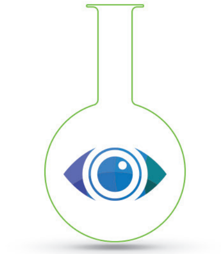
SUVEN
PHARMA

EXPANDING OUR HORIZON

SUVEN PHARMACEUTICALS LIMITED
SECOND ANNUAL REPORT 2019-20



We could have gone by the proven track.
Or we could have envisioned something far beyond.

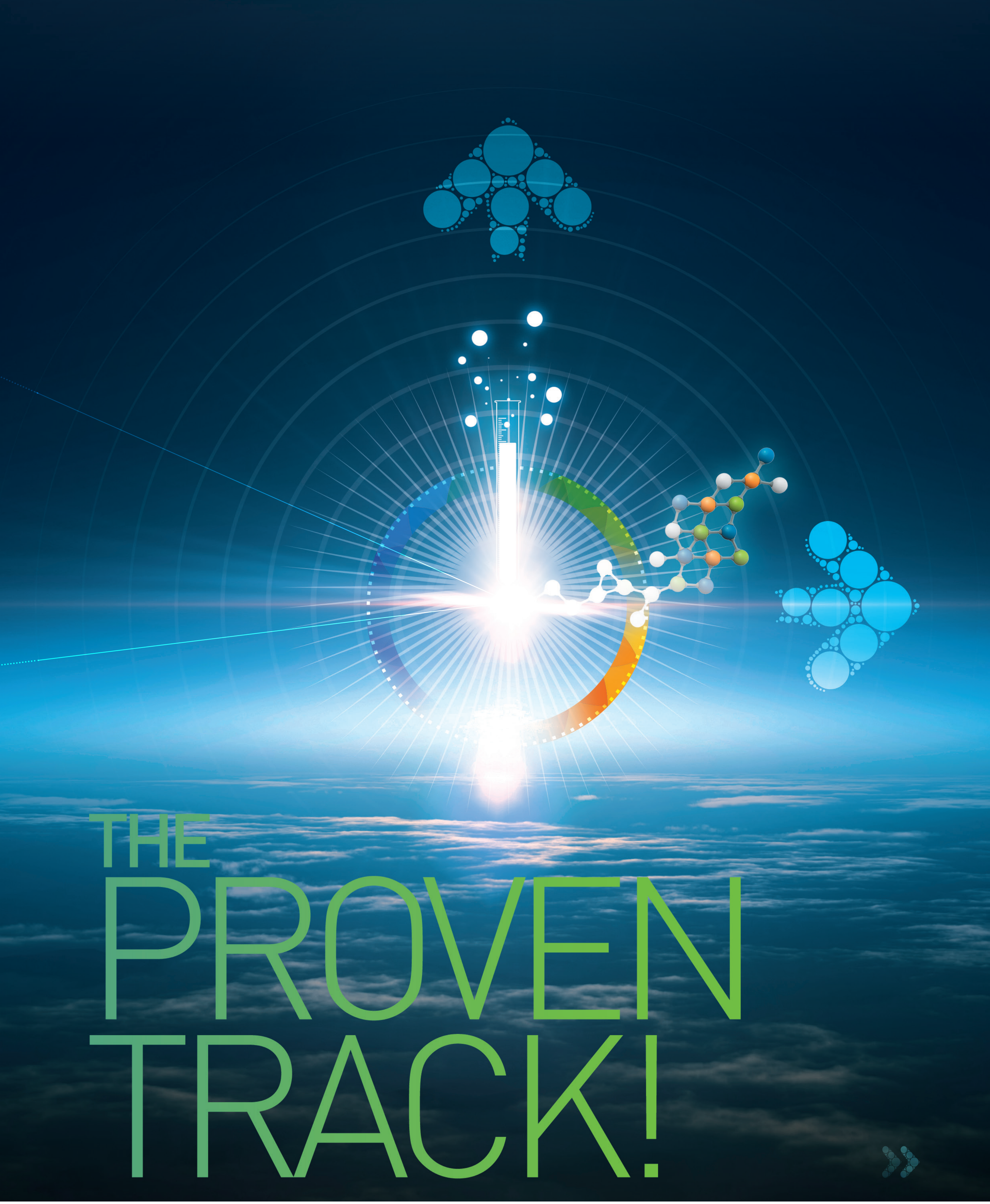
We could have continued to foresee our tomorrow the way we have done before.
Or we could have widened our horizon to wade through untested waters.

We chose the latter.
Crucial alliances were forged. Important investments were made. Strong associations sustained.
We chose to widen our canvass. Heighten our vision.

We decided...

to EXPAND OUR HORIZON

WE ARE GOING BEYOND...



THE PROVEN TRACK!

TILL some years back, we were immensely satisfied that our painstaking efforts had positioned us among the most profitable pharmaceutical CDMO players. An achievement, indeed.

We could have rested on our laurels and moved along the proven track. But we questioned our future. We asked ourselves: Do we want our success to be shaped by others? Or, do we want to build an edifice that makes success sustainable?

This questioning was critical for our business. After all, our operations were dovetailed to the risk appetite of global innovators and their financiers. Fragilities that hold the potential to impact product innovation could drive us into the corner. Hence, despite our proven capabilities, our progress was not in our hands entirely.

We were determined to change.

We decided to make the best use of our priceless intangibles to build the foundation of the new Suven – one that willingly takes on challenges to secure and create a more sustainable entity that's capable of shaping its destiny.

We dived into untested waters – the formulations space. We unearthed opportunity nuggets, largely uncluttered by competition owing to their miniscule market size, chemistry complexity, and other challenges.

Over the last few years, we have carefully built a robust pipeline of niche products. We filed 11 ANDAs as on March 31, 2020 and

three of those secured the green light from the regulator.

We had one formulation as on March 31, 2020 for which we were supplying commercial volumes. We have started commercial supplies for two more products, and we hope to supply commercial quantities for a third by the end of FY21, taking our commercial formulations tally to four by the end of 2020-21.

We invested ₹ 90 crore in a sophisticated formulations facility which will commence operations in FY21. So, when our products gain traction, our facilities will begin to deliver.

We have profit-sharing agreements with our marketing partners which are marginally revenue-growing but significantly return-accreting.

We have taken a step forward. We have articulated our progress for one prospective marketplace. The narrative for the world at large is yet to unfold… We call it 'Growth-in-Progress'.

EXPANDING... FURTHER – FORMULATIONS...

Enriching our product pipeline with 6 additions.

Growing our regulatory pipeline with 2-3 ANDAs for FY21.

Aiming to commercialise 2-3 products in FY22.

GROWTH-IN-PROGRESS

"WE REMAIN **FOCUSED** ON EXPANDING OUR PERSPECTIVE, VERTICALLY AND LATERALLY, WITH THE OBJECTIVE OF MAKING SUVEN A FULL-FLEDGED PHARMACEUTICAL SOLUTIONS PROVIDER."

Dear shareholders,

QUESTIONS. That's what makes an entity more responsible and more accountable. The ability to ask questions and the courage to field questions are seeded deep into the genes of Suven Pharma. And, this genetic structure makes it resoundingly independent and robust right from the birth.

Representing an organisation which has shown that baby steps can be giant strides with strong determination and flawless strategy is indeed a matter of great pride.

Suven Pharma, as you all know, is born out of Suven Lifesciences.

You must be wondering what drove us to create an independent entity. The answer lies in the questions you had been posing before us: Why are you restricting yourself to a small part of the entire value chain? Why aren't you expanding your activity? What stops you from leveraging your deep chemistry skills in synergic verticals? And, so on.

In response to all your queries, here I present your very own company, which is focused on expanding its horizon, vertically and laterally, with the objective of emerging as a full-fledged pharmaceutical solutions provider.

We are steadily building the infrastructure and capabilities to reach that level. Suven Pharma will not just be about CDMO. It will be a lot more. Even in CRAMS, which was until now restricted to intermediates, will now straddle the pharmaceutical value chain. We will also expand our customer profile from innovators to virtual companies and local markets for multinationals.

Our first step in this direction was entering the formulations space. And, I must mention that it has been a healthy beginning. We cherry-picked our niche opportunities and worked deftly in translating them into reality. And it worked with three out of eleven products we filed received approvals from the regulator. Even as I write to you, our team has shipped the first few batches of two products, while the fourth is awaiting approval. In a few-years from now, Suven should have a healthy basket of products in its pipeline, at various stages of development.

Rising Pharma Holdings, Inc., our associate, may also assist us in enlarging our formulation venture. Rising is a development and distribution company in the formulations space. It has many ANDAs in development every year with its partners. Some of those may fit into our capability matrix. For those products, we will have the first right of refusal. I look forward to projects coming out of Rising. The additional advantage with Rising is its strong forte in distribution.

I would like to mention that we – Suven and Rising – have interesting synergies which will help us explore ways of combining our capabilities for strengthening our individual businesses and our business relations.

To cater to these opportunities, we drew up a ₹320-crore capex plan which includes creating a multi-vertical capacity. Out of this, ₹210 crore was pumped into the business up to 2019-20, while the rest will be invested this year. Our OEL facility – a highly sophisticated and automated unit which operates in a closed atmosphere – began operations during the year under review, while our other facilities such as speciality chemicals and formulations will go on stream this year.

So, the question you would want to ask me now is: Do we have the products and customers in place? No, we don't. But we have to prepare. Because, if you do not have the capacity, you do not get the business. Conversely, when the capacity is ready, it will not start generating revenue from day one.

At Suven, we have to take tough strategic calls. This capacity creation is one such call which is based on interactions with customers and the future requirements. The intrinsic value from our investment will come when we are able to secure projects appropriate for our capacities. Till then, we have the flexibility to utilise it for other products.

Expansion at Suven will not only transpire in terms of adding new revenue verticals, it will also expand our existing operations. Take CDMO for instance. In a few years from now, CDMO will not be the same. We are manufacturing only intermediates today, and we would be doing much more tomorrow.

Our customer requirements are also increasing. They want us to move up the value chain so that we are able to engage with them for managing the entire product lifecycle. We have responded to that – our first step being creating relevant capacities. We are working out the contours of moving into this higher orbit with our customers as well as within the organisation. It would take time but I am definite that this change will happen inevitably. We will prudently utilise our operational cash flow to acquire new technologies with an eye on the prospective customer category it can cater to, undertake technology-based development which will then help sourcing and securing relevant projects.

With these strategies in place, we have drawn up a comprehensive blueprint for the current year. I am cautiously optimistic about our growth. This is primarily owing to the pandemic which has ravaged the world, pushing nations, economies, businesses and people on the edge. It's a shock the world was ill-prepared for and will take long to recover from.

This catastrophe has taken a toll on Suven as well, though our robust business model lowered the impact. We expect our existing projects to continue, deliveries for which could be delayed by a month or so because of labour and logistics issues. The issue will be in acquiring new development projects because not much is happening in that space now. But, given the current business in hand, I feel we should be able to grow our topline by about 10-15% over the previous year.

In 2020-21, we will bring in the power of disciplined creativity to find newer ways to grow. And then approach these opportunities with a determination to seize the future one day at a time.

From a medium-term perspective, by when we will hopefully see our strategy in motion, our business profitability should be evenly balanced between our three verticals – CDMO-Pharma, CDMO-Non-Pharma and formulations – making Suven a full-fledged pharmaceutical solutions provider.

In closing, I would like to thank the Board for guiding me to execute my responsibilities in the best possible manner. I would like to extend my gratitude to each and every member of our team for their relentless efforts in making Suven a respected and responsible partner to innovator companies globally.

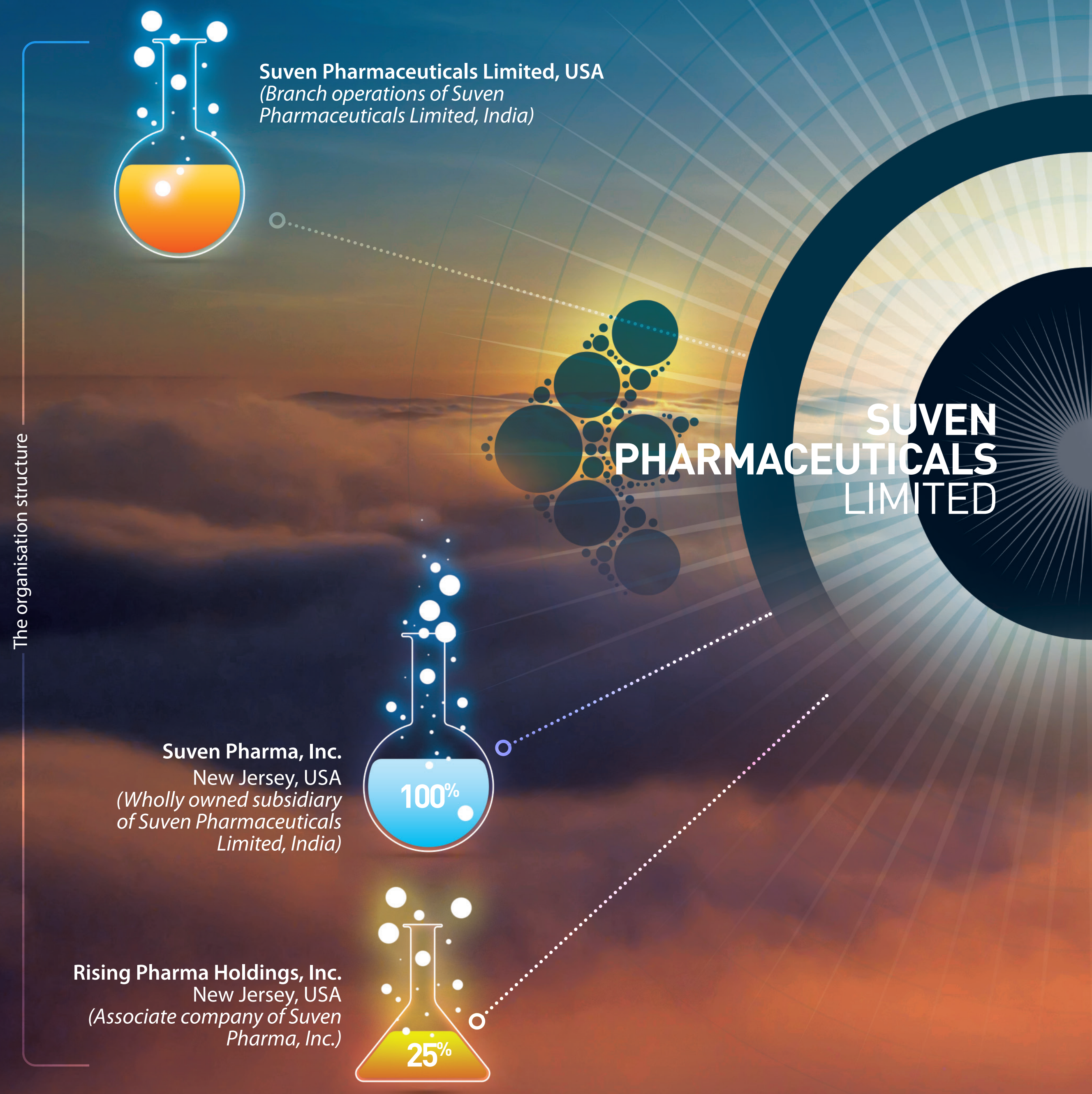
My deep appreciation to all our loyal and valuable shareholders for their confidence and support. I also place on record my gratitude to all our other stakeholders – vendors, customers, bankers and government authorities – for their consistent support and assistance. I solicit your continued co-operation in helping Suven move into a brighter future.

Regards
Venkateswarlu Jasti
Chairman & Managing Director

SUVEN PHARMA IS A FULL-FLEDGED **BIOPHARMACEUTICAL SOLUTIONS PROVIDER FOR GLOBAL PHARMACOS.**

Suven Pharma is into NCE-based Contract Development and Manufacturing Operations (CDMO) for over two decades, supporting the needs of the global life science industry and **fine chemical** majors.

With Mr Venkat Jasti at the helm, the Company's experienced and energetic team manage day-to-day business operations.



USFDA-CERTIFIED FACILITIES ALLOW THE COMPANY TO **SEAMLESSLY DELIVER VALUE TO GLOBAL CLIENTS.**

Pashamylaram, Telangana
API and Formulation facility

Suryapet, Telangana
Intermediate facility

JNPC, Visakhapatnam, Andhra Pradesh
API and Intermediate facility

Jeedimetla, Telangana
Process Research and Pilot plant

New Jersey, USA
Development, Project Management & IP Management

Where we stand today

852	403	270	294	21.22	108
Revenue (₹ crore)	EBITDA (₹ crore)	Net Profit (₹ crore)	Net Cash from Operations (₹ crore)	Earnings per Share (₹)	Capex in 2019-20 (₹ crore)

"FISCAL 2019-20 WAS A WATERSHED IN THE JOURNEY OF SUVEN – A GREAT PERFORMANCE AND A PROMISE FOR EVEN BETTER PROSPECTS."

How do you see the Company's performance in 2019-20?

It was a good year for the Company as business growth and profitability scaled appreciably. We delivered on our commitments made at the beginning of the year despite the economic slowdown.

What have been the growth drivers?

If you delve deeper into the growth drivers, then you'd see that the growth has been contributed in equal measures by all the business verticals. While the CDMO vertical (Base CDMO and Commercial CDMO) jumped 24% over the previous year, specialty chemicals improved more than 40%. Growth in these knowledge-driven, return-accretive verticals has resulted in a healthy increase in profits and a decent uptick in profitability. Our Net Profit soared 36% to ₹270 crore in 2019-20 from ₹198 crore post demerger adjusted profit a year ago and EBITDA margin at 47%.

Which factors triggered the growth in CDMO?

In base CDMO, we secured new projects and gave supplies for one late-stage development project. We saw good growth in commercial supplies and volumes. We delivered ahead of schedule because our customer's campaign had ended. But there is a caution here. Revenue from commercial supplies will remain uneven. This is because once a customer buys one batch of material, the next order comes usually after 12-18 months, depending on how the customer's product moves in the market.

Your specialty segment was a big surprise this year.

Indeed. It was a stellar performance by the specialty chemicals segment. But this was not entirely unexpected. We are supplying intermediates to two commercial molecules, one of which was launched by our customer towards the close of 2018-19. Hence, we expected additional volumes for the intermediates of this new product. And it happened.

The first molecule was a bit of a surprise, though. A year back, the supply of the intermediate for this molecule dipped because the molecule came out of the patent umbrella in certain geographies. Our customer was agile and regained the patent applying the combination technique. This brought in additional intermediate supplies for Suven in 2019-20.

What have been other highlights of the year?

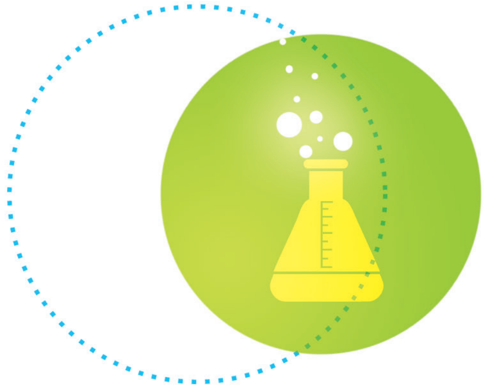
The standout highlight for the year is that we took definitive steps in our expansion strategy. The moment I say this, you would feel that I am referring to the capex plan being implemented by the Company. That is a part of our expansion strategy. Our strategy is about expanding the horizon of the Company. A direction which is being demanded by our customers and which, over a period of time, will become the new norm in pharmaceutical outsourcing. Hence we have decided to change before we are forced to.

Can you throw some light on this strategy?

Expanding our horizon is about doing different things as it is about doing things differently. It's about widening the opportunity canvas, it is about moving up the value chain with a single objective of being more relevant to our customers.

What are you doing about moving up the value chain?

We are entering the formulations space in a definitive way. We have been working on this for some time now. We have filed around 11 ANDAs, out of which three are ours, six is with customers, two ANDAs in New Animal Drug Applications with customers. We have received USFDA approvals for three products. We have initiated supplies for two products and



a third formulation is being prepared for launch this year.

Doesn't it create a conflict of interest with your innovator clients?

We have carefully chosen to be in products that have recently gone off-patent. Hence, there will be no conflict of interest with our existing CDMO clients.

You are a research house. Manufacturing and marketing are completely different genres.

We are ready to face challenges head on to walk the road less travelled. We have carefully chosen low-volume, complex products which are bereft of competition. We have profit-share marketing agreements for the formulations which are so structured that they are able to push our profitability.

How does Rising Pharma fit into your formulations strategy?

Rising Pharma is a development and distribution company in which we have a financial stake. There are interesting synergies between Suven and Rising. For one, we can and hopefully will, help them develop their ANDA pipeline. Out of the 11 ANDAs filed, two are those of Rising's. We will also utilise their expertise in distribution of our formulations. One commercialised product is being distributed by them. We would continue to explore and work on other mutually beneficial opportunities.

When do you start deriving returns from your investment in Rising Pharma?
Rising Pharma has reported a profit in CY2019. We will get a share of profits only when the Company declares a dividend. Rising Pharma is a growing company which has just turned around. It will need funds to build stability in the marketplace. In keeping with this reality, we can expect a dividend only after a year or two. Again judging them quarter on quarter is not fair.

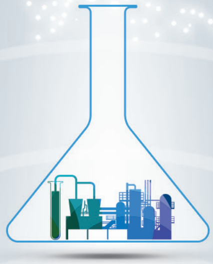
How will you grow the specialty business?
We are developing two molecules which we expect to commercialise in 2020-21. These molecules have the potential to generate an annual revenue of about $7 million (₹50 crore) each at optimum volumes. But the scale-up to this level will take time. It will depend on the traction which our clients' products attract globally. Further, we are working on some interesting molecules which are at an early stage in their respective developmental cycles. We expect that it will take about a couple of years to understand whether we are in the right direction or we need a course correction.

How are your widening the CDMO business?
We have always been developing and delivering intermediates to global intermediate companies. But now things are changing. The pharmaceutical landscape has become increasingly complex. Hence, contracts have evolved from being simply transactional to being strategic. Our customers want more. In keeping with that, we are deliberating on moving up the ladder. This transition will depend on the trust we are able to build with our clients in terms of credibility and capability. We are talking with the clients on possibilities and prospects of making the climb.

All the business verticals appear to have reasonable promise in terms of growth. How well equipped are you with your capacities?
Our capex is on-going. We invested ₹108 crore in 2019-20 and will invest about ₹120 crore this year. We have started operations at our OEL unit. Our formulations unit and our specialty chemicals facility should commence operations in the current year. Most of these capacities are created in anticipation of demand. Some capacity creation is also to address specific requirements of customers.

How do we see Suven Pharma, say about a couple of years from now?
Suven Pharma of tomorrow will be a company with three strong and progressive verticals. While the specialty chemicals segment continues to grow as we widen our product offering, the CDMO and formulations businesses will be the key value drivers, creating opportunities for the other vertical. Within two years, we expect the formulations vertical to emerge as an important business and profitability driver for the Company.

N-1... API... FORMULATIONS



There is no API as of today.
But we can manufacture APIs if our customers desire so.

There is only one formulation as of today (March 31, 2020)
Creating a basket of formuations for our CDMO customers could be an opportunity.

It is only the penultimate intermediate until now.
But straddling the phama value is the new customer mandate.

And... That's what we're

LOOKING UP TO IN FUTURE

MANAGEMENT DISCUSSION **AND ANALYSIS**

Economic performance and prospects

Global economy: Growth across economies worldwide decelerated markedly in 2019 with a sustained weakness in international trade and investments. Global trade contracted for most part of the year, leading to a slowdown in manufacturing, and financial markets remained fragile. In the backdrop of such turmoil, global growth weakened to an estimated 2.9% during the year — the lowest rate of expansion since the 2008 financial crisis.

The year 2020 became a year of nightmare not for businesses alone, but for the entire human race. The loss in businesses because of the Covid-19 pandemic and the containment measures possibly dwarfed the losses that the two global financial crises had caused. The bleeding in the economy didn't stop with the losses, and it drove the entire world into a state of severe uncertainty of unpredictable length. The mayhem has pushed the ailing global economy into one of its worst recessions.

Indian economy: The Corona virus outbreak came like a dreaded blow to an economy grappling with a sustained slowdown. The growth in the gross domestic product (GDP) hit an 11-year low of 4.2% in 2019-20 from 6.1% a year ago. The country's fiscal metrics worsened beyond the government estimates, with the fiscal deficit for FY20 widening to 4.6% of the GDP as against a finance ministry projection of 3.8%.

The slowdown was triggered by a mix of both internal as well as external factors such as a synchronised global slowdown, historically poor automobile sales, and a flat growth in core sectors. On the output front, agriculture and mining could survive the headwinds with the farm sector putting up a 3.7% growth. Government spending helped save the day when manufacturing and gross fixed capital formation threw up disappointing figures. The overall demand in the economy slumped with the three main drivers – consumption demand, investments and exports – teetering on the edge.

At a time when the wobbly economy spotted some green shoots of recovery towards the end of 2019-20, the Covid-19 pandemic hit India. The consequent lockdowns paralysed lives and froze all economic activities, setting stage for the GDP to see yet another year of contraction. But as every crisis begins, matures, summits and then dissipates, paving the way for a revival, the Indian economy, too, is resilient enough, supported by its strong pillars of growth, to rebound with the lifting of the restrictions and the easing of business activities.

SECTORAL PERFORMANCE AND PROSPECTS

Global pharmaceutical industry

The global spend on medicines is consistent with an increased use of drugs likely to help it surpass the $1.1-trillion mark by 2024. The rise in spending is also driven by changes in the specialty and innovative product composition of new brands reaching the market.

Adoption of specialty medicines is leading to higher spending and these products now account for 36% of the global drug spend. Specialty spending is projected to account for 40% of the global spending in 2024, when it will reach 52% in developed markets.

New product growth is projected to contribute $165 billion over the next five years – up from $126 billion in the past five years (2015-2019). It also reflects the effects of market access and price controls in many markets that may contribute to slower growth. The IQVIA Institute estimates that approximately 270 (~54 per year) new molecular entities (NMEs) are expected to be approved between 2020 and 2024, compared to 236 during 2015–2019, and 200 in 2010–2014, contributing to the rise in new brand spending.

Global outsourcing - A growing need

The The pharmaceutical market is going through a radical change, mostly driven by price and cost pressures that the industry could not control. Both innovators and generic companies are challenged in the highly competitive environment to bring new products to the market that provide real therapeutic value — treatments that achieve measurable results in terms of improved health and quality of life for patients at reasonable costs.

Despite the increasing complexity of both small molecules and biological drug substances, new drugs must not only be safe and efficacious but also be patient-friendly leading to an increase in medication adherence.

Also, in addition to greater efficiency and productivity, access to novel technologies – from digital tools and manufacturing platforms to deliver solutions – has emerged as the new operational mandate. Entrepreneurial pharma and biotech companies will continue to lead innovation in next-generation medicines, driving further growth of licensing deals and co-development partnerships.

For all of these reasons, significant growth in outsourcing will be a dominant theme in the pharmaceutical industry going forward.

Prospects: The current outsourcing market is estimated at $90 billion (2019) and is projected to record a CAGR of about 7% to approximately $117.3 billion by 2023 and represent about 30% of the overall manufacturing requirements. (Source: The Future of the CDMO Market, March 19, 2020)

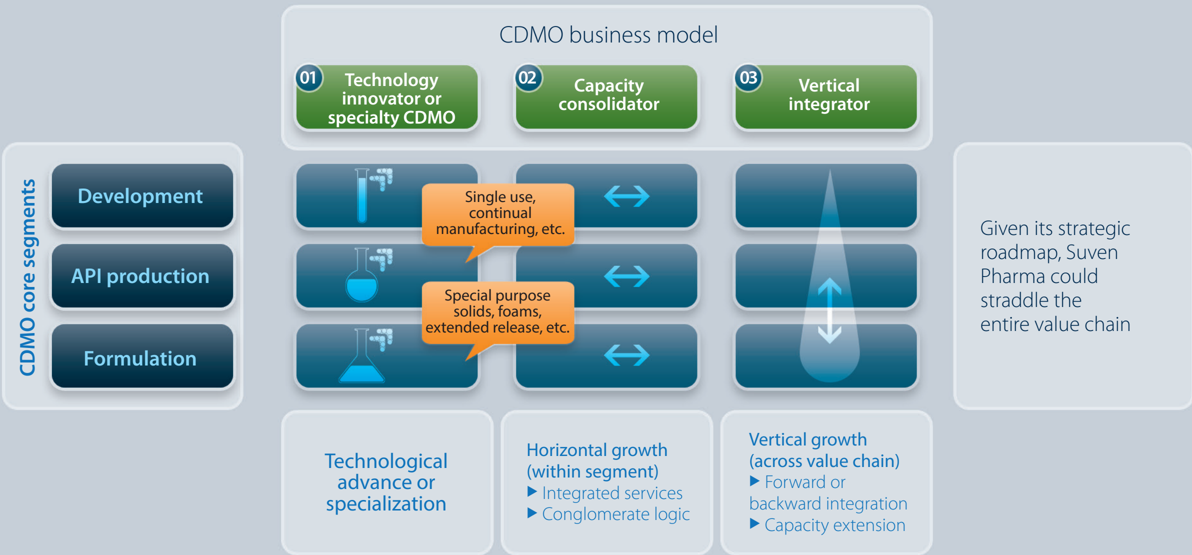
Contract Development and Manufacturing (CDMO) – a concept that has evolved into a business mandate

Globally, the demand for pharmaceutical products has been increasing steadily as the population ages and healthcare standards in developing countries rise. In response to market trends, the landscape for contract development and manufacturing organisations (CDMOs) is changing to meet the evolving customer expectations.

CDMOs are increasingly being seen as extensions of pharmaceutical companies, more specifically their development and manufacturing wings, providing capabilities that are fully integrated with their own pre-existing services. Majority of them rely on CMDO partners to avoid the high fixed costs of in-house development, manufacturing capabilities and expertise required to drive their molecules through clinical development. Increasing complexity in the development of new molecular entities (NMEs) has created a need for niche capabilities and competencies that drug makers prefer to outsource rather than incorporate in-house.

The CDMO industry is largely fragmented with the top five companies owning less than a 15% share of the market. But this has begun changing with more and more consolidations taking place across the CDMO sector. Most pharma companies prefer one full-service CDMO to several niche providers to ensure a more simplified and efficient supply chain and, in turn, a reduced time to market.

As such, outsourcing has evolved from being a transactional function to a business strategy.



Overview of CDMO business models (top) across the CDMO value chain (left)
Exemplary important trends are highlighted in orange callouts

Emerging trends

1) Small enterprises are making it large

R&D has shifted from large pharmaceutical companies to emerging biopharma enterprises, which also include start-ups. Also, there has been an increase in virtual companies which, thanks to their business models, outsource clinical development.

2) Integration is the new ask

A multi-capability CDMO that provides the entire basket of services is considered vital for new product introduction (NPI) and technology transfer. The processes require to progress from drug discovery to commercialisation.

3) Niche development

Small molecules continue to dominate FDA approvals – almost 70% of NMEs approved over the last five years were small molecules. In light of this reality, small molecule outsourcing trend will continue to strengthen in the coming years. As a result, CDMOs that focus on the development and production of small molecule APIs are growing.

Prospects over the horizon:

The year 2019 proved to be a stellar year for the biopharma industry in general and the CDMO sector in particular. Many CDMOs experienced double-digit growth. Until February, there were good reasons to expect a strong 2020 since many of the conditions that made 2019 successful remained in place.

Emerging biopharma companies raised $5.7 billion in initial public offerings (IPOs) in the US and were on pace to raise $15 billion in venture capital, again a historical second best.

But the global pandemic that engulfed the entire regulated market – the US, Japan and key markets of Europe being the worst hit by Covid-19 – has cast a shadow of uncertainty over the prospects of the CDMO business for the immediate short-term.

According to a recent report by Technavio, the CDMO outsourcing market is poised to grow by $36.51 billion during 2019-2023, progressing at a CAGR of almost 8%.

BUSINESS PERFORMANCE & PROSPECTS

The Company is in the business of NCE-based Contract Development and Manufacturing Operations (CDMO) supporting the needs of the global life sciences industry and fine chemical majors. Its services include custom synthesis, process R&D, scale-up and contract manufacturing of intermediates, APIs and formulations. The business comprises three segments – CDMO (development projects and commercial supplies), Specialty Chemicals and Contract Technical Services.

1) CDMO

The Company partners with innovators for NCE molecule development and supply of intermediates. This commercial supply piece is a high-value, high-margin business, involving the supply of intermediates for NCEs that are already launched by innovators companies. Suven supplies intermediates for four molecules addressing rheumatoid arthritis, diabetes, depression and women's health for clients based in the US and EU.

The CDMO business registered a revenue of ₹468 crore in 2019-20 as against ₹380 crore in 2018-19 – an increase of 24%. This jump was owing to a heartening increase in the number of development projects received and delivered by the Company. Also, the number of return-accretive projects increased over the previous year. In addition, the increased supplies of intermediates for the commercial molecules also contributed to the business growth.

2) Specialty Chemicals

The Company supplying intermediates – derived out of its CDMO competence – for two specialty chemical products (agrochemical) to large global conglomerates, the approval for one was received towards the end of 2018-19. As a result, 2019-20 was a great year from a specialty chemicals perspective. Revenue increased to ₹304 crore from ₹216 crore in 2018-19 – a jump in excess of 40%. Contribution to the overall topline was 36% in 2019-20..

3) Contract Technical Services & Formulations

As the name suggests, this comprises fees for technical services provided by the Company to global pharmaceutical companies. It also includes royalty from its exclusive marketing licence for its Malathion lotion (a formulated product) to Taro Pharmaceuticals for the North American markets. Revenue for this flanking revenue vertical also jumped from ₹50 crore in 2018-19 to ₹70 crore in 2019-20. Although this is the smallest vertical at present, it promises to emerge as one of the key growths and profitability drivers for Suven over the coming years as we add formulations into this segment.

Four commercial molecules in the CDMO segment are all under patent protection up to 2025. Suven is among the two suppliers of intermediates to these molecules.

FINANCIAL PERFORMANCE: A REVIEW

Suven Pharmaceuticals recorded a stellar performance in 2019-20 in its first year of operation since its creation following its demerger from Suven Life Sciences Limited.

Statement of Profit and Loss

Revenue from operations grown from ₹37,783 lakh in 2018-19 (for 6 months) to ₹83,379 lakh in 2019-20. The transition of CDMO division due to demerger process was effective October 1, 2018 and hence the previous year figures are not comparable. Post demerger, accompanied by an increase in revenue, business profitability also jumped - EBITDA increased from ₹17,215 lakh in 2018-19 (for 6 months) to ₹44,864 lakh in 2019-20; EBITDA margin widened to 53% in 2019-20 as against 45% in 2018-19.

Finance cost increased substantially from ₹279 lakh in 2018-19 to ₹2,307 lakh in 2019-20. This increase is primarily owing to the interest payable to Suven Life Sciences on their funds held by the Company due to the demerger process.

Net Profit for the year stood at ₹31,700 lakh against ₹10,927 lakh in 2018-19 (for 6 months). Earnings per share increased from ₹8.59 in 2019-20 to ₹24.91 in 2019-20.

Balance Sheet

Capital employed in the business stood at ₹91,051 lakh as on March 31, 2020 – up from ₹62,541 lakh as on March 31, 2019. This increase was contributed by a rise in Shareholders' Fund and Debt.

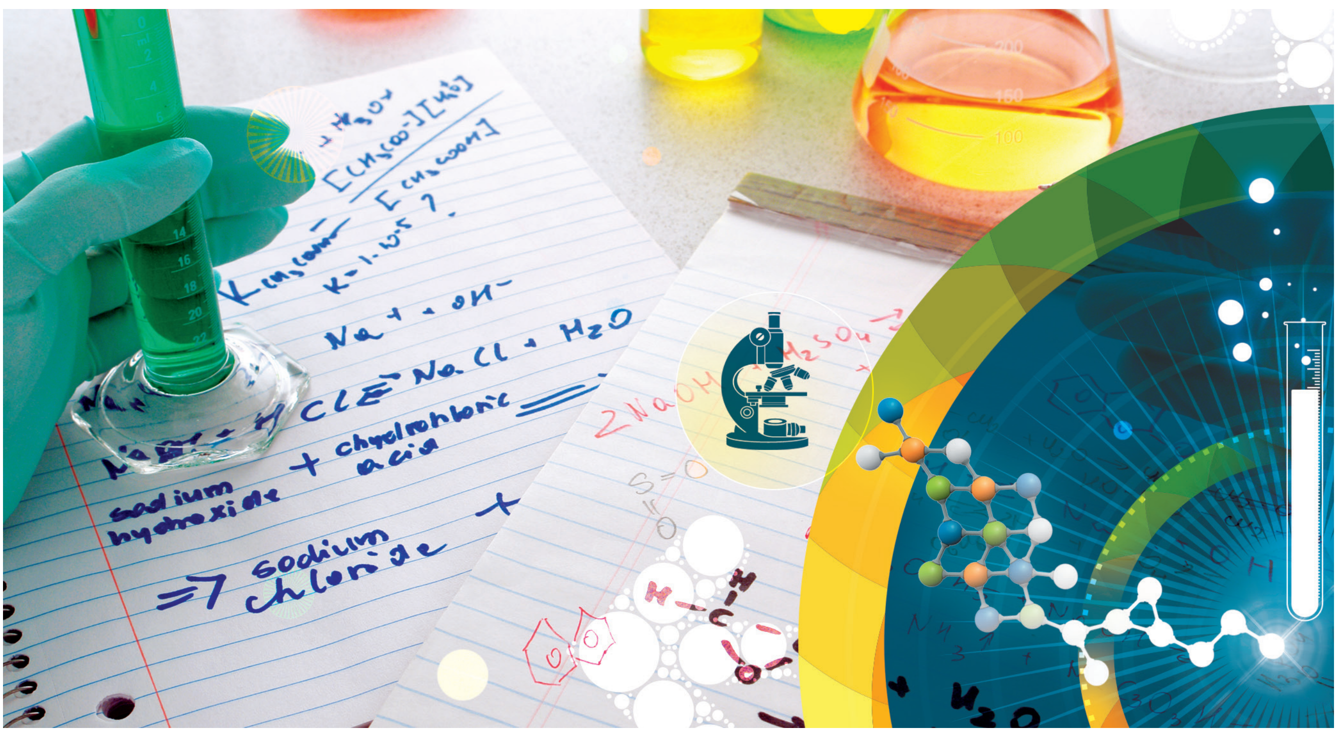
Shareholders' Fund increased from ₹59,029 lakh as on March 31, 2019 to ₹78,283 lakh as on March 31, 2020.

Long term borrowing, being the post demerger dues payable to Suven Life Sciences stood at ₹9,125 lakh as on March 31, 2020.

Majority of the borrowing represents the cash of Suven Life Sciences presently being held by Suven Pharmaceuticals. The debt-equity ratio stood healthy at 0.12 as on March 31, 2020.

During the year, the Company invested $35 million in Rising Pharma Holdings, Inc., USA through its wholly owned subsidiary, Suven Pharma, Inc., USA. This investment led to unrealised share of profit of ₹4,821 lakh.

The judicious utilisation of funds is reflected in increasing returns – the Return on Capital Employed scaled from 28% in 2018-19 to 44% in 2019-20, while the Return on Net worth increased from 19% to 34% over the same period.



FINANCIAL PERFORMANCE: A REVIEW

Significant changes (i.e. change of 25% or more as compared to the immediately previous financial years) in Key Financial Ratios, along with explanation are as under:

Particulars	2019-20	2018-19	Change	Reason for change
Debtors Turnover Ratio	51 days	71 days	(28%)	This ratio improved due to changes in contracts with customers.
Inventory Turnover Ratio	77 days	76 days	1%	
Interest Coverage Ratio*	18.45	61.72	(70%)	The change in the ratio is due to higher interest cost during the year, post demerger dues payable to Suven Life Sciences.
Current Ratio	1.95	2.47	(21%)	The change is due to current liability for the post demerger cash payable to Suven Life Sciences within the next 12 months.
Debt-Equity Ratio	0.12	-	~	The change is due to long term liability for the post demerger cash payable to Suven Life Sciences.
Net Profit Margin (%)	32%	29%	12%	The improved performance is mainly due to change in product mix during the year of operations.
Return on Net Worth (%)	34%	19%	86%	The previous year figures being of 6 months due to the demerger process, the same is not comparable.

Internal control and its adequacy

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 the 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 the 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.

SUSTAINABILITY AND SOCIAL RESPONSIBILITY

Suven Pharma is a successful manufacturer of critical medicines that secure lives. But Suven Pharma doesn't stop at healing lives, it is also committed to give people a better life.

As a socially responsible organisation, the Company works for upgrading life in communities living around its facilities. The Company has a well laid-out Corporate Social Responsibility framework. It is a mixture of charitable and educational programmes and a host of community services by supporting a wide range of socio-economic and demand-driven initiatives that run through the year.
The Company has set up RO drinking water facilities in the neighbouring villages.

The Company is alert to address any crisis situation. At this moment, Suven Pharma is actively involved in Covid-19-related activities and disaster management.
The Company has contributed ₹1 crore to the Telangana State Disaster Management Authority
Suven distributed medical kits and sanitisers among the people to avoid the spread of the contagion.

Healthcare and Disaster Management:
Suven Pharma has helped Covid-19 related activities and Disaster Management, to tide over the crisis to obviate unprecedented pain, uncertainty, and suffering that the pandemic is causing.

RO DRINKING WATER FACILITY AROUND SURYAPET DISTRICT IN TELANGANA

MANAGING BUSINESS UNCERTAINTIES

Suven's **integrated risk management approach**, developed over the years, focuses on reducing 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.

01 **GROWTH** RISK

In the challenging ecosystem prevalent across the globe, sustaining growth will be a challenge.

Reducing our risk profile

The Covid-19 pandemic has dealt irreversible losses to lives and major damage to businesses across the globe despite fervent efforts to control the contagion. With little sign of relent, the dreaded virus is unlikely to wane away soon. We have been impacted by supply chain issues and people reporting for work because of the crisis. As a result, our deliveries to our customers could be delayed by a month or two. We have informed our customers of the situation. We have a reasonable development pipeline that provides optimism for reasonable business growth in the current year.

Our growth estimate for FY21

10-15%

02 **MARGIN** RISK

The Company is moving into business spaces which could dampen its business margins.

Reducing our risk profile

Suven is a knowledge-based organisation. The Company establishes its presence only in areas that effectively utilise its intellectual skill in chemistry – whether it is CDMO or formulations. In CDMO, the Company has chosen to partner global NCE players who develop innovative drugs for the CNS segment. In the formulations space, a relatively new vertical, the management has selected challenging and complex spaces. This differentiated selection will help the Company retain its margins.

Our EBITDA margins should be

45% plus

03 **LIQUIDITY** RISK

A large capex commitment for the current year would need sizeable cash reserves.

Reducing our risk profile

Suven's business operations are highly cash accretive. In the last five years, the Net Cash from Operations have been positive and has grown at a healthy pace. Its debt-free position strengthens its financial muscle which helps it implement the massive ₹320-crore capex. Suven has invested ₹120 crore in 2019-20. The balance is to be invested in 2020-21. For this, it has sizeable cash reserves which will only be enhanced by its operations in the current year.

Cash in Hand and Bank

₹13.96cr

04 RETURNS RISK

There appears to be no clear timelines when the recent sizeable investments made by the Company will generate returns.

Reducing our risk profile

Suven chooses to make proactive investments with a medium-term vision. Hence, investments made by Suven generally do not give immediate returns but strengthen the Company's competitive edge to generate superior earnings over the medium term. For instance, the investment in Rising Pharma will not accrue real earnings immediately but is a perfect fit in its business widening strategy, which should generate industry-beating returns over the medium terms. Despite the investments made, the Company continues to generate solid returns even for the current year. Here is the proof:

Return on Capital Employed

35%

05 LEADERSHIP RISK

Business expansion will require more hands on the deck.

Reducing our risk profile

Suven, since inception, has believed and practised the policy of growing skill and nurturing leadership among its people, giving them the authority and responsibility to take business calls and delivering upon them. This has created a strong bond between the Company and the leadership team – majority of the leadership team is with Suven for more than five years. In terms of team expansion, the next generation of the founder Mr. Jasti have stepped in to learn the business ropes. His daughter, who has been with the Company for 8 years, is efficiently managing the affairs of Suven Pharmaceuticals, US. An engineering graduate and an MBA, she has been the customer interface for the last 4-5 years handling customer negotiations.

BOARD'S REPORT

To the Members of
Suven Pharmaceuticals Limited

Your Company's Board of Directors has pleasure in presenting this 2nd Annual Report together with Ind AS compliant Audited Financial Statements of the Company for the financial year ended 31st March, 2020.

FINANCIAL PERFORMANCE

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19*	2019-20	2018-19*
Revenue from operations	83,379	37,783	83,379	37,783
Other income	1,812	60	1,812	60
Total income	**85,191**	**37,843**	**85,191**	**37,843**
Operating expenditure	44,864	20,628	44,868	20,628
Depreciation and amortization	2,386	1,150	2,386	1,150
Operating profit	37,940	16,066	37,937	16,066
Finance cost	2,181	279	2,307	279
Share of Profit/(Loss) of Associates	-	-	4,821	-
Profit before Tax (PBT)	**35,759**	**15,787**	**40,451**	**15,787**
Tax expenses	8,751	4,859	8,751	4859
Profit for the year	**27,008**	**10,927**	**31,700**	**10,927**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss	(109)	-	(109)	-
Income tax relating to items that will not be reclassified to profit or loss	28	-	28	-
Total Other Comprehensive Income	(82)	-	(82)	-
Total Comprehensive Income	26,926	10,927	31,618	10,927
Retained earnings - opening balance	39,098	30,016	39,098	30,016
Add: Profit for the year	26,926	10,927	31,618	10,927
Deferred tax impact of demerger	-	1,957	-	1,957
Less: Dividend including dividend tax	(7,672)	(2,302)	(7,672)	(2,302)
Transfer to General Reserve	(1,500)	(1,500)	(1,500)	(1,500)
Retained earnings - closing balance	**56,852**	**39,098**	**61,544**	**39,098**

* The figures for the year 2018-19 represents half year from 01st October, 2018 (Appointed date of Scheme of Arrangement (demerger) to 31st March, 2019.

Review of Operations

During the year under review your Company performed well and recorded standalone revenue of ₹83,379 lakhs. Profit after Tax (PAT) of the Company is recorded at ₹26,926 lakhs. The Earnings per Share (EPS) of your Company is at ₹21.22 in fiscal 2019-20 per share.

On a bottom line consolidation basis, the profit after tax (PAT) for Fiscal 2019-20 has gone up to the order of ₹31,618 lakhs due to inclusion of ₹4821 lakhs of unrealized share of profit from Rising Pharma Holdings, Inc., the associate company through the WOS Suven Pharma, Inc., in USA. The Earnings per Share (EPS) of your Company is recorded at ₹24.91 per share.

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, Suven Life Sciences Ltd. (SLSL) has transferred the CRAMS business undertaking to your Company in accordance with the Scheme of Arrangement (Demerger) approved by the Hon'ble NCLT, Hyderabad Bench now integrated with Contract Development and Manufacturing Operations (CDMO) business model of your Company.

In terms of the sanctioned Scheme, your Company issued and allotted 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 (i.e., 22nd January, 2020), thereby resulted in a mirror shareholding of SLSL in your Company. The equity shares of the Company were listed to trade w.e.f. 09th March, 2020.

Exports

The exports of the Company are the major chunk of revenue accounting for ₹**79,427** lakhs, representing **95%** of the total revenue of ₹**83,379** lakhs during the year under review.

Dividend

Your Company's Board of Directors declared an interim dividend of ₹2.50 per share and onetime special dividend of ₹2.50 per share totaling to ₹5/- per equity share on February 13, 2020. The total cash outflow on account of dividends including dividend tax paid is ₹ **7,672** lakhs. The Company has paid the interim dividend to the shareholders (allottees as per Scheme) whose names appeared on the Register of Members of the Company as on the Record Date January 22, 2020 notified to the stock exchanges in terms of SEBI (LODR) Regulations, 2015 by Demerged Company (Suven Life Sciences Ltd). The Board of your Company recommends that interim dividend already paid may please be treated as the final dividend for the year 2019-2020 so as to conserve the funds for meeting future CAPEX and upgradation of plant facilities.

Transfer to Reserves

The Company transferred ₹1500 lakhs to the general reserve during the current financial year.

Share Capital

The paid up Equity Share Capital as on March 31, 2020 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 March 31, 2020 forms part of this report as **"Annexure – A"** and is also available on https://www.suvenpharm.com/index.php/investors/financial-info/annual-reports.

Number of Meetings of the Board and Audit Committee

During the year under review eight Board Meetings were convened and held and three 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 independent and nonexecutive directors. Shri D. G. Prasad is the Chairperson of the Audit Committee and Shri S. Chandrasekhar and Shri J. V. Ramudu 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. On 30 Jan 2020, the World Health Organization (WHO) declared the coronavirus (COVID-19) outbreak a "Public Health Emergency of International Concern" and on 11 Mar 2020, declared it to be pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas and forced closure for certain types of public places and businesses. The actions taken to mitigate the spread expected to continue for more time and may have adverse impact on economics in different geographies in which your Company operates. It is unknown for how long the adverse conditions associated with COVID-19 will last. To date, the Company has not experienced any major consequences or loss of business which will materially impact the financial conditions of the Company.

(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. Which is a part of this report and is also available on

https://www.suvenpharm.com/images/pdf/policies/Remuneration_Policy.pdf

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 https://www.suvenpharm.com/images/pdf/policies/dividend-distribution-policy.pdf

Particulars of Loans, Guarantees or Investments

Details of loan given, investments made, guarantees given and securities provided are furnished in the Standalone Financial Statement which can be referred at Note No. 5 and 30 to the Standalone Financial Statements.

Apart from this, 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

Suven Pharma, Inc., in USA was originally formed by Suven Life Sciences Ltd while pursuing various business opportunities in CRAMS business undertaking during the demerger transition period now integrated with CDMO business of your Company, as per the decisions taken by the Board of your Company and of the Demerged Company i.e., Suven Life Sciences Ltd, in accordance with the enabling provisions of Scheme of Arrangement as sanctioned by Hon'ble NCLT Hyderabad Bench. As a result, Suven Pharma, Inc., in USA has become wholly owned subsidiary of your company during the FY 2019-2020.

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 is attached to the financial statements of the Company. Further, pursuant to the provisions of Section 136 of the Act, 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 https://www.suvenpharm.com/index.php/investors/financial-info/subsidiary-accounts

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 – B".**

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

On 26th April 2020 a fire accident occurred in Jeedimetla Unit due to which one of the buildings and certain equipment therein were damaged. Your company has adequate insurance coverage and set up insurance claim which is under process. Except the said occurrence, 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. March 31, 2020 and the date of the Directors' report i.e. 18th June, 2020.

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 – C".**

Risk Management Policy

The Board formulated a suitable risk policy to take care of all aspects of Contract Development and Manufacturing Operations (CDMO) business model of your Company: viz., competitive position, capabilities, various risk covers and risk mitigation preparedness etc. Post demerger, the CRAMS business undertaking was transitioned to the company along with rich talent pool of scientists having 2 decades of experience in the form of expertise, capability and timely deliverables to global innovators to ensure smooth flow of CDMO projects to sustain steady revenues. In addition, 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 J. V. Ramudu as Chairperson, Smt. Deepanwita Chattopadhyay and Shri Venkateswarlu Jasti as members. The CSR programs of the Company are being implemented by Suven trust formed for this purpose.

As of 31st March, 2020 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 – D.**

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

Shri D. G. Prasad (DIN: 00160408) is the First Director on the Board of your Company. The Board of Directors has appointed Shri D. G. Prasad, as independent director and also appointed Dr S Chandrasekhar (DIN: 00481481) and Smt. Deepanwita Chattopadhyay (DIN: 02357160) as an Independent and Non-Executive Additional Directors in its board meeting held on 06th November, 2019 in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The shareholders approved their appointments as Independent Directors in the 1st Annual General Meeting (AGM) held on 30th November, 2019 not liable to retire by rotation for a term of 5 years from the date of 1st AGM. Shri D. G. Prasad and Dr S Chandrasekhar were inducted as members of the Audit Committee of your Company.

Mr. Venkateswarlu Jasti (DIN: 00278028), Mr. J. V. Ramudu (DIN: 03055480) and Dr. Jerry Jeyasingh (DIN: 08589727) were appointed as Managing Director and Non-Executive Additional Directors respectively by the Board of Directors of the Company w.e.f. 06th November, 2019 in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, liable to retire by rotation. The shareholders approved their appointments in the 1st AGM held on 30th November, 2019.

During the year under review the Company appointed Mr. K Hanumantha Rao as Company Secretary and Mr. P. Subba Rao as Chief Financial

Officer w.e.f. 10th January, 2020 who were transitioned from Suven Life Sciences Ltd (SLSL) on the existing terms and conditions of their appointments with SLSL as per the decisions taken by the Boards of SLSL and your Company pursuant to Scheme of Arrangement (Demerger) as approved by Hon'ble NCLT, Hyderabad Bench. All the 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 except the first Directors Mr. P. Subba Rao and Mr. Sunder Venkatraman who resigned on 10th January 2020.

Directors Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013, Shri J. V. Ramudu, Non-Executive Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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

Deposits

During FY 2019-20, 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 organization 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 authorization 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 unauthorized 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 – E".**

Investor Service

Your Company's share registry operations (physical as well as electronic form of holdings) will continue with KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited), Registrars and Transfer Agents. They can be contacted at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032, Email Id: einward.ris@kfintech.com 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 1st Annual General Meeting (AGM) held on 30th November, 2019 has appointed M/s. Karvy & Co., Chartered Accountants (Firm Registration No. 001757S) as statutory auditors for a period of 5 years from the conclusion of 1st AGM till the conclusion of the sixth AGM to be held in the year 2024 in place of outgoing first auditors M/s. Tukaram & Co., LLP, Chartered Accountants who were appointed by the Board on incorporation of your company. 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 nor adverse remarks.

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. DVM & Associates LLP, Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report forms part of this report as **"Annexure – F"**. The Secretarial Audit Report does not contain any qualifications nor adverse remarks.

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. However, the Company is maintaining such accounts and record as specified by the Central Government and as applicable to the Company under sub-section (1) of section 148 of the Companies Act, 2013.

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 https://www.suvenpharm.com/index.php/investors/financial-info/AnnualReports#

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

Your company will ensure compliance of the applicable provisions of IEPF Rules at appropriate time, since your company is incorporated in the year 2018

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

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee as specified under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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.

General

During the FY2020, there is no change in the nature of business of the company or of its wholly owned subsidiaries. Except Suven Pharma Inc., and Rising Pharma Holdings Inc., in USA which have become wholly owned subsidiary and associate companies respectively, 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.

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

Venkateswarlu Jasti

Place: Hyderabad, Chairman & MD

Date: June 18, 2020 DIN: 00278028

ANNEXURE – A TO THE BOARD'S REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2020
[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	**L24299TG2018PLC128171**
(ii).	Registration Date	**06-11-2018**
(iii).	Name of the Company	**SUVEN PHARMACUITCALS 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** **3rd Floor, Avenue 7, Road No. 5** **Banjara Hills, Hyderabad – 500034** **Telangana, India Tel: 91-40-2354 9414/ 3311** email: info@suvenpharm.com
(vi).	Whether listed company	**Yes**
(vii).	Name, Address and Contact details of Registrar and Transfer Agent, if any	**KFin Technologies Private Limited** 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	98%

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 (In its capacity as sole trustee of Jasti Family Trust) Plot No. 396, Road No. 22B Jubilee Hills, Hyderabad – 500033 Telangana, India	U74900TG2015PTC097580	holding	60%	2(46)
2.	Suven Pharma, Inc., 1100 Cornwall Road Monmouth Junction, NJ 08852, USA	NA	subsidiary	100%	2(87)
3.	Rising Pharma Holdings Inc., (through WoS of the Company) 251, Little Falls Drive, City of Wilmington, State of Delaware 19808	NA	associate	25%	2(6)

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 (as on date of allotment i.e. 27/01/2020) *				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	-	-	-	-	-	-	-	-	-
(a)	Other -Individuals	-	-	-	-	-	-	-	-	-
(b)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(c)	Banks / FI	-	-	-	-	-	-	-	-	-
(d)	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	4688027	18000	4706027	3.70	5010696	18000	5028696	3.95	0.25
(b)	Banks / FI	3620	0	3620	0.00	3620	0	3620	0.00	0.00
(c)	Central Govt.	-	-	-	-	-	-	-	-	-
(d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIIs	5563704	0	5563704	4.37	5394016	0	5394016	4.24	-0.13
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total(B)(1):	**10255351**	**18000**	**10273351**	**8.07**	**10408332**	**18000**	**10426332**	**8.19**	**0.12**
(2)	**Non-Institutions**									
(a)	Bodies Corp.									
	(i). Indian	3529845	3010	3532855	2.78	3988200	3010	3991210	3.14	0.36
	(ii). Overseas	-	-	-	-	-	-	-	-	-

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (as on date of allotment i.e. 27/01/2020) *				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)	(i) Individuals shareholders holding nominal share capital upto ₹1 lakh	25529533	422973	25952506	20.39	25616194	422973	26039167	20.46	0.07
	(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	4720971	0	4720971	3.71	4799569	0	4799569	3.77	0.06
(c)	Others	6422595	10200	6432795	5.05	5646000	10200	5656200	4.44	-0.61
i)	Non Resident Indians	4560216	10200	4570416	3.59	4515084	10200	4525284	3.56	-0.04
ii)	NRI Non-Repatriation	645373	0	645373	0.51	699371	0	699371	0.55	0.04
iii)	Clearing Members	993891	0	993891	0.78	244955	0	244955	0.19	-0.59
iv)	IEPF	174319	0	174319	0.14	174319	0	174319	0.14	0.00
v)	Trusts	47596	0	47596	0.04	11071	0	11071	0.01	-0.03
vi)	NBFC	1200	0	1200	0.00	1200	0	1200	0.00	0.00
	Sub-total (B)(2): (B)(2):	**40202944**	**436183**	**40639127**	**31.93**	**40049963**	**436183**	**40486146**	**31.81**	**-0.12**
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**50458295**	**454183**	**50912478**	**40.00**	**50458295**	**454183**	**50912478**	**40.00**	**0.00**
C.	**SHARES HELD BY CUSTODIAN FOR GDRS & ADRS**	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**126828295**	**454183**	**127282478**	**100.00**	**126828295**	**454183**	**127282478**	**100.00**	**0.00**

*100,000 Shares at the beginning of the year were cancelled pursuant to Scheme of Arrangement (Demerger) as approved by Hon'ble NCLT, Hyderabad Bench. Hence, the share data is presented from the date of allotment.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on date of allotment i.e. 27/01/2020)			Shareholding 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		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 (as on date of allotment i.e. 27/01/2020)		**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	RAMBABU CHIRUMAMILLA	3208088	2.52	27/01/2020			3208088	2.52
		3208088	2.52	31/03/2020			3208088	2.52
2	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	2151827	1.69	27/01/2020			2151827	1.69
				13/03/2020	-236783	Transfer	1915044	1.50
				31/03/2020	-36499	Transfer	1878545	1.48
		1878545	1.48	31/03/2020			1878545	1.48
3	TAIYO GREATER INDIA FUND LTD	1351254	1.06	27/01/2020			1351254	1.06
				20/03/2020	64738	Transfer	1415992	1.11
				27/03/2020	120855	Transfer	1536847	1.21
				31/03/2020	29284	Transfer	1566131	1.23
		1566131	1.23	31/03/2020			1566131	1.23
4	SURYAVANSHI COMMOTRADE PRIVATE LIMITED	810000	0.64	27/01/2020			810000	0.64
				31/03/2020	20000	Transfer	830000	0.65
		830000	0.65	31/03/2020			830000	0.65
5	HDFC BANK LTD	753824	0.59	27/01/2020			753824	0.59
				13/03/2020	-753824	Transfer	0	0.00
				20/03/2020	7363	Transfer	7363	0.01
				27/03/2020	11208	Transfer	18571	0.01
				31/03/2020	-17183	Transfer	1388	0.00
		1388	0.00	31/03/2020			1388	0.00
6	VENKATA VAJRAMMA U	694044	0.55	27/01/2020			694044	0.55
		694044	0.55	31/03/2020			694044	0.55
7	SANJAY KATKAR	663010	0.52	27/01/2020			663010	0.52
		663010	0.52	31/03/2020			663010	0.52

Sl. No	Name of the Share Holder	Shareholding at the beginning/end of the Year (as on date of allotment i.e. 27/01/2020)		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	ASHISH KACHOLIA	632000	0.50	27/01/2020			632000	0.50
				13/03/2020	25000	Transfer	657000	0.52
				20/03/2020	25000	Transfer	682000	0.54
		682000	0.54	31/03/2020			682000	0.54
9	MANIKUMARI U	525000	0.41	27/01/2020			525000	0.41
		525000	0.41	31/03/2020			525000	0.41
10	ABAKKUS EMERGING OPPORTUNITIES FUND-1	500000	0.39	27/01/2020			500000	0.39
		500000	0.39	31/03/2020			500000	0.39

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

Sl. No	Name of the Directors	Shareholding at the beginning of the year (as on date of allotment i.e. 27/01/2020)		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	**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
3	**DR. SRIVARI CHANDRASEKHAR**				
	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
4	**MS. DEEPANWITA CHATTOPADHYAY**				
	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 (as on date of allotment i.e. 27/01/2020)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	**MR. VENKATA RAMUDU JASTHI**				
	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	**DR. JERRY JEYASINGH**				
	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 (as on date of allotment i.e. 27/01/2020)		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	59,600	0.04	59,600	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	-	-	59,600	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	3529	**4750**	**0**	**8279**
(ii). Interest due but not paid	0	0	0	0
(iii). Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**3529**	**4750**	**0**	**8279**
Change in Indebtedness during the financial year				
• Addition	0	28410	0	28410
• Reduction	903	17257	0	18160

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Net Change	(903)	(11153)	0	10250
Indebtedness at the end of the financial year				
(i). Principal Amount	2626	15903	0	18529
(ii). Interest due but not paid	0	0	0	0
(iii). Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**2626**	**15903**	**0**	**18529**

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	Total Amount
		Venkateswarlu Jasti	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	334.50	334.50
	(a) Value of perquisites u/s 17(2) Income-tax Act, 1961	21.86	21.86
	(a) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit	211.07	211.07
	- Others, specify...	-	-
5	Others, please specify – PF	40.14	40.14
	Total (A)	**607.57**	**607.57**
	Ceiling as per the Act		

Note: In terms of the provisions of the Companies Act, 2013, the remuneration payable to MD shall not exceed 5% of the net profit of the Company. The remuneration paid to MD is well within the said limit.

B. Remuneration to other directors:

(₹ in lakhs)

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount
		D. G. Prasad	S. Chandrasekhar	Deepanwita Chattopadhyay	
1.	Independent Directors				
	• Fee for attending board /committee meetings	2.80	0.90	**1.90**	5.60
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	**2.80**	**0.90**	**1.90**	**5.60**
2.	Other Non-Executive Directors	J. V. Ramudu	Jerry Jeyasingh		
	• Fee for attending board / committee meetings	2.70	-	-	2.70
	• Commission	-	-	-	-
	• **Others, please specify**	-	-	-	-
	Total (2)	**2.70**	**-**	**-**	**2.70**
	Total (B)=(1+2)	**5.50**	**0.90**	**1.90**	**8.30**
	Total Managerial Remuneration			**Total (A+B**	**615.87**
	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		
1.	Gross salary	Company Secretary	Chief Financial Officer	Total Amount
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25.07	34.16	59.23
	(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	**25.07**	**34.16**	**59.23**

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 & MD
DIN: 00278028

Place: Hyderabad,
Date: June 18, 2020

ANNEXURE – B TO THE BOARD'S REPORT

Form No. 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 MD.	Serving the company as President (US Operations)	Permanent employment	Looks after US Operations, co-ordination with international customers and review of technical contracts of the Company.	November 06, 2019	Monthly salary of USD 28859 being paid. She was transitioned from Suven Life Sciences Ltd due to demerger. And approval given by the members in 1st AGM held on 30th November, 2019
Suven Life Sciences Ltd: Entity under the control of Key Managerial Personnel	Lease Agreement	5 Years	Rent receivable ₹ 25.89 Lakhs for Discovery Lab facilities	January 27, 2020	Nil
Suven Life Sciences Ltd: Entity under the control of Key Managerial Personnel	Inter corporate loan	3 years	Loan on interest rate @8% p.a. in accordance with prime lending rate of SBI and is payable on a quarterly rest on weighted average method; Outstanding Loan as on 31/03/2020 ₹ 13325.25 Lakhs.	January 27, 2020	Nil

For and on behalf of the Board of Directors

Venkateswarlu Jasti
Chairman & MD
DIN: 00278028

Place: Hyderabad,
Date: June 18, 2020

ANNEXURE – C 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;

Various initiatives were undertaken during the year with the replacement energy inefficient equipment and optimization of designs for operational efficiencies

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

Use of cheaper power sources from IEX

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

₹1.25 Crore is used for high efficiency utility equipments

(B) TECHNOLOGY ABSORPTION

(i). Efforts made towards technology absorption;

R&D at Suven is involved in developing green technologies for intermediates and API"s and Niche formulation development.

There is no technology absorption from eternal sources

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

Green technologies lead to environmental friendly technologies with the increased productivity.

Formulation development lead to filing of 2 ANDA's

(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 on Research and Development: **(₹ in lakhs)**

Sr. No.	Particulars	2019-20
(a)	Capital	Nil
(b)	Recurring	1413
(c)	Total R&D expenditure	**1413**
(d)	Total R&D and innovation expenditure as a percentage of total turnover	2%

(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.

(₹ in lakhs)

		Year ended 31st March, 2020
(a)	Foreign Exchange earned	14809
(b)	Foreign Exchange outgo	89870

For and on behalf of the Board of Directors

Venkateswarlu Jasti
Chairman & MD
DIN: 00278028

Place: Hyderabad,
Date: June 18, 2020

ANNEXURE – D 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: https://www.suvenpharm.com/images/pdf/CSR_Policy.pdf
2.	Composition of the CSR Committee	Shri J. V. Ramudu – Chairman of CSR committee (Non-executive Director) Smt. Deepanwita Chattopadhyay (Independent Director) Shri Venkateswarlu Jasti (Chairman & MD)
3.	Average net profit of the Company for last three financial years	**INR 5252.23 lakhs**
4.	Prescribed CSR Expenditure (two percent of the amount specified at item 3 above)	**INR 105.04 lakhs**
5.	Details of CSR spend for the financial year (a). Total amount spent for the financial year 2019-20 (b). Amount unspent, if any	 **INR 105.04 lakhs** **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 District and State	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
1.	COVID-19 related activities and Disaster Management	Promoting health care including preventive health care	Hyderabad Dist. Telangana	**100.00**	**100.00**	**100.00**	Through implementing agency
2.	Providing safe drinking water to community, installing RO Plant, Maintenance and water supply	safe drinking water	Suryapet Dist. Telangana	**5.00**	**5.04**	**5.04**	Direct
	Total				**105.04**	**105.04**	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: Not Applicable.
7. The implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Place: Hyderabad,
Date: 18 June, 2020

Venkateswarlu Jasti
Chairman & MD
DIN: 00278028

J. V. Ramudu
Chairman – CSR Committee
DIN: 00088454

Brief contents of the CSR policy as approved by the Board

Our Company recognizes 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:

(a) Promoting preventive health care and sanitation and making available safe drinking water to the communities where SUVEN PHARMA operates;

(b) 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.

(c) 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 – E 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 & MD	23.82 : 1

Shri D. G. Prasad, Dr S. Chandrasekhar, Smt. Deepanwita Chattopadhyay, Independent Directors and Shri J. V. Ramudu, Non-executive Directors 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	
1.	Chairman & Managing Director	During the year there were no increments given to the KMPs
2.	Chief Financial Officer	
3.	Company Secretary	

Shri D. G. Prasad, Dr S. Chandrasekhar, Smt. Deepanwita Chattopadhyay, Independent Directors and Shri J. V. Ramudu, 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; NIL

(iv). the number of permanent employees on the rolls of company;

There were 972 permanent employees as on 31st March 2020

(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 10.00%. 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	71 years	Chairman & MD	607.57	Regular	M. Pharma; M.S. (Indus. Pharmacy)	46 years	06-11-2019	Business in USA

None of the employee is related to the Directors except Dr Jerry Jeyasingh who is son in law of Mr. Venkateswarlu Jasti.

For and on behalf of the Board of Directors

Venkateswarlu Jasti
Chairman & MD
DIN: 00278028

Place: Hyderabad,
Date: June 18, 2020

ANNEXURE – F TO THE BOARD'S REPORT

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2020

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 Pharmaceuticals 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 Pharmaceuticals Limited (hereinafter called as the "Company"). The 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, 2020 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, 2020 ("Audit Period") and we report that during the period under review the Company has complied with the provisions of the following Acts, Rules, Regulations, Guidelines and Standards (to an extent applicable during the Audit Period):

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

   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 and the General Meetings issued by the Institute of Company Secretaries of India ('ICSI').

2. The Company is engaged in the business of Contract Development and Manufacturing Operations (CDMO). 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 Functional Heads, the Company has complied with the said Industry Specific Acts.

3. We report that:

   3.1. During the year under review, the Hon'ble NCLT Bench at Hyderabad vide its order dated 6th January, 2020 sanctioned the Scheme of Arrangement between Suven Life Sciences Limited (Demerged Company) and Suven Pharmaceuticals Limited (Resulting Company) and their respective Shareholders and Creditors (Scheme of Arrangement) under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, which inter-alia provided for the demerger of the Demerged Undertaking (as defined in the Scheme of Arrangement) of the Demerged Company to the Resulting Company. The Appointed Date in terms of the Scheme is 1st October, 2018.

3.2. Upon the said Scheme of Arrangement becoming effective the Company is taking steps for certain post de-merger reorganization inter-alia transfer of charges, licenses, registrations.

3.3. 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. Further upon listing of shares of the Company, the Company has reconstituted its Committees of the Board in accordance to the applicable provisions.

3.4. Adequate Notice along with agenda and detailed notes on agenda is given to all the Directors electronically to schedule the Board Meetings.

3.5. 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.

3.6. 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.

3.7. The Company's Corporate Social Responsibility activities are carried on through "Suven Trust".

3.8. Decisions at the meetings of the Board of Directors and the Committees of the Board of the Company were taken unanimously.

3.9. During the Audit Period, the Shares of the Company got listed on the BSE Limited (Scrip Code: 543064) and National Stock Exchange of India Limited (Scrip Symbol: SUVENPHAR) effective from 9th March, 2020.

3.10. During the Audit Period, the Company has issued 12,72,82,478 fully paid-up equity shares of face value of ₹1/- each in the Company to the shareholders of Suven Life Sciences Limited (Demerged Company) in consideration for the arrangement. The Shares to some of the shareholders in the Demerged Company having physical holding, were allotted shares in such mode.

3.11. During the Audit Period, in terms of the said Scheme of Arrangement, upon its effectiveness and the issue of shares by the Company, the existing 1,00,000 equity shares of ₹1/- each of the Company aggregating to ₹1,00,000/- held by the Demerged Company was cancelled and reduced.

3.12. Company informed that it will take steps to rectify previous year Financial Statement filing with ROC in eXtensible Business Reporting Language format, as required under Section 137 of the Act,

3.13. It is to be noted that for the Audit Period the following Acts are not applicable:

3.13.1. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

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

3.13.4. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

3.14. 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 **DVM & Associates LLP**
Company Secretaries
L2017KR002100

Place: Hyderabad
Date: 18th June, 2020

DVM Gopal
Partner
M No: F6280
CP No: 6798
UDIN: F006280B000351416

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 Pharmaceuticals 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 a 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.

Mr. DVM Gopal (ICSI CP No: 6798), Practising Company Secretary and Partner of M/s. DVM & Associates LLP, has also acted as Legal Representative of the Company in the matter of the aforementioned Scheme of Arrangement before the Statutory Authorities, with proper prior notice to the Institute of Company Secretaries of India.

For **DVM & Associates LLP**
Company Secretaries
L2017KR002100

Place: Hyderabad
Date: 18th June, 2020

DVM Gopal
Partner
M No: F 6280
CP No: 6798
UDIN: F006280B000351416

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 utilized

(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:
https://www.suvenpharm.com/images/pdf/policies/dividend-distribution-policy.pdf

REPORT ON CORPORATE GOVERNANCE

1. 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 organization which would not only maximize the shareholder's value but also contributed to sustained and long lasting development of the organization. The Board of Directors believes in ethical values and high moral standards in achieving the highest standards of corporate governance. All the SUVEN PHARMA 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 Development and Manufacturing Operations (CDMO) by fulfilling customer's satisfaction.

2. BOARD OF DIRECTORS

Composition of Board

The Board represents an optimum mix of professionalism, knowledge and experience. As on March 31, 2020, your company had a total strength of six (6) Directors on the Board, comprising of: one (1) Executive Director, two (2) Non-executive Directors (i.e. 33%) and three (3) Independent Directors (i.e. 50%). 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 including 1 Woman Independent Director.

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, 2020

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM held on November 30, 2019	Directorship in other Public Companies	No. of Committee positions held in all companies	
		held	attended			Chairperson	Member #
Shri Venkateswarlu Jasti*	Chairman & MD Promoter	8	5	No	1	-	-
Shri D. G. Prasad	Independent Non-Executive Director	8	8	Yes	3	2	5
Shri Srivari Chandrasekhar**	Independent Non-Executive Director	8	2	No	-	-	1
Smt. Deepanwita Chattopadhyay**	Independent Non-Executive Director	8	4	No	-	-	1
Shri J. V. Ramudu*	Non-Executive Director	8	5	No	1	1	3
Dr. Jerry Jeyasingh*	Non-Executive Director	8	2	No	-	-	1
Shri Sunder Venkatraman $	Non-Executive Director	8	4	Yes	-	-	-
Shri P. Subba Rao $	Non-Executive Director	8	4	Yes	-	-	-

* Appointed with effect from 06 November, 2019

**On November 6, 2019, the said directors were appointed as additional directors by the Board and also appointed as Independent Directors by the Board subject to approval of the members in the General Meeting. In the 1st AGM held on 30 November 2019, members appointed as the Independent Directors.

$ Shri Sunder Venkatraman and Shri P. Subba Rao resigned on 10 January, 2020 as a Director(s)

Committee membership includes chairperson position

Name of the Director	Name of the other listed companies	Category
Shri Venkateswarlu Jasti	Suven Life Sciences Limited	Chairman & CEO
Shri D. G. Prasad	1) Gokak Textiles Limited	Independent director
	2) Natco Pharma Limited	Independent director
	3) Moschip Technologies Limited	Independent director
Shri Srivari Chandrasekhar	Nil	-
Smt. Deepanwita Chattopadhyay	Nil	-
Shri J. V. Ramudu	Avanti Feeds Limited	Independent director
Dr. Jerry Jeyasingh	Nil	-

Meetings of the Board

The Board met eight times during the Financial Year. The dates on which the meetings were held are as follows

Sl. No.	Date of Meeting	Board Strength	No. of Directors Present
1	24th May 2019	3	3
2	14th August 2019	3	3
3	06th November 2019	3	3
4	10th January, 2020	8	7
5	27th January, 2020	6	5
6	31st January, 2020	6	3
7	13th February, 2020	6	5
8	23rd March, 2020	6	5

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 Mr. Jerry Jeyasingh who is son-in-law of Shri Venkateswarlu Jasti.

No. of shares held by Non-Executive Directors

Sl. No.	Name of Director	No. of equity shares held as on 31st March 2020
1.	Shri D. G. Prasad	NIL
2.	Shri Srivari Chandrasekhar	NIL
3.	Smt. Deepanwita Chattopadhyay	NIL
4.	Shri J. V. Ramudu	NIL
5.	Dr. Jerry Jeyasingh	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 Registration of Independent Directors and Online Proficiency Self-Assessment Test, and Significance of Role and Functioning of Independent Directors. 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: https://suvenpharm.com/images/pdf/corporate-governance/directors-familiarization-programmes.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:

Name and Category of the Director	Skills / Expertise / Competencies
Shri Venkateswarlu Jasti Executive Director	Leadership and Management skills, industry experience, decision making skill, and governance
Shri D. G. Prasad Independent Director	Financial skills, Governance and professional skills for decision making.
Shri Srivari Chandrasekhar Independent Director	Knowledge in sector, Financial skills, Governance and professional skills for decision making.
Smt. Deepanwita Chattopadhyay Independent Directors	Knowledge in sector, Financial skills, Governance and professional skills for decision making.
Shri J. V. Ramudu Non-Executive Director	Governance and Management skills
Shri Jerry Jeyasingh Non-Executive Director	Knowledge in sector and governance

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.

K. Hanumantha Rao, Company Secretary and Compliance Officer, is the secretary of all the Committees constituted by the Board.

3. AUDIT COMMITTEE

Composition and terms of reference

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013 (the Act). The present Audit Committee comprises of two Independent Directors and one Non-executive director. All of whom possess accounting and financial management knowledge.

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 and brief terms of reference are as viz. i) Oversight of financial reporting process, ii) Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, iii) Evaluation of internal financial controls and risk management systems, iv) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and effectiveness of the audit process, v) Scrutiny of inter-corporate loans and investments. 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	**3**	3
Shri Srivari Chandrasekhar – Member	Independent & Non-Executive Director	**3**	2
Shri J. V. Ramudu – Member	Non-Executive Director	**3**	3

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.

Meetings held during the year

During the year Audit Committee met three times on 27th January, 2020, 13th February, 2020 and 23rd March, 2020. The attendance of the Committee Members was presented in the above table.

4. NOMINATION AND REMUNERATION COMMITTEE

Composition and terms of reference

Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act. 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. Brief terms of reference are viz. criteria for determining qualifications, independence of Directors, formulation of criteria for evaluation of performance of Board of Directors and independent Directors etc.

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	**2**	2
Smt. Deepanwita Chattopadhyay – Member *	Independent & Non-executive Director	**2**	1
Shri J. V. Ramudu – Member	Non-executive Director	2	2
Shri Venkateswarlu Jasti - Member	Executive Director	2	2

* Appointed as member of the committee w.e.f. 23 March, 2020.

During the year Nomination and Remuneration Committee met two times on 10th January, 2020, and 23rd March, 2020. The attendance of the Committee Members was presented in the above table.

Performance Evaluation Criteria for Directors

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.

5. REMUNERATION OF DIRECTORS

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 MD 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: https://suvenpharm.com/images/pdf/corporate-governance/committees-of-board-and-criteria-of-making-payment-to-neds.pdf

Details of Remuneration paid to the Executive Director and sitting fees paid to Non-Executive Directors during 2019-2020 is as under:

(₹ In Lakhs)

Name of the Director	Salary & Allowances	Commission	Contribution to Provident Fund	Perquisites	Total
Shri. Venkateswarlu Jasti Chairman & MD	334.50	211.07	40.14	21.86	607.57

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 and MD is governed by the resolution as approved by the shareholders in the general meeting for a period of 5 (five) years from 6th November, 2019. There is no separate provision for payment of severance fees and notice period for termination of services.

Non-Executive Directors

Name of the Director	Sitting fee (₹ in lakhs) #
Shri D. G. Prasad	2.80
Shri Srivari Chandrasekhar	0.90
Smt. Deepanwita Chattopadhyay	1.90
Shri J. V. Ramudu	2.70

Net of taxes

Except the above remuneration paid to the Directors, there were no other pecuniary relationships or transactions of Non-Executive Directors with the Company. The Company has not granted any stock options to its Non-Executive Directors.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.

The committee reviews Initiatives with respect to payment of dividends and review of other services related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

The Constitution of Stakeholders' Relationship Committee is as follows:

Name of the Director	Category of Director	No. of Meetings	
		Held	Attended
Shri J. V. Ramudu – Chairman	Non-executive Director	1	1
Smt. Deepanwita Chattopadhyay – Member	Independent & Non-executive Director	1	1
Mr. Jerry Jeyasingh – Member	Non-executive Director	1	-

During the year Stakeholders' Relationship Committee met on 23rd March, 2020. The attendance of the committee members was presented in the above table.

Name and Address of Compliance Officer

CS K. HANUMANTHA RAO

Company Secretary & Compliance Officer

Suven Pharmaceuticals Limited

SDE Serene Chambers, 3rd Floor, Road No. 5

Avenue 7, Banjara Hills, Hyderabad – 500 034

CIN: L24299TG2018PLC128171

Tel: +91 40-2354 9414/ 3311, Fax: +91 40-2354 1152

Details of complaints/requests received and redressed during the year 2019-2020:

number of opening complaints	0
number of shareholders' complaints received	9
number of complaints resolved to the satisfaction of shareholders	9
number of pending/closing complaints	0

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Committee is constituted in line with the provisions of Section 135 of the Act. 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 23rd March, 2020 are as under:

Name of the Director	Category of Director	No. of Meetings	
		Held	Attended
Shri J. V. Ramudu – Chairman	Non-executive Director	1	1
Smt. Deepanwita Chattopadhyay – Member	Independent & Non-executive Director	1	1
Shri Venkateswarlu Jasti – Member	Executive Director	1	1

8. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 18th June, 2020 within the permitted timelines extended due to COVID-19 pandemic, 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.

9. 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
2018-19	Registered Office of the Company at SDE Serene Chambers, 3rd Floor, Avenue 7, Road No 5, Banjara Hills, Hyderabad, Telangana, India, 500034	30/11/2019 11:30 AM	4
2017-18	Not applicable (incorporated on 06/11/2018)	--	--
2016-17	Not Applicable (incorporated on 06/11/2018)	--	--

Postal Ballot:

(i). Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

No postal ballot was conducted during the FY 2020

(ii). Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

10. MEANS OF COMMUNICATION

Quarterly Results, Press Releases, Presentations and Publications:

The Company's shares were listed to trade w.e.f. 09th March, 2020 as per the relaxation letter dated 3rd March, 2020 issued by SEBI in accordance with the Scheme of Arrangement (Demerger) as sanctioned by Hon'ble NCLT, Hyderabad Bench, hence the publication of quarterly results in national newspapers is not applicable for the financial year ended 31st March, 2020. Post listing your company will ensure compliance of this requirement from the financial year 2020-2021 onwards. However, the company has uploaded on the website of the Company, the financial results for the 3rd Quarter ended 31st December, 2019 for the information of the investors.

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 from 4th Quarter (March 2020) onwards, which may be accessed by the shareholders.

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

11. GENERAL SHAREHOLDERS INFORMATION

(i) Annual General Meeting:

Financial Year : 2019 – 2020

Day and Date : Monday, 14th September, 2020

Time : 11:30 a.m. IST

Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

(ii) Financial Calendar (tentative)

Financial Year April 1, 2020 to March 31, 2021	
Quarter Ending	Release of Results
June 30, 2020	latest by August 14, 2020
September 30, 2020	latest by November 14, 2020
December 31, 2020	latest by February 14, 2021
March 31, 2021	May 15, 2021*

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

(iii) Dividend Disclosure: The Board of Directors declared and paid on 27th February, 2020 an interim dividend of ₹5.00/- (including onetime special dividend of ₹2.50) per equity share of face value of ₹1.00 each for the financial year 2019-2020 to the shareholders (allottees pursuant to Scheme of Arrangement between your company and Suven Life Sciences Ltd) whose names appeared on 22nd January, 2020 being the Joint Record date notified to the Stock Exchanges. Your Directors recommend that the interim dividend paid be treated as final dividend for the year 2019-2020.

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, 3rd Floor, Avenue 7, Road No. 5, Banjara Hills, Hyderabad – 500034 for issue of demand drafts in lieu of expired dividend warrants.

(iv) Unclaimed Dividend

Pursuant to the provisions of Section 124 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 (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013.

Shareholders of the Company who have either not received or have not en-cashed their dividend warrants, for the financial years 2018-19 and 2019-20 are requested to claim the unpaid/ unclaimed dividend from the Company before transfer to the fund and further requested to submit the bank account details and email ID for recording in the RTA /Depository Participants systems for rendering better services to the shareholders.

(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 2020-2021.

(vi) Stock Code

Stock Exchanges	Scrip Code
BSE Limited	543064
National Stock Exchange of India Limited	SUVENPHAR

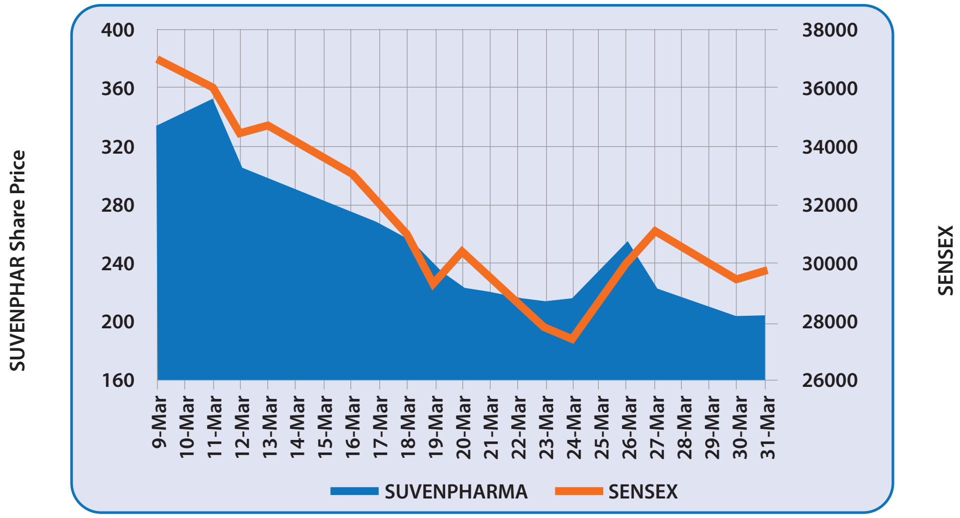
Depository for Equity Shares : NSDL and CDSL

Demat ISIN Number : INE03QK01018

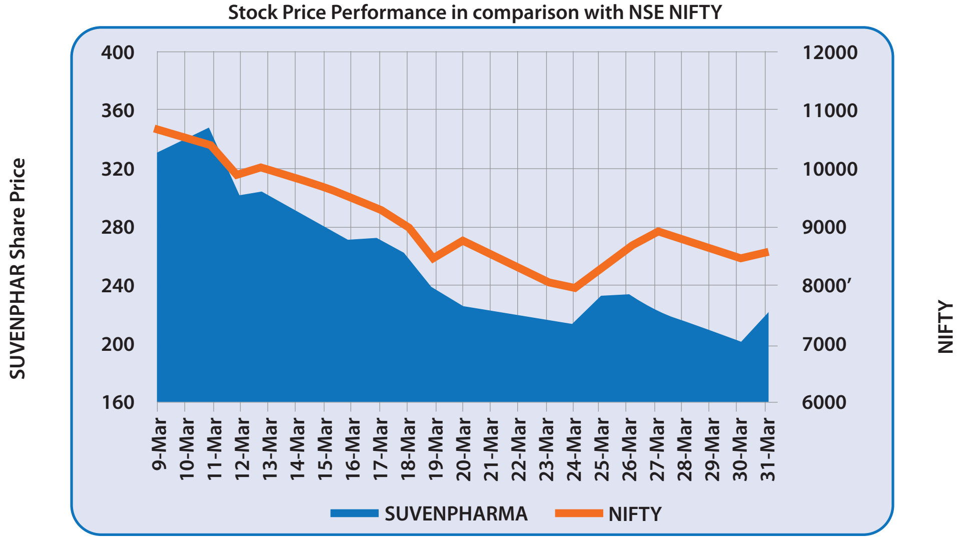
(vii) Stock Market Price Data BSE and NSE

Month	BSE Limited (BSE)			National Stock Exchange (NSE)		
	High ₹	Low ₹	Volume (No.)	High ₹	Low ₹	Volume (No.)
2020 March	352.80	174.10	644908	353.90	175.20	1080443

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)

KFin Technologies Private Limited
Unit: Suven Pharmaceuticals Limited
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500032
Ph: 91-40-6716 1565/1559, Fax No 91-40 2300 1153
Email: einward.ris@kfintech.com

(x) Share Transfer System

KFin Technologies Private Limited, (a SEBI Registered RTA) has been authorized to process all the valid share transfer requisitions (as specified and permitted under law for the time being in force) 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.

SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts and email IDs with the respective depository participants to enable us to provide better service.

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 2020**

Category (Amount)	Shareholders		Share Amount	
	Number	% to total	Amount	% to total
1 – 5000	59749	98.46	17964572.00	14.11
5001 – 10000	469	0.77	3368370.00	2.65
10001 – 20000	249	0.41	3639144.00	2.86
20001 – 30000	75	0.12	1808305.00	1.42
30001 – 40000	34	0.06	1220480.00	0.96
40001 – 50000	13	0.02	581118.00	0.46
50001 – 100000	48	0.08	3269108.00	2.57
100001 – and above	47	0.08	95431381.00	74.98
TOTAL	**60684**	**100**	**127282478.00**	**100.00**

(xii) **Categories of shareholders as on 31st March 2020**

Sl. No	Category	Cases	Holding	%To Equity
1	Promoters	6	76370000	60.00
2	Resident Individuals	56885	29951467	23.53
3	Foreign Portfolio	64	5394016	4.24
4	Non Resident Indians	1772	5224655	4.10
5	Corporate Bodies	559	3991210	3.14
6	Mutual Funds	4	2976441	2.34
7	Alternative Investment Fund	8	2052255	1.61
8	Others	1386	1322434	1.04
	TOTAL	**60684**	**127282478**	**100.00**

(xiii) **Dematerialization of shares and liquidity**

As on 31st March, 2020, 99.64% of the paid up equity capital of the Company has been dematerialized and the trading of Equity shares in the Stock Exchanges is under compulsory dematerialization.

Shares held in demat and physical mode (folio-based) as on March 31, 2020 are as follows

Category	No. of Holders*	No. of Shares	% to Equity
Demat Holdings	61907	126828295	99.64%
Physical Holdings	237	454183	0.36%
TOTAL	**62144**	**127282478**	**100.00%**

*The total number of holders will not tally with the number of shareholders, since shareholders can have multiple demat accounts with the same PAN. The number of shareholders based on PAN as on March 31, 2020 is 60684.

We request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts and email IDs with the respective depository participants to enable us to provide better service and 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, 2020, 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 – 508213	**Unit – 2** Plot No. 18, Phase III, IDA, Jeedimetla, Hyderabad Telangana –500055
Unit – 3 Plot No(s). 262 - 264 & 269 - 271, IDA, Pashamylaram, Sanga Reddy Dist. Telangana – 502307	**Unit – 4** Plot No(s). 65, 66 and 67, JN Pharmacity Parwada, Visakhapatnam, Andhra Pradesh – 531019
Formulation Development Centre Plot No(s). 265 to 268, IDA Pashamylaram Sanga Reddy Dist., Telangana – 502307	

(xvii) Address for Correspondence

Regd. Office: # 8-2-334, SDE Serene Chambers, 3rd Floor,

Road No. 5, Avenue 7, Banjara Hills, Hyderabad – 500034 Telangana

CIN: L24299TG2018PLC128171

Tel: +91 40-2354 9414 / 2354 1142, Fax: +91 40-2354 1152

E-mail: info@suvenpharm.com investorservices@suvenpharm.com

Website: www.suvenpharm.com

(xviii) Credit Ratings

Your Company has engaged the services of CRISIL Rating agency for rating of borrowings availed from the Banks for the purpose of meeting business requirements of the Company. The present rating assigned to long term borrowings is "A" and short term borrowings is "A1" as of 31st March, 2020.

(xix) 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 dematerialized shares held with NSDL and CDSL.

12. 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, 2020. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at Web link https://www.suvenpharm.com/images/pdf/policies/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 https://www.suvenpharm.com/images/pdf/policies/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 & MD: 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: https://www.suvenpharm.com/images/pdf/policies/POLICY_FOR_DETERMINING_MATERIAL_

SUBSIDIARIES_SPL_.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) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the financial year 2019-20.

(viii) Certificate from a company secretary in practice

Ms. D. Renuka, Practicing Company Secretary, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as Annexure -A

(ix) Instances of not accepted any recommendation of any committee of the Board

There is no such instance where Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year.

(x) Details of the fees paid to Statutory Auditors

The details of the total fees for all services paid by the company, on a consolidated basis, to the statutory auditor for the financial year.

Particulars	Amount (in lakhs)
Audit Fees	16.00
Tax audit fees	2.50
Certification and Limited Review Reports	4.00
Total	**22.50**

(xi) 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.

13. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

Our company has complied with all requirements of corporate governance report for the year 2019-2020.

14. 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 2019-2020

15. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The auditor's certificate on corporate governance is provided as Annexure B to this corporate governance report.

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

To

The Members of

Suven Pharmaceuticals 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, 2020.

For Suven Pharmaceuticals Limited

Venkateswarlu Jasti

Chairman & MD

DIN: 00278028

Place: Hyderabad

Date: June 18, 2020

Annexure A - CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of Pharmaceuticals Limited

Registered Office: # 8-2-334, SDE Serene Chambers,

3rd Floor, Road No. 5, Banjara Hills, Hyderabad-500034

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Suven Pharmaceuticals Limited having CIN: L24299TG2018PLC128171 and having registered office at 8-2-334, SDE Serene Chambers, 3rd Floor, Road No. 5, Banjara Hills, Hyderabad - 500034 Telangana (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment in Company
1	VENKATESWARLU JASTI	00278028	06/11/2019
2	D. G. PRASAD	00160408	06/11/2018
3	SRIVARI CHANDRASEKHAR	00481481	06/11/2019
4	DEEPANWITA CHATTOPADHYAY	02357160	06/11/2019
5	J. V. RAMUDU	03055480	06/11/2019
6	JERRY JEYASINGH	08589727	06/11/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Name: D. RENUKA
Membership No.: A11963
CP No.: 3460
UDIN:A011963B000340161

Place: Hyderabad
Date : June 13, 2020

Annexure B - INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

SUVEN PHARMACEUTICALS LIMITED

1. We, M/s. KARVY & CO, Chartered Accountants, the Statutory Auditors of SUVEN PHARMACEUTICALS LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, 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 March 31, 2020.
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 **KARVY & CO.,**
Chartered Accountants
(Firm Registration No. 001757S)

Ajay Kumar Kosaraju
Partner
Membership No. 021989
UDIN: 20021989AAAACB7776

Place: Hyderabad
Date: June 18, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of
Suven Pharmaceuticals Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Suven Pharmaceuticals Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2020, 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.	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) The application of the 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 recognized when a performance obligation is satisfied. Additionally, the 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. Refer Notes 2g and 15 to the Standalone Ind AS Financial Statements	**Principal Audit Procedures** Our audit approach consisted, testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • 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: - Read, analyzed and identified the distinct performance obligations in these contracts. - Compared these performance obligations with that identified and recorded by the Company. - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction

S. No	Key Audit Matters	Auditor's Response
		price used to compute revenue and to test the basis of estimation of the variable consideration. - Tested Samples in respect of revenue recorded upon transfer of control/rights of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services, were tested using a combination of Master Service Agreements and Sales invoices 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.
2	**Business Combination** During the year, consequent to the demerger of Contract Research and Manufacturing Services (CRAMS) Division of Suven Life Sciences Limited as a going concern into the Company, pursuant to the scheme effective, the Company has issued shares to the shareholders of Suven Life Sciences Limited and got listed on the stock exchange. This requires significant management judgement. Our key audit matter focuses on the valuation of assets acquired (including intangibles) and the completeness of liabilities assumed.	**Principal Audit Procedures** We performed the following procedures in response to the key audit matter identified: • Completed a walkthrough of the demerged process and obtained understanding of the transaction by reading the Scheme of Arrangement and the Listing Profile document. • Assessed the design and implementation of the key controls addressing the risk. • Evaluated management's assessment of the due diligence findings and the actions taken. • Risk assessed, appropriately scoped and tested the balances for the acquired business. • Reviewed the key underlying assumptions. • Reviewed the disclosures in the financial statements.

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 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.

The 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 ₹42.13 lakhs as at 31st March, 2020 and total revenue of ₹18.42 lakhs 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 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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, 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 31 to the 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 **KARVY & CO.**
Chartered Accountants
ICAI Firm Regn. No.001757S

Ajay Kumar Kosaraju
Partner
Membership No.021989
UDIN:20021989AAAACA5233

Place: Hyderabad
Date: June 18, 2020

Annexure - A TO THE AUDITORS' 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, 2020, we report that:

Re: Suven Pharmaceuticals 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 Title deeds for the freehold land of ₹1504.64 Lakhs are in the name of Suven Life Sciences Limited (The Demerged Company). The same have been acquired by the Company pursuant to the Scheme of Demerger (refer note 35) and the same is pending as at 31st March, 2020 for mutation in the name of the Company

ii. According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of accounts.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.

vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records prescribed under sub-section (1) of section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to 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 by management, there are no dues outstanding of income-tax, sales-tax, service tax, customs duty, value added tax and cess that have not been deposited on account of any dispute.

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 not raised any moneys by way of initial public offer or further public offer of equity shares, convertible securities and debt securities. No term loans were taken during the year by the Company.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud, by the Company or on the Company by its officers or employees, has been noticed or reported during the 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 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 them. 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 KARVY & CO.
Chartered Accountants
ICAI Firm Regn. No.001757S

Ajay Kumar Kosaraju
Partner
Membership No.021989
UDIN:20021989AAAACA5233

Place: Hyderabad
Date: June 18, 2020

Annexure - B TO THE INDEPENDENT AUDITORS' 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 Pharmaceuticals Limited ("the Company") as of 31st March, 2020 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, 2020, 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 KARVY & CO.
Chartered Accountants
ICAI Firm Regn. No.001757S

Ajay Kumar Kosaraju
Partner
Membership No.021989
UDIN:20021989AAAACA5233

Place: Hyderabad
Date: June 18, 2020

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	35,306.20	26,821.21
Capital work-in-progress	3	10,170.52	11,106.87
Other Intangible assets	4	279.60	268.51
Right of Use assets		88.58	-
Financial assets			
(i) Investments	5(a)(i)	24,564.73	7.05
(ii) Loans	5 (b)	6.00	7.22
(iii) Other financial assets	5 (c)	474.59	437.42
Other non-current assets	6	1,045.08	679.93
Total Non-current assets		**71,935.30**	**39,328.21**
Current assets			
Inventories	7	17,487.22	15,709.83
Financial assets			
(i) Investments	5(a)(ii)	3,067.33	706.10
(ii) Trade receivables	5(d)	11,719.58	14,750.17
(iii) Cash and cash equivalents	5(e)(i)	1,157.68	1,090.30
(iv) Bank balances other than (iii) above	5(e)(ii)	237.97	199.36
(v) Loans	5(b)	20.39	10.77
(vi) Other financial assets	5(c)	0.28	0.28
Other current assets	8	5,462.38	6,506.62
Total Current assets		**39,152.83**	**38,973.42**
TOTAL ASSETS		**1,11,088.13**	**78,301.63**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9(a)	1,272.82	-
Equity Share Capital Suspense	9(a)	-	1,272.82
Other equity	9(b)	77,010.16	57,756.23
Total Equity		**78,282.99**	**59,029.06**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease Liability		51.19	-
(ii) Borrowings	12(a)	9,125.25	-
Provisions	10	831.46	594.53
Deferred tax liabilities (net)	11	2,759.72	2,917.17
Total Non-current liabilities		**12,767.62**	**3,511.70**
Current liabilities			
Financial liabilities			
(i) Lease Liability		40.41	-
(ii) Borrowings	12(b)	9,403.80	8,279.36
(iii) Trade payables			
(a) Total outstanding dues to Micro and Small Enterprises	12(c)	263.13	73.22
(b) Total outstanding dues to creditors other than Micro and Small Enterprises	12(c)	6,842.44	5,284.27
(iii) Other financial liabilities	12(d)	2,319.89	1,420.12
Current Tax Liabilities(net)	13	525.36	10.96
Provisions	10	251.65	165.83
Other current liabilities	14	390.84	527.11
Total Current liabilities		**20,037.52**	**15,760.87**
TOTAL LIABILITIES		**32,805.14**	**19,272.57**
TOTAL EQUITY AND LIABILITIES		**1,11,088.13**	**78,301.63**

The accompanying notes are an integral part of the standalone financial statements
As per our report of even date

for **KARVY & CO.**
Chartered Accountants
(Firm Reg. No.001757S)

Ajay Kumar Kosaraju
Partner
Membership No. 021989

For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited

Venkateswarlu Jasti
Chairman & Managing Director
DIN: 00278028

K. Hanumantha Rao
Company Secretary
Membership No. A11599

P. Subba Rao
Chief Financial Officer
Membership No. A11342

Place : Hyderabad
Date : 18.06.2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Particulars	Notes	For the year ended March 31, 2020	For the period November 06, 2018 to March 31, 2019
Income			
Revenue from operations	15	83,378.98	37,783.46
Other income	16	1,811.73	60.01
Total Income		**85,190.70**	**37,843.47**
Expenses			
Cost of materials consumed	17	24,024.35	12,452.12
Changes in Inventories of work-in-progress and finished goods	18	(1,105.45)	(2,132.13)
Manufacturing expenses	19	10,575.14	5,130.47
Employee benefits expense	20	7,372.23	2,963.15
Finance costs	21	2,181.26	278.92
Depreciation and amortization expense	22	2,386.01	1,149.68
Other expenses	23	3,998.12	2,214.55
Total Expenses		**49,431.68**	**22,056.76**
Profit before tax		**35,759.03**	**15,786.71**
Tax expense			
Current tax	24	8,880.94	3,317.07
Deferred tax	24	(129.93)	1,542.21
Profit/(Loss) for the period		**27,008.02**	**10,927.43**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements gains (losses) on defined benefit plans		(109.31)	-
Income tax relating to items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		27.51	-
Other Comprehensive Income /(Loss) for the year, net of taxes		**(81.80)**	**-**
Total Comprehensive Income for the year		**26,926.23**	**10,927.43**
Earnings per Equity share (Par value of ₹1 each)			
Basic and Diluted (not annualised)	**33**	**21.22**	**8.59**

The accompanying notes are an integral part of the standalone financial statements
As per our report of even date

for **KARVY & CO.**
Chartered Accountants
(Firm Reg. No.001757S)

Ajay Kumar Kosaraju
Partner
Membership No. 021989

Place : Hyderabad
Date : 18.06.2020

For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited

Venkateswarlu Jasti
Chairman & Managing Director
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, 2020

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

a. Equity share capital

	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	Amount	Number of Shares	Amount
A. Equity share capital				
Balance at the beginning of the period	-	-	1,00,000	1.00
Less: Cancellation of shares under Scheme of Arrangement (Refer Note 35)	-	-	(1,00,000)	(1.00)
Equity shares allotted pursuant to the Scheme of Arrangement(Refer Note 35)	12,72,82,478	1,272.82	-	-
	12,72,82,478	**1,272.82**	**-**	**-**
B. Equity Share Suspense				
Balance at the beginning of the period	12,72,82,478	1,272.82	-	-
Equity share capital pending for allotment	-	-	12,72,82,478	1,272.82
Equity shares allotted pursuant to the Scheme of Arrangement (Refer Note 35)	(12,72,82,478)	(1,272.82)	-	-
	-	**-**	**12,72,82,478**	**1,272.82**

b. Other Equity

Particulars	Note	Reserves & surplus			Total Equity
		Securities Premium	General reserve	Retained earnings	
Balance as at November 6, 2018					
Acquired in pursuant to Scheme of Arrangement		12,230.21	5,527.91	30,016.09	47,774.21
Adjustement due to Scheme of Arrangement (Refer Note 35)		-	(601.24)	-	(601.24)
Deferred tax impact of Scheme of Arrangement (Refer Note 35)		-	-	1,956.51	1,956.51
Profit for the period	9(b)	-	-	10,927.43	10,927.43
Cancellation of shares under scheme of demerger (refer note 35)			1.00	-	1.00
Other comprehensive income	9(b)	-	-	-	-
Income tax relating to items of other comprehensive income		-	-	-	-
Transfer to General Reserve	9(b)	-	-	(1,500.00)	(1,500.00)
Transfer from Retained Earnings	9(b)	-	1,500.00	-	1,500.00
Total comprehensive income for the period		**-**	**899.76**	**11,383.94**	**12,283.70**
Dividend paid	9(b)	-	-	(1,909.24)	(1,909.24)
Tax on distributed profit		-	-	(392.45)	(392.45)
Balance as at March 31, 2019		**12,230.21**	**6,427.67**	**39,098.35**	**57,756.22**
Balance as at April 1, 2019		**12,230.21**	**6,427.67**	**39,098.35**	**57,756.22**
Profit for the period	9(b)	-	-	27,008.02	27,008.02
Other comprehensive income	9(b)	-	-	(109.31)	(109.31)
Income tax relating to items of other comprehensive income		-	-	27.51	27.51
Transfer to General Reserve		-	-	(1,500.00)	(1,500.00)
Transfer from Retained Earnings		-	1,500.00	-	1,500.00
Total comprehensive income for the period		**-**	**1,500.00**	**25,426.23**	**26,926.23**
Dividend paid		-	-	(6,364.12)	(6,364.12)
Tax on distributed profit		-	-	(1,308.16)	(1,308.16)
Balance at March 31, 2020		12,230.21	7,927.67	56,852.28	77,010.16

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

for **KARVY & CO.**
Chartered Accountants
(Firm Reg. No.001757S)

Ajay Kumar Kosaraju
Partner
Membership No. 021989

Place : Hyderabad
Date : 18.06.2020

For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited

Venkateswarlu Jasti
Chairman & Managing Director
DIN: 00278028

K. Hanumantha Rao
Company Secretary
Membership No. A11599

P. Subba Rao
Chief Financial Officer
Membership No. A11342

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020 (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Particulars	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
A. Cash flow from operating activities			
Profit before tax		35,759.03	15,786.71
Adjustments :			
Depreciation and amortisation expense		2,368.29	1,149.68
Interest Income		(36.06)	(19.76)
Finance Cost		2,181.26	278.92
Gain on sale of Current Investment		623.12	(16.33)
Operating profit before working capital changes		**40,895.64**	**17,179.22**
Adjustments for (Increase)/decrease in operating assets			
Trade Receivables		3,030.59	(8,489.11)
Inventories		(1,777.39)	(1,708.92)
Other non current financial assets		(35.95)	171.58
Other non current assets		(453.73)	2,703.51
Other current financial assets		(9.62)	4.01
Other current assets		1,044.23	(370.65)
Adjustments for Increase/(decrease) in operating liabilities			-
Trade Payables		1,748.08	985.36
Long term provisions		236.93	288.58
Short term provision		(23.49)	(273.18)
Other financial liabilities		899.77	(1,751.42)
Other current liabilities		(136.27)	(392.42)
Cash generated from operating activities		**45,418.81**	**8,346.58**
Income taxes paid (net of refunds)		8,640.92	3,306.11
Net Cash flows from operating activities	**(A)**	**36,777.89**	**5,040.47**
B. Cash flow from Investing activities			
Payments for Purchase of property, plant and equipment		(9,941.46)	(5,659.03)
Proceeds from sale of Property, plant & equipment		13.43	(19.56)
Changes in Investments		(24,557.68)	-
Sale/(purchase) of mutual funds		(2,984.35)	(689.77)
Bank balances not considered as cash and cash equivalents		(38.61)	(199.36)
Interest received		36.06	19.76
Net cash flow from /(used in) investing activities	**(B)**	**(37,472.62)**	**(6,547.96)**
C. Cash flows from financing activities			
(Repayment)/Proceeds from long term borrowings		9,125.25	5,203.03
(Repayment)/Proceeds from short term borrowings		1,124.44	(24.64)
Finance Cost		(1,906.88)	(278.92)
Changes In Lease Liability		91.59	-
Dividends paid to equity holders (including dividend distribution tax)		(7,672.29)	(2,301.69)
Net cash flow from /(used In) financing activities	**(C)**	**762.11**	**2,597.78**
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	67.38	1,090.29

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Particulars	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
Cash and cash equivalents as at the beginning of the year (Refer Note 5(e) (i))		1,090.29	-
Cash and cash equivalents at the end of the year		**1,157.68**	**1,090.29**
Cash and cash equivalents (Refer Note 5(e)(i))		1,157.68	1,090.29
Balances per statement of cash flows		1,157.68	1,090.29

This is the Cash Flow Statement referred to in our report of even date

Note:

1.The above cash flow statement has been prepared under the indirect method has setout in the Ind AS 7 Statement of Cash Flows

2. For components of cash and cash equivalents refer note 5(e)(i)

As per our report of even date

for **KARVY & CO.**
Chartered Accountants
(Firm Reg. No.001757S)

Ajay Kumar Kosaraju
Partner
Membership No. 021989

Place : Hyderabad
Date : 18.06.2020

For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited

Venkateswarlu Jasti
Chairman & Managing Director
DIN: 00278028

K. Hanumantha Rao
Company Secretary
Membership No. A11599

P. Subba Rao
Chief Financial Officer
Membership No. A11342

1. Corporate Information

Suven Pharmaceuticals Limited (SPL) is a bio-pharmaceutical company, incorporated on 6th November, 2018 with the object of being 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. Suven Pharma Inc., a Delaware Company, is a WOS (wholly owned subsidiary) of SPL, is a SPV (Special Purpose Vehicle) created on 9th March 2019, for undertaking various business opportunities in Pharma Industry.

2. Significant accounting policies

a) Basis of preparation of Financial Statements

(i) Statement of Compliance

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act") and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements for the year ended March 31, 2020 were approved by the Board of directors on June 18, 2020.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost and on accurual basis, except for the following items in the balance sheet:

- 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
- Right-of-use assets are recognised at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred, if any.

b) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, Presentation of Financial Statements.

An asset is treated as current when:

- 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 and 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 the Chief Operating Decision Maker. Refer note 28 for the segment information presented.

d) New Standard adopted by the company:

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces the existing standard on leases i.e. Ind AS 17, Leases effective for accounting periods beginning on or after 1 April 2019.

The Company assesses at contract inception whether a contract is or contains a lease, which applies if the contract conveys the right to control the use of the identified asset for a period of time in exchange for consideration. The Company recognises a right-of-use asset at the commencement date of the lease, i.e. the date the underlying asset is available for use. Assets and liabilities arising from a lease are initially measured at present value, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

As a Lessee:

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful life

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date ,discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, then the lessee's incremental borrowing rate is used. Such borrowing rate is calculated as the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The Company's lease liabilities are included in borrowings. Lease payments are allocated between principal and interest cost. The interest cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance Leases:

A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating Leases:

Other leases are operating leases, and the leased assets are not recognised on the Company's balance sheet. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.

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

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

  Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

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

Certain practical expedients are available under both the methods.

e) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the statement of profit and loss in the period in which they arise. 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.

f) 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 (Refer note 25) .

g) Revenue recognition

The Company earns revenue primarily from sale of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API) Speciality chemicals and formulated drugs under contract research and manufacturing services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, we apply the following five step approach:

(1) Identify the contract with a customer,

(2) Identify the performance obligations in the contract,

(3) Determine the transaction price,

(4) Allocate the transaction price to the performance obligations in the contract, and

(5) Recognize revenues when a performance obligation is satisfied

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

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

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 cummulative effect method. The effect of initially applying this standard is recognised at the date. 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.

h) 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.

i) 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.

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.

j) 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.

k) 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.

l) 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.

m) Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also 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 realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

n) 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 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.

o) 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(Refer Note 31).

p) 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

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

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 26 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.

q) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Loans and Borrowings

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

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

Financial guarantee contracts

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

r) 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.

s) Offsetting financial instruments

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

t) 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 accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation methods, estimated useful lives and residual value

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

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 assets carrying amount is written down immediately to its recoverable amount if the assets 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 derecognised .

Estimated useful life :

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

u) 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.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

(ii) Amortization methods and periods

Intangible assets with finite useful live are amortized over their respective individual estimated useful lives (3-10 years in case of computer softwares) 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

v) Trade and other payables

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

w) Borrowings

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

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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.

x) Borrowing costs

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

y) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:
(a) Defined benefit plans such as gratuity; and
(b) Defined contribution plans such as provident fund.

Gratuity obligations

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

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

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

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

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

Defined contribution plans

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

(iv) Bonus plans

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

z) 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 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 derecognised (i.e. removed from the company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

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

Investment in subsidiaries

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

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

aa) 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.

ab) 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

ac) 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.

ad) Cash flow statement

Cash flows are reported using the Indirect 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.

ae) 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.

af) 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
8. Valuation of inventories
9. Determination of cost for right-of-use assets and lease term
10. Contingencies

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.

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	Total	Capital work-in-progress
Gross carrying amount												
At 6th November,2018	-	-	-	-	-	-	-	-	-	-	-	-
Acquired in pursuant to the scheme of arrangement (refer note 35)	1,522.11	31.20	9,806.97	18,132.50	428.06	157.86	170.40	2,691.29	782.94	263.34	33,986.67	2,474.30
Additions	14.32	-	-	306.08	6.38	-	3.29	75.81	7.00	8.96	421.84	8,632.58
Disposals	-	-	-	0.45	-	-	-	-	-	-	0.45	-
Balance as at 31st March,2019	1,536.43	31.20	9,806.97	18,438.13	434.44	157.86	173.69	2,767.10	789.94	272.30	34,408.96	11,106.87
Accumulated depreciation												
At 6th November,2018												
Acquired in pursuant to the scheme of arrangement (refer note 35)	-	2.63	1,329.69	3,450.85	175.24	61.39	90.12	986.08	200.93	157.18	6,454.10	-
Charge for the period	-	0.37	210.68	667.03	26.42	11.88	16.36	139.16	30.28	31.01	1,133.20	-
Disposals	-	-	-	0.45	-	-	-	-	-	-	0.45	-
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March,2019	-	3.00	1,540.37	4,117.43	201.66	73.27	106.48	1,125.24	231.21	188.19	7,586.75	-
Net Book Value as at March 31, 2019	**1,536.43**	**28.20**	**8,266.59**	**14,320.69**	**232.78**	**84.59**	**67.22**	**1,641.87**	**558.74**	**84.11**	**26,821.21**	**11,106.87**
Gross carrying amount												
At 1st April,2019	1,536.43	31.20	9,806.97	18,438.13	434.44	157.86	173.69	2,767.10	789.94	272.30	34,408.06	11,106.87
Exchange difference				-							-	
Additions	-	-	2,426.31	7,313.13	21.00	-	9.13	323.05	735.74	35.02	10,863.39	(936.35)
Transfers	31.79	-	-	-	-	-	-	-	-	-	31.79	-
Disposals	-	-	-	5.70	-	35.92	-	-	-	-	41.62	-
Balance as at 31st March,2020	1,504.64	31.20	12,233.28	25,745.56	455.45	121.93	182.82	3,090.15	1,525.68	307.32	45,198.03	10,170.52
Accumulated depreciation and impairment												
Upto 1st April,2019	-	3.00	1,540.38	4,117.43	201.66	73.27	106.47	1,125.24	231.20	188.19	7,586.85	-
Charge for the period	-	0.75	441.23	1,384.99	53.20	16.07	33.44	277.56	69.63	56.32	2,333.18	-
Disposals	-	-	-	2.70	-	25.50	-	-	-	-	28.19	-
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March,2020	-	3.75	1,981.61	5,499.73	254.86	63.85	139.91	1,402.79	300.83	244.51	9,891.83	-
Net Book Value as at 31st March,2020	1,504.64	27.45	10,251.68	20,245.83	200.59	58.08	42.91	1,687.36	1,224.85	62.82	35,306.20	10,170.52

Notes:

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

Refer Note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

* Title deeds for the freehold land of ₹1504.64 Lakhs are in the name of Suven Life Sciences Limited (The Demerged Company). The same have been accquired by the Company pursuant to the Scheme of Demerger (refer note 35) and the same is pending as at March 31, 2020 for mutation in the name of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 4: INTANGIBLE ASSETS

	Software	Total
Gross carrying amount		
At 6th November,2018		
Acquired in pursuant to the scheme of arrangement (refer note 35)	313.28	313.28
Additions	19.56	19.56
Disposals	-	-
Balance as at 31st March,2019	**332.84**	**332.84**
Accumulated amortisation		
At 6th November,2018		
Acquired in pursuant to the scheme of arrangement (refer note 35)	47.86	47.86
Charge for the period	16.47	16.47
Balance as at 31st March,2019	**64.33**	**64.33**
Net Book Value as at March 31, 2019	268.51	268.51
Gross carrying amount		
At 1st April,2019	332.84	332.84
Additions	46.21	46.21
Balance as at 31st March,2020	**379.05**	**379.05**
Accumulated amortisation and impairment		
Upto 1st April,2019	64.33	64.33
Charge for the period	35.12	35.12
Balance as at 31st March,2020	**99.45**	**99.45**
Net Book Value as at 31st March,2020	**279.60**	**279.60**

NOTE 5: FINANCIAL ASSETS

5 (a) (i) Non-current investments

Particulars	As at 31 March 2020		As at 31 March 2019	
	Shares	Amount	Shares	Amount
Investment carried at cost				
Unquoted Equity Instruments - (Fully paid up)				
a) In Subsidiary Companies				
-Equity shares of Suven Pharma Inc. At par value USD 0.01	1,500	-	-	-
-Additional paid in capital	NA	24,557.68	-	-
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	**12,987**	**24,564.73**	**11,487**	**7.05**
Total Non-Current investments	**12,987**	**24,564.73**	**11,487**	**7.05**
Aggregate amount of quoted investments & market value thereof				
Aggregate value of unquoted investments	-	24,564.73	-	7.05
Aggregate amount of impairement in value of Investment in unquoted equity investments				

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

5 (a) (ii) Current investments

Particulars	As at 31 March 2020		As at 31 March 2019	
	Shares	Amount	Shares	Amount
Investment in Mutual Funds- Unquoted (Fully paid up)				
HDFC Short Term Debt Fund-Growth	21,62,420	489.57	-	-
Reliance Prime Debt Fund-Growth	12,218	589.21	-	-
IDFC Low Duration Fund-Growth	30,69,276	876.80	-	-
SBI Liquid Fund -Growth	19,910	615.92	24,212	706.10
TATA Liquid Fund - Growth	15,831	495.82	-	-
Total Current Investments		**3,067.33**		**706.10**

Aggregate amount of quoted investments & market value thereof				
Aggregate value of unquoted investments	-	3,067.33	-	706.10
Aggregate amount of impairment in value of Investment in unquoted investments				

5(b) Loans

Particulars	As at 31 March 2020		As at 31 March 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to employees	20.39	6.00	10.77	7.22
Total loans	**20.39**	**6.00**	**10.77**	**7.22**

5(c) Other financial assets

Particulars	As at 31 March 2020		As at 31 March 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Security Deposits	0.28	454.28	0.28	415.19
Interest accrued on deposit	-	20.31	-	22.23
Total Other financial assets	**0.28**	**474.59**	**0.28**	**437.42**

5(d) Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	11,719.58	14,750.17
Total receivables	**11,719.58**	**14,750.17**

5(e) (i) Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
-in current accounts	24.01	57.75
-in EEFC account	127.01	657.77
- in Cash Credit account	994.46	367.38
Cash on hand	12.19	7.39
Total cash and cash equivalents	**1,157.68**	**1,090.30**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

5(e) (ii) Other bank balances

Particulars	As at 31 March 2020	As at 31 March 2019
In unclaimed dividend accounts	38.59	11.65
Deposits -LC & BG	199.37	187.65
Interest accrued on LC & BG	-	0.06
Total Other bank balances	**237.97**	**199.36**

NOTE 6: OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2020	As at 31 March 2019
Capital advances	1,045.08	679.93
Total other non-current assets	**1,045.08**	**679.93**

NOTE 7: INVENTORIES(VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	3,451.56	3,033.11
Work-in-progress	7,656.34	7,001.16
Finished goods	4,638.59	4,188.32
Stores and spares	1,554.86	1,258.36
Packing materials	185.88	228.87
Total inventories	**17,487.22**	**15,709.83**

NOTE 8: OTHER CURRENT ASSETS

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
MEIS receivable	420.61	536.52
MEIS licenses on hand	-	344.39
Duty drawback receivable	106.48	39.29
GST Receivable	3,060.82	4,785.44
Pre paid expenses	385.91	385.99
Advances to Material Suppliers	1,144.10	352.05
Advances to service providers	87.30	35.79
Advance for CSR Expenses	210.09	-
Others advances	47.08	27.15
Total other current assets	**5,462.38**	**6,506.62**

NOTE 9: EQUITY SHARE CAPITAL AND OTHER EQUITY

9(a) Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised Capital		
201,000,000 Equity shares of ₹1 /- each	2,010.00	2,010.00
	2,010.00	**2,010.00**
Issued, Subscribed and fully paid up		
12,72,82,478 Equity shares of ₹1/- each	1,272.82	-
	1,272.82	-
Equity share capital suspense		
12,72,82,478 Equity shares of Re.1/- to be issued pursuant to the Scheme of Arrangement(Refer Note 35)	-	1,272.82

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
As at November 06, 2018	-	-	-	-
Opening balance as at 01st April'2019			1,00,000	1.00
Equity shares cancelled pursuant to the scheme of demerger (refer note 35)	-	-	(1,00,000)	(1.00)
Equity shares issued pursuant to the scheme of demerger (refer note 35)	12,72,82,478	1,272.82	-	-
Outstanding at the end of the year	**12,72,82,478**	**1,272.82**	-	-

NOTE:

1) 12,72,82,478 equity shares of Re.1/- each amounting to Rs.1272.83 Lakhs is the equity share capital of the Company effective from 1st October, 2018 post restructuring. The aforesaid shares were pending allotment as on 31st March 2019 and hence have been disclosed as equity share capital suspense. On 27th January 2020, the equity shares were issued and since transferred to equity share capital.

2) In terms of the Scheme, the paid up equity share capital of Rs 1.00 Lakh of Suven Pharmaceuticals Limited pertaining to the period prior to the Appointed date i.e. 1st October 2018 stands cancelled and reduced (Refer note 35).

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

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

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

The Board of Directors has declared an interim dividend on 13.02.2020 of Rs.2.50 per equity share and a one time special dividend of Rs.2.50 totalling to Rs.5.00 per share (31 March 2019: Re. 1.50/-).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

9(b) Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
Securities premium	12,230.21	12,230.21
General reserve	7,927.67	6,427.67
Retained earnings	56,852.28	39,098.35
Total other equity	**77,010.16**	**57,756.23**

(i) Securities premium

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	12,230.21	-
Acquired in pursuant to Scheme of Arrangement (Refer Note 35)	-	12,230.21
Add: On issue of shares	-	-
Closing Balance	**12,230.21**	**12,230.21**

(ii) General Reserve

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	6,427.67	-
Acquired in pursuant to Scheme of Arrangement (Refer Note 35)	-	5,527.91
Adjustement due to Scheme of Arrangement (Refer Note 35)	-	(601.24)
Cancellation of shares under Scheme of Arrangement (Refer Note 35)	-	1.00
Transferred from Retained Earnings	1,500.00	1,500.00
Closing Balance	**7,927.67**	**6,427.67**

(iii) Retained earnings

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	39,098.35	-
Add: Accquired in pursuant to the Scheme of Arrangement (Refer Note 35)	-	30,016.09
Deferred tax adjustement	-	1,956.51
Net profit for the year	27,008.02	10,927.43
Transferred to General reserve	(1,500.00)	(1,500.00)
Dividend paid	(6,364.12)	(1,909.24)
Tax on distributed profit	(1,308.16)	(392.45)
Other Comprehensive Income		
- Remeasurements of post employment benefit obligation, net of tax	(81.80)	-
Closing balance	**56,852.28**	**39,098.35**

Nature and purpose of reserves

Securities premium reserve:

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of companies Act 2013.

General Reserve:

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Retained Earnings:

Retained earnings are the profits of the company earned till date net of appropriations

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 10: PROVISIONS

Particulars	As at 31 March 2020		As at 31 March 2019	
	Current	Non-Current	Current	Non-Current
Provision for Employee benefits				
-Leave obligations	135.57	408.57	100.95	355.63
-Gratuity	116.08	422.90	64.89	238.90
	251.65	**831.46**	**165.83**	**594.53**

(i) Post-employment obligations

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 recognized 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	As at 31 March 2020	As at 31 March 2019
Provident Fund	376.69	187.62
State Defined Contribution Plans	-	-
Employees State Insurance	13.18	13.87

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
As at 01 October 2018	-	-	-
Current service cost	-	-	-
Interest expense/(income)	-	-	-
Increase/(Decrease) due to effect of transfer	912.59	-	912.59
Increase/(Decrease) due to plan combination	608.81	608.81	-
Total amount recognized in profit or loss	**1,521.40**	**608.81**	**912.59**
Remeasurements	-	-	-
Return on plant assets, excluding amounts included in interest expense/(income)	-	-	-
Experience (gains)/loss	(608.81)	-	(608.81)
Total amount recognized in other comprehensive income	**912.59**	**608.81**	**303.79**
Employer contributions	-	-	-
Benefit payments	-	-	-
As at 31 March 2019	**912.59**	**608.81**	**303.79**
As at 01 April 2019	912.59	608.81	303.79
Current service cost	134.73	-	134.73
Interest expense/(income)	69.02	46.82	22.21
Total amount recognized in profit or loss	**1,116.35**	**655.62**	**460.73**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Gratuity contd...

Particulars	Present Value of obligation	Fair Value of Plan Assets	Net amount
Remeasurements	-	-	-
Return on plant assets, excluding amounts included in interest expense/(income)	-	3.58	(3.58)
Experience (gains)/loss	108.81	-	108.81
Total amount recognized in other comprehensive income	**1,225.16**	**659.20**	**565.96**
Employer contributions	-	6.32	(6.32)
Benefit payments	(20.67)	-	(20.67)
As at 31 March 2020	**1,204.49**	**665.52**	**538.98**

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

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	7.65%	6.81%
Salary growth rate	9.00%	9.00%
Attrition rate	6.50%	6.50%

(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	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Discount rate	1%	1%	1,111.05	NA	1,312.50	NA
Salary growth rate	1%	1%	1,306.18	NA	1,112.98	NA
Attrition rate	1%	1%	1,191.15	NA	1,219.54	NA

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 inflationery 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.

(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 salary. 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.

NOTE 11: DEFERRED TAX ASSETS /(LIABILITIES)

The balances comprises temporary differences attributable to :

Particulars	As at 31 March 2020	As at 31 March 2019
Defined benefit obligations	177.20	187.94
Demerger expenses	16.43	30.42
Other items	0.76	0.10
Others-MAT credit	-	816.73
Total Deferred tax assets	**194.39**	**1,035.19**
Set-off of deferred tax liabilities pursuant to set-off provisions		
- Depreciation	2,939.11	3,950.22
- Unrealised capital gains on MF	15.00	2.13
Total Deferred tax Liabilities	**2,954.11**	**3,952.36**
Total deferred tax assets/(Liabilities) (net)	**(2,759.72)**	**(2,917.17)**

12(A) NON-CURRENT BORROWINGS

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Loan from related party (refer note (iv) below)	9,125.25	-
Total Current Borrowings	**9,125.25**	**-**

12(b) Current borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
Working Capital Loans from State Bank of India(refer note (i) below)	2,033.83	2,965.71
Working Capital Loans from Bank of Bahrain & Kuwait (refer note (i) below)	592.40	563.53
Unsecured		
Working Capital Loans from Bank of Bahrain & Kuwait (refer note (i) below)	2,577.57	-
Loan from Director (refer note (ii) below)	-	1.00
Loan from related party (refer note (iii) below)	4,200.00	4,749.12
Total Current Borrowings	**9,403.80**	**8,279.36**

Notes:

Details of Current Borrowings

(i). Rate of Interest , Nature of Security and Terms of repayment

Working capital loans of ₹5203.80 lakhs (PY ₹3529.24 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 and Interest rate ranging from 9.25%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Debit Balance in cash credit accounts as at March 31, 2020 & March 31, 2019 have been grouped under the head "Cash and Cash equivalents"

(ii) The Loan from Director represents loan from Mr.Sunder Venkatraman. The Director has resigned on 10th January 2020.

(iii) Loan from related party represents loan taken from Suven Life Sciences Limited at the approved rate of Interest @ 8% per annum.

12(c) Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Dues to micro enterprises and small enterprises (Refer Note below)	263.13	73.22
Dues to creditors other than micro enterprises and small enterprises	6,842.44	5,284.27
Total trade payables	**7,105.57**	**5,357.49**

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.

Particulars	As at 31 March 2020	As at 31 March 2019
Principal amount remaining unpaid to any supplier as at the end of the accounting year	263.00	67.12
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.14	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	0.13	6.03
The amount of interest accrued and remaining unpaid at the end of the accounting year	0.01	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	As at 31 March 2020	As at 31 March 2019
Current		
Liabilities for expenses	838.38	1,016.08
Payable for Capital Goods	1,442.92	392.39
Unpaid dividend on equity shares *	38.59	11.65
Total other current financial liabilities	**2,319.89**	**1,420.12**

* As at 31st March 2020, there has been no amount due and outstanding to be transferred to IEPF (Investor Education and Protection Fund)

NOTE 13: CURRENT TAX ASSET (NET)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance tax balance	11,947.03	3,306.11
Less: Provision for income tax	12,472.39	3,317.07
Total Current tax asset (net)	**(525.36)**	**(10.96)**

NOTE 14: OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2020	As at 31 March 2019
Advance from customers	120.15	399.06
Statutory dues payable	270.69	128.06
Total other current liabilities	**390.84**	**527.11**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 15: REVENUE FROM OPERATIONS

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Sale of Products	77,357.08	34,424.74
Sale of Services	4,370.53	2,532.74
	81,727.61	**36,957.48**
Other Operating Income		
Export Incentives (MEIS)	1,308.21	742.19
Duty Drawback Received	342.41	83.79
Service tax rebate claim received	0.75	-
	1,651.37	**825.98**
Total	**83,378.98**	**37,783.46**

NOTE 16: OTHER INCOME

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Interest income		
On fixed deposits	13.61	6.32
Others	22.45	13.44
Credit balances written back	14.55	23.92
Insurance Claim received	0.41	-
Facility Charges	25.89	-
Foreign Exchange Gain (Net)	1,103.70	-
Gain on Financial Assets	623.12	16.33
Net gain on sale of Property,Plant and equipment	8.00	-
Total	**1,811.73**	**60.01**

NOTE 17: COST OF MATERIALS CONSUMED

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Raw Materials		
Raw Material at the beginning of the year	3,033.11	-
Add: Inventories accquired pursuant to the scheme	-	2,710.65
Purchases during the year	24,055.84	12,600.96
Less: Raw Material at the end of the year	3,451.56	3,033.11
	23,637.39	12,278.50
Packing Materials		
Packing Material at the beginning of the year	228.87	-
Add: Inventories accquired pursuant to the scheme	-	226.35
Purchases during the year	343.97	176.15
Less: Packing Material at the end of the year	185.88	228.87
	386.96	**173.63**
Total	**24,024.35**	**12,452.12**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 18: CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND FINISHED GOODS

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Opening Balance:		
Work-in-progress	7,001.16	-
Add: Inventories acquired pursuant to the Scheme of Arrangement (Refer Note 35)	-	4,285.57
Finished Goods	4,188.32	-
Add: Inventories acquired pursuant to the Scheme of Arrangement (Refer Note 35)	-	4,771.78
Total opening balance	**11,189.48**	**9,057.35**
Closing Balance:		
Work-in-progress	7,656.34	-
Add: Inventories acquired pursuant to the Scheme of Arrangement (Refer Note 35)	-	7,001.16
Finished Goods	4,638.59	-
Add: Inventories acquired pursuant to the Scheme of Arrangement (Refer Note 35)	-	4,188.32
Total closing balance	**12,294.93**	**11,189.48**
Total	**(1,105.45)**	**(2,132.13)**

NOTE 19: MANUFACTURING EXPENSES

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Power & Fuel	3,823.50	1,805.78
Consumable Stores	94.81	53.61
Factory Upkeep Expenses	2,738.35	1,094.44
Environment Management Expenses	1,236.74	602.30
Safety Expenses	121.78	62.38
Quality Control Expenses	1,033.40	331.92
Repairs & Maintenance:		
Buildings	40.97	16.33
Plant & Machinery	1,485.60	1,163.71
Total	**10,575.14**	**5,130.47**

NOTE 20: EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Salaries & Wages	6,573.13	2,567.35
Contribution to Provident & other funds	390.01	201.22
Gratuity Expense	152.32	82.77
Staff Welfare Expenses	256.77	111.81
Total	**7,372.23**	**2,963.15**

NOTE 21: FINANCE COSTS

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Interest		
On Borrowings	265.54	78.95
On Inter Company Loan	1,321.31	92.87
On Income taxes	274.38	-
On Lease Liability	5.01	-
Bank Charges	315.03	107.09
Total	**2,181.26**	**278.92**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 22: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Depreciation of property, plant and equipment (Refer Note 3)	2,333.18	1,133.20
Depreciation Right-to-use Assets	17.72	-
Amortisation of intangible assets (Refer Note 4)	35.12	16.47
Total	**2,386.01**	**1,149.68**

NOTE 23: OTHER EXPENSES

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Rent	79.82	38.25
Rates & Taxes	54.53	12.70
Service Tax	116.15	16.24
Insurance	599.29	161.10
Communication Charges	81.54	47.44
Travelling & Conveyance	617.75	319.68
Printing & Stationery	43.68	16.51
Vehicle Maintenance	28.39	12.77
Professional Charges	249.00	184.19
Payments to Auditors (Refer note 23(a)below)	24.00	12.31
Security Charges	221.71	117.78
Donations	1.00	-
Repairs & Maintenance - others	88.10	58.14
Loss on sale of Property,Plant and equipment	2.25	-
Corporate Social Responsibility(Refer note 23(b)below)	105.04	-
Foreign Exchange Loss (Net)	-	268.71
Sales Promotion	685.68	391.18
Clearing & Forwarding	379.21	178.28
Commission on Sales	203.52	102.05
General Expenses	417.46	277.21
Total	**3,998.12**	**2,214.55**

Note 23(a): Details of payments to auditors

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Payment to auditors		
As auditor:		
(i) Stat Auditor Fees	16.00	10.00
(ii) Tax audit fees	2.50	-
(iii) Other services	4.00	2.00
(iv) Out -of- pocket expenses	1.50	0.31
Total	**24.00**	**12.31**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Note 23(b): Corporate social responsibility expenditure

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Amount required to be spent as per section 135 of the Act	105.04	NA
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	NA
(ii) On purpose other than (i) above	-	NA

Note: Since Previous year ended 31st March 2019 was first year of incorporation, CSR obligation as per Section 135 and relevant rules of Companies Act,2013 are not applicable.

NOTE 24: 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.

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
(a) Income tax expense		
Current tax		
Current tax on profits for the year	9,155.32	3,317.07
Adjustments for current tax of prior periods	-	-
Total current tax expense	**9,155.32**	**3,317.07**
Deferred tax		
Decrease(increase) in deferred tax assets	-	-
Increase(decrease) in deferred tax liabilities	(129.93)	1,542.21
Total Deferred tax expense/(benefit)	**(129.93)**	**1,542.21**
Income tax expense	**9,025.39**	**4,859.28**
Income tax expense is attributable to: Profit from operations	9,025.39	4,859.28

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

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Profit from operations before income tax expenses	35,759.03	15,786.71
Tax at the Indian tax rate of 25.168% (2018-19 -34.944%)	**8,999.83**	**5,516.51**
Computed expected tax expense:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Loss on sale of Fixed Assets	0.57	
Donations	-	
CSR Expenditure	26.44	
Profit on sale of asset	(2.01)	
Interest on Income tax	274.38	29.07
Interest on MSMED	0.03	2.13
Income tax paid at special rate	(87.97)	(123.08)
opening DTL on impact of rate change	(1,070.39)	-
Gratuity & Leave encashment	41.84	-
Impact of WDV change	(6.56)	5.07
MAT Credit	816.73	(570.42)
Others	32.50	0.01
Income tax expenses	**9,025.39**	**4,859.28**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 25: FAIR VALUE MEASUREMENTS

	31 March 2020		31 March 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments				
-Equity Investment	-	7.05	-	7.05
-Mutual funds	3,067.33	-	706.10	-
Trade Receivables	-	11,719.58	-	14,750.17
Loans	-	26.38	-	17.99
Security deposits	-	474.87	-	437.69
Cash and Cash equivalents	-	1,157.68	-	1,090.30
Bank Balances	-	38.59	-	11.65
Fixed Deposits with Banks and Interest thereon	-	199.37	-	187.71
Total Financial Assets	**3,067.33**	**13,623.53**	**706.10**	**16,502.56**
Financial Liabilities				
Borrowings	-	9,403.80	-	8,279.36
Current maturities of long-term debt	-	-	-	-
Unpaid dividends	-	38.59	-	11.65
Trade Payables	-	7,105.57	-	5,357.49
Capital creditors	-	1,442.92	-	392.39
Total Financial Liabilities	**-**	**17,990.88**	**-**	**14,040.89**

Fair value hierarchy

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

Financial assets measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at March 31, 2020					
Financial assets					
Equity Investment		-	-	7.05	7.05
Investment in mutual funds	5(a)(ii)	-	3,067.33	-	3,067.33
Trade Receivables		-	-	11,719.58	11,719.58
Loans		-	-	26.38	26.38
Security deposits		-	-	474.87	474.87
Fixed Deposits with Banks and Interest thereon		-	-	199.37	199.37
Cash and Cash equivalents				1,157.68	1,157.68
Bank Balances				38.59	38.59
Total Financial Assets		**-**	**3,067.33**	**13,623.53**	**16,690.86**

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 March 31, 2020					
Financial Liabilities					
Borrowings		-	-	9,403.80	9,403.80
Current maturities of long-term debt		-	-	-	-
Unpaid dividends		-	-	38.59	38.59
Trade Payables		-	-	7,105.57	7,105.57
Capital creditors		-	-	1,442.92	1,442.92
Total Financial Liabilities		**-**	**-**	**17,990.88**	**17,990.88**

Financial assets measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at March 31, 2019					
Financial assets					
Equity Investment		-	-	7.05	7.05
Investment in mutual funds		-	706.10	-	706.10
Trade Receivables		-	-	14,750.17	14,750.17
Loans		-	-	17.99	17.99
Security deposits		-	-	437.69	437.69
Fixed Deposits with Banks and Interest thereon		-	-	187.71	187.71
Cash and Cash equivalents		-	-	1,090.30	1,090.30
Bank Balances		-	-	11.65	11.65
Total Financial Assets		**-**	**706.10**	**16,502.56**	**17,208.66**

Financial liabilities measured at amortised cost & Fair Value	Notes	Level 1	Level 2	Level 3	Total
As at March 31, 2019					
Financial Liabilities					
Borrowings		-	-	8,279.36	8,279.36
Current maturities of long-term debt		-	-	-	-
Unpaid dividends		-	-	11.65	11.65
Trade Payables		-	-	5,357.49	5,357.49
Capital creditors		-	-	392.39	392.39
Total Financial Liabilities		**-**	**-**	**14,040.89**	**14,040.89**

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 26: 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 amortized 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 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 31 March 2020

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	More than 120 days	Total
Gross carrying amount	5,119.85	3,515.63	1,192.50	513.85	1,377.75	11,719.58
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses(loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables(net of impairment)	**5,119.85**	**3,515.63**	**1,192.50**	**513.85**	**1,377.75**	**11,719.58**

Year ended 31 March 2019

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	More than 120 days	Total
Gross carrying amount	13,133.37	485.35	248.70	583.93	298.82	14,750.17
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses(loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables(net of impairment)	**13,133.37**	**485.35**	**248.70**	**583.93**	**298.82**	**14,750.17**

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

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

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

Year ended March 31, 2020	On Demand	in next 12 months	>1 year	Total
(i) Borrowings	9,403.80	-	9,125.25	18,529.05
(ii) Trade payables	-	7,105.57	-	7,105.57
(iii) Other financial liabilities	38.59	2,281.30	-	2,319.89
	9,442.39	**9,386.87**	**9,125.25**	**27,954.51**

Year ended March 31, 2019	On Demand	in next 12 months	>1 year	Total
(i) Borrowings	3,530.24	4,749.12	-	8,279.36
(ii) Trade payables	-	5,357.49	-	5,357.49
(iii) Other financial liabilities	11.65	1,408.47	-	1,420.12
	3,541.89	**11,515.08**	**-**	**15,056.97**

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:

Particulars	As at March 31, 2020			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	138.45	-	-	-
Trade receivables(Net)	9,906.43	-	1,319.23	-
Financial Liabilities				
Borrowings	5,203.80	-	-	-
Trade payables(Net)	526.46	-	-	-
Other financial liabilities	17.66	-	-	-

Particulars	As at March 31, 2019			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	712.36	-	-	-
Trade receivables	14186.23	-	-	-
Financial Liabilities	-			
Borrowings	3,529.24			
Trade payables(Net)	974.75	-	-	-
Other financial liabilities	55.50	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

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:

	31 March , 2020	31 March , 2019
Variable rate borrowings	5,203.80	3,529.24
Fixed rate borrowings	-	-
Total borrowings	5,203.80	3,529.24

(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 March , 2020	31 March , 2019	31 March , 2020	31 March , 2019
Interest rates-increase by 100 basis points	199.73	163.74	-	-
Interest rates-decrease by 100 basis points	111.42	96.09	-	-

NOTE 27: CAPITAL MANAGEMENT

(a) Risk management

The Company's objective when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital

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

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

	31 March, 2020	31 March, 2019
Net debt	8,008.14	6,989.70
Total Equity	**78,282.99**	**59,029.06**
Net debt to equity ratio	10%	12%

(b) Dividends (on equity instruments)

	31 March, 2020	31 March, 2019
(i) Equity shares		
Interim dividend for the year ended March 31, 2020 of ₹5.00 (31-March 2019-₹1.50) per fully paid share	6,364.12	1,909.24
(ii) Dividends not recognised at the end of the reporting period	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 28: SEGMENT INFORMATION

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:

I. Manufacturing (CRAMS) - Bulk Drugs & Intermediates under contract services products are developed and produced on an exclusive basis under contract Manufacturing services

As the Company has identified single operating segment i.e. Pharmaceuticals Manufacturing & Services. Therefore analysis business segment is not required.

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

	Revenue for the year ended		Value of Net Assets as on		Additions to Fixed Assets during the year	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	FY 2019-20	FY 2018-19
INDIA	3,952.29	1,891.60	35,579.15	27,071.77	10,907.21	436.62
U S A	5,020.55	1,563.17	6.64	17.94	2.39	4.78
EUROPE	65,574.94	25,393.09	-	-	-	-
OTHERS	8,831.20	8,935.60	-	-	-	-
	83,378.98	**37,783.46**	**35,585.79**	**27,089.71**	**10,909.60**	**441.40**

Information about major customers

Revenues from one of the customers of the Company's in Europe was ₹30,966 lakhs representing approximately 37.89% of the Company's total revenue, for the period ended 31st March 2020 and ₹15196 lakhs representing approximately 41% of the Company's total revenue, for the period ended 31 March 2019.

NOTE 29: INTEREST IN OTHER ENTITIES

The Company's subsidiaries as at March 31, 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company

		Ownership interest held by the Company		Ownership interest held by Non-Controlling interests		
Name of the entity	Place of Business/ Country of incorporation	31 March 2020	31 March 2019	31 March 2020	31 March 2019	Principal activity
Suven Pharma Inc.,	USA	100%	-	0%	-	SPV for undertaking various business opportunities in Pharma Industry.
Rising Pharma Holdings, INC.	USA	25%	-	75%	-	A privately-held pharmaceutical company based in New Jersey focused on developing generic pharmaceutical products in various therapeutic categories.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 30: 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 Pharma Inc.,	
(c) Associates	: Rising Pharma Holdings Inc.,	
(d) Key Management personnel(KMP)	: Mr. Venkateswarlu Jasti	Chairman & Managing Director
	Mr. D. G. Prasad	Independent Director
	Dr. Srivari Chandrasekhar	Independent Director
	Ms. Deepanwita Chattopadhyay	Independent Director
	Mr. J. V. Ramudu	Non-executive Director
	Dr. Jerry Jeyasingh	Non-executive Director
(e) Relative of Key Management personnel	: Mrs. Kalyani Jasti (Daughter of Mr.Venkateswarlu Jasti)	
(f) Entity with common control	: Suven Life Sciences Limited	

(a) Parent entities*

Name	Type	Place of Incorporation	Ownership Interest	
			31 March 2020	31 March 2019
Jasti Property and Equity Holdings Private Limited (In its capacity as sole trustee of Jasti Family Trust)	Immediate and Ultimate parent entity	India	60.00%	60.00%

(b) Subsidiaries

	31 March 2020	31 March 2019
Opening	-	-
Investment in subsidiary	24,557.68	-
Balance outstanding	**24,557.68**	**-**

(c)Key Management Personnel compensation

	31 March 2020	31 March 2019
Short term employee benefits	816.75	611.75
Post-employment benefits	-	-
Long term employee benefits	-	-
Termination benefits	-	-
Total Compensation	**816.75**	**611.75**
Balance outstanding	**361.02**	**227.37**

(d) Relative of Key Management Personnel compensation

	31 March 2020	31 March 2019
Short term employee benefits	271.08	232.10
Post-employment benefits	-	-
Long term employee benefits	-	-
Termination benefits	-	-
Total Compensation	**271.08**	**232.10**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(ALL AMOUNTS IN **INDIAN RUPEES IN LAKHS**, UNLESS OTHERWISE STATED)

(e) Jointly Controlled Entity

	31 March 2020	31 March 2019
Suven Life Sciences Limited*	13,325.25	4,749.12

*The amount relates to Inter Company loan given by Suven Life Sciences Ltd., to Suven Pharmaceuticals Ltd.

NOTE 31: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	31 March 2020	31 March 2019
a) APIIC-JN Pharmacity,Parawada- Restoration fee & Delay condonation fee	606.69	-
b) Letter of credit for imports	327.94	1,077.47
c) Bank Guarantee	16.00	6.50
	953.63	**1,083.97**

NOTE 32: COMMITMENTS

	31 March 2020	31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for , net of Payments(including advances)	6,932.34	3,665.86
	6,932.34	**3,665.86**

NOTE 33: EARNINGS PER SHARE

	31 March 2020	31 March 2019
Profit After Tax (PAT)	27,008.02	10,927.43
Weighted average number of equity shares*	1,272.82	1,272.82
Basic Earnings per share	21.22	8.59

Note:

* For the purpose of calculating earnings per share for the year ended 31st March 2020 and for the period 1st October 2018 to 31st March 2019, the equity shares issued pursuant to the Scheme (refer note 35) have been considered effective as on 1st October 2018, being the appointed date under the Scheme and the equity shares of Suven Pharmaceuticals Limited outstanding stands cancelled from the aforesaid date.

NOTE 34: INCOME TAX EXPENSES

Section 115BAA of the Income Tax Act, 1961 was introduced by Taxation Laws (Amendment) Ordinance 2019, which permit a Company to opt for the reduced tax rate of 22%, as prescribed. Accordingly, the Company has recognized provision for income tax for the year ended March 31, 2020 and re-measured Deferred tax liabilities/assets (net) as per the rates prescribed in the said section. The full impact of this change has been recognized in the statement of Profit & Loss for the period ended March 31, 2020.

NOTE 35: SCHEME OF ARRANGEMENT(DEMERGER)

The Board of Directors at its meeting held on 5th February, 2019 approved, composite scheme of arrangement (the Scheme) subject to necessary approvals under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 .

The National Company Law Tribunal, Hyderabad Bench vide its order dated January 06th, 2020 has approved the scheme of arrangement for demerger of CRAMS undertaking of Suven Life Sciences Limited to the Company with effect from October 01st ,2018 (the appointed date). Pursuant to the Scheme, all the assets, liabilities, income and expenses of the CRAMS undertaking have been transferred to the Company with effect from the appointed date. Investments held by CRAMS undertaking in the Company stands cancelled and the same have been adjusted against General Reserve. The Company's exisiting shares issued to Suven Life Sciences limited were cancelled and fresh shares were issued to shareholders of Suven Life Sciences limited on 22nd January, 2020 (the record date) in the ratio of 1:1 of ₹1/- each in Suven Pharmaceuticals Limited.

Consequently , the Scheme became operational on 9th January, 2020 (effective date), the date on which the Company has filed a certified copy of NCLT order with the Registrar of Companies (ROC), Hyderabad as per the relevant provisions of Companies Act, 2013.

Accordingly ,the Net Assets acquired by the Company as at the Appointed Date in accordance with IND AS 103 (Business Combinations) at book value are as follows :

Suven Pharmaceuticals Limited: 48,445.79 Lakhs

NOTE 36: COVID IMPACT ON THE BUSINESS AND GOING CONCERN ASSUMPTION OF THE COMPANY AND ITS SUBSIDIARY:

The threats posed by the coronavirus outbreak are multifold. However, as the Company operates in the industry that is considered essential, the operations were continuing during lockdown by ensuring appropriate measures.

COVID-19 had not impacted the company's operations, which includes our subsidiary, Suven Pharma, Inc.

Note 37 : Previous year figures have been regrouped and reclassified wherever considered necessary to conform to this year's classifications. The figures appearing in the statement of profit & loss for the period ended 31st March'19 represents the figures from 6th November, 2018 to 31st March, 2019. Hence current period figures are not comparable with previous period figures.

The accompanying notes form an integral part of the financial statements

As per our report of even date

for **KARVY & CO.**
Chartered Accountants
(Firm Reg. No.001757S)

Ajay Kumar Kosaraju
Partner
Membership No. 021989

Place : Hyderabad
Date : 18.06.2020

For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited

Venkateswarlu Jasti
Chairman & Managing Director
DIN: 00278028

K. Hanumantha Rao
Company Secretary
Membership No. A11599

P. Subba Rao
Chief Financial Officer
Membership No. A11342

INDEPENDENT AUDITOR'S REPORT

To the Members of
Suven Pharmaceuticals Limited

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Suven Pharmaceuticals Limited** (hereinafter referred to as "the Holding Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group") and its associate, which comprise the Consolidated Balance Sheet as at 31stMarch, 2020, 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, 2020, 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.	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) The application of the 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 recognized 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. Refer Notes 2g and 15 to the Consolidated Ind AS Financial Statements	**Principal Audit Procedures** Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • 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: - Read, analyzed and identified the distinct performance obligations in these contracts. - Compared these performance obligations with that identified and recorded by the Company.

S. No	Key Audit Matters	Auditor's Response
		- 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. - Tested Samples in respect of revenue recorded upon transfer of control/rights of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services, were tested using a combination of Master Service Agreements and Sales invoices 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.
2	**Business Combination** During the year, consequent to the demerger of Contract Research and Manufacturing Services (CRAMS) Division of Suven Life Sciences Limited as a going concern into the Company, pursuant to the scheme effective, the Company has issued shares to the shareholders of Suven Life Sciences Limited and got listed on the stock exchange. This requires significant management judgments. Our key audit matter focuses on the valuation of assets acquired (including intangibles) and the completeness of liabilities assumed.	**Principal Audit Procedures** We performed the following procedures in response to the key audit matter identified: • Completed a walkthrough of the demerged process and obtained understanding of the transaction by reading the Scheme of Arrangement and the Listing Profile document. • Assessed the design and implementation of the key controls addressing the risk. • Evaluated management's assessment of the due diligence findings and the actions taken. • Risk assessed, appropriately scoped and tested the balances for the acquired business. • Reviewed the key underlying assumptions. • Reviewed the disclosures in the financial statements.

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

The Holding 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 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 including its associate 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 and its associate 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 its associate 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 and associate are responsible for assessing the ability of the Group and its associate 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 and its associate 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 and its associate are responsible for overseeing the financial reporting process of the Group and its associate.

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 Company 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 and its associate 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 and its associate 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 and its associate 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 Pharma ,Inc wholly owned subsidiary, whose financial statements / financial information reflect total assets of ₹30,750.60 lakhs as at 31stMarch, 2020, total expenses of ₹129.10 lakhs and total revenue of ₹ -Nil- for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated financial results also include the Group's share of profit after tax of ₹4,821.26 lakh for the year ended 31stMarch, 2020, as considered in the Statement, in respect of one associate whose financial information has not been audited by us. 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 ₹42.13 lakhs as at 31stMarch, 2020 and total revenue of ₹18.42 lakhs for the year ended on that date. These Ind AS financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, associate, branch and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, associate and branch, is based solely on the reports of the other auditors.

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 financials 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 31stMarch, 2020 taken on record by the Board of Directors of the Holding Company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31stMarch, 2020 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 report of the Holding Company 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 Group incorporated in India, 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, associate and branch as noted in the 'Other matter' paragraph:

i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in its consolidated Ind AS financial statements- Refer Note 31 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 **KARVY & CO.**
Chartered Accountants
ICAI Firm Regn. No.001757S

Ajay Kumar Kosaraju
Partner
Membership No.021989
UDIN:20021989AAAABZ1092

Place: Hyderabad
Date: June 18, 2020

Annexure - A to the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements of Suven Pharmaceuticals Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of **Suven Pharmaceuticals Limited** as of and for the year ended 31st March,2020, we have audited the internal financial controls over financial reporting of **Suven Pharmaceuticals Limited** (hereinafter referred to as the "Holding Company") which is the only company in the Group incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, 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 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 the 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 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 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 ,which is a company incorporated in India, 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 31stMarch, 2020, 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 KARVY & CO.
Chartered Accountants
ICAI Firm Regn. No.001757S

Ajay Kumar Kosaraju
Partner
Membership No.021989
UDIN:20021989AAAABZ1092

Place: Hyderabad
Date: June 18, 2020

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	35,306.20	26,821.21
Capital work-in-progress	3	10,170.52	11,106.87
Other Intangible assets	4	279.60	268.51
Right of Use assets		88.58	-
Financial assets			
(i) Investments	5(a)(i)	30,745.81	7.05
(ii) Loans	5 (b)	6.00	7.22
(iii) Other financial assets	5 (c)	474.59	437.42
Other non-current assets	6	1,045.08	679.93
Total Non-current assets		**78,116.38**	**39,328.21**
Current assets			
Inventories	7	17,487.22	15,709.83
Financial assets			
(i) Investments	5(a)(ii)	3,067.33	706.10
(ii) Trade receivables	5(d)	11,719.58	14,750.17
(iii) Cash and cash equivalents	5(e)(i)	1,169.53	1,090.30
(iv) Bank balances other than (iii) above	5(e)(ii)	237.97	199.36
(v) Loans	5(b)	20.39	10.77
(vi) Other financial assets	5(c)	0.28	0.28
Other current assets	8	5,462.38	6,506.62
Total Current assets		**39,164.67**	**38,973.42**
TOTAL ASSETS		**1,17,281.05**	**78,301.63**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9(a)	1,272.82	-
Equity Share Capital Suspense	9(a)	-	1272.82
Other equity	9(b)	83,203.45	57,756.23
Total Equity		**84,476.27**	**59,029.06**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Lease Liability		51.19	-
(ii) Borrowings	12(a)	9,125.25	-
Provisions	10	831.46	594.53
Deferred tax liabilities (net)	11	2,759.72	2,917.17
Total Non-current liabilities		**12,767.62**	**3,511.70**
Current liabilities			
Financial liabilities			
(i) Lease Liability		40.41	-
(i) Borrowings	12(b)	9,403.80	8,279.36
(ii) Trade payables			
(a) Total outstanding dues to Micro and Small Enterprises	12(c)	263.13	73.22
(b) Total outstanding dues to creditors other than Micro and Small Enterprises	12(c)	6,842.44	5,284.27
(iii) Other financial liabilities	12(d)	2,319.52	1,420.12
Current Tax Liabilities(net)	13	525.36	10.96
Provisions	10	251.65	165.83
Other current liabilities	14	390.84	527.11
Total Current liabilities		**20,037.15**	**15,760.87**
TOTAL LIABILITIES		**32,804.77**	**19,272.57**
TOTAL EQUITY AND LIABILITIES		**1,17,281.05**	**78,301.63**

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

As per our report of even date

for **KARVY & CO.**
Chartered Accountants
(Firm Reg. No.001757S)

Ajay Kumar Kosaraju
Partner
Membership No. 021989

Place : Hyderabad
Date : 18.06.2020

For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited

Venkateswarlu Jasti
Chairman & Managing Director
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, 2020

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Particulars	Notes	For the year ended March 31, 2020	For the period November 06, 2018 to March 31, 2019
Income			
Revenue from operations	15	83,378.98	37,783.46
Other income	16	1,811.73	60.01
Total Income		**85,190.70**	**37,843.47**
Expenses			
Cost of materials consumed	17	24,024.35	12,452.12
Changes in Inventories of work-in-progress and finished goods	18	(1,105.45)	(2,132.13)
Manufacturing expenses	19	10,575.14	5,130.47
Employee benefits expense	20	7,372.23	2,963.15
Finance costs	21	2,306.60	278.92
Depreciation and amortization expense	22	2,386.01	1,149.68
Other expenses	23	4,001.89	2,214.55
Total Expenses		**49,560.78**	**22,056.76**
Profit before tax and share in profit of Associates		**35,629.92**	**15,786.71**
Add: Share of Profit/(Loss) of Associates		4,821.26	-
Profit before tax		**40,451.18**	**15,786.71**
Tax expense			
Current tax	24	8,880.94	3,317.07
Deferred tax	24	(129.93)	1,542.21
Profit/(Loss) for the period		**31,700.17**	**10,927.43**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements gains (losses) on defined benefit plans		(109.31)	-
Income tax relating to items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		27.51	-
Other Comprehensive Income /(Loss) for the year, net of taxes		**(81.80)**	**-**
Total Comprehensive Income for the year		**31,618.38**	**10,927.43**
Earnings per Equity share (Par value of ₹1 each) Basic and Diluted (not annualised)	**33**	**24.91**	**8.59**

The accompanying notes are an integral part of the standalone financial statements
As per our report of even date

for **KARVY & CO.**
Chartered Accountants
(Firm Reg. No.001757S)

Ajay Kumar Kosaraju
Partner
Membership No. 021989

For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited

Venkateswarlu Jasti
Chairman & Managing Director
DIN: 00278028

K. Hanumantha Rao
Company Secretary
Membership No. A11599

P. Subba Rao
Chief Financial Officer
Membership No. A11342

Place : Hyderabad
Date : 18.06.2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

a. Equity share capital

	As at 31st March 2020		As at 31st March 2019	
	Number of Shares	Amount	Number of Shares	Amount
A. Equity share capital				
Balance at the beginning of the period	-	-	1,00,000	1.00
Less: Cancellation of shares under Scheme of Demerger (Refer Note 35)	-	-	(1,00,000)	(1.00)
Equity shares allotted pursuant to the Scheme (Refer Note 35)	12,72,82,478	1,272.82		
	12,72,82,478	**1,272.82**	**-**	**-**
B. Equity Share Capital Suspense				
Balance at the beginning of the period	12,72,82,478	1,272.82	-	-
Equity share capital pending for allotment	-	-	12,72,82,478	1,272.82
Equity shares allotted pursuant to the Scheme (Refer Note 35)	(12,72,82,478)	(1,272.82)	-	-
	-	**-**	**12,72,82,478**	**1,272.82**

b. Other Equity

Particulars	Note	Reserves & surplus: Securities Premium	General reserve	Retained earnings	Exchange differences on translating the financial statement of foreign operations	Total Equity
Balance as at November 6, 2018						
Acquired in pursuant to Scheme of Arrangement (Refer Note 35)		12,230.21	5,527.91	30,016.09	-	**47,774.21**
Adjustement due to Scheme of Arrangement (Refer Note 35)		-	(601.24)	-	-	**(601.24)**
Deferred tax impact of Scheme of Arrangement (Refer Note 35)		-	-	1,956.51	-	**1,956.51**
Profit for the period	9(b)	-	-	10,927.43	-	**10,927.43**
Cancellation of shares under Scheme of Arrangement (Refer Note 35)			1.00	-	-	**1.00**
Other comprehensive income	9(b)	-	-	-	-	**-**
Income tax relating to items of other comprehensive income		-	-	-	-	**-**
Transfer to General Reserve	9(b)	-	-	(1,500.00)	-	**(1,500.00)**
Transfer from Retained Earnings	9(b)	-	1,500.00	-	-	**1,500.00**
Total comprehensive income for the period		**-**	**899.76**	**11,383.94**	**-**	**12,283.70**
Dividend paid	9(b)	-	-	(1,909.24)	-	**(1,909.24)**
Tax on distributed profit		**-**	**-**	**(392.45)**	**-**	**(392.45)**
Balance as at March 31, 2019		**12,230.21**	**6,427.67**	**39,098.35**	**-**	**57,756.22**
Balance as at April 1, 2019		12,230.21	6,427.67	39,098.35	-	**57,756.22**
Profit for the period	9(b)	-	-	31,700.17	-	31,700.17
Other comprehensive income	9(b)	-	-	(109.31)	-	(109.31)
Income tax relating to items of other comprehensive income		-	-	27.51	-	27.51
Transfer to General Reserve		-	-	(1,500.00)	-	(1,500.00)
Transfer from Retained Earnings		-	1,500.00	-	-	1,500.00
Total comprehensive income for the period		**-**	**1,500.00**	**30,118.38**	**-**	**31,618.38**
Foreign exchange translation reserve					1,501.14	**1,501.14**
Dividend paid		-	-	**(6,364.12)**	-	**(6,364.12)**
Tax on distributed profit		-	-	**(1,308.16)**	-	**(1,308.16)**
Balance at March 31, 2020		**12,230.21**	**7,927.67**	**61,544.43**	**1,501.14**	**83,203.45**

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

for **KARVY & CO.**
Chartered Accountants
(Firm Reg. No.001757S)

Ajay Kumar Kosaraju
Partner
Membership No. 021989

Place : Hyderabad
Date : 18.06.2020

For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited

Venkateswarlu Jasti
Chairman & Managing Director
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, 2020

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Particulars	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
A. Cash flow from operating activities			
Profit before tax		40,451.18	15,786.71
Adjustments :			
Depreciation and amortisation expense		2,368.29	1,149.68
Interest Income		(36.06)	(19.76)
Finance Cost		2,306.60	278.92
Gain on sale of Current Investment		623.12	(16.33)
Operating profit before working capital changes		**45,713.13**	**17,179.22**
Adjustments for (Increase)/decrease in operating assets			
Trade Receivables		3,030.59	(8,489.11)
Inventories		(1,777.39)	(1,708.92)
Other non current financial assets		(35.95)	171.58
Other non current assets		(453.73)	2,703.51
Other current financial assets		(9.62)	4.01
Other current assets		1,044.23	(370.65)
Adjustments for Increase/(decrease) in operating liabilities			
Trade Payables		1,748.08	985.36
Long term provisions		236.93	288.58
Short term provision		(23.49)	(273.18)
Other financial liabilities		899.40	(1,751.42)
Other current liabilities		(136.27)	(392.42)
Cash generated from operating activities		**50,235.93**	**8,346.58**
Income taxes paid (net of refunds)		8,640.92	3,306.11
Net Cash flows from operating activities	**(A)**	**41,595.01**	**5,040.47**
B. Cash flow from Investing activities			
Payments for Purchase of property, plant and equipment		(9,941.46)	(5,659.03)
Proceeds from sale of Property, plant & equipment		13.43	(19.56)
Changes in Investments		(30,738.76)	-
Sale/(purchase) of mutual funds		(2,984.35)	(689.77)
Foreign currency translation reserve		1,501.14	-
Bank balances not considered as cash and cash equivalents		(38.61)	(199.36)
Interest received		36.06	19.76
Net cash flow from /(used in) investing activities	**(B)**	**(42,152.55)**	**(6,547.96)**
C. Cash flows from financing activities			
(Repayment)/Proceeds from long term borrowings		9,125.25	5,203.03
(Repayment)/Proceeds from short term borrowings		1,124.44	(24.64)
Finance Cost		(2,032.22)	(278.92)
Changes In Lease Liability		91.59	-
Dividends paid to equity holders (including dividend distribution tax)		(7,672.29)	(2,301.69)
Net cash flow from /(used In) financing activities	**(C)**	**636.77**	**2,597.78**
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	79.23	1,090.29

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Particulars	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
Cash and cash equivalents as at the beginning of the year (Refer Note 5(e) (i))		1090.29	-
Cash and cash equivalents at the end of the year		**1,169.53**	**1,090.29**
Cash and cash equivalents (Refer Note 5(e)(i))		1,169.53	1,090.29
Balances per statement of cash flows		**1,169.53**	**1,090.29**

This is the Cash Flow Statement referred to in our report of even date

Note:1.The above cash flow statement has been prepared under the indirect method has setout in the Ind AS 7 (statement of cashflow)

2. For components of cash and cash equivalents refer note 5(e)(i)

for **KARVY & CO.**
Chartered Accountants
(Firm Reg. No.001757S)

Ajay Kumar Kosaraju
Partner
Membership No. 021989

Place : Hyderabad
Date : 18.06.2020

For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited

Venkateswarlu Jasti
Chairman & Managing Director
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

1. Corporate Information

Suven Pharmaceuticals Limited (SPL) is a bio-pharmaceutical company, incorporated on 6th November, 2018 with the object of being 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. Suven Pharma Inc., a Delaware Company, is a WOS (wholly owned subsidiary) of SPL, is a SPV (Special Purpose Vehicle) created on 9th March 2019, for undertaking various business opportunities in Pharma Industry.

2. Significant accounting policies

a) Basis of preparation of Financial Statements

(i) Statement of Compliance

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act") and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements for the year ended March 31, 2020 were approved by the Board of directors on June 18, 2020.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost and on accurual basis, except for the following items in the balance sheet:

- 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.
- Right-of-use the assets are recognised at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred, if any.

b) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, Presentation of Financial Statements.

An asset is treated as current when:

- 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 and 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 the Chief Operating Decision Maker (Refer note 28).

d) New Standard adopted by the company:

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces the existing standard on leases i.e. Ind AS 17, Leases effective for accounting periods beginning on or after 1st April 2019.

The Company assesses at contract inception whether a contract is or contains a lease, which applies if the contract conveys the right to control the use of the identified asset for a period of time in exchange for consideration. The Company recognises a right-of-use asset at the commencement date of the lease, i.e. the date the underlying asset is available for use. Assets and liabilities arising from a lease are initially measured at present value, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

As a Lessee:

The right-of-use asset is subsequently depreciated using the straight

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line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, then the lessee's incremental borrowing rate is used. Such borrowing rate is calculated as the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The Company's lease liabilities are included in borrowings. Lease payments are allocated between principal and interest cost. The interest cost is charged to statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

At the inception of each lease, the lease arrangement is classifi ed as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance Leases:

A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases:

Other leases are operating leases, and the leased assets are not recognised on the Company's balance sheet. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.

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

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

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

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

Certain practical expedients are available under both the methods.

e) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the statement of profit and loss in the period in which they arise. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or 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.

f) 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 (Refer note 25) .

g) Revenue recognition

"The Company earns revenue primarily from sale of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API) Speciality chemicals and formulated drugs under contract research and manufacturing services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, we apply the following five step approach:

(1) Identify the contract with a customer,

(2) Identify the performance obligations in the contract,

(3) Determine the transaction price,

(4) Allocate the transaction price to the performance obligations in the contract, and

(5) Recognize revenues when a performance obligation is satisfied.

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

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

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 cummulative effect method. The effect of initially applying this standard is recognised at the date. 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. .

h) 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.

i) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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.

j) 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.

k) 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.

l) 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.

m) Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also 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 realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

n) 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 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..

o) 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(Refer Note 31).

p) 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

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

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

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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 26 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.

q) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Loans and Borrowings

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

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

Financial guarantee contracts

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

r) 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.

s) Offsetting financial instruments

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

t) 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 accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation methods, estimated useful lives and residual value

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

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 derecognised .

Estimated useful life :

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

u) 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.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

(ii) Amortization methods and periods

Intangible assets with finite useful live are amortized over their respective individual estimated useful lives (3-10 years in case of computer softwares) 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

v) Trade and other payables

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

w) Borrowings

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

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

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

x) Borrowing costs

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

y) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident fund.

Gratuity obligations

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

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

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

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

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

Defined contribution plans

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

(iv) Bonus plans

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

z) 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 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 derecognised (i.e. removed from the company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

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

Investment in subsidiaries

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

aa) 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.

ab) 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.

ac) 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.

ad) Cash flow statement

Cash flows are reported using the Indirect 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.

ae) 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.

af) 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
8. Valuation of inventories
9. Determination of cost for right-of-use assets and lease term
10. Contingencies

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.

(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	Total	Capital work-in-progress
Gross carrying amount												
At 6th November,2018	-	-	-	-	-	-	-	-	-	-	-	-
Acquired in pursuant to the scheme of arrangement (refer note 35)	1,522.11	31.20	9,806.97	18,132.50	428.06	157.86	170.40	2,691.29	782.94	263.34	33,986.67	2,474.30
Additions	14.32	-	-	306.08	6.38	-	3.29	75.81	7.00	8.96	421.84	8,632.58
Disposals	-	-	-	0.45	-	-	-	-	-	-	0.45	-
Balance as at 31st March,2019	**1,536.43**	**31.20**	**9,806.97**	**18,438.13**	**434.44**	**157.86**	**173.69**	**2,767.10**	**789.94**	**272.30**	**34,408.06**	**11,106.87**
Accumulated depreciation												
At 6th November,2018												
Acquired in pursuant to the scheme of arrangement (refer note 35)	-	2.63	1,329.69	3,450.85	175.24	61.39	90.12	986.08	200.93	157.18	6,454.10	-
Charge for the period	-	0.37	210.68	667.03	26.42	11.88	16.36	139.16	30.28	31.01	1,133.20	-
Disposals	-	-	-	0.45	-	-	-	-	-	-	0.45	-
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March,2019	**-**	**3.00**	**1,540.37**	**4,117.43**	**201.66**	**73.27**	**106.48**	**1,125.24**	**231.21**	**188.19**	**7,586.75**	**-**
Net Book Value as at March 31, 2019	**1,536.43**	**28.20**	**8,266.59**	**14,320.69**	**232.78**	**84.59**	**67.22**	**1,641.87**	**558.74**	**84.11**	**26,821.21**	**11,106.87**
Gross carrying amount												
At 1st April,2019	1,536.43	31.20	9,806.97	18,438.13	434.44	157.86	173.69	2,767.10	789.94	272.30	34,408.06	11,106.87
Exchange difference				-							-	
Additions	-	-	2,426.31	7,313.13	21.00	-	9.13	323.05	735.74	35.02	10,863.39	(936.35)
Transfers	31.79	-	-	-	-	-	-	-	-	-	31.79	-
Disposals	-	-	-	5.70	-	35.92	-	-	-	-	41.62	-
Balance as at 31st March,2020	**1,504.64**	**31.20**	**12,233.28**	**25,745.56**	**455.45**	**121.93**	**182.82**	**3,090.15**	**1,525.68**	**307.32**	**45,198.03**	**10,170.52**
Accumulated depreciation and impairment												
Upto 1st April,2019	-	3.00	1,540.38	4,117.43	201.66	73.27	106.47	1,125.24	231.20	188.19	7,586.85	-
Charge for the period	-	0.75	441.23	1,384.99	53.20	16.07	33.44	277.56	69.63	56.32	2,333.18	-
Disposals	-	-	-	2.70	-	25.50	-	-	-	-	28.19	-
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March,2020	**-**	**3.75**	**1,981.61**	**5,499.73**	**254.86**	**63.85**	**139.91**	**1,402.79**	**300.83**	**244.51**	**9,891.83**	**-**
Net Book Value as at 31st March, 2020	**1,504.64**	**27.45**	**10,251.68**	**20,245.83**	**200.59**	**58.08**	**42.91**	**1,687.36**	**1,224.85**	**62.82**	**35,306.20**	**10,170.52**

Notes:

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

Refer Note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

* Title deeds for the freehold land of ₹1504.64 Lakhs are in the name of Suven Life Sciences Limited (The Demerged Company). The same have been accquired by the Company pursuant to the Scheme of Demerger (refer note 35) and the same is pending as at March 31, 2020 for mutation in the name of the Company.

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 6th November, 2018		
Acquired in pursuant to the scheme of arrangement (refer note 35)	313.28	313.28
Additions	19.56	19.56
Disposals	-	-
Balance as at 31st March, 2019	**332.84**	**332.84**
Accumulated amortisation		
At 6th November, 2018		
Acquired in pursuant to the scheme of arrangement (refer note 35)	47.86	47.86
Charge for the period	16.47	16.47
Balance as at 31st March, 2019	**64.33**	**64.33**
Net Book Value as at March 31, 2019	268.51	268.51
Gross carrying amount		
At 1st April, 2019	332.84	332.84
Additions	46.21	46.21
Balance as at 31st March, 2020	**379.05**	**379.05**
Accumulated amortisation and impairment		
Upto 1st April, 2019	64.33	64.33
Charge for the period	35.12	35.12
Balance as at 31st March, 2020	**99.45**	**99.45**
Net Book Value as at 31st March, 2020	**279.60**	**279.60**

NOTE 5: FINANCIAL ASSETS

5 (a) (i) Non-current investments

Particulars	As at 31 March 2020		As at 31 March 2019	
	Shares	Amount	Shares	Amount
Investment carried at cost				
Unquoted Equity Instruments - (Fully paid up)				
a) In Associate Companies				
-Rising Pharma Holding Inc.		30,738.76	-	-
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	**11,487**	**30,745.81**	**11,487**	**7.05**
Total Non-Current investments	**11,487**	**30,745.81**	**11,487**	**7.05**
Aggregate amount of quoted investments & market value thereof				
Aggregate value of unquoted investments	-	30,745.81	-	7.05
Aggregate amount of impairement in value of Investment in unquoted equity investments				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

5 (a) (ii) Current investments

Particulars	As at 31 March 2020		As at 31 March 2019	
	Shares	Amount	Shares	Amount
Investment in Mutual Funds- Unquoted (Fully paid up)				
HDFC Short Term Debt Fund-Growth	21,62,420	489.57	-	-
Reliance Prime Debt Fund-Growth	12,218	589.21	-	-
IDFC Low Duration Fund-Growth	30,69,276	876.80	-	-
SBI Liquid Fund -Growth	19,910	615.92	24,212	706.10
TATA Liquid Fund - Growth	15,831	495.82	-	-
Total Current Investments	**-**	**3,067.33**	**-**	**706.10**
Aggregate amount of quoted investments & market value thereof				
Aggregate value of unquoted investments	**-**	**3,067.33**	**-**	**706.10**
Aggregate amount of impairment in value of Investment in unquoted investments				

5(b) Loans

Particulars	As at 31 March 2020		As at 31 March 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to employees	20.39	6.00	10.77	7.22
Loan to Suven Pharma Inc.,	-	-	-	-
Total loans	**20.39**	**6.00**	**10.77**	**7.22**

5(c) Other financial assets

Particulars	As at 31 March 2020		As at 31 March 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Security Deposits	0.28	454.28	0.28	415.19
Interest accrued on deposit	-	20.31	-	22.23
Total Other financial assets	**0.28**	**474.59**	**0.28**	**437.42**

5(d) Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	11,719.58	14,750.17
Total receivables	**11,719.58**	**14,750.17**

5(e) (i) Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
-in current accounts	35.86	57.75
-in EEFC account	127.01	657.77
- in Cash Credit account	994.46	367.38
Cash on hand	12.19	7.39
Total cash and cash equivalents	**1,169.53**	**1,090.30**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

5(e) (ii) Other bank balances

Particulars	As at 31 March 2020	As at 31 March 2019
In unclaimed dividend accounts	38.59	11.65
Deposits -LC & BG	199.37	187.65
Interest accrued on LC & BG	-	0.06
Total Other bank balances	**237.97**	**199.36**

NOTE 6: OTHER NON-CURRENT ASSETS

Particulars	As at 31 March 2020	As at 31 March 2019
Capital advances	1,045.08	679.93
Total other non-current assets	**1,045.08**	**679.93**

NOTE 7: INVENTORIES(VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	3,451.56	3,033.11
Work-in-progress	7,656.34	7,001.16
Finished goods	4,638.59	4,188.32
Stores and spares	1,554.86	1,258.36
Packing materials	185.88	228.87
Total inventories	**17,487.22**	**15,709.83**

NOTE 8: OTHER CURRENT ASSETS

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
MEIS receivable	420.61	536.52
MEIS licenses on hand	-	344.39
Duty drawback receivable	106.48	39.29
GST Receivable	3,060.82	4,785.44
Pre paid expenses	385.91	385.99
Advances to Material Suppliers	1,144.10	352.05
Advances to service providers	87.30	35.79
Advance for CSR Expenses	210.09	-
Others advances	47.08	27.15
Total other current assets	**5,462.38**	**6,506.62**

NOTE 9: EQUITY SHARE CAPITAL AND OTHER EQUITY

9(a) Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised Capital		
201,000,000 Equity shares of ₹1 /- each	2,010.00	2,010.00
	2,010.00	**2,010.00**
Issued, Subscribed and fully paid up		
12,72,82,478 Equity shares of ₹1/- each	1,272.82	-
	1,272.82	**-**
Equity share capital suspense		
12,72,82,478 Equity shares of ₹1/- to be issued pursuant to the Scheme of Arrangement (Refer Note 35)	-	1,272.82

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
As at November 06, 2018	-	-	-	-
Opening balance as at 01st April'2019			1,00,000	1.00
Equity shares cancelled pursuant to the scheme of demerger (refer note 35)	-	-	(1,00,000)	(1.00)
Equity shares issued pursuant to the scheme of demerger (refer note 35)	12,72,82,478	1,272.82	-	-
Outstanding at the end of the year	**12,72,82,478**	**1,272.82**	**-**	**-**

NOTE:

1) 12,72,82,478 equity shares of ₹1/- each amounting to ₹1272.83 Lakhs is the equity share capital of the Company effective from 1st October, 2018 post restructuring. The aforesaid shares were pending allotment as on 31st March 2019 and hence have been disclosed as equity share capital suspense. On 27th January 2020, the equity shares were issued and since transferred to equity share capital.

2) In terms of the Scheme, the paid up equity share capital of ₹1.00 Lakh of Suven Pharmaceuticals Limited pertaining to the period prior to the Appointed date i.e. 1st October 2018 stands cancelled and reduced (Refer note 35).

9(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 an interim dividend on 13.02.2020 of ₹2.50 per equity share and a one time special dividend of ₹2.50 totalling to ₹5.00 per share (31 March 2019: ₹1.50/-).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

9(b) Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
Securities premium	12,230.21	12,230.21
General reserve	7,927.67	6,427.67
Retained earnings	61,544.43	39,098.35
Foreign Exchange Translation Reserve	1,501.14	-
Total other equity	**83,203.45**	**57,756.23**

(i) Securities premium

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	12,230.21	-
Acquired in pursuant to Scheme of Arrangement (Refer Note 35)	-	12,230.21
Add: On issue of shares	-	-
Closing Balance	**12,230.21**	**12,230.21**

(ii) General Reserve

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	6,427.67	-
Acquired in pursuant to Scheme of Arrangement (Refer Note 35)	-	5,527.91
Adjustement due to Scheme of Arrangement (Refer Note 35)	-	(601.24)
Cancellation of shares under Scheme of Arrangement (Refer Note 35)	-	1.00
Transferred from Retained Earnings	1,500.00	1,500.00
Closing Balance	**7,927.67**	**6,427.67**

(iii) Retained earnings

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	39,098.35	-
Add: Accquired in pursuant to the Scheme of Arrangement (Refer Note 35)	-	30,016.09
Deferred tax adjustement	-	1,956.51
Net profit for the year	31,700.17	10,927.43
Transferred to General reserve	(1,500.00)	(1,500.00)
Dividend paid	(6,364.12)	(1,909.24)
Tax on distributed profit	(1,308.16)	(392.45)
Other Comprehensive Income	-	-
- Remeasurements of post employment benefit obligation, net of tax	(81.80)	-
Closing balance	**61,544.43**	**39,098.35**

(iv) Foreign Exchange Translation Reserve

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	-	-
Exchange differences on translating the financial statement of foreign operations	1,501.14	-
Closing Balance	**1,501.14**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Nature and purpose of reserves

Securities premium reserve:

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of companies Act 2013.

General Reserve:

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

Retained Earnings:

Retained earnings are the profits of the company earned till date net of appropriations

NOTE 10: PROVISIONS

Particulars	As at 31 March 2020		As at 31 March 2019	
	Current	Non-Current	Current	Non-Current
Provision for Employee benefits				
-Leave obligations	135.57	408.57	100.95	355.63
-Gratuity	116.08	422.90	64.89	238.90
	251.65	**831.46**	**165.83**	**594.53**

(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 recognized 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	As at 31 March 2020	As at 31 March 2019
Provident Fund	376.69	187.62
State Defined Contribution Plans	-	-
Employees State Insurance	13.18	13.87

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
As at October 01, 2018	-	-	-
Current service cost	-	-	-
Interest expense/(income)	-	-	-
Increase/(Decrease) due to effect of transfer	912.59	-	912.59
Increase/(Decrease) due to plan combination	608.81	608.81	-
Total amount recognized in profit or loss	**1,521.40**	**608.81**	**912.59**
Remeasurements	-	-	-
Return on plant assets, excluding amounts included in interest expense/(income)	-	-	-
Experience (gains)/loss	(608.81)	-	(608.81)
Total amount recognized in other comprehensive income	**912.59**	**608.81**	**303.79**
Employer contributions	-	-	-
Benefit payments	-	-	-
As at March 31, 2019	**912.59**	**608.81**	**303.79**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Gratuity contd...

Particulars	Present Value of obligation	Fair Value of Plan Assets	Net amount
As at April 01, 2019	912.59	608.81	303.79
Current service cost	134.73	-	134.73
Interest expense/(income)	69.02	46.82	22.21
Total amount recognized in profit or loss	**1,116.35**	**655.62**	**460.73**
Remeasurements	-	-	-
Return on plant assets, excluding amounts included in interest expense/(income)	-	3.58	(3.58)
Experience (gains)/loss	108.81	-	108.81
Total amount recognized in other comprehensive income	**1,225.16**	**659.20**	**565.96**
Employer contributions	-	6.32	(6.32)
Benefit payments	(20.67)	-	(20.67)
As at March 31, 2020	**1,204.49**	**665.52**	**538.98**

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

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	7.65%	6.81%
Salary growth rate	9.00%	9.00%
Attrition rate	6.50%	6.50%

(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	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Discount rate	1%	1%	1,111.05	NA	1,312.50	NA
Salary growth rate	1%	1%	1,306.18	NA	1,112.98	NA
Attrition rate	1%	1%	1,191.15	NA	1,219.54	NA

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

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 inflationery 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.

(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.

NOTE 11: DEFERRED TAX ASSETS /(LIABILITIES)

The balances comprises temporary differences attributable to :

Particulars	As at 31 March 2020	As at 31 March 2019
Defined benefit obligations	177.20	187.94
Demerger expenses	16.43	30.42
Other items	0.76	0.10
Others-MAT credit	-	816.73
Total Deferred tax assets	**194.39**	**1,035.19**
Set-off of deferred tax liabilities pursuant to set-off provisions		
- Depreciation	2,939.11	3,950.22
- Unrealised capital gains on MF	15.00	2.13
Total Deferred tax Liabilities	**2,954.11**	**3,952.36**
Total deferred tax assets/(Liabilities) (net)	**(2,759.72)**	**(2,917.17)**

12(A) NON-CURRENT BORROWINGS

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Loan from related party (refer note (iv) below)	9,125.25	-
Total Current Borrowings	**9,125.25**	**-**

12(b) Current borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
Working Capital Loans from State Bank of India(refer note (i) below)	2,033.83	2,965.71
Working Capital Loans from Bank of Bahrain & Kuwait (refer note (i) below)	592.40	563.53
Unsecured		
Working Capital Loans from Bank of Bahrain & Kuwait (refer note (i) below)	2,577.57	-
Loan from Director (refer note (ii) below)	-	1.00
Loan from related party (refer note (iii) below)	4,200.00	4,749.12
Total Current Borrowings	**9,403.80**	**8,279.36**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Notes:

Details of Current Borrowings

(i). Rate of Interest , Nature of Security and Terms of repayment

Working capital loans of ₹5203.80 lakhs (PY ₹3529.24 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 and Interest rate ranging from 9.25%

Debit Balance in cash credit accounts as at March 31, 2020 & March 31, 2019 have been grouped under the head "Cash and Cash equivalents"

(ii) The Loan from Director represents loan from Mr.Sunder Venkatraman. The Director has resigned on 10th January 2020.

(iii) Loan from related party represents loan taken from Suven Life Sciences Limited at the approved rate of Interest @8% per annum.

12(c) Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Dues to micro enterprises and small enterprises (Refer Note below)	263.13	73.22
Dues to creditors other than micro enterprises and small enterprises	6,842.44	5,284.27
Total trade payables	**7,105.57**	**5,357.49**

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.

Particulars	As at 31 March 2020	As at 31 March 2019
Principal amount remaining unpaid to any supplier as at the end of the accounting year	263.00	67.12
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.14	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	0.13	6.03
The amount of interest accrued and remaining unpaid at the end of the accounting year	0.01	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	As at 31 March 2020	As at 31 March 2019
Current		
Liabilities for expenses	838.01	1,016.08
Payable for Capital Goods	1,442.92	392.39
Unpaid dividend on equity shares *	38.59	11.65
Total other current financial liabilities	**2,319.52**	**1,420.12**

* As at 31st March 2020, there has been no amount due and outstanding to be transferred to IEPF (Investor Education and Protection Fund)

NOTE 13: CURRENT TAX ASSET (NET)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance tax balance	11,947.03	3,306.11
Less: Provision for income tax	12,472.39	3,317.07
Total Current tax asset (net)	**(525.36)**	**(10.96)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 14: OTHER CURRENT LIABILITIES

Particulars	31 March 2020	31 March 2019
Advance from customers	120.15	399.06
Statutory dues payable	270.69	128.06
Total other current liabilities	**390.84**	**527.11**

NOTE 15: REVENUE FROM OPERATIONS

Particulars	31 March 2020	31 March 2019
Sale of Products	77,357.08	34,424.74
Sale of Services	4,370.53	2,532.74
Total	**81,727.61**	**36,957.48**
Other Operating Income		
Export Incentives (MEIS)	1,308.21	742.19
Duty Drawback Received	342.41	83.79
Service tax rebate claim received	0.75	-
	1,651.37	**825.98**
Total	**83,378.98**	**37,783.46**

NOTE 16: OTHER INCOME

Particulars	31 March 2020	31 March 2019
Interest income		
On fixed deposits	13.61	6.32
Others	22.45	13.44
Credit balances written back	14.55	23.92
Insurance Claim received	0.41	-
Facility Charges	25.89	-
Foreign Exchange Gain (Net)	1,103.70	-
Gain on Financial Assets	623.12	16.33
Net gain on sale of Property,Plant and equipment	8.00	-
Total	**1,811.73**	**60.01**

NOTE 17: COST OF MATERIALS CONSUMED

Particulars	31 March 2020	31 March 2019
Raw Materials		
Raw Material at the beginning of the year	3,033.11	-
Add: Inventories acquired pursuant to the Scheme of Arrangement (Refer Note 35)	-	2,710.65
Purchases during the year	24,055.84	12,600.96
Less: Raw Material at the end of the year	3,451.56	3,033.11
	23,637.39	12,278.50
Packing Materials		
Packing Material at the beginning of the year	228.87	-
Add: Inventories acquired pursuant to the Scheme of Arrangement (Refer Note 35)	-	226.35
Purchases during the year	343.97	176.15
Less: Packing Material at the end of the year	185.88	228.87
	386.96	**173.63**
Total	**24,024.35**	**12,452.12**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 18: CHANGES IN INVENTORIES OF WORK-IN-PROGRESS AND FINISHED GOODS

Particulars	31 March 2020	31 March 2019
Opening Balance:		
Work-in-progress	7,001.16	-
Add: Inventories acquired pursuant to the Scheme of Arrangement (Refer Note 35)	-	4,285.57
Finished Goods	4,188.32	-
Add: Inventories acquired pursuant to the Scheme of Arrangement (Refer Note 35)	-	4,771.78
Total opening balance	**11,189.48**	**9,057.35**
Closing Balance:		
Work-in-progress	7,656.34	-
Add: Inventories acquired pursuant to the Scheme of Arrangement (Refer Note 35)	-	7,001.16
Finished Goods	4,638.59	-
Add: Inventories acquired pursuant to the Scheme of Arrangement (Refer Note 35)	-	4,188.32
Total closing balance	**12,294.93**	**11,189.48**
Total	**(1,105.45)**	**(2,132.13)**

NOTE 19: MANUFACTURING EXPENSES

Particulars	31 March 2020	31 March 2019
Power & Fuel	3,823.50	1,805.78
Consumable Stores	94.81	53.61
Factory Upkeep Expenses	2,738.35	1,094.44
Environment Management Expenses	1,236.74	602.30
Safety Expenses	121.78	62.38
Quality Control Expenses	1,033.40	331.92
Repairs & Maintenance:		
Buildings	40.97	16.33
Plant & Machinery	1,485.60	1,163.71
Total	**10,575.14**	**5,130.47**

NOTE 20: EMPLOYEE BENEFITS EXPENSE

Particulars	31 March 2020	31 March 2019
Salaries & Wages	6,573.13	2,567.35
Contribution to Provident & other funds	390.01	201.22
Gratuity Expense	152.32	82.77
Staff Welfare Expenses	256.77	111.81
Total	**7,372.23**	**2,963.15**

NOTE 21: FINANCE COSTS

Particulars	31 March 2020	31 March 2019
Interest		
On Borrowings	390.83	78.95
On Inter Company Loan	1,321.31	92.87
On Income taxes	274.38	-
On Lease Liability	5.01	-
Bank Charges	315.08	107.09
Total	**2,306.60**	**278.92**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 22: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	31 March 2020	31 March 2019
Depreciation of property, plant and equipment (Refer Note 3)	2,333.18	1,133.20
Depreciation of Right-to-use Assets	17.72	-
Amortisation of intangible assets (Refer Note 4)	35.12	16.47
Total	**2,386.01**	**1,149.68**

NOTE 23: OTHER EXPENSES

Particulars	31 March 2020	31 March 2019
Rent	79.82	38.25
Rates & Taxes	54.53	12.70
Service Tax	116.15	16.24
Insurance	599.29	161.10
Communication Charges	81.54	47.44
Travelling & Conveyance	617.75	319.68
Printing & Stationery	43.68	16.51
Vehicle Maintenance	28.39	12.77
Professional Charges	252.52	184.19
Payments to Auditors (Refer note 23(a)below)	24.00	12.31
Security Charges	221.71	117.78
Donations	1.00	-
Repairs & Maintenance - others	88.10	58.14
Loss on sale of Property,Plant and equipment	2.25	-
Corporate Social Responsibility(Refer note 23(b)below)	105.04	-
Foreign Exchange Loss (Net)	-	268.71
Sales Promotion	685.68	391.18
Clearing & Forwarding	379.21	178.28
Commission on Sales	203.52	102.05
General Expenses	417.71	277.21
Total	**4,001.89**	**2,214.55**

Note 23(a): Details of payments to auditors

Particulars	31 March 2020	31 March 2019
As auditor:		
(i) Statutory Audit Fees	16.00	10.00
(ii) Tax audit fees	2.50	-
(iii) Other services	4.00	2.00
(iv) Re-imbursement of out -of- pocket expenses	1.50	0.31
Total	**24.00**	**12.31**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

Note 23(b): Corporate social responsibility expenditure

Particulars	31 March 2020	31 March 2019
Amount required to be spent as per section 135 of the Act	105.04	NA
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	NA
(ii) On purpose other than (i) above	-	NA

Note: Since Previous year ended 31st March 2019 was first year of incorporation, CSR obligation as per Section 135 and relevant rules of Companies Act,2013 are not applicable.

NOTE 24: 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.

Particulars	31 March 2020	31 March 2019
(a) Income tax expense		
Current tax		
Current tax on profits for the year	9,155.32	3,317.07
Adjustments for current tax of prior periods	-	-
Total current tax expense	**9,155.32**	**3,317.07**
Deferred tax		
Decrease(increase) in deferred tax assets	-	-
Increase(decrease) in deferred tax liabilities	(129.93)	1,542.21
Total Deferred tax expense/(benefit)	**(129.93)**	**1,542.21**
Income tax expense	**9,025.39**	**4,859.28**
Income tax expense is attributable to: Profit from operations	9,025.39	4,859.28

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

Particulars	31 March 2020	31 March 2019
Profit from operations before income tax expenses	35,759.03	15,786.71
Tax at the Indian tax rate of 25.168% (2018-19 -34.944%)	**8,999.83**	**5,516.51**
Computed expected tax expense:		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Loss on sale of Fixed Assets	0.57	
Donations	-	
CSR Expenditure	26.44	
Profit on sale of asset	(2.01)	
Interest on Income tax	274.38	29.07
Interest on MSMED	0.03	2.13
Income tax paid at special rate	(87.97)	(123.08)
opening DTL on impact of rate change	(1,070.39)	-
Gratuity & Leave encashment	41.84	-
Impact of WDV change	(6.56)	5.07
MAT Credit	816.73	(570.42)
Others	32.50	0.01
Income tax expenses	**9,025.39**	**4,859.28**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 25: FAIR VALUE MEASUREMENTS

	31 March 2020		31 March 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments				
-Equity Investment	-	7.05	-	7.05
-Mutual funds	3,067.33	-	706.10	-
Trade Receivables	-	11,719.58	-	14,750.17
Loans	-	26.38	-	17.99
Security deposits	-	474.87	-	437.69
Cash and Cash equivalents	-	1169.53	-	1,090.30
Bank Balances	-	38.59	-	11.65
Fixed Deposits with Banks and Interest thereon	-	199.37	-	187.71
Total Financial Assets	**3,067.33**	**13,635.38**	**706.10**	**16,502.56**
Financial Liabilities				
Borrowings	-	9,403.80	-	8,279.36
Current maturities of long-term debt	-	-	-	-
Unpaid dividends	-	38.59	-	11.65
Trade Payables	-	7,105.57	-	5,357.49
Capital creditors	-	1,442.92	-	392.39
Total Financial Liabilities	**-**	**17,990.88**	**-**	**14,040.89**

Fair value hierarchy

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

Financial assets measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at March 31, 2020					
Financial assets					
Equity Investment		-	-	7.05	7.05
Investment in mutual funds	5(a)(ii)	-	3,067.33	-	3,067.33
Trade Receivables		-	-	11,719.58	11,719.58
Loans		-	-	26.38	26.38
Security deposits		-	-	474.87	474.87
Fixed Deposits with Banks and Interest thereon		-	-	199.37	199.37
Cash and Cash equivalents				1,169.53	1,169.53
Bank Balances				38.59	38.59
Total Financial Assets		**-**	**3,067.33**	**13,635.38**	**16,702.71**

NOTES TO THE CONSOLIDATED 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 March 31, 2020					
Financial Liabilities					
Borrowings		-	-	9,403.80	9,403.80
Current maturities of long-term debt		-	-	-	-
Unpaid dividends		-	-	38.59	38.59
Trade Payables		-	-	7,105.57	7,105.57
Capital creditors		-	-	1,442.92	1,442.92
Total Financial Liabilities		**-**	**-**	**17,990.88**	**17,990.88**

Financial assets measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at March 31, 2019					
Financial assets					
Equity Investment		-	-	7.05	7.05
Investment in mutual funds		-	706.10	-	706.10
Trade Receivables		-	-	14,750.17	14,750.17
Loans		-	-	17.99	17.99
Security deposits		-	-	437.69	437.69
Fixed Deposits with Banks and Interest thereon		-	-	187.71	187.71
Cash and Cash equivalents		-	-	1,090.30	1,090.30
Bank Balances		-	-	11.65	11.65
Total Financial Assets		**-**	**706.10**	**16,502.56**	**17,208.66**

Financial liabilities measured at amortised cost & Fair Value	Notes	Level 1	Level 2	Level 3	Total
As at March 31, 2019					
Financial Liabilities					
Borrowings		-	-	8,279.36	8,279.36
Current maturities of long-term debt		-	-	-	-
Unpaid dividends		-	-	11.65	11.65
Trade Payables		-	-	5,357.49	5,357.49
Capital creditors		-	-	392.39	392.39
Total Financial Liabilities		**-**	**-**	**14,040.89**	**14,040.89**

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 26: 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 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 amortized 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 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 31 March 2020

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	More than 120 days	Total
Gross carrying amount	5,119.85	3,515.63	1,192.50	513.85	1,377.75	11,719.58
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses(loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables(net of impairment)	**5,119.85**	**3,515.63**	**1,192.50**	**513.85**	**1,377.75**	**11,719.58**

Year ended 31 March 2019

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	More than 120 days	Total
Gross carrying amount	13,133.37	485.35	248.70	583.93	298.82	14,750.17
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses(loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables(net of impairment)	**13,133.37**	**485.35**	**248.70**	**583.93**	**298.82**	**14,750.17**

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

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

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

Year ended March 31, 2020	On Demand	in next 12 months	>1 year	Total
(i) Borrowings	9,403.80	-	9,125.25	18,529.05
(ii) Trade payables	-	7,105.57	-	7,105.57
(iii) Other financial liabilities	38.59	2,280.93	-	2,319.52
	9,442.39	**9,386.50**	**9,125.25**	**27,954.14**

Year ended March 31, 2019	On Demand	in next 12 months	>1 year	Total
(i) Borrowings	3,530.24	4,749.12	-	8,279.36
(ii) Trade payables	-	5,357.49	-	5,357.49
(iii) Other financial liabilities	11.65	1,408.47	-	1,420.12
	3,541.89	**11,515.08**	**-**	**15,056.97**

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:

Particulars	As at March 31, 2020			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	138.44	-	-	-
Trade receivables(Net)	9,906.43	-	1,319.23	-
Financial Liabilities				
Borrowings	5,203.80	-	-	-
Trade payables(Net)	526.46	-	-	-
Other financial liabilities	17.66	-	-	-

Particulars	As at March 31, 2019			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	712.36	-	-	-
Trade receivables	14,186.23	-	-	-
Financial Liabilities	-			
Borrowings	3,529.24			
Trade payables(Net)	974.75	-	-	-
Other financial liabilities	55.50	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

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:

	31 March , 2020	31 March , 2019
Variable rate borrowings	5,203.80	3,529.24
Fixed rate borrowings	-	-
Total borrowings	**5,203.80**	**3,529.24**

(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 March , 2020	31 March , 2019	31 March , 2020	31 March , 2019
Interest rates-increase by 100 basis points	199.73	163.74	-	-
Interest rates-decrease by 100 basis points	111.42	96.09	-	-

NOTE 27: CAPITAL MANAGEMENT

(a) Risk management

The Company's objective when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital

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

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

	31 March, 2020	31 March, 2019
Net debt	7,996.30	6,989.70
Total Equity	84,476.27	**59,029.06**
Net debt to equity ratio	9%	12%

(b) Dividends (on equity instruments)

	31 March, 2020	31 March, 2019
(i) Equity shares		
Interim dividend for the year ended March 31, 2020 of ₹5.00 (31-March 2019-₹1.50) per fully paid share	6,364.12	1,909.24
(ii) Dividends not recognised at the end of the reporting period	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 28: SEGMENT INFORMATION

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:

I. Manufacturing (CRAMS) - Bulk Drugs & Intermediates under contract services products are developed and produced on an exclusive basis under contract Manufacturing services

As the Company has identified single operating segment i.e. Pharmaceuticals Manufacturing & Services. Therefore analysis business segment is not required.

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

	Revenue for the year ended		Value of Net Assets as on		Additions to Fixed Assets during the year	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	FY 2019-20	FY 2018-19
INDIA	3,952.29	1,891.60	35,579.15	27,071.77	10,907.21	436.62
U S A	5,020.55	1,563.17	6.64	17.94	2.39	4.78
EUROPE	65,574.94	25,393.09	-	-	-	-
OTHERS	8,831.20	8,935.60	-	-	-	-
	83,378.98	**37,783.46**	**35,585.79**	**27,089.71**	**10,909.60**	**441.40**

Information about major customers

Revenues from one of the customers of the Company's in Europe was ₹30,966 lakhs representing approximately 37.89% of the Company's total revenue, for the period ended 31st March 2020 and ₹15,196 lakhs representing approximately 41% of the Company's total revenue, for the period ended 31 March 2019.

NOTE 29: INTEREST IN OTHER ENTITIES

The Company's subsidiaries as at March 31, 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company

		Ownership interest held by the Company		Ownership interest held by Non-Controlling interests		
Name of the entity	Place of Business/ Country of incorporation	31 March 2020	31 March 2019	31 March 2020	31 March 2019	Principal activity
Suven Pharma Inc.,	USA	100%	-	0%	-	SPV for undertaking various business opportunities in Pharma Industry.
Rising Pharma Holdings, INC.	USA	25%	-	75%	-	A privately-held pharmaceutical company based in New Jersey focused on developing generic pharmaceutical products in various therapeutic categories.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 30: 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 Pharma Inc.,	
(c) Associates	: Rising Pharma Holdings Inc.,	
(d) Key Management personnel(KMP)	: Mr. Venkateswarlu Jasti	Chairman & Managing Director
	Mr. D. G. Prasad	Independent Director
	Dr. Srivari Chandrasekhar	Independent Director
	Ms. Deepanwita Chattopadhyay	Independent Director
	Mr. J. V. Ramudu	Non-executive Director
	Dr. Jerry Jeyasingh	Non-executive Director
(e) Relative of Key Management personnel	: Mrs. Kalyani Jasti (Daughter of Mr.Venkateswarlu Jasti)	
(f) Entity with common control	: Suven Life Sciences Limited	

(a) Parent entities*

Name	Type	Place of Incorporation	Ownership Interest	
			31 March 2020	31 March 2019
Jasti Property and Equity Holdings Private Limited (In its capacity as sole trustee of Jasti Family Trust)	Immediate and Ultimate parent entity	India	60.00%	60.00%

(b) Subsidiaries

	31 March 2020	31 March 2019
Opening	-	-
Investment in subsidiary	30,738.76	-
Balance outstanding	**30,738.76**	**-**

(c)Key Management Personnel compensation

	31 March 2020	31 March 2019
Short term employee benefits	816.75	611.75
Post-employment benefits	-	-
Long term employee benefits	-	-
Termination benefits	-	-
Total Compensation	**816.75**	**611.75**
Balance outstanding	**361.02**	**227.37**

(d) Relative of Key Management Personnel compensation

	31 March 2020	31 March 2019
Short term employee benefits	271.08	232.10
Post-employment benefits	-	-
Long term employee benefits	-	-
Termination benefits	-	-
Total Compensation	**271.08**	**232.10**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

(e) Jointly Controlled Entity

	31 March 2020	31 March 2019
Suven Life Sciences Limited*	13,325.25	4,749.12

*The amount relates to Inter Company loan given by Suven Life Sciences Ltd., to Suven Pharmaceuticals Ltd.

NOTE 31: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	31 March 2020	31 March 2019
a) APIIC-JN Pharmacity,Parawada- Restoration fee & Delay condonation fee	606.69	-
b) Letter of credit for imports	327.94	1,077.47
c) Bank Guarantee	16.00	6.50
	950.63	**1,083.97**

NOTE 32: COMMITMENTS

	31 March 2020	31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for , net of Payments(including advances)	6,932.34	3,665.86
	6,932.34	**3,665.86**

NOTE 33: EARNINGS PER SHARE

	31 March 2020	31 March 2019
Profit After Tax (PAT)	31,700.17	10,927.43
Weighted average number of equity shares*	1,272.82	1,272.82
Basic Earnings per share	24.91	8.59

Note:

* For the purpose of calculating earnings per share for the year ended 31st March 2020 and for the period 1st October 2018 to 31st March 2019, the equity shares issued pursuant to the Scheme (refer note 35) have been considered effective as on 1st October 2018, being the appointed date under the Scheme and the equity shares of Suven Pharmaceuticals Limited outstanding stands cancelled from the aforesaid date.

NOTE 34: INCOME TAX EXPENSES

Section 115BAA of the Income Tax Act, 1961 was introduced by Taxation Laws (Amendment) Ordinance 2019, which permit a Company to opt for the reduced tax rate of 22%, as prescribed. Accordingly, the Company has recognized provision for income tax for the year ended March 31, 2020 and re-measured Deferred tax liabilities/assets (net)as per the rates prescribed in the said section. The full impact of this change has been recognized in the statement of Profit & Loss for the period ended March 31, 2020.

NOTE 35: SCHEME OF ARRANGEMENT(DEMERGER)

The Board of Directors at its meeting held on 5th February, 2019 approved, composite scheme of arrangement (the Scheme) subject to necessary approvals under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 .

The National Company Law Tribunal, Hyderabad Bench vide its order dated January 06th, 2020 has approved the scheme of arrangement for demerger of CRAMS undertaking of Suven Life Sciences Limited to the Company with effect from October 01st ,2018 (the appointed date). Pursuant to the Scheme, all the assets, liabilities, income and expenses of the CRAMS undertaking have been transferred to the Company with effect from the appointed date. Investments held by CRAMS undertaking in the Company stands cancelled and the same have been adjusted against General Reserve. The Company's exisiting shares issued to Suven Life Sciences limited were cancelled and fresh shares were issued to shareholders of Suven Life Sciences limited on 22nd January, 2020 (the record date) in the ratio of 1:1 of ₹1/- each in Suven Pharmaceuticals Limited.

Consequently , the Scheme became operational on 9th January, 2020 (effective date), the date on which the Company has filed a certified copy of NCLT order with the Registrar of Companies(ROC), Hyderabad as per the relevant provisions of Companies Act, 2013.

Accordingly ,the Net Assets acquired by the Company as at the Appointed Date in accordance with IND AS 103 (Business Combinations) at book value are as follows :

Suven Pharmaceuticals Limited: 48,445.79 Lakhs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

NOTE 36: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
31 March 2020								
Parent								
Suven Pharmaceuticals Ltd.	92.67%	78,282.99	85.20%	27,008.02	100.00%	-81.80	85.16%	26,926.23
Subsidiaries:								
Suven Pharma Inc.	7.33%	6,193.28	14.80%	4,692.15	0.00%	-	14.84%	4,692.15
TOTAL	**100.00%**	**84,476.27**	**100.00%**	**31,700.17**	**100.00%**	**-81.80**	**100.00%**	**31,618.38**
31 March 2019								
Parent								
Suven Pharmaceuticals Ltd.	100.00%	59,029.05	100.00%	10,927.43	0.00%	-	100.00%	10,927.43
Subsidiaries:								
Suven Pharma Inc.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
TOTAL	**100.00%**	**59,029.05**	**100.00%**	**10,927.43**	**0.00%**	**-**	**100.00%**	**10,927.43**

NOTE 37: COVID IMPACT ON THE BUSINESS AND GOING CONCERN ASSUMPTION OF THE COMPANY AND ITS SUBSIDIARY:

The threats posed by the coronavirus outbreak are multifold. However, as the Company operates in the industry that is considered essential, the operations were continuing during lockdown by ensuring appropriate measures.

COVID-19 had not impacted the company's operations, which includes our subsidiary, Suven Pharma, Inc.

Note 38 : Previous year figures have been regrouped and reclassified wherever considered necessary to conform to this year's classifications. The figures appearing in the statement of profit & loss for the period ended 31st March'19 represents the figures from 6th November 2018 to 31st March'2019. Hence current period figures are not comparable with previous period figures.

STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT 2013,READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO SUBSIDIARY/ASSOCIATE/ JOINT VENTURE COMPANIES

Part A : SUBSIDIARIES INFORMATION

Name of the subsidiary : Suven Pharma Inc.,

Reporting currency : USD

Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries : INR 75.35

Date of Incorporation : 09th March 2019

PARTICULARS	31 March 2020
Share capital	3,52,00,000
Reserves & surplus	(183,504)
Total assets	35,016,496
Total liabilities	-
Turnover / Total Income	-
Profit/(loss) before taxation	(183,504)
Provision for Taxation	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ALL AMOUNTS IN INDIAN RUPEES IN LAKHS, UNLESS OTHERWISE STATED)

PARTICULARS	31 March 2020
Profit/ (loss) after taxation	(183,504)
Proposed dividend	-
% of share holding	100%

1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

Part B : ASSOCIATES AND JOINT VENTURES

Name of the Associate : Rising Pharma Holdings, Inc., (through WoS of the Company)

Reporting currency : USD

PARTICULARS	
1. Latest audited Balance Sheet Date	31 March 2020
2. Shares of associates held by the company on the year end	-
Number of shares	2,50,000
Amount of investment in Associates	3,50,00,000
Extent of holding %	25%
3. Description of how there is significant influence	Voting Power
4. Reason why the associate/ joint venture is not consolidated	Not Applicable
5. Networth attributable to Shareholding as per latest Audited Balance Sheet	9,25,51,502
6. Profit/ (Loss) for the year	
i. Considered in Consolidation	68,85,376
ii. Not Considered in Consolidation	-

The accompanying notes form an integral part of the financial statements

As per our report of even date

for **KARVY & CO.**
Chartered Accountants
(Firm Reg. No.001757S)

Ajay Kumar Kosaraju
Partner
Membership No. 021989

Place : Hyderabad
Date : 18.06.2020

For and on behalf of the Board of Directors of
Suven Pharmaceuticals Limited

Venkateswarlu Jasti
Chairman & Managing Director
DIN: 00278028

K. Hanumantha Rao
Company Secretary
Membership No. A11599

P. Subba Rao
Chief Financial Officer
Membership No. A11342

NOTICE is hereby given that the Second Annual General Meeting of the Members of SUVEN PHARMACEUTICALS LIMITED will be held on Monday, the 14th day of September, 2020 at 11:30 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS

ITEM NO. 1 – To Adoption of financial statements

To receive, consider and adopt the audited standalone and consolidated Balance Sheet as at 31st March, 2020, Statement of Profit & Loss for the year ended 31st March, 2020, Statement of Cash flows for the year ended 31st March 2020 and together with the Reports of the Board of Directors and the Auditor's Report thereon.

"RESOLVED THAT the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

ITEM NO. 2 – To confirm the Interim Dividend of Rs. 5.00 per equity share of face value of Rs 1.00 each already paid as final dividend for the financial year 2019-2020

"RESOLVED THAT the Interim Dividend of Rs. 2.50 per share and onetime special dividend of Rs. 2.50 per share totaling to Rs 5/- per equity share declared by the Board of Directors of the Company at their meeting held on 13th February, 2020 on 127282478 equity shares of Rs.1.00/- each absorbing a sum of Rs. 63,64,12,390/- (Rupees sixty-three crores sixty-four lakhs twelve thousand three hundred and ninety only) be and is hereby approved as the final dividend for the financial year ended March 31, 2020."

ITEM NO. 3 – To Appoint Mr. J. V. Ramudu as a director liable to retire by rotation

To appoint a director in place of Mr. J. V. Ramudu, (DIN: 03055480) who retires by rotation, and being eligible, offers himself for re-appointment.

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. J. V. Ramudu (DIN: 03055480), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

ITEM NO. 4 – Increase of Authorized Share Capital and consequent alteration of the Memorandum of Association of the Company

To consider and, if thought fit, to pass, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of Article 57 of the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from Rs. 20,10,00,000 (Rupees Twenty Crores Ten Lakhs) divided into 20,10,00,000 (Twenty Crores Ten Lakhs) Equity Shares of Rs. 1/- each to Rs. 40,00,00,000 (Rupees Forty Crores) divided into 40,00,00,000 (Forty Crores) Equity Shares of Rs. 1/- each by creation of additional 19,90,00,000 (Nineteen Crore Ninety Lacs) Equity Shares of Rs. 1/- each ranking pari passu in all respects with the existing equity shares of the Company and consequently, the existing Clause 5th of the Memorandum of Association of the Company, be and is hereby replaced with the following new 5th Clause:

5th. The Authorized Share Capital of the Company is INR 40,00,00,000 (Rupees Forty Crores only) divided into 40,00,00,000 (Forty Crores) Equity Shares of INR 1/- (Rupee One only) each with the right to increase or reduce the share capital in accordance with the provisions of the Companies Act 2013. The company shall have powers, at any time and from time to time to increase or reduce capital. Any of the said shares and new shares may at any time and from time to time be divided in to shares of several classes in such manner as the articles of the company may prescribe and the shares of each class may confer such preferred or other special rights and privileges and impose such restrictions and conditions whether in regard to dividend, voting, return of capital or otherwise as may be prescribed in or under the articles of association."

"RESOLVED FURTHER THAT the directors of the Company be and are hereby severally authorised to do all such act(s), deed(s) and things including all forms, documents filing with Registrar of Companies as may be necessary and incidental to give effect to the aforesaid Resolution."

ITEM NO. 5 – Issue of Bonus Shares

To consider and, if thought fit, to pass, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT in accordance with Article 151 of the Articles of Association of the Company and pursuant to Section 63 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rule 14 of the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable Regulations and Guidelines issued by the Securities and Exchange Board of India (the "SEBI") and Reserve Bank of India (the "RBI") (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, permissions, conditions and sanctions as may be considered necessary from appropriate authorities and the terms and conditions, if any, as may be specified while according such approvals and subject to acceptance of such terms and conditions by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard) and pursuant to the recommendation of the Board, the consent of the members of the Company be and is hereby accorded for such sums as may be determined to be required by the Board, from and out of the amount standing to the credit of the Securities Premium Account of the Company as at March 31, 2020, to capitalize and transfer to the Share Capital Account, for the purpose of allotment of new equity shares of the Company of ₹1 (Rupee One only) each as fully paid-up Bonus Shares, to be allotted as fully paid-up equity shares to the existing equity shareholders of the Company, in the proportion of (1:1) one new equity share for every one existing equity share, held by the Members of the Company, whose names appear in the Register of Members maintained by the Company/List of Beneficial Owners as received from the Depositories, as on the record date to be fixed by the Board in this regard."

"RESOLVED FURTHER THAT the new equity shares of ₹ 1 (Rupees One only) each to be allotted as Bonus Shares shall be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company and shall rank pari passu with the existing fully paid-up equity shares of the Company in all respects and shall be entitled to participate in full in any dividends and any other corporate action declared after the new equity shares are allotted and no allotment letters shall be issued to the allottees of the bonus shares."

"RESOLVED FURTHER THAT the bonus shares shall be issued to the allottees in the same mode as existing shares are held by them on the record date and the bonus equity shares in physical form shall thereafter be dispatched to the allottees, except in respect of those allottees who hold existing equity shares in dematerialized form, within the period prescribed or that may be prescribed in this behalf, from time to time."

"RESOLVED FURTHER THAT the issue and allotment of the said bonus shares to the extent they relate to Non-Resident Indians, Foreign Portfolio Investors, Foreign Nationals, Foreign Corporate Bodies (including Overseas Corporate Bodies), Persons of Indian Origin and other Foreign Investors of the Company, shall be subject to the applicable regulations under the Foreign Exchange Management Act, 1999."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary, expedient or incidental in this regard including but without limitation to file any documents with the Securities and Exchange Board of India, Stock Exchange(s) where the shares of the Company are listed, Depositories, Ministry of Corporate Affairs and/ or Concerned Authorities, applying and seeking necessary listing approvals from the Stock Exchange(s), and to settle any question, difficulty or doubt that may arise in regard thereto."

ITEM NO. 6 - Approval of Suven Pharma Employee Stock Option Scheme 2020 (SPLESOP 2020) under SEBI (Share Based Employee Benefits) Regulations, 2014

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

"RESOLVED THAT pursuant to Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and in accordance with the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI LODR Regulations")**, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **("SEBI SBEB Regulations")** (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), subject to such approvals, permissions, sanctions and such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions and subject to such other approvals, consent, permissions as may be necessary, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall include Nomination and Remuneration Committee constituted and designated by the Board to act as the 'Compensation Committee' under the SBEB Regulations) to introduce, offer and implement the proposed Suven Pharma Employees Stock Options Scheme 2020 ("SPLESOP 2020"), to grant, vest and allot, from time to time, and in one or more tranches, 10,00,000 options exercisable into 10,00,000 Equity Shares of face value of Rs. 1/- each to the present and future employees, whether working in India or out of India, of the Company selected on the basis of criteria prescribed by the Board in accordance with the SBEB Regulations, hereinafter referred to as "the Eligible Employees" under SPLESOP 2020, on such terms and conditions including price, as may be determined by the Board in accordance with the provisions of SPLESOP 2020 and in due compliance with the SBEB Regulations and other applicable laws, rules and regulations."

"RESOLVED FURTHER THAT the Equity Shares issued upon exercise of the Options and issued under "SPLESOP 2020" shall rank pari passu in all respects with the existing Equity Shares of the Company including the entitlement of dividend."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger, change in capital structure, sale of division and others, if any, additional Equity Shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling on the number of options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional Equity Shares issued."

"RESOLVED FURTHER THAT in case the Equity Shares of the Company are consolidated, then the number of shares to be allotted and the exercise price payable by the option grantees under the SPLESOP 2020 shall automatically stand reduced, as the case may be, in the same proportion as the present face value of Rs. 1/- per Equity Share bears to the revised face value of the equity shares of the Company after such consolidation, without affecting any other rights or obligations of the said grantees."

RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under SPLESOP 2020 on the stock exchanges where the equity shares of the company are listed as per the provisions of the Listing Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to SPLESOP 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate SPLESOP 2020 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of SPLESOP 2020 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion, deem necessary including authorizing or directing to appoint Merchant Bankers, Solicitors, Brokers and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of SPLESOP 2020 as also to make applications to the appropriate authorities, for their requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard."

ITEM NO. 7 Approval of grant of stock options to the employees of subsidiary company (ies) under Suven Pharma Employee Stock Option Scheme 2020:

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

"**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment thereto or re–enactment thereof), Regulation 6(3)(c) and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **("SEBI (SBEB) Regulations")**, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI (LODR) Regulations"**), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent of the Members of the Company be and is hereby accorded to extend the benefits of Suven Pharmaceuticals Limited Employee Stock Option Scheme – 2020 (**"Scheme"**) including the grant of Employee Stock Options **("Options")** and issuance of Equity Shares thereunder, to such Employee(s) who are in permanent employment whether working in India or out of India, of the Subsidiary Company(ies) but excluding an Employee who is a Promoter or a person belonging to the Promoter Group; or a Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time ***("Eligible Employees")***, on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the Scheme.

RESOLVED FURTHER THAT the new Equity Shares (if any) to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary for the effective implementation and administration of the Scheme and to make applications to the appropriate authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution."

Hyderabad, August 17, 2020

by order of the Board of Directors

Registered Office
8-2-334, SDE Serene Chambers
3rd Floor, Road No.5, Avenue 7
Banjara Hills, Hyderabad – 500034
CIN: L24299TG2018PLC128171

K. Hanumantha Rao
Company Secretary
Membership No. A11599

NOTES:

1. Meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12 May 2020 permitted the holding of the Annual General, 2015 ('Listing Regulations') and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM, hereinafter called as 'e-AGM'. The deemed venue for the AGM shall be the Registered Office of the Company.

2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.

3. The relevant details pursuant to Regulation 26(4) and 36(3) 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.

4. Since the AGM will be held through VC/ OAVM, the Route Map of the venue of the Meeting is not annexed hereto.

5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.suvenpharm.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Company's RTA, KFin Technologies Private Limited (KFin Tech) at https://evoting.karvy.com

7. In terms of Section 152 of the Companies Act, 2013, Shri J. V. Ramudu, (DIN: 03055480), Director, retire by rotation at the meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company commends his re-appointment. Brief profile of Director, names of companies in which he 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.

8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

9. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

10. At the first AGM held on November 30, 2019 the Members approved appointment of KARVY & Co, Chartered Accountants (Firm Registration No. 001757S) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the sixth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the second 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 2019-20 is given in the notes to the accounts.

11. Members holding shares in physical form are requested to notify any changes, pertaining to their name, postal address, email address/telephone/mobile numbers or bank mandates and PAN details immediately to the Registrars and Transfer Agents M/s. KFin Technologies Private Limited (formerly Karvy Fintech Private Limited), at 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 changes in mailing address or bank mandates to their respective Depository Participants with whom they are maintaining their demat accounts.

12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Monday, September 07, 2020 through email on investorservices@suvenpharm.com. The same will be replied by the Company suitably.

13. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.
    All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investorservices@suvenpharm.com

14. 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.

15. 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 shares related matter to Company's Registrars M/s. KFin Technologies Private Limited, Hyderabad.

16. **To support the "Green Initiative", Members who have not registered their e-mail addresses so far are requested to register same with their DPs in case the shares are held by them in electronic form and with Kfin Tech in case the shares are held by them in physical form for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.**

17. **Unclaimed Dividends/ Transfer to Investor Education and Protection Fund:**
    Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

18. 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 / KFin Technologies Private Limited, Hyderabad.

19. Information and Instructions for joining the AGM through VC / OAVM and e-voting are as follows:

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

(i). The Company will provide VC / OAVM facility to its Members for participating at the AGM.

    a) Members will be able to attend the AGM through VC / OAVM or view the live webcast at https://

emeetings.kfintech.com by using their e-voting login credentials.

Members are requested to follow the procedure given below:

(i). Launch internet browser (chrome/firefox/safari) by typing the URL: https://emeetings.kfintech.com

(ii). Enter the login credentials (i.e., User ID and password for e-voting).

(iii). After logging in, click on "Video Conference" option

(iv). Then click on camera icon appearing against AGM event of Suven Pharmaceuticals Limited, to attend the Meeting.

b) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.

c) Members who would like to express their views or ask questions during the AGM may register themselves by logging on to https://emeetings.kfintech.com and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during **Tuesday, September 08, 2020 to Friday, September 10, 2020.** Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

d) Upto 1000 Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis.

e) Facility to join the meeting shall be opened fifteen minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.

f) Members who need assistance before or during the AGM, can contact KFinTech on emeetings@kfintech.com or call on toll free numbers 1800-425-8998 / 1800-345-4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM:

(ii). Pursuant to the provisions of Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended from time to time, 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 Second Annual General Meeting (AGM) by electronic means ("e-voting") and the business may be transacted through e-voting facility. The members may cast their votes remotely, using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting")

Further, the facility for voting through electronic voting system will also be made available at the Meeting ("Insta Poll") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

(iii). The Company has engaged the services of KFin Tech as the agency to provide e-voting facility. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions given below.

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

Commencement of remote e-voting: 9:00 a.m. on Friday, September 10, 2020

End of remote e-voting: 5:00 p.m. on Sunday, September 13, 2020

(v). The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the 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 Monday, September 07, 2020 only shall be entitled to avail the facility of remote e-voting / Insta Poll.

(vi). The members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.

Information and instructions relating to e-voting are as under:

i. The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.

ii. A member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".

iii. 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, i.e., Monday, September 07, 2020 only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person who is not a member as on the cutoff date, should treat the Notice for information purpose only.

iv. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date may obtain the User ID and password from KFinTech in the manner as mentioned below:

(a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
Example for NSDL: MYEPWD
<SPACE> IN12345612345678
Example for CDSL: MYEPWD
<SPACE> 1402345612345678
Example for Physical: MYEPWD
<SPACE> XXXX1234567890
(b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https:// evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
(c) Member may call on KFinTech's toll-free numbers 1800-425-8998 / 1800-345-4001 (from 9:00 a.m. to 6:00 p.m.)
(d) Member may send an e-mail request to evoting@ kfintech.com If the member is already registered with KFinTech's e-voting platform, then he can use his existing password for logging in.

v. The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the cutoff date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

Procedure and instructions relating to e-voting:
A. In case a Member receives an e-mail from KFinTech [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 KFinTech 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 KFinTech 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 1800-425-8998/ 1800-345-4001 (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 Pharmaceuticals 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 legible scanned certified true copy (in 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 singh.us@kfintech.com. It is also requested to 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 of a member whose e-mail address is not registered / updated with the Company / KFinTech Depository Participant(s), please follow the following steps to generate your login credentials:

(a) Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be serviced, may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: https://ris.kfintech.com/email_registration/ for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com

(b) Members holding shares in dematerialised mode who have not registered their e-mail addresses with heir Depository Participant(s) are requested to register / update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts.

(c) After due verification, the Company / KFinTech will forward your login credentials to your registered email address.

(d) Follow the instructions at (A). (i) to (xii) to cast your vote.

(vii). The voting rights of Members / beneficial owners (in case of electronic shareholding) 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 e-voting at the AGM through Insta Poll and a person who is not a Member as on the cut-off date should treat this AGM Notice for information purpose only.

Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting.

(viii). In case of any query pertaining to e-voting, members may please visit to the "Help and FAQ's" sections / E-voting user manual available through a dropdown menu in the "Downloads" section of KFinTech's website for e-voting: https://evoting.karvy.com or contact KFinTech as per the details given under below:

Members are requested to note the following contact details for addressing e-voting grievances:

Ms. C Shobha Ananda, Dy. General Manager
KFin Technologies Private Limited
Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad 500 032
Phone No.: +91 40 6716 1700 /1565
Toll-free No.: 1800-425-8998 / 1800-345-4001
E-mail: evoting@kfintech.com

(ix). Any person who acquires shares of the company and becomes a member of the company after the sending of the AGM Notice and holds shares as on the cut-off date, i.e. September 07, 2020, may obtain the login Id and password by sending a request at evoting@karvy.com. However, if you are already registered with "KFinTech" 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.

(x). The Board of Directors of the Company has appointed, Smt. D. Renuka, a Practicing Company Secretary (Membership No. A11963), as Scrutinizer to scrutinize the remote e-voting and Insta Poll process for AGM in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for the said purpose.

(xi). The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first count the votes cast at the Meeting (Insta Poll), thereafter unblock the votes cast through remote e-voting and 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. The result of e-voting will be declared within forty-eight hours of the conclusion of the Meeting.

(xii). The results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.suvenpharm.com and on the website of Karvy http://evoting.karvy.com immediately. The results shall simultaneously communicated to the Stock Exchanges where the Company is listed, viz. BSE Ltd. and National Stock Exchange of India Ltd.

(xiii). Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of meeting, i.e. September 14, 2020.

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

ITEM NO. 4

The current Authorized Share Capital of your Company is ₹ 20,10,00,000 (Rupees Twenty Crores Ten Lakhs only) divided into 20,10,00,000 (Twenty Crores Ten Lakhs) equity shares of ₹ 1 (Rupees One only) each. The Board of Directors in its meeting held on August 17, 2020 has proposed to increase the Authorized Share Capital to ₹ 40,00,00,000 (Rupees Forty Crores only) divided into 40,00,00,000 (Forty Crores) equity shares of ₹ 1 (Rupee One only) each for the purpose of meeting all future fund raising requirements, if any, of the Company.

Pursuant to the provisions of Sections 61 and 63 and other applicable provisions, if any, of the Act the increase in Authorized Share Capital, alteration of the Capital Clause of the Memorandum of Association require approval of the Members.

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

None of the 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

The Board of Directors in its meeting held on August 17, 2020 considered, approved and recommended an issue of bonus shares in the proportion of (1:1) one new equity share of the Company of ₹ 1 each for every one existing equity share of the Company of ₹ 1 each held by the Members on the "Record Date" to be determined by the Board by capitalizing a part of the Securities Premium Account of the Company as at March 31, 2020. The bonus shares upon their issue, and allotment will rank pari passu in all respects with the existing shares including dividend, if any declared.

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

None of the Directors, Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of this Notice except to the extent of their shareholding held by them in the Company.

ITEM NO. 6 and 7

In order to reward and motivate employees as also to attract the talent as well as to retain other key employees of the Company as well as employees of Wholly Owned Subsidiary Suven Pharma, Inc., in USA, the Board of Directors at its meeting held on 17th August, 2020 have approved and proposed for the approval of the shareholders for issue of Stock Options as per which employees, who comply with certain eligibility criteria would be given / granted stock options to subscribe a specified number of equity shares of the Company offered to them at a price to be determined.

The ESOP Plan would be subject to and in conformity with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 issued by the Securities and Exchange Board of India (SEBI).

The object of the plan is to enable such employees to participate in the long term growth of the Company and seek convergence of interest of shareholders such that eligible employees consciously work towards value creation for the shareholders.

The Salient features of the ESOP Plan are as under:

(A) Brief Description of the Scheme

(i) The total number of options to be granted under this scheme is 10,00,000 of ₹1/- each.

(ii) The Board may with the approval of the shareholders increase the maximum number of options under the SPLESOP 2020 at any time.

(iii) One option entitles the holder of the options to apply for one equity share of Rs. 1/- each of the company.

(B) Eligibility Criteria for the employees to participate in ESOP

The following are eligible to participate in the ESOP Scheme of the Company:

(i) A permanent employee of the company who is inside or outside India; or

(ii) A director of the company, whether a whole time director or not but excluding an independent / Promoter director;

(iii) an Employee as defined in clause (i) or (ii) of a Subsidiary, in India or outside India, of the Company

The following are not eligible to participate in the scheme:

(a) an employee who is a promoter or a person belonging to the promoter group; or

(b) a director who either himself/herself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company;

(C) Requirements of vesting

(i) There shall be a minimum period of one year between the grant of options and vesting of options.

(ii) The vesting shall happen in one or more tranches as may be decided by the Board.

(iii) All the options granted on any date shall vest not later than a maximum period of 6 years from the date of grant of options as may be determined by the Board.

(iv) The Board may extend, shorten or otherwise vary the vesting period from time to time, in accordance with the applicable laws and in the interest of the option grantee.

(D) Exercise price or price formula

The exercise price for the conversion of 1 option into 1 equity share shall be as decided by the Board in terms of the Scheme.

(E) Exercise Period and the Process of Exercise

(i) Exercise period will commence from the vesting date as stipulated in each Employee Option Agreement, within which employee should exercise his right to apply for Shares against the Employee Stock Option vested in him in pursuance of the SPLESOP 2020.

(ii) The Board will decide on the expiry period of options for employees leaving the Company after grant of options in their favour.

(iii) The Options will be exercisable by the employees by a written application to the designated officer of the Company to exercise the Options, in such manner and on execution of such documents as may be prescribed by the Board under the Scheme.

(iv) The Options will lapse if not exercised within the specified exercise period. Such lapsed options may be re issued by the Board in such manner as it deems fit in the best interest of the employees.

(F) Appraisal Process for determining the eligibility of employees to the ESOP Scheme

(i) The company has a formal established performance appraisal system wherein the performance of the employees is assessed each year on the basis of various functional and managerial parameters. The appraisal process is revised at regular intervals.

(ii) Employees and Directors would be granted Stock Options based on performance-linked parameters such as work performance, technical knowledge, period of service, designation and such other parameters as may be decided by the Board from time to time.

(iii) The Board may at its discretion extend the benefits of the “SPLESOP 2020” to a new entrant or any existing employee on such other basis as it may deem fit.

(G) Maximum number of options to be issued per employee and in aggregate

(i) The maximum number of options to be granted to each employee shall be as per scheme and will depend upon the rank/ designation of the employee as on the date of grant of options. However, no employee shall be entitled to more than such number of options equal to or exceeding 1% of the issued capital of the Company at the time of grant of options.

(ii) The aggregate number of options to be granted under this scheme shall not exceed 10,00,000 Equity shares

(iii) The Board shall decide on the number of options to be granted to each employee within this limit.

(H) Maximum quantum of benefits to be provided per employee under the SPLESOP 2020

The maximum quantum of benefits underlying the options issued to an eligible employee shall be equal to difference between the option Exercise price and the Market Price of the shares on the exercise date.

(I) Accounting Methods

The Company shall confirm to the accounting policies specified in the Regulation 15 of SBEB Regulations and/or such other guidelines as may be applicable from time to time.

(J) Method of Valuation of these options

The Company shall use the fair value method for valuation of the options.

(K) Implementation of Scheme and source of acquisition

(i) The Scheme shall be implemented and administered directly by the Company.

(ii) The Scheme contemplates fresh / new issue of shares by the Company.

Clause 6 of the SEBI (Share Based Employee Benefits) Regulations, 2014 requires that any ESOP Scheme for offering stock options to the employees of the Company must be approved by the Members of the Company by way of a Special Resolution in the General Meeting and furthermore, as the Scheme will entail further shares to be offered to persons other than the existing shareholders of the company, consent of the Members is required by way of a Special Resolution pursuant to the provisions of subsection (b) of Section 62 of the Companies Act, 2013 and all other applicable provisions of the law for the time being in force.

Further, as per Regulation 6(3)(c) of SEBI (SBEB) Regulations, approval of the Members of the Company by way of separate Special Resolution is also required for grant of Options to the Employees of Subsidiary Company(ies).

The Board of Directors recommends the Special Resolutions at Item No. 6 and 7 of the accompanying Notice for approval of the Members of the Company

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item No. 6 and 7 of the Notice except to the extent of Equity Shares held by them in the Company or the Options those may be granted under the said Scheme.

Hyderabad, August 17, 2020

by order of the Board of Directors

Registered Office
8-2-334, SDE Serene Chambers
3rd Floor, Road No.5, Avenue 7
Banjara Hills, Hyderabad – 500034
CIN: L24299TG2018PLC128171

K. Hanumantha Rao
Company Secretary
Membership No. A11599

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.	3
Name of the Director	Mr. J. V. Ramudu
Director Identification Number (DIN)	03055480
Age	65 years
Date of Appointment at current designation/ Date of first appointment on the Board	06/11/2019
Qualifications	Post Graduate in Economics, Post Graduate in Law and Post Graduate Certificate in Criminal Justice and Police Management from the University of Leicester, U.K.
Experience (including expertise in specific functional area) / Brief Resume.	**Mr. J.V. Ramudu,** retired as Director General of Police of Andhra Pradesh in July, 2016. He was the First DGP of newly formed State of Andhra Pradesh. He held various senior positions in the Government. He was Vice-Chairman & Managing Director, A.P. Police Housing Corporation from 2010 to 2012. He was awarded (i) Indian Police Medal in 1997, (ii) Antrik Suraksha Seva Pathak in 2004 and (iii) President Police Medal in 2007. He worked as an IRS officer in Income Tax Department for 2 years before he was selected for IPS. He also had a stint in Orissa PHC to pull it out of red, as Director Specially appointed by Orissa Governor. He is a Philanthropist. He is running a school for around 600 students in his native village Narsimpally in Anantapur District. He developed his village as a Model Village by providing Drinking Water Facilities, Primary Health Care Centre, Roads, Temples, Grameena Bank, Rural Skilled Development etc. He is vigorously working for getting Irrigation Canals to the neighboring villages. He has very rich and varied experience in Community Services.
Terms and conditions of appointment /re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. J. V. Ramudu who was re-appointed as a Director at the Annual General Meeting held on November 30, 2019, is liable to retire by rotation.
Remuneration proposed to be paid	Sitting fees
Names of listed entities in which the person also holds the directorship in other Companies	AVANTI FEEDS LIMITED ENDIYA TRUSTEE PRIVATE LIMITED
Chairmanship/ Membership of Committees in other companies in which position of Director is held	Audit Committee (Member) of Avanti Feeds Limited
Shareholding in the Company	Nil
Relationship with Other Directors, Manager and other Key Managerial Personnel of the company.	He is not related to any other Directors, Manager and other Key Managerial Personnel of the Company
The number of Meetings of the Board attended/held during the FY 2019-20 i.e, upto 31st March, 2020	5 out of 8 meetings

CORPORATE INFORMATION

Board of Directors

Shri Venkateswarlu Jasti	Chairman & Managing Director
Shri D. G. Prasad	Director
Dr. S. Chandrasekhar	Director
Smt. Deepanwita Chattopadhyay	Director
Shri J. V. Ramudu	Director
Dr. Jerry Jeyasingh	Director
Shri Subba Rao Parupalli #	Director
Shri Sunder Venkatraman #	Director

 # upto 10th January, 2020

Chief Financial Officer
CMA P. Subba Rao

Company Secretary
CS K. Hanumantha Rao

Statutory Auditors
Karvy & Co.,
Chartered Accountants
Road No.2, Bhooma Plaza
Avenue -7, Banjara Hills
Hyderabad- 500034

Secretarial Auditors
DVM & Associates LLP
Company Secretaries
6/3/154-159, Flat No. 303, 3rd Floor,
Royal Majestic, Prem Nagar Colony
Hyderabad – 500004

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

Registrars & Share Transfer Agents
KFin Technologies Private Limited
Selenium, Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032

Bankers
State Bank of India
Bank of Bahrain & Kuwait

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 Pharmacity,
Parwada, Visakhapatnam,
Andhra Pradesh – 531 019

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 I 3rd Floor I Road No. 5 I Avenue 7 I Banjara Hills
Hyderabad – 500034 I Telangana I India I CIN: L24299TG2018PLC128171
Tel: +91 40 2354 9414/ 3311/ 3315 Fax: +91 40 2354 1152
Email: info@suvenpharm.com Website: www.suvenpharm.com

SUVEN PHARMACEUTICALS LIMITED

8-2-334, SDE Serene Chambers
3rd Floor, Road No. 5, Avenue 7
Banjara Hills, Hyderabad – 500034
CIN: L24299TG2018PLC128171