.56
Trade Receivables		-	-	6,153.81	6,153.81
Loans		-	-	13.99	13.99
Security deposits		-	-	436.29	436.29
Fixed Deposits with Banks and Interest thereon		-	-	176.31	176.31
Total Financial Assets		27,872.56	-	6,787.45	34,660.01

Financial assets and liabilities measured at amortised cost for which fair values are disclosed	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 are 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 CONSOLIDATED 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 through 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 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

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 CONSOLIDATED FINANCIAL STATEMENTS

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

Year ended 31st March, 2018

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	3,530.24	94.40	177.53	3,802.17
(ii) Trade payables	-	6,066.08	-	6,066.08
(iii) Other financial liabilities	57.44	4,332.51	-	4,389.95
	3,587.68	10,492.99	177.53	14,258.20

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	1,761.46	-	1,812.60
	3,108.53	7,562.28	222.49	10,893.31

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.

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 CONSOLIDATED 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	733.84	-	-	-
Trade receivables	14,155.50	30.72	-	-
Financial Liabilities				
Borrowings	3,529.24			
Trade payables	801.12	57.72	142.01	39.21
Other financial liabilities	2,701.76			

Particulars	As at 31 st March, 2018			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	886.84	-	-	-
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	441.27			

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 CONSOLIDATED FINANCIAL STATEMENTS

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

2. Maintain and 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	2,443.98	576.81
Total Equity	83,099.38	76,740.65
Net debt to equity ratio	2.94%	0.75%

(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-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, 2015, 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

II. Services (DDDSS) - Which consists of Collaborative Research Projects (CRP), Clinical Trials and Testing and Analysis services

Geographical Segment

The Company has identified the following geographical reportable segments:

(a) India-The company sells Bulk Drugs and 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

	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)	26,330.25	27,778.79	2,551.33	1,426.76	(11,985.07)	(9,021.54)	(861.55)	(438.97)	16,034.96	19,745.04
Interest Expense	-	-	-	-	-	-	(199.02)	(281.59)	(199.02)	(281.59)
Interest Income	-	-	-	-	-	-	38.38	89.15	38.38	89.15
Income Taxes	-	-	-	-	-	-	(7,180.01)	(7,183.84)	(7,180.01)	(7,183.84)
Net profit	26,330.25	27,778.79	2,551.33	1,426.76	(11,985.07)	(9,021.54)	(8,202.20)	(7,815.25)	8,694.31	12,368.75

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	26,330.25	27,778.79	2,569.93	1,426.76	(11,985.07)	(9,021.54)	(861.55)	(438.97)	16,034.96	19,745.04
Segment Assets	69,668.49	53,022.38	5,687.52	3,931.57	3,022.45	2,782.38	25,510.28	32,179.61	1,03,888.74	91,915.94
Segment Liabilities	9,912.30	8,276.13	688.83	366.08	3,388.76	2,339.90	910.98	1,173.54	14,900.87	12,155.65
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 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 CONSOLIDATED FINANCIAL STATEMENTS

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

Information about major customers

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: RELATED PARTY TRANSACTIONS

(a) Holding Company	: Jasti Property and Equity Holdings Private Limited (In its capacity sole trustee of Jasti Family Trust)
(b) 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)
(c) Relative of Key Management personnel	: Mrs. Kalyani Jasti (Daughter of Mr.Venkateswarlu Jasti and Mrs. Sudharani Jasti)
(d) 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) 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

(c) 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

(d) Entity with common KMP

	31 st March, 2019	31 st March, 2018
Suven Trust	659.06	330.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 33: 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	1,029.14

NOTE 34: 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 35: 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 CONSOLIDATED 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	2,00,000	23.61	4,55,000
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited/ Expired during the year	22.30	2,00,000	23.61	2,55,000
Closing balance	-	-	22.30	2,00,000
Vested and exercisable	-	-	-	2,00,000

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	-	2,00,000
Total			-	2,00,000
Weighted average remaining contractual life of options outstanding at the end of the period	-	-	-	0.16 years

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 36: EARNINGS PER SHARE

	31 st March, 2019	31 st March, 2018
Profit After Tax (PAT)	8,694.30	12,368.76
Weighted average number of equity shares	12,72,82,478	12,72,82,478
Basic Earnings per share	6.83	9.72

Note:

There is no dilution to the Basic Earnings per share as there are no dilutive potential equity shares

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 37: SCHEME OF ARRANGEMENT (DEMERGER)

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 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 38 : ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY/ASSOCIATES

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
31st March, 2019								
Parent								
Suven Life Sciences Ltd.	103.16%	85,723.47	172.60%	15,006.29	100.00%	(13.77)	172.71%	14,992.52
Subsidiaries:								
Suven Pharmaceuticals Ltd	0.00%	(1.20)	-0.03%	(2.20)	0.00%	-	-0.03%	(2.20)
Suven Neurosciences Inc	-3.16%	(2,622.89)	-72.57%	(6,309.78)	0.00%	-	-72.68%	(6,309.78)
TOTAL	100.00%	83,099.39	100.00%	8,694.31	100.00%	(13.77)	100.00%	8,680.54
31st March, 2018								
Parent								
Suven Life Sciences Ltd.	99.62%	76,447.39	128.09%	15,842.73	-100.00%	(27.68)	128.15%	15,815.05
Subsidiaries:								
Suven Neurosciences Inc	0.38%	293.26	-28.09%	(3,473.98)	0.00%	-	-28.15%	(3,473.98)
TOTAL	100.00%	76,740.65	100.00%	12,368.75	100.00%	(27.68)	100.00%	12,341.07

Salient features of financial statements of subsidiary/associates as per the Companies Act, 2013.

Name of the subsidiary	:	Suven Neurosciences Inc.
Reporting currency	:	USD
Date of Incorporation	:	15 th September, 2015

	31 st March, 2019	31 st March, 2018
Share capital	203.40	154.30
Reserves & surplus	(241.77)	(149.79)
Total assets	0.34	10.62
Total Current liabilities	38.72	6.11
Investments	-	-
Turnover / Total Income	-	-
Profit/(loss) before taxation	(91.98)	(53.73)
Provision for Taxation	-	-
Profit/ (loss) after taxation	(91.98)	(53.73)
Proposed dividend	-	-
% of share holding	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Name of the subsidiary : Suven Pharmaceuticals Ltd
Reporting currency : Indian Rupees
Date of Incorporation : 06th November, 2018

Particulars	31 st March, 2019	31 st March, 2018
Share capital	1.00	-
Reserves & surplus	(2.20)	-
Total assets	0.83	-
Total Current liabilities	2.03	-
Investments	-	-
Turnover / Total Income	-	-
Profit/(loss) before taxation	(2.20)	-
Provision for Taxation	-	-
Profit/ (loss) after taxation	(2.20)	-
Proposed dividend	-	-
% of share holding	100%	-

NOTE 39 : Previous year figures have been regrouped and reclassified wherever considered necessary to conform to this year's classifications.

The accompanying notes are an integral part of the consolidated 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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 30th ANNUAL GENERAL MEETING of the Members of SUVEN LIFE SCIENCES LIMITED will be held on Wednesday, the 14th day of August, 2019 at 3:00 p.m. 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 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited standalone and consolidated Balance Sheet as at 31st March, 2019, Statement of Profit & Loss for the year ended 31st March, 2019, Statement of Cash Flows for the year ended 31st March 2019 and together with the Reports of the Board of Directors and the Auditor's Report thereon.

2. To confirm the Interim Dividend paid on equity shares for the financial year 2018-2019 as final dividend

"RESOLVED THAT the Interim Dividend of Rs.1.50/- (Rupees one and fifty paise only) per share declared by the Board of Directors of the Company at their meeting held on 05th February, 2019 on 127282478 equity shares of Rs.1.00/- each absorbing a sum of Rs.19,09,23,717/- (Rupees nineteen crores nine lakhs twenty three thousand seven hundred and seventeen only) be and is hereby approved as the Final Dividend for the year ended 31st March, 2019."

3. To appoint a director in place of Smt. Sudharani Jasti, (DIN: 00277998) who retires by rotation, and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

ITEM No. 4: Re-appointment of Shri. Venkateswarlu Jasti as Chief Executive Officer

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section(s) 196, 197, 198 and 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act') and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (including any statutory modifications or reenactment thereof), and subject to such other approvals and consents, if required, under law approval of the members be and is hereby accorded to the re-appointment of Shri Venkateswarlu Jasti as CEO of the Company for a further period of 5 years commencing from 01st November 2019 to 31st October 2024 liable to retire by rotation on the following terms and conditions".

Salary:

Basic Salary of ₹ 30,17,037/- (Rupees Thirty lakh Seventeen thousand and Thirty Seven only) per month with an annual increment not exceeding 15% of salary effective from the month of November every year as may be decided by the Board on the recommendation of the NRC.

Commission:

Not more than 1% on net profits of the company calculated as per section 198 of the Companies Act, 2013.

Perquisites and Allowances:

In addition to salary and commission as above said, the following perquisites will be paid and/or provided. Valuation of all perquisites shall be done in accordance with the provisions of the Income Tax Act 1961 and rules made thereunder. In the absence of any such rule, perquisites shall be evaluated at actual cost.

- a) Reimbursement of medical expenses actually incurred for self and his family members including dependent parents of appointee.
- b) Leave travel concession for self and family including dependent parents of appointee to and from any place in India once in a year in accordance with the rules of the Company.
- c) Club fees subject to a maximum of 2 clubs will be allowed, provided that no admission or life membership fees shall be paid
- d) Personal accident insurance for a premium amount, which shall not exceed ₹ 10,000 per annum.
- e) Company's contribution to Provident Fund as per the rules of the Company
- f) Company's contribution to Pension/Superannuation fund as per rules of the Company.
- g) Gratuity payable in accordance with the approved fund at a rate not exceeding one-half month's salary for each completed year of service as per rules of the Company.
- h) Use of Company's car with driver for business purposes.
- i) Use of telephone and other communication facilities at residence for business purposes.
- j) Any other perquisite that may be allowed as per the guidelines issued by the Central Government from time to time.
- k) Encashment of earned leaves as per the rules of the Company.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary, alter or modify the remuneration, terms and conditions, to the extent recommended by the Nomination and Remuneration Committee, from time to time as may be considered appropriate, subject to the overall limits specified in the Companies Act, 2013 and as may be agreed to between the Board of Directors and Shri Venkateswarlu Jasti."

"RESOLVED FURTHER THAT Notwithstanding anything herein above stated, in the event of company having no profits or its profits are inadequate in any financial year during the tenure of the appointment, then the remuneration of the CEO shall be governed by the Section II of Part II of the Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactment(s) thereof, for the time being in force) or such other limits as may

be prescribed by the Central Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit, necessary and delegate to any Director(s) or any other Officer(s) of the Company for obtaining permissions and approvals, if any, in this connection."

ITEM No. 5: Re-appointment of Smt. Sudharani Jasti as a Whole-time Director

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

"RESOLVED THAT pursuant to the provisions of Section(s) 196, 197, 198 and 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (including any statutory modifications or reenactment thereof), and subject to such other approvals and consents, if required, under law approval of the members be and is hereby accorded to the re-appointment of Smt. Sudharani Jasti as a Whole-time Director of the Company for a further period of 5 years commencing from 01st November 2019 to 31st October 2024 liable to retire by rotation on the following terms and conditions"

Salary:

Basic salary of ₹15,08,517 (Rupees Fifteen Lakh Eight thousand Five hundred and Seventeen only) per month with an annual increment not exceeding 15% of salary effective from the month of November every year as may be decided by the Board on the recommendation of the NRC.

Commission:

Not more than 0.50% on net profits of the company calculated as per section 198 of the Companies Act, 2013.

Perquisites and Allowances:

In addition to salary and commission as above said, the following perquisites will be paid and/or provided. Valuation of all perquisites shall be done in accordance with the provisions of the Income Tax Act 1961 and rules made there under. In the absence of any such rule, perquisites shall be evaluated at actual cost.

- a) Reimbursement of medical expenses actually incurred for self and her family members including dependent parents of appointee.
- b) Leave travel concession for self and family including dependent parents of appointee to and from any place in India once in a year in accordance with the rules of the Company.
- c) Club fees subject to a maximum of 2 clubs will be allowed, provided that no admission or life membership fees shall be paid.
- d) Personal accident insurance for a premium amount, which shall not exceed ₹10,000 per annum.

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

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

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

h) Use of Company's car with driver for business purposes.

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

j) Any other perquisite that may be allowed as per the guidelines issued by the Central Government from time to time.

k) Encashment of earned leave as per the rules of the Company.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary, alter or modify the remuneration, terms and conditions, to the extent recommended by the Nomination and Remuneration Committee, from time to time as may be considered appropriate, subject to the overall limits specified in the Companies Act, 2013 and as may be agreed to between the Board of Directors and Smt. Sudharani Jasti."

"RESOLVED FURTHER THAT Notwithstanding anything herein above stated, in the event of company having no profits or its profits are inadequate in any financial year during the tenure of the appointment, then the remuneration of the Whole-time Director shall be governed by the Section II of Part II of the Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactment(s) thereof, for the time being in force) or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit, necessary and delegate to any Director(s) or any other Officer(s) of the Company for obtaining permissions and approvals, if any, in this connection."

ITEM NO. 6: Re-appointment of Ms. Kalyani Jasti as President (Us Operations)

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

"RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, consent and approval of the Company be and is hereby accorded to re-appoint Ms. Kalyani Jasti, as President (US Operations) commencing from 1st November 2019 on the following terms and conditions:

Basic Salary USD 28,859 p.m.

Performance Bonus 20% of salary."

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

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby empowered to sanction at their discretion annual increment not exceeding 15% of the then present salary to Ms. Kalyani Jasti and the Board be and is hereby further empowered to withhold the annual increment as it may consider in the best interest of the Company from time to time."

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

NOTES:

1. An explanatory statement pursuant to provisions Section 102(1) of the Companies Act, 2013 in respect of special businesses set out in the notice, is annexed hereto. The relevant details pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment/re-appointment at this AGM are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF and Proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the meeting. A person shall not act as a Proxy for more than 50 (fifty) members and holding in the aggregate not more than 10 (ten) percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than 10 (ten) percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
3. A route map giving directions to reach the venue of the 30th Annual General Meeting is given at the end of the Notice.
4. Pursuant to provisions of the Companies Act, 2013 as amended the ordinary business pertaining to ratification of auditor's appointment from the conclusion of this AGM till the conclusion of next AGM is not placed before the AGM. The remuneration of the auditors during their tenure of office will continue to be fixed by the Board of Directors of your company on mutually agreed terms. The disclosure relating to auditors remuneration for the year 2018-19 is given in the notes to the accounts.
5. In terms of Section 152 of the Companies Act, 2013, Smt. Sudharani Jasti, (DIN: 00277998), Director, retire by rotation at the meeting and being eligible, offers herself for re-appointment. The Board of Directors of the Company commends her re-appointment. Brief profile of Director, names of companies in which she holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given at the end of the notes".
6. Members holding shares in physical form are requested to notify any change in their address or bank mandates and PAN details immediately to the Registrars and Transfer Agents M/s. Karvy Fintech Private Limited, at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 and in case of Members holding shares in electronic form are requested to notify any change in mailing address or bank mandates to their respective Depository Participants with whom they are maintaining their demat accounts.
7. The Members are requested to bring their copies of the Annual Report to the meeting, and handover the attendance slips at the entrance hall of the meeting.
8. The Company has notified that the Register of Members of the Company and share transfer books will remain closed from 12th August, 2019 to 14th August, 2019 (both days inclusive) for the purpose of annual general meeting.
9. Members desiring to have any information on the accounts may send in their request for the same at least one week before the date of meeting. So that the requisite information will be made available at the meeting.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as are necessary and as it may deem fit and delegate to any director(s) or any other officer(s) for obtaining necessary permissions and approvals if required to give effect to the aforesaid resolution."

by order of the Board of Directors

K. Hanumantha Rao
Company Secretary
Membership No. A11599

Registered Office
8-2-334, SDE Serene Chambers
6th Floor, Road No.5, Avenue 7
Banjara Hills, Hyderabad – 500 034
CIN: L24110TG1989PLC009713

Place: Hyderabad
Date: 25th May, 2019

10. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
11. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the company on all working days, during business hours up to the date of the meeting.
12. Members holding shares in physical mode desirous of making nomination are advised to submit Nomination Form (SH-13) to RTA or to the Company in respect of their shareholding in the Company and those Members holding shares in electronic mode may contact their respective DPs for availing the nomination facility as provided under Section 72 of the Act.
13. Pursuant Regulation 40 of SEBI Listing Regulations, as amended securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members are requested to send correspondence concerning sub-division or any other shares related matter to Company's Registrars M/s. Karvy Fintech Private Limited, Hyderabad.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.
15. Unclaimed Dividends/ Transfer to Investor Education and Protection Fund:
 - a) The Company has transferred the unpaid dividends declared up to financial years 2010-11, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 14th August, 2018 (date of last Annual General Meeting) on the website of the Company (www.suven.com), and also on the website of the Ministry of Corporate Affairs.
 - b) It may be noted that unclaimed dividend for the financial year 2011-12 declared on 27th September, 2012, can be claimed by the Members by 26th September, 2019.
 - c) Please note in accordance with the procedure prescribed under the provisions of the IEPF Rules issued by the Ministry of Corporate Affairs, the shares of the shareholders whose dividend remains unpaid or unclaimed by them for a period of seven consecutive years or more would also be transferred to the IEPF Demat account of IEPF Authority.
- d) Members/ claimants whose shares, unclaimed dividend etc. have been transferred to the IEPF Demat Account or the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee as decided by the IEPF Authority from time to time. The Member/ Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Karvy Fintech Private Limited, Hyderabad.
17. Information and other instructions relating to e-voting and ballot paper voting are under:
 - (i) Pursuant to the provisions of Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing to its members the facility to exercise their right to vote on the resolutions proposed to be passed in the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting facility. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
 - (ii) For the benefit of Members who do not have access to e-voting facility, a ballot paper is being sent along with the Notice of the AGM, to enable them to send their assent or dissent by post. Members may send the duly completed ballot paper so as to reach the Scrutinizer at the Registered Office of the Company not later than 10th August, 2019 (5.00 pm). Ballot paper received after this date will be treated as invalid. Detailed instructions on process, manner for voting through post are given in the ballot paper.
 - (iii) The facility for voting through Ballot paper shall also be made available at the Meeting and the members attending the Meeting, who have not already cast their vote by remote e-voting or through Ballot paper shall be able to exercise their right at the Meeting.
 - (iv) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
 - (v) The Company has engaged the services of Karvy Fintech Private Limited ("Karvy") as the Agency to provide e-voting facility. The remote e-voting facility will be available at the link <https://evoting.karvy.com>.
 - (vi) The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the

Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.

Procedure and instructions relating to e-voting:

A. In case a Member receives an e-mail from Karvy [for Members whose e-mail IDs are registered with the Company/Depository Participant(s)]:

- i). Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii). Enter the login credentials (i.e. User ID and password) which are mentioned in the e-mail received from Karvy in the following format:

EVEN (E-Voting Event Number) User ID Password

The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact Karvy at toll-free number 1800-3454-001 (from 9:00 a.m. to 6:00 p.m.) for your existing password.

- iii). After entering these details appropriately, click on "LOGIN".
- iv). You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v). You need to login again with the new credentials.
- vi). On successful login, the system will prompt you to select the E-Voting event for Suven Life Sciences Limited.
- vii). On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under either 'FOR'/'AGAINST' or alternatively, you may partially enter any number under 'FOR'/'AGAINST'; but the total number under 'FOR'/'AGAINST' taken together should not exceed your total shareholding as mentioned therein. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

- viii). Members holding shares under multiple folios/demat accounts are requested to vote separately for each of their

folios/demat accounts.

- ix). Voting has to be done for each item of this AGM Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as 'ABSTAINED'.
- x). You may then cast your vote by selecting an appropriate option and click on 'SUBMIT'.
- xi). A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote.
- xii). Corporate/ Institutional Members (i.e. other than Individuals, HUFs, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Power of Attorney/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail id:prenukaacs@gmail.com with a copy marked to evoting@karvy.com. They may also upload the same in the e-voting module in their login page. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

B. In case a Member receives physical copy of the AGM Notice by Post/Courier [for Members whose e-mail IDs are not registered with the Company/Depository Participant(s)]:

- i) User ID and initial password as provided by the Company in a separate letter along with the AGM Notice in the following format:

EVEN (E-Voting Event Number) User ID Password

- ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
- iii) If you have forgotten your password, you can reset your password by using 'Forgot Password' available on <https://evoting.karvy.com> or contact Karvy at toll free no.: 1-800-3454-001 or e-mail at evoting@karvy.com.

- (vii) The remote e-voting facility will be available during the following period:

Commencement of remote e-voting: from 10th August, 2019 (9 a.m. IST)

End of remote e-voting: up to 13th August, 2019 (5 p.m. IST)

- (viii) E-voting shall not be allowed beyond 5 p.m. on 13th August, 2019 and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period. During the e-voting period, shareholders of the company, holding shares either in physical form or in dematerialised form, as on the cut-off date being Wednesday, 07th August, 2019 only shall be entitled to avail the facility of remote e-voting / ballot paper.

- (ix) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as

on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through ballot paper and a person who is not a Member as on the cut-off date should treat this AGM Notice for information purpose only.

- (x) In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com> (Karvy's website) or contact Mrs. C Shobha Anand, Contact No. +91 40 6716 1505, e-mail evoting@karvy.com at [Unit: Suven Life Sciences Limited] Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.
- (xi) A member can opt for only one mode of voting, i.e. either by e-voting or through ballot paper. In case of Member(s) who cast their votes by both modes, then voting done through e-voting shall prevail and the ballot paper of that Member shall be treated as invalid.
- (xii) Any person who acquires shares of the company and becomes a member of the company after the dispatch of the AGM Notice and holds shares as on the cut-off date, i.e. 07th August, 2019, may obtain the login Id and password by sending a request at evoting@karvy.com. However, if you are already registered with "Karvy" for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot User Details/ Password" option available on <http://evoting.karvy.com>.
- (xiii) The Company has appointed, Smt. D. Renuka, Practicing Company Secretary (Membership No. A11963), as Scrutinizer to scrutinize the ballot paper and remote e-voting process for Annual General Meeting in a fair and transparent manner and she has communicated her willingness to be appointed and be available for the said purpose.
- (xiv) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting and also count the votes received through ballot paper, in the presence of at least two (2) witnesses not in the employment of the Company.
- (xv) The scrutinizer, after scrutinizing the votes cast at the meeting ballot paper and through remote e-voting, will, not later than three days of conclusion of the meeting, make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- (xvi) The Chairman or the person authorized by him in writing shall forthwith on receipt of the consolidated scrutinizer's report, declare the results of the voting. The results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.suven.com and on the website of Karvy <http://evoting.karvy.com>

evoting.karvy.com immediately after their declaration, and the results shall simultaneously communicated to the Stock Exchanges where the Company is listed, viz. BSE Ltd. and National Stock Exchange of India Ltd.

- (xvii) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of meeting, i.e. 14th August, 2019.

Statement pursuant to section 102(1) of the Companies Act, 2013 and under Secretarial Standards on general meetings (SS-2)

ITEM NO. 4

Mr. Venkat Jasti (DIN: 00278028) is the director on the Board of your Company. Mr. Jasti has been successfully managing the affairs of the company providing the right direction and leadership. Under his leadership Suven developed innovative business models like CRAMS (Contract Research and Manufacturing Services) and DDDSS (Drug Discovery & Development Support Services). Under Mr. Jasti's stewardship, Suven architected discovery programmes in the year 2004, leading to a pipeline of 13 molecules. The Company has achieved excellent performance and made significant inroads in the US markets. Under his expert stewardship, your Company is expected to scale greater heights in the years to come.

Considering the progress made by the Company under his leadership and considering the industry benchmarks for the remuneration, the Board of Directors at its meeting held on 25th May, 2019, on the basis of recommendations of Nomination and Remuneration Committee, approved the re-appointment of Mr. Venkateswarlu Jasti as Chief Executive Officer of the Company for a further period of five years commencing from 1st November, 2019.

The details of Mr. Venkateswarlu Jasti as required under the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Companies Act, 2013 are provided in Annexure to this Notice. In terms of Section 2(54) of the Act Mr Venkateswarlu Jasti occupies the position of a Managing Director by name Chief Executive Officer for the purpose of ease of doing business with overseas customers since your Company is majoring in exports.

The Board of Directors recommends the Special Resolution at Item No. 4 of the accompanying Notice for approval of the Members of the Company.

Except Shri Venkateswarlu Jasti and his relatives, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of this Notice.

ITEM NO. 5

Smt. Sudharani Jasti (DIN: 00277998) is the Director on the Board of the Company and another Key Managerial Personnel in your Company, providing right direction and leadership in all the governance functions of the Company.

The Board of Directors at its meeting held on 25th May, 2019, on the recommendation of Nomination and Remuneration Committee, approved the re-appointment of Smt. Sudharani Jasti as Whole-time Director of the Company for a further period of five years commencing from 1st November, 2019

The details of Smt. Sudharani Jasti as required under the provisions of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions are provided in Annexure to this Notice.

The Board of Directors recommends the Ordinary Resolution at Item No. 5 of the accompanying Notice for approval of the Members of the Company.

Except Smt. Sudharani Jasti and her relatives, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of this Notice.

ITEM NO. 6

Ms. Kalyani Jasti joined the Company in the year 2011 as President (US Operations) as per the then provisions of the previous Companies Act, 1956. She was again reappointed with the approval of the shareholders in the Extra Ordinary General Meeting held on 21st October, 2014 for a term of 5 years effective from 1st November, 2014 since then she has successfully been managing the overseas operations of the company and under her dynamic leadership, your company has achieved excellent export performance during the current tenure. Leveraging on Ms Kalyani Jasti's proven managerial skills; your Company is expected to emerge as a stronger player in the global markets.

On the basis of recommendations of the Nomination and Remuneration Committee held on 25th May, 2019 the Board considered the re-appointment of Ms Kalyani Jasti as President

(US Operations) commencing from 1st November 2019 with remuneration as set out in the resolution to take of overseas operations as President (US Operations) of the Company. The remuneration proposed is in line with the standards prevalent in the US and commensurate with the responsibilities being shouldered by her. Ms. Kalyani Jasti is daughter of Sri Venkateswarlu Jasti and Smt. Sudharani Jasti. Under the new law, approval of appointment and remuneration rests with the Board and members and no restrictions on term of appointment. Thus the Board has sought fresh proposal for approval of members in general meeting in order to retain the talent within the organisation.

The Board of Directors recommends the Ordinary Resolution at Item No. 6 of the accompanying Notice for approval of the Members of the Company.

Except Shri Venkateswarlu Jasti, Smt. Sudharani Jasti and Ms. Kalyani Jasti, None of the other Directors/ Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice.

by order of the Board of Directors

K. Hanumantha Rao
Company Secretary
Membership No. A11599

Registered Office
8-2-334, SDE Serene Chambers
6th Floor, Road No.5, Avenue 7
Banjara Hills, Hyderabad – 500 034
CIN: L24110TG1989PLC009713

Place: Hyderabad
Date: 25th May, 2019

ANNEXURE TO NOTICE OF AGM

Additional information on director recommended for appointment/re-appointment at the Annual General Meeting as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable secretarial standards

Resolution No.	4	5
Name of the Director	Mr. Venkateswarlu Jasti	Smt. Sudharani Jasti
Director Identification Number (DIN)	00278028	00277998
Age	70 years	65 years
Date of Appointment at current designation/ Date of first appointment on the Board	09/03/1989	09/03/1989
Profile / Qualifications & Experience	<p>Mr. Venkat Jasti is the Chairman and CEO of the company. He holds a dual PG degree in Pharmacy, from Andhra University, Visakhapatnam, India and St. John University, New York specialized in Industrial Pharmacy</p> <p>He was a registered pharmacist in the state of New York and New Jersey and owned and operated six community pharmacies in New and New Jersey until 1989. Since 1989 he is running the operations of Suven.</p> <p>He is also involved in various industrial associations such as:</p> <ul style="list-style-type: none"> • President of Indian Pharmaceutical Association, • Chairman of Local Organizing Committee for the 52nd Indian Pharmaceutical Congress, Hyderabad, • President of Bulk Drug Manufacturers Association of India (BDMA) • Chairman for Pharmexcil (Pharmaceutical Export Promotion Council) <p>Also Mr. Venkat Jasti has been instrumental as the chief architect for the formation of the then A.P. Chief Minister's task force for Pharma during 2001 and responsible for the creation of Pharma City at Vizag by the erstwhile Government of Andhra Pradesh and Pharmexcil (Pharmaceutical Export Promotion Council) by the Government of India with HQ at Hyderabad.</p>	<p>Smt. Sudharani Jasti is a Graduate in Science from Andhra University; she returned from USA to India in 1988-89 Smt. Sudharani Jasti had been on the Board since inception of the Company and successfully managing the company as Whole-time Director providing the right direction and leadership in all governance matters.</p>
Terms and conditions of appointment / re-appointment	As per the resolution at Item no. 4 of this Notice read with the explanatory statement thereto	As per the resolution at Item no. 5 of this Notice read with the explanatory statement thereto
Remuneration proposed to be paid	Re-appointment is continued with current remuneration. The remuneration is subject to revision from time to time (annually and/or otherwise), by the Board at its discretion	Re-appointment is continued with current remuneration. The remuneration is subject to revision from time to time (annually and/or otherwise), by the Board at its discretion

Names of listed entities in which the person also holds the directorship in other Companies	Jasti Property and Equity Holdings Private Limited The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI)	Jasti Property and Equity Holdings Private Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	Suven Life Sciences Limited Corporate Social Responsibility Committee (Member) Nomination & Remuneration Committee (Member)	Suven Life Sciences Limited Corporate Social Responsibility Committee (Member) Stakeholders Relationship Committee (Member)
Shareholding in the Company	1000	1000
Relationship with Other Directors, Manager and other Key Managerial Personnel of the company.	Except Shri. Venkateswarlu Jasti and Smt. Sudharani Jasti and their relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in anyway concerned or interested, financially or otherwise in the passing of the Resolution at Item No. 4 of the Notice	Except Shri. Venkateswarlu Jasti and Smt. Sudharani Jasti their relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in anyway concerned or interested, financially or otherwise in the passing of the Resolution at Item No. 5 of the Notice
The number of Meetings of the Board attended/held during the FY 2018-19 i.e, upto 31st March, 2019	6/6	3/6



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@suvan.com website: www.suvan.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID		Reg. Folio No.	
Client ID		No. of Shares	

NAME AND ADDRESS OF THE REGISTERED SHAREHOLDER

I/We hereby record my/ our presence at the 30th Annual General Meeting of the Company to be held on Wednesday, the 14th day of August, 2019 at 3:00 p.m. at the KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry [FTAPCCI], 11-6-841, Red Hills, Hyderabad –500 004.

Signature of Shareholder/ Proxy

Route Map to Venue of AGM





SUVEN LIFE SCIENCES LIMITED

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Form No. MGT-11
PROXY FORM

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
 (Management and Administration) Rules, 2014]*

Name of the member(s)			
Registered Address			
Email Id			
Folio No. / Client ID		DP ID	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

1	Name			
	Address			
	E-mail Id		Signature	
	or failing him/her			
2	Name			
	Address			
	E-mail Id		Signature	
	or failing him/her			
3	Name			
	Address			
	E-mail Id		Signature	

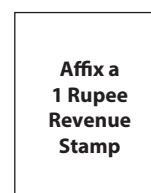
as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 30th Annual General Meeting of the company, to be held on Wednesday, the 14th day of August, 2019 at 3:00 p.m. at the KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry [FTAPCCI], 11-6-841, Red Hills, Hyderabad – 500 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	For	Against
1. To Consider and adopt the audited standalone and consolidated Balance Sheet as at 31st March, 2019, Statement of Profit & Loss for the year ended 31st March, 2019, Statement of Cash Flows for the year ended 31st March 2019 and together with the Report of the Board of Directors and the Auditor’s Report thereon.		
2. To confirm the Interim Dividend paid on equity shares for the year 2018-2019 as final dividend		
3. To appoint a director in place of Smt. Sudharani Jasti, (DIN: 00277998) who retires by rotation, and being eligible, offers herself for re-appointment.		
4. Re-appointment of Shri. Venkateswarlu Jasti as Chief Executive Officer		
5. Re-appointment of Smt. Sudharani Jasti as Whole-time Director		
6. Re-appointment of Ms. Kalyani Jasti as President (US Operations)		

Signed this day of 2019.

Signature of shareholder: _____

Signature of Proxy holder(s): _____



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CAUTIONARY STATEMENT

IN THIS ANNUAL REPORT, WE HAVE DISCLOSED FORWARD-LOOKING INFORMATION TO ENABLE INVESTORS TO COMPREHEND OUR PROSPECTS AND TAKE INFORMED INVESTMENT DECISIONS. THIS REPORT AND OTHER STATEMENTS - WRITTEN AND ORAL - THAT WE PERIODICALLY MAKE CONTAIN FORWARD-LOOKING STATEMENTS THAT SET OUT ANTICIPATED RESULTS BASED ON THE MANAGEMENT'S PLANS AND ASSUMPTIONS. WE HAVE TRIED, WHEREVER POSSIBLE, TO IDENTIFY SUCH STATEMENTS BY USING WORDS SUCH AS 'ANTICIPATES', 'ESTIMATES', 'EXPECTS', 'PROJECTS', 'INTENDS', 'PLANS', 'BELIEVES', AND WORDS OF SIMILAR SUBSTANCE IN CONNECTION WITH ANY DISCUSSION OF FUTURE PERFORMANCE.

WE CANNOT GUARANTEE THAT THESE FORWARDLOOKING STATEMENTS WILL BE REALISED, ALTHOUGH WE BELIEVE WE HAVE BEEN PRUDENT IN ASSUMPTIONS. THE ACHIEVEMENT OF RESULTS IS SUBJECT TO RISKS, UNCERTAINTIES AND EVEN INACCURATE ASSUMPTIONS. SHOULD KNOWN OR UNKNOWN RISKS OR UNCERTAINTIES MATERIALISE, OR SHOULD UNDERLYING ASSUMPTIONS PROVE INACCURATE, ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE ANTICIPATED, ESTIMATED OR PROJECTED. READERS SHOULD BEAR THIS IN MIND.

WE UNDERTAKE NO OBLIGATION TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.



**SUVEN
LIFE SCIENCES LIMITED**

CIN:L24110TG1989PLC009713
SDE SERENE CHAMBERS,
ROAD NO. 5, AVENUE 7,
BANJARA HILLS,
HYDERABAD - 500 034
TELANGANA