INFORMATION MEMORANDUM
Dated: March 4, 2020
(Private & Confidential)

SUVEN PHARMACEUTICALS LIMITED

Suven Pharmaceuticals Limited (the "Company" or "SPL") was incorporated as a public limited company under the Companies Act, 2013, in Hyderabad, Telangana, India, pursuant to a certificate of incorporation dated November 6, 2018 issued by the Registrar of Companies, Telangana, at Hyderabad.

Corporate Identification Number: U24299TG2018PLC128171
Registered and Corporate Office: Door No. 8-2-334, 3rd Floor, SDE Serene Chambers, Road No.5, Avenue 7, Banjara Hills, Hyderabad – 500034, Telangana
E-mail: info@suvenpharm.com; **Website:** www.suvenpharm.com;
Contact Person: K. Hanumantha Rao, Company Secretary and Compliance Officer, Tel: +91 40 2354 9414

PROMOTERS OF OUR COMPANY: Venkateswarlu Jasti and Sudharani Jasti

INFORMATION MEMORANDUM FOR LISTING OF 12,72,82,478 EQUITY SHARES OF INR 1 EACH ISSUED BY OUR COMPANY PURSUANT TO THE SCHEME OF ARRANGEMENT

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Equity Shares of our Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Equity Shares of our Company. For taking an investment decision, investors must rely on their own examination of our Company, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Information Memorandum. Specific attention of the investors is invited to "*Risk Factors*" on page 15.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to our Company, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares of our Company are proposed to be listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"), (hereinafter collectively, referred to as the "**Stock Exchanges**"). For the purposes of listing of our Equity Shares pursuant to the Scheme, BSE is the Designated Stock Exchange. Our Company has received in-principle approval for listing from BSE and NSE on February 24, 2020 and February 25, 2020 respectively. Our Company has submitted this Information Memorandum to BSE and NSE and the Information Memorandum shall be made available on our Company's website at www.suvenpharm.com. The Information Memorandum would also be made available on the respective website of the Stock Exchanges at www.bseindia.com and www.nseindia.com.

REGISTRAR AND TRANSFER AGENTS

KFin Technologies Private Limited
(formerly known as Karvy Fintech Private Limited)
Selenium Building, Tower B, Plot No-31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, 500 032, India
Tel No.: +91 40-6716-2222; **Fax No.**: +91 40-2343-1551
Contact Person: C Shobha Anand
E-mail: shobha.anand@kfintech.com **Website:** www.kfintech.com
SEBI Registration Number: INR000000221

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Information Memorandum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings ascribed to such terms herein, and references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification will include any amendments or re-enactments thereto, from time to time.

Notwithstanding the foregoing, terms in "Main Provisions of the Articles of Association", "Statement of Tax Benefits", "Industry Overview", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Risk Factors", "Financial Statements", "Outstanding Litigation and Other Material Developments" and "Scheme of Arrangement", shall have the meaning ascribed to such terms in those respective sections.

Company and Scheme Related Terms

Term	Description
"SPL" or "the Company" or "Transferee Company" or "Resulting Company" or "our Company" or "we" or "us" or "our"	Suven Pharmaceuticals Limited
"SLSL" or "Transferor Company" or "Demerged Company" or "Petitioner Company"	Suven Life Sciences Limited
AoA/ Articles of Association/ Articles	The articles of association of our Company, as amended from time to time
Appointed Date of Demerger	Opening of business hours on October 1, 2018
Audit Committee	The audit committee of our Company, constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in "*Our Management*" on page 65
Auditor/ Statutory Auditor	The statutory auditor of our Company, being M/s. Karvy & Co, Chartered Accountants
Board/ Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, constituted in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as described in "*Our Management*" on page 65
Draft Information Memorandum	The draft information memorandum dated January 31, 2020 filed with the Stock Exchanges issued in accordance with the applicable laws as prescribed by SEBI
Director(s)	The director(s) on our Board
Effective Date	January 9, 2020
Eligible Shareholder(s)	Shall mean eligible holder(s) of the equity shares of Suven Life Sciences Limited as on the Record Date
Equity Shares	The equity shares of our Company of face value of INR 1 each
Financial Statements	Audited standalone and consolidated financial statements of our Company since incorporation i.e. November 6, 2018 till the period ended March 31, 2019 and the audited standalone and consolidated financial statements for the stub period of six months ended September 30, 2019
Fiscal 2019/ FY 2019	With respect to the Financial Statements of our Company, Fiscal 2019 refers to the period from incorporation i.e. November 6, 2018 to March 31, 2019
Group Company(ies)	The companies (other than Promoter) with which our Company had related party transactions, during the period for which financial information is disclosed in this Information Memorandum, as covered under the applicable accounting standards. For further

Term	Description
	details, see "*Our Promoters, Promoter Group and Group Companies*" on page 78
Independent Directors	The Independent Directors of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013
Information Memorandum / IM	This information memorandum dated March 4, 2020 to be filed with the Stock Exchanges
Key Management Personnel/ KMP	Key management personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, together with the key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as described in "*Our Management*" on page 65
Memorandum of Association / MoA	The memorandum of association of our Company, as amended from time to time
NCLT	The National Company Law Tribunal, Hyderabad Bench
Net Worth	Net worth of our Company, in terms of Regulation 2(1)(hh) of the SEBI ICDR Regulations
Nomination and Remuneration Committee/ NRC	The nomination and remuneration committee of our Company, constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in "*Our Management*" on page 65
Promoters	The promoters of our Company, being Venkateswarlu Jasti and Sudharani Jasti. For further details, see "*Our Promoters, Promoter Group and Group Companies*" on page 78
Promoter Group	Persons and entities constituting the promoter group of our Company in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Record Date	January 22, 2020
Registered and Corporate Office	The registered and corporate office of our Company, situated at Door No. 8-2-334, 3rd Floor, SDE Serene Chambers, Road No.5, Avenue 7, Banjara Hills, Hyderabad – 500034, Telangana
Registrar of Companies / RoC	The Registrar of Companies, Telangana at Hyderabad
Registrar and Transfer Agent	KFin Technologies Private Limited
Scheme / Scheme of Arrangement	Scheme of Arrangement under the provisions of section 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 between Suven Life Sciences Limited and Suven Pharmaceuticals Limited and their respective shareholders and creditors, sanctioned by the NCLT on January 6, 2020
Share Certificate	The certificate in respect of the Equity Shares allotted to a folio
Shareholders	Shareholders holding Equity Shares of our Company, from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in "*Our Management*" on page 65

Conventional and General Terms and Abbreviations

Term	Description
₹/ Rs./ Rupee(s)/ INR/ Re	Indian Rupees, the official currency of the Republic of India
AGM	Annual General Meeting
AS	Accounting Standards, as issued by the Institute of Chartered Accountants of India
Bn	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Capital or Share Capital	Share Capital of our Company
CDSL	Central Depository Services (India) Limited

Term	Description
Companies Act/ the Act	The Companies Act, 1956 and/or the Companies Act, 2013, as applicable and the rules made thereunder
Companies Act, 1956	Erstwhile Companies Act, 1956, along with relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, along with the relevant rules, clarifications and modifications made thereunder
CSR	Corporate Social Responsibility
CY	Calendar Year
Demat	Dematerialized
Designated Stock Exchange/ DSE	BSE Limited
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended
Depositories Act	The Depositories Act, 1996, as amended
DP	Depository Participant
DP ID	Depository Participant's Identity number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EGM	Extra-ordinary General Meeting
EPS	Earnings per share
FDI	Foreign direct investment
FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	The Foreign Exchange Management Act, 1999 read with rules, regulations, notifications, circulars and directions thereunder
FEMA Regulations	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ Fiscal Year/ FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
Equity Share(s) or Share(s)	Fully paid up equity shares of SPL having a face value of INR 1/- each unless otherwise specified in the context thereof
FIs	Financial Institutions
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws
FPI(s)	Foreign Portfolio Investors registered with SEBI under applicable laws
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI/ Central Government / Government	The Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
Income Tax Act / IT Act	Income-tax Act, 1961 and amendments thereto
IND AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Rule 3 of Companies (Indian Accounting Standard) Rules, 2015
Indian GAAP/ IGAAP	In accordance with the accounting principles generally accepted in India, including the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014
Listing Agreement	Equity listing agreements entered into between our Company and the Stock Exchanges post applicability of SEBI (LODR) Regulations
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India
NR	Non-Resident
NRI(s)	Non-Resident Indian(s)

Term	Description
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	The Reserve Bank of India
SCRA	Securities Contract (Regulation) Act, 1956, as amended
SCRR	Securities Contract (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI Circular	Circular No. CFD/DIL3/CIR/2017/21 issued by SEBI dated March 10, 2017 on schemes of arrangement, as amended
SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto
SEBI Listing Regulations	SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and amendments thereto
Stock Exchange(s)	BSE and NSE
Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto
US/USA	United States of America

Industry Related Terms

Term	Description
API	Active Pharmaceutical Ingredients
CRAMS	Contract Research And Manufacturing Services
IMF	International Monetary Fund
USFDA	US Food and Drug Administration
DCA	Drug Control Administration
GMP	Good Manufacturing Practices
cGMP	Current Good Manufacturing Practices
R&D	Research & Development

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION CERTAIN CONVENTIONS

All references in this Information Memorandum to “India” are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Information Memorandum are to the page numbers of this Information Memorandum.

Financial Data

Unless stated otherwise, the financial data in this Information Memorandum is derived from our Financial Statements. Our Company publishes its Financial Statements in Indian Rupees. Our Financial Statements, including the report issued by the Statutory Auditor, included in this Information Memorandum, have been prepared in accordance with Ind AS and the Companies Act, 2013. Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular Financial Year or Fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Information Memorandum are to a calendar year and references to a Fiscal/ Fiscal Year are to the year ended on March 31, of that calendar year.

Certain figures contained in this Information Memorandum, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Information Memorandum has been obtained or derived from publicly available information as well as industry publications and sources.

Information has been included in this Information Memorandum based on a report on Indian Pharmaceutical Industry published by CARE Advisory Research and Training Limited (“**CARE Report**”), as well as publicly available documents and information, including, but not restricted to materials issued or commissioned by the Government of India and certain of its ministries, trade, and industry specific publications, and other relevant third-party sources. For details of risks in relation to the CARE Report, see “*Risk Factors*” on page 15.

The CARE Report contains the following disclaimer:

“*This report is prepared by CARE Advisory. CARE Advisory has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the accuracy nor completeness of information contained in this report is guaranteed. CARE Advisory operates independently of ratings division and this report does not contain any confidential information obtained by ratings division, which they may have obtained in the regular course of operations. The opinion expressed in this report cannot be compared to the rating assigned to the company within this industry by the ratings division. The opinion expressed is also not a recommendation to buy, sell or hold an instrument.*

CARE Advisory is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that CARE (including all divisions) has no financial liability whatsoever to the user of this product. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of CARE Advisory.”

Although we believe that the industry and market data used in this Information Memorandum is reliable, it has not been independently verified by us and our affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors* on page 15. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Information Memorandum is meaningful depends on the reader's familiarity with, and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Currency and Units of Presentation

All references to "Rupees" or "₹" or "Rs." or "INR" or "Re" are to Indian Rupees, the official currency of the Republic of India. In this Information Memorandum, our Company has presented certain numerical information. All figures have been expressed in Indian lakhs except where mentioned otherwise. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than lakhs, such figures appear in this Information Memorandum expressed in such denominations as provided in their respective sources.

FORWARD LOOKING STATEMENTS

This Information Memorandum contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue", or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are based on our current plans, estimates, presumptions and expectations, and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- outsourcing trends, dependence on collaborative partnership programs, technological advances
- the effect of changes in our accounting policies;
- our ability to manage our growth effectively;
- costs and availability of raw materials;
- outcome of legal or regulatory proceedings to which we, are a party to or might become involved in;
- changes in political and social conditions in India;
- epidemic situation in and outside India;
- difficult condition in the global capital market and the economy generally;
- our ability to control cost and retained key personnel;
- our ability to finance its business and growth;
- our ability to compete effectively, particularly in new markets and business lines;
- potential mergers, acquisitions or restructurings;
- changes in the foreign exchange control regulations in India and
- other factors discussed in this Information Memorandum, including "*Risk Factors*"
- major changes, in pharmaceutical industry especially in the CRAMS business, if any

For further discussion of factors that could cause our actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on page 15, 53 and 85, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Although we believe that the assumptions on which such forward-looking statements are based are reasonable, we cannot assure that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as on the date of this Information Memorandum and are not a guarantee of future performance. These statements are based on the management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, our Directors, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

SECTION II – INFORMATION MEMORANDUM SUMMARY

This section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all disclosures or details relevant to prospective investors. For additional information and further details with respect to any of the information summarised below, please refer to the relevant sections of this Information Memorandum. Unless otherwise stated, the financial information in this section is derived from the Financial Statements.

Summary of Business

Our Company is primarily engaged in CRAMS business where research and development is customized to the needs of our global pharmaceutical customers. We undertake research, manufacturing and supply of intermediates of NCEs to global pharmaceutical manufacturers, bulk drugs, contract technical services including process R&D services, process development services and formulation development services.

Summary of the Industry

Contract Research & Manufacturing Services is considered as an important growth segment of Indian pharmaceutical exports. The global CRAMS business has two major segments – contract manufacturing services (CMS) and contract research services (CRS). Over the last two decades, global pharmaceutical companies have become increasingly reliant on using third parties to improve efficiencies through in-licensing, out-licensing, collaborations and outsourcing by moving towards a networked pharmaceuticals operating model. The global CRAMS market (excluding clinical trials) has reached ~US$111.6 bn in CY 2018. India is emerging as one of the most attractive destinations for outsourcing of global pharmaceutical activities.

The Indian CRAMS industry, valued at ~US$18.7 bn in FY19, is expected to grow at 7-8% CAGR to reach a value of ~US$26.8 bn in FY24 (P). Indian CRAMS industry is expected to cement its position in the global CRAMS industry. CARE expects Indian CRAMS industry to increase to ~15% of global CRAMS market by FY24 (P) from current ~10-12%. As outsourcing picks up among the pharmerging markets (semi-regulated, non-developed markets), Indian CRAMS industry is expected to capitalise on its expertise in the CRAMS space and establish its presence in such new markets.

With the Indian CRAMS industry gradually moving up the value chain and players investing in better technology and higher capacity, manufacture of value-added products may be outsourced to Indian players in the near future. CARE expects the Indian CMS segment to maintain ~ 7% CAGR till FY24 (P).

Our Promoters

The Promoters of our Company are Venkateswarlu Jasti and Sudharani Jasti.

Shareholding of our Promoters and Members of our Promoter Group

As on the date of this Information Memorandum, the shareholding of the Promoters and the members of Promoter Group are detailed below:

Name of person/ Entity	Category	No. of Equity Shares held	Percentage of the paid-up Equity Share capital (in %)
Venkateswarlu Jasti	Promoter	1,000	Negligible
Sudharani Jasti	Promoter	1,000	Negligible
Kalyani Jasti	Promoter Group	1,000	Negligible
Sirisha Jasti	Promoter Group	1,000	Negligible
Madhavi Jasti	Promoter Group	1,000	Negligible
Jasti Property and Equity Holdings Private Limited (In its capacity as sole trustee of Jasti Family Trust)	Promoter Group	7,63,65,000	60.00
Total		**7,63,70,000**	**60.00**

Financial Information

The following information has been derived from the consolidated financial statements:

(INR in lakhs, except per share data)

Particulars	For six months ended September 30, 2019	Fiscal 2019
Share capital	1,272.82	1,272.82
Net worth	75,697.99	59,029.05
Total income	47,820.88	37,843.47
Profit for the period	16,402.10	10,927.43
Earnings per Equity Share (basic and diluted)	12.89	8.59
Net asset value per Equity Share	59.47	46.38
Total borrowings	30,121.64	8,279.36

For further details, see "*Financial Statements*" on page 84.

Auditor Qualifications or Adverse Remarks

There have been no qualifications or adverse remarks by our Auditors in the Financial Statements.

Outstanding Litigation

A summary of pending criminal proceedings, taxation proceedings, actions taken by statutory or regulatory authorities and other material litigation proceedings involving us, our Directors and our Promoters, as applicable, on the date of this Information Memorandum is set out below:

Litigation against our Company

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	2	637.82
Criminal proceedings	Nil	Not Applicable
Regulatory/ statutory proceedings	Nil	Not Applicable
Taxation proceedings	Nil	Not Applicable

Litigation by our Company

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	Nil	Not Applicable
Criminal proceedings	Nil	Not Applicable

Tax proceedings against our Company

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings, to the extent quantifiable (₹ lakhs)
Direct Tax (A)		
Income Tax	Nil	Nil
Indirect Tax (B)		
Sales Tax and VAT (1)	Nil	Nil
Service Tax (2)	Nil	Nil
Total (1+2)	Nil	Nil
Total (A+B)	Nil	Nil

Litigation against our Directors

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	Nil	Not Applicable
Criminal proceedings	Nil	Not Applicable
Regulatory/ statutory proceedings	Nil	Not Applicable
Taxation proceedings	Nil	Not Applicable

Litigation by our Directors

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	Nil	Not Applicable
Criminal proceedings	Nil	Not Applicable

Litigation against our Promoters

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	Nil	Not Applicable
Criminal proceedings	Nil	Not Applicable
Regulatory/ statutory proceedings	1	Not Applicable
Taxation proceedings	Nil	Nil

Litigation by our Promoters

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	Nil	Not Applicable
Criminal proceedings	Nil	Not Applicable

Litigation against our Group Company

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	Nil	Not Applicable
Criminal proceedings	Nil	Not Applicable
Regulatory/ statutory proceedings	1	Not Applicable

Litigation by our Group Company

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	Nil	Not Applicable
Criminal proceedings	Nil	Not Applicable

For further details, see "*Outstanding Litigation and Other Material Developments*" at page 107.

Risk Factors

For details of the risks associated with our Company, see the section "*Risk Factors*" on page 15.

Contingent Liabilities

The following summary table of our contingent liabilities as of September 30, 2019 and March 31, 2019, to the extent not provided for:

(*in INR lakhs*)

Particulars	Standalone		Consolidated	
	As at September 30, 2019	**As at March 31, 2019**	**As at September 30, 2019**	**As at March 31, 2019**
Claims against the Company not acknowledged as debts				
a. Letter of Credit (Import)	2,061.23	1,077.47	2,061.23	1,077.47
b. Bank Guarantees	11.00	6.50	11.00	6.50
Total	**2,072.23**	**1,083.97**	**2,072.23**	**1,083.97**

For further details, see "*Financial Statements*" at page 84.

Related party transactions

For details of the related party transactions, as per the requirements under Ind AS 24 '*Related Party Disclosures*' issued by the ICAI, see "*Financial Statements*" at page 84.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, or our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business of the financing entity, from the date of approval of the Scheme by the NCLT on January 6, 2020 till the date of this Information Memorandum.

Weighted average price at which the Equity Shares were acquired by the Promoters in the one year preceding the date of this Information Memorandum

The weighted average price at which Equity Shares were acquired by the Promoters in the one year preceding the date of this Information Memorandum is:

Name	No. of Equity Shares acquired*	Weighted average price per Equity Share (in INR)
Venkateswarlu Jasti	1,000	Not Applicable
Sudharani Jasti	1,000	Not Applicable

**issued pursuant to the scheme of arrangement*

Average cost of acquisition

The average cost of acquisition of our Promoters as on the date of this Information Memorandum is as under: **Not Applicable**

Size of pre-issue placement and allottees, upon completion of the placement: Not Applicable

Issue of equity shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Information Memorandum, except as set forth below:

Date of allotment	No. of Equity Shares allotted	Face Value per Equity Share (INR)	Premium per Equity Share (INR)	Nature of Allotment	Nature of consideration
January 27, 2020*	12,72,82,478	1	NIL	Allotment pursuant to the Scheme	Pursuant to the Scheme

**Allotment to the eligible shareholders of the Demerged Company. For further details of the Scheme, see Scheme of Arrangement on page 64*

Spilt or consolidation

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Information Memorandum.

SECTION III – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our Company's business, results of operations and financial condition could suffer, the price of the Equity Shares could decline, and all or part of your investment may be lost. Unless otherwise stated our Company is not in a position to specify or quantify the financial or other risks mentioned herein.

Wherever used in this section the terms "we", "us" "our" shall mean Suven Pharmaceuticals Limited, unless otherwise stated.

Risks relating to our Company's Business

INTERNAL RISK FACTORS

1. **Our Company, Promoters and Group Company are involved in certain legal and other proceedings. An adverse outcome in such proceedings may have a material adverse effect on our business, results of operations and financial condition.**

Our Company, Promoters and Group Company are currently involved in certain legal proceedings in India as under:

Litigation against our Company

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	2	637.82
Criminal proceedings	Nil	Not Applicable
Regulatory/ statutory proceedings	Nil	Not Applicable
Taxation proceedings	Nil	Not Applicable

Litigation by our Company

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	Nil	Not Applicable
Criminal proceedings	Nil	Not Applicable

Tax proceedings against our Company

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings, to the extent quantifiable (₹ lakhs)
Direct Tax (A)		
Income Tax	Nil	Nil
Indirect Tax (B)		
Sales Tax and VAT (1)	Nil	Nil
Service Tax (2)	Nil	Nil
Total (1+2)	Nil	Nil
Total (A+B)	Nil	Nil

Litigation against our Directors

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	Nil	Not Applicable
Criminal proceedings	Nil	Not Applicable

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Regulatory/ statutory proceedings	Nil	Not Applicable
Taxation proceedings	Nil	Not Applicable

Litigation by our Directors

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	Nil	Not Applicable
Criminal proceedings	Nil	Not Applicable

Litigation against our Promoters

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	Nil	Not Applicable
Criminal proceedings	Nil	Not Applicable
Regulatory/ statutory proceedings	1	Not Applicable
Taxation proceedings	Nil	Nil

Litigation by our Promoters

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	Nil	Not Applicable
Criminal proceedings	Nil	Not Applicable

Litigation against our Group Company

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	Nil	Not Applicable
Criminal proceedings	Nil	Not Applicable
Regulatory/ statutory proceedings	1	Not Applicable
Taxation proceedings	Nil	Nil

Litigation by our Group Company

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (₹ lakhs)
Civil proceedings	Nil	Not Applicable
Criminal proceedings	Nil	Not Applicable

These legal proceedings are pending at different levels of adjudication before various courts and tribunals. We can give no assurance that these legal proceedings will be decided in our favour and we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If any new developments arise, for example, a change in Indian law or rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

For further details of these legal proceedings, please see "*Outstanding Litigations and Material Developments*" on page 107.

2. **Our success depends on our ability to develop and deliver intermediates and bulk drugs required by our customers as per specific quality standards and specifications. Any manufacturing or quality control problems may damage our reputation and expose us to litigation or other liabilities, which could adversely affect our operations, profitability and financial condition.**

We are engaged in CRAMS business under which we research, manufacture and supply intermediates, bulk drugs and other fine chemicals out of our facilities located in India. We are subject to significant regulatory scrutiny in several jurisdictions as most of our customers being global pharmaceutical manufacturers and drug innovators. We own and operate manufacturing facilities in India. Depending on the jurisdiction in which our products are marketed or as per the requirement of our clients, we may be required to maintain our facilities to be compliant with cGMP stipulated by the USFDA, WHO, Pharmaceuticals and Medical Devices Agency, Japan ("**PMDA Japan**"), the Central Drugs Standard Control Organization of India ("**CDSCO**") and other regulatory agencies. We are also required to meet various quality standards and specifications for our clients under each project which we undertake with them.

We may be exposed to investigation of our manufacturing facilities and practices by our client. There can be no assurance that there will not be any recalls of any of our products or investigations of our manufacturing facilities or our processes in the future.

Disputes over non-conformity of our products with such quality standards or specifications are generally referred to independent testing laboratories in which, generally, the customer makes a final decision. If any independent laboratory confirms that our products do not conform to the prescribed or agreed standards and specifications, we would bear the expenses of replacing and testing such products, which could adversely affect our business, results of operations and financial condition.

We also face the risk of loss resulting from, and the adverse publicity associated with, manufacturing or quality control problems. Such adverse publicity harms the brand image of our business. We may be subject to claims resulting from manufacturing defects or negligence in storage and handling of our products. In certain foreign jurisdictions, the quantum of damages, especially punitive, awarded in cases of product liability can be extremely high. The existence, or even threat, of a major product liability claim could also damage our reputation and affect customers' views of our other CRAMS projects, thereby adversely affecting our business, results of operations and financial condition. Any loss of our reputation or brand image, for whatsoever reason may lead to a loss of existing business contracts and adversely affect our ability to enter into additional business contracts in the future.

3. **We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licenses or comply with such rules and regulations, in a timely manner or at all may adversely affect our operations**

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. We may be penalized for non-compliance with the aforementioned laws for which we have not obtained the requisite license. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, please see "*Key Regulations and Policies*" on page 58.

4. **If we are unable to maintain a sufficiently large portfolio of our CRAMS projects and manage their execution in a timely manner, our results of operations could be adversely affected.**

Our success largely depends on our ability to timely execute our ongoing CRAMS projects and procure additional CRAMS projects to generate higher revenues. Our inability to procure additional CRAMS projects or delays in any part of the process or our inability to obtain regulatory approvals for our products or to provide adequate capital in the future towards the cost of such R&D activities could have a material adverse effect on our business, prospects, results of operations and financial condition by restricting or delaying the introduction of new products.

5. **If we are unable to develop and register intellectual property rights and protect them or if we infringe on the intellectual property rights of others, we may be subject to legal proceedings. Such failure to protect our intellectual property rights or legal proceedings could adversely affect our competitive position, business, financial condition.**

Our success also depends, in part, on our ability in the future to obtain and protect intellectual property rights and operate without infringing the intellectual property rights of others. Our competitors may have filed patent applications, or hold patents, relating to products or processes that compete with those we are developing, or their patents may impair our ability to do business in a particular geographic area.

There can be no assurance that we would be able to obtain patent registrations in all the jurisdictions which we have applied or intend to apply. Such failure to protect our intellectual property rights may adversely affect our competitive business position. If any of our unregistered proprietary rights are registered by a third party, we may not be able to make use of such proprietary rights in connection with our business and consequently, we may be unable to capitalize on the value associated with such intellectual properties.

If we fail to receive the registration of our patents, we may be required to invest significant resources in developing a new process/product. Further, the intellectual property protection obtained by us may be inadequate and/or we may be unable to detect any unauthorized use and/or that we may need to undertake expensive and time-consuming litigation to protect our intellectual property rights and this may have an adverse effect on our business, prospects, results of operations and financial condition.

In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the pharmaceuticals industry could be harmed. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

6. **Our Company's business is dependent on certain principal customers who are multi-national pharmaceuticals companies and the loss of such customers could adversely affect our business. Delay in payment by some of our Company's customers may affect its business and financial condition.**

Our Company is dependent on certain principal customers. Our Company's principal customers include multi- national pharmaceuticals companies. Our top 10 customers accounted for 85.73% and 89.92% of our total revenues on consolidated basis for the FY 2019 and six months period ended September 30, 2019 respectively.

The loss of a significant customer could have an adverse effect on our business. Since we are significantly dependent on certain key customers, the loss of any one of such customers or a significant reduction in demand from some of our customers could have an adverse effect on our business and financial results. Also, some of our customers may delay in making payments due to us and this may affect the results of our operations and financial conditions.

7. **Our inability to protect proprietary information (ours and that of our clients), may adversely affect our business and expose us to liabilities**

Our Company enters into secrecy agreements with various clients before entering into CRAMS contracts, intended to prevent either party from revealing, or disclosing to anyone their confidential information, directly or indirectly. However, there are inherent risks in the protection of any intellectual property of proprietary nature and while we believe that our safety protocols in this regard are adequate and stringent, they may not be adequate to exclude all possibilities of breach thereof. If, due to factors beyond our control, there are breaches in protection of proprietary information (ours or that of our clients) our business may be adversely affected. We may also, consequently, be exposed to liabilities arising from breach of contract.

8. **Our success largely depends on our key managerial personnel and our ability to attract and retain them. Any loss of our key managerial personnel could adversely affect our business, operations and financial condition**

We depend significantly on the expertise, experience and continued efforts of our key managerial personnel. Competition for key managerial personnel in our industry is intense and it is possible that we may not be able to retain our existing key managerial personnel or may fail to attract / retain new employees at equivalent positions in the future. If one or more members of our key managerial personnel are unable or unwilling to continue in his / her present position, we could find it difficult to find a replacement, which may adversely affect our business and operations.

9. **Our business is dependent on the R&D budget allocations of our customers and other global pharmaceutical companies and implementation of R&D projects. Adverse financial conditions and regulatory conditions of our customers may have an impact on our performance.**

Our business is principally dependent on research and innovation budget allocations and implementation of such R&D by our customers. In recent years, R&D productivity has slipped in regulated markets. Reductions in R&D budget allocations of our customers could translate into reduction in the number of CRAMS projects being executed by our Company or inability to procure additional CRAMS projects. A reduction of budgetary allocations for R&D by our customers for any reason could have a material adverse effect on our business, results of operations and financial condition.

10. **Our ongoing projects may be delayed, cancelled or not fully paid for by our clients, which could materially harm our cash flow position, revenues and earnings. Information relating to our ongoing projects may not be representative of our future results.**

Our ongoing projects do not necessarily indicate future earnings related to the performance or delivery of that work. We may also encounter problems executing the project as ordered, or executing it on a timely basis. Moreover, factors beyond our control or the control of our clients may postpone a project or cause its cancellation, including delays or failures to obtain necessary approvals including those in relation to clinical trials, and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in project scope and schedule, as a result of exercise of our clients' discretion, problems we encounter in project execution, or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent an ongoing project will be performed. Delays in the completion of a project may lead to clients delaying or refusing to make payment to us of some or all of the amounts we expect to be paid in respect of the project. In such circumstances, our anticipated or future earnings may adversely affect our business outlook and future financial performance. Any delay, cancellation, execution difficulty in regard to our projects in respect of any of the foregoing, could materially harm our cash flow position, revenues and earnings.

11. **Our business operations involve handling and storage of hazardous materials. Risks arising from the same may result in damages to life and property, as also exposure to litigation.**

Pharmaceutical companies handle hazardous materials including explosive, toxic and combustible materials. We are also required to obtain several licenses and approvals for the storage and handling of such materials, which in turn impose several obligations and restrictions on our Company. If improperly handled or subjected to less than optimal conditions, these materials could harm employees and other persons, cause damage to life and to property and harm the environment. This in turn could subject our Company to significant penalties including closure of our manufacturing units and / or litigation which may have an adverse effect on our business and financial operations.

12. **All our manufacturing and R&D facilities and our registered office are located in India. The loss, shutdown or slowdown of operations at any of our facilities, or the failure of information technology systems, could also have a material adverse effect on our results of operations and financial condition.**

All our manufacturing and R&D facilities and our registered office are based in India. As a result, any social or political unrest or natural disaster or breakdown of services and utilities including disruptions in infrastructural facilities such as electricity and water supply to such units, which could require us to incur additional costs or disrupt our operations to the extent that we would be required to find alternative sources of supply of such infrastructural facilities.

The occurrence of any of these risks could affect our operations by causing production at one or more facilities to shut down or slow down. No assurance can be given that one or more of the factors mentioned above will not occur, and this could have a material adverse effect on our results of operations and financial condition.

Our R&D technology systems are a critical part of our business and help us manage key research processes, together with our management information system. Any delays in implementing critical upgrades to our information management systems or technical failures associated with our information technology systems, including those caused by power failures, computer viruses or unauthorized tampering of our information technology systems, may adversely impact our ability to manufacture our products, manage our vendors and dealers and provide services to our customers. In addition, we may be subject to claims as a result of any theft or misuse of personal information of customers stored on our systems, all of which could adversely affect our results of operations and financial condition.

13. **There are no long-term supply agreements for the raw materials required for manufacturing of our Company's products. Volatility in the prices of the raw material may have an adverse impact on our business and financial operations.**

The prices of raw materials may fluctuate, depending on other factors, the number of producers / suppliers and their production volumes or prices and changes in demand in the principal drug markets. Our Company does not have any long-term agreement with suppliers for the purchase of the aforementioned raw materials, among others. Though we cover purchases to a certain extent in anticipation of any price increases, we are still exposed to and will have to absorb any fluctuations in the prices of these raw materials, which may adversely affect financials of our Company.

14. **We engage contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.**

We appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations in our manufacturing faculties. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements or other such difficulties in managing contract labour may have an adverse impact on our results of operations and financial condition.

15. **If we are sued by the end users of the drugs marketed by our customers for defects in the drugs or in case where the desired results are not obtained or which causes reactions or side effects including fatal effects, it could harm our financial condition.**

Pharmaceutical business inherently exposes us to potential liability. Our customers market their drugs for which we develop intermediates in highly regulated markets, including the United States of America. We may be subject to litigations or regulatory actions in cases where end users of such drugs do not achieve desired results or in cases where the drug causes reactions or side effects or turns fatal. Such exposure to legal or regulatory actions could also result in increased costs of compliance in addition to litigation costs. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations.

16. **We manufacture existing/ new products for our customers. Any failure or delay by our customers, in obtaining the necessary regulatory approvals for sale of products may adversely affect our future business prospects.**

Each country has its own regulatory authority and which has jurisdiction in only a specified country/ies and are independent authorities. Obtaining regulatory approval could be a time-consuming process for our customers. The inability of our customers to obtain requisite approvals, for sale of such products as may be developed by them in consonance with our Company, would adversely affect our business opportunities and future business prospects.

17. **Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, and this may have a material adverse effect on our business and financial condition.**

We maintain insurance for a variety of risks, including risks relating to fire, special perils, burglary, etc., and other similar risks. While we believe that the insurance coverage which we maintain directly or through our contractors, would be reasonably adequate to cover the normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. Any liability in excess of our insurance limits could result in additional costs, which would reduce our profits and adversely affect our business and results of operations.

18. **Our Promoter and members of our Promoter Group have significant influence over our operations, which enable them to influence the outcome of matters submitted to shareholders for approval and may take positions with which the other shareholders do not agree.**

Our Promoters will continue to have control over our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election, termination or appointment of our officers and directors. This control could delay, defer, or prevent a change in control in our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage potential acquirers from making an offer or otherwise attempting to obtain control over our Company, even if it is in our Company's best interest. Our Promoters may also influence our material policies in a matter that could conflict with the interests of our other shareholders.

19. **We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materializes.**

The following is a summary table of our contingent liabilities as of September 30, 2019 and March 31, 2019, to the extent not provided for:

(in INR. Lakhs)

Particulars	Standalone		Consolidated	
	As at September 30, 2019	**As at March 31, 2019**	**As at September 30, 2019**	**As at March 31, 2019**
Claims against the Company not acknowledged as debts				
a. Letter of Credit (Import)	2,061.23	1,077.47	2,061.23	1,077.47
b. Bank Guarantees	11.00	6.50	11.00	6.50
Total	**2,072.23**	**1,083.97**	**2,072.23**	**1,083.97**

20. **Restrictive financial and other covenants may limit our operations and financial flexibility**

As on September 30, 2019, our Company had total borrowings of INR 30,121.64 lakhs, which includes secured borrowings of INR 3,569.12 lakhs and unsecured borrowings of INR 26,552.52 lakhs. Some of our Company's financing agreements and debt arrangements set limits on and/or require prior approval of lenders before, among other things, pledging assets as security, making investments and other restricted payments, selling assets, effecting any consolidations or mergers, making acquisitions, hedging, undergoing a change of control, declaring dividends and making substantial changes to the nature of the business. In addition, certain covenants may limit our Company's ability to borrow additional funds or to incur additional liens. Such restrictions or limitations may adversely limit our Company's operations and financial flexibility, and adversely affect its business, results of operations and financial condition.

21. **Our future fund requirements, in the form of fresh issue of capital or securities and or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.**

We may require additional capital from time to time depending on our business needs. Any fresh issue of equity shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest / dividend burden and decrease our cash flows, thus adversely affecting our business, operations and financial condition.

22. **Our Company has in the past entered into related party transactions and may continue to do so in the future.**

We have entered into certain related party transactions pertaining to investment in subsidiaries, short term employee benefits to KMP and their relatives and also with entities with common control i.e., Suven Life Sciences Limited. For further details, see Note 30 in "*Financial Statements*" on page 84.

There can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance to you that these or any future related party transactions that we may enter into, individually or in aggregate, will not have an adverse effect on our business, financial condition and results of operations. Further, the transactions with our related parties may potentially involve conflicts of interest. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

23. **There is no guarantee that dividends will be paid.**

Our Company has declared interim dividend of INR 2.50 per Equity Share and one time special dividend of INR 2.50 per Equity Share, aggregating to INR 5.00 per Equity Share on February 13, 2020. However , there can be no assurances that our Company will pay dividends in future. Any decline in our Company's operating income could result in distributable profits not being available for payment of dividend which may have an adverse impact on the market price of our Equity Shares.

24. **Our Company may raise further rounds of equity financing in which the existing shareholders may not participate resulting in reduction of their percentage of holding in our company.**

In order to grow business, our Company may require additional funds at various points of time. Our Company may raise funds through various means including debt, equity and securities convertible into equity. Any such issuances of equity and securities convertible into equity would dilute the holding of Equity Shareholders.

EXTERNAL RISK FACTORS

1. **Any deterioration in the general economic conditions in India and globally could adversely affect our business and results of operations.**

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our banking and finance industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

2. **A significant change in the Government of India's economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.**

A large part of our business and customers are located in India or are related to and influenced by the Indian economy. The Government of India has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Unfavourable government policies including those relating to the internet and e-commerce, consumer protection and data-privacy, could adversely affect business and economic conditions in India, and could also affect our ability to implement our strategy and our future financial performance. Since 1991, successive governments, including coalition governments, have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector and encouraging the development of the Indian financial sector. However, the members of the Government of India and the composition of the coalition in power are subject to change. As a result, it is difficult to predict the economic policies that will be pursued by the Government of India. The rate of economic liberalization could change and specific laws and policies affecting the financial services industry, foreign investment, currency exchange and other matters affecting investment in our securities could change as well. Any significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business.

3. **Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, across the multiple jurisdictions we operate in, may materially adversely affect our business and financial performance.**

   The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example:

   - the GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit among other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us; and

   - the Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure pursuant to the Constitution (One Hundred and First Amendment) Act, 2016. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

   Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

4. **Civil disturbances, extremities of weather, epidemic situations, regional conflicts and other political instability may have adverse affects on our operations and financial performance.**

   Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities and outbreak of any wide spread infectious disease in a community may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

5. **Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.**

   Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

   India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other\ adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

6. **Instability in financial markets could materially and adversely affect our results of operations and financial condition.**

   The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in NSE's NIFTY/ BSE's SENSEX benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

7. Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

8. You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realised on the sale of our Equity Shares on a stock exchange held for more than 12 months will be subject to capital gains tax in India if the securities transaction tax has been paid on the transaction of transfer and acquisition of such shares. The securities transaction tax will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realised on the sale of our Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no securities transaction tax has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to capital gains tax in India.

Capital gains arising from the sale of equity shares will not be taxable in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of equity shares.

9. There is no prior trading history for the Equity Shares.

Since the Equity Shares have not been previously traded, their market value is uncertain. Following admission, the market price of the Equity Shares may be volatile. Our Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. At the same time, market conditions may affect the price of our Company's Equity Shares regardless of the operating performance of our Company. Stock market conditions are affected by many factors, such as general economic and political conditions, terrorist activity, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards the retail market and the supply and demand of capital.

10. Significant trading volumes of the Equity Shares on the Stock Exchanges on listing could impact the price of our Company's Equity Shares.

Following admission of our Equity Shares for trading on the Stock Exchanges, there may be a period of relatively high volume trading in the Equity Shares. A high volume of sales of our Equity Shares on the Stock Exchanges after admission, or the perception that these sales might occur, could result in volatility in the market price of our Equity Shares.

11. **There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.**

Pursuant to listing, we will be subject to a daily "circuit breaker" imposed by the Stock Exchanges, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding shareholders ability to sell Equity Shares at any particular time.

SECTION IV – INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated as a public limited company under the Companies Act, 2013, in Hyderabad, Telangana, India, pursuant to a certificate of incorporation dated November 6, 2018 issued by the Registrar of Companies, Telangana, at Hyderabad.

Registered and Corporate Office of our Company

Door No. 8-2-334, 3rd Floor, SDE Serene Chambers, Road No. 5,
Avenue 7, Banjara Hills, Hyderabad, Telangana - 500034.
Tel No.: +91-40-23549414

Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

a. Registration Number: 128171
b. Corporate identity number: U24299TG2018PLC128171

Registrar of Companies

Our Company is registered with the Registrar of Companies, Telangana, at Hyderabad.

Registrar of Companies, Telangana, at Hyderabad
2nd Floor, Corporate Bhawan, GSI Post,
Tattiannaram Nagole, Bandlaguda
Hyderabad - 500 068, Telangana

Board of Directors

The Board of Directors of our Company as on the date of this Information Memorandum are as under:

Name & Designation	DIN	Address
Venkateswarlu Jasti *Designation:* Chairman & Managing Director	00278028	Plot No 396, Road No. 22B, Jubilee Hills Hyderabad 500 033, Telangana, India
Govinda Prasad Dasu *Designation:* Independent and Non-Executive Director	00160408	8-3-222/C/1 19, A-8, Madhura Nagar, Ameerpet, Hyderabad 500 038, Telangana, India.
Srivari Chandrasekhar *Designation:* Independent and Non-Executive Director	00481481	2-2-25/P/2/A, Plot No 2 Bagh Amberpet, Hyderabad 500 013, Telangana, India
Venkata Ramudu Jasthi *Designation:* Non-Executive Director	03055480	Sr Officers Qtrs. No.2, Shourya Bhavanam Campus, MLA Colony, Road No.10-C, Jubilee Hills, Hyderabad 500 033, Telangana, India
Deepanwita Chattopadhyay *Designation:* Independent and Non-Executive Director	02357160	6-3-1102, Flat No.H-1, Hidden Treasure Apartments, Ayyappa Swamy Temple Road, Somajiguda, Hyderabad 500 082, Telangana, India
Jerry Jeyasingh *Designation:* Non-Independent and Non-Executive Director and Chief Operating Officer	08589727	Plot No. 396, Road No. 22B, Jubilee Hills Hyderabad 500 033, Telangana, India

For further details, see "*Our Management*" on page 65.

Company Secretary and Compliance Officer

K. Hanumantha Rao is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Suven Pharmaceuticals Limited
Door No. 8-2-334, 3rd Floor, SDE Serene Chambers, Road No. 5,
Avenue 7, Banjara Hills, Hyderabad– 500034, Telangana
Tel No.: +91 40 2354 9414;
Email Id: khrao@suvenpharm.com
Website: www.suvenpharm.com

Registrar and Transfer Agent

KFin Technologies Private Limited
(formerly known as Karvy Fintech Private Limited)
Selenium, Tower B, Plot No-31 & 32, Financial District,
Nanakramguda, Serilingampally Mandal, Hyderabad, 500 032, India
Tel No.: +91 40-6716-2222; **Fax No**.: +91 40-2343-1551
Contact Person: C Shobha Anand
E-mail: shobha.anand@ kfintech.com
Website: www.kfintech.com
SEBI Registration Number: INR000000221

Statutory Auditors
M/s. Karvy & Co., Chartered Accountants
No. 2, Bhooma Plaza, Street No. 4
Avenue 7, Banjara Hills, Hyderabad – 500034
Tel No.: 040 2335 4995/ 8625
E-mail: info@karvycompany.com
Contact Person: K. Ajay Kumar
Registration number: 001757S
Peer review number: 010913

Changes in auditors

The members in the first AGM held on November 30, 2019 have appointed Karvy & Co., Chartered Accountants as statutory auditors of our Company in place of first auditors' M/s Tukaram & Co., LLP, Chartered Accountants appointed by the Board as statutory auditors.

Filing

A copy of the Draft Information Memorandum and this Information Memorandum has been filed with BSE and NSE.

Authority for Listing

In accordance with the Scheme, the Equity Shares of our Company issued pursuant to the Scheme shall be listed and admitted to trading on the Stock Exchanges. Such admission and listing is not automatic and will be subject to fulfilment of the respective listing criteria of BSE and NSE by our Company and also subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of the application made by our Company to the Stock Exchanges for seeking approval for listing.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria prescribed under the SEBI ICDR Regulations is not applicable. However, SEBI vide its letter no. SEBI/HO/CFD/DIL-2/AM/GB/8108/2020 dated March 3, 2020, granted relaxation of Rule 19(2)(b) of the SCRR to our Company pursuant to an application made by our Company to SEBI under sub-rule (7) of Rule 19 of the SCRR as per the SEBI Circular SEBI/CFD/DIL3/CIR/2017/21. Our Company has submitted the Draft Information Memorandum and this Information Memorandum, containing information about our Company, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and NSE and the Information Memorandum shall be made available to public through the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. Our Company shall also make the Information Memorandum available on its website at www.suvenpharm.com. Our Company shall also publish an advertisement in the newspapers containing the details in terms of Annexure A Part III (A) para 2 sub-clause 5 of the SEBI Circular. The advertisement shall draw specific reference to the availability of the Information Memorandum on our Company's website.

General Disclaimer from our Company

Our Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisements to be published in terms of Annexure A Part III (A) para 2 sub-clause 5 of the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public at large and no selective or additional information would be available for a section of the investors in any manner.

CAPITAL STRUCTURE

Equity Share Capital

A. Equity Share Capital of our Company prior to Scheme of Arrangement

Particulars	Amount (₹)
Authorized share capital 10,00,000 equity shares of INR 1 each	10,00,000
Issued, Subscribed and paid-up share capital 1,00,000 equity shares of INR 1 each	1,00,000

B. Equity Share Capital of our Company post Scheme of Arrangement

Particulars	Amount (₹)
Authorized share capital 20,10,00,000 equity shares of INR 1 each	20,10,00,000
Issued, Subscribed and paid-up share capital 12,72,82,478 equity shares of INR 1 each	12,72,82,478

Note: The post scheme capital structure is as of the date of Information Memorandum

NOTES TO THE CAPITAL STRUCTURE:

1. **Equity share capital history of our Company**

Date of allotment	No. of shares	Face Value (₹)	Premium (₹)	Cumulative No. of Shares	Cumulative Paid-up Capital (₹)	Nature of Allotment	Consideration
November 6, 2018#	1,00,000	1.00	-	1,00,000	1,00,000	Subscription to the Memorandum of Association	Cash
January 27, 2020*	12,72,82,478	1.00	-	12,73,82,478	12,73,82,478	Allotment pursuant to the Scheme	Pursuant to the Scheme
January 27, 2020**	(1,00,000)	1.00	-	12,72,82,478	12,72,82,478	Cancellation of initial share capital pursuant to the Scheme	Pursuant to the Scheme

*# Allotment of 1,00,000 Equity Shares to: Sunder Venkatraman (30,000), Subba Rao Parupalli (10,000), K Hanumantha Rao (10,000), Lakshmana Rao Veeramachaneni (10,000) Jahnavi Korrapati (10,000), Srinivas Varadarajan Katragadda (10,000), Lakshmana Rao Pothuneedi (10,000) and Subbareddy Venkat Singi (10,000)***.** *Subsequently, on February 5, 2019, Suven Life Sciences Limited acquired 99,994 equity shares at INR 1 each, thereby our Company became its wholly-owned subsidiary.*

**Allotment to the eligible shareholders of the Demerged Company. For further details of the Scheme, see Scheme of Arrangement on page 64.*

***Upon the Scheme becoming effective from the Appointed Date, the issued, subscribed and paid-up Equity Share Capital of our Company constituting 1,00,000 Equity Shares aggregating to INR 1,00,000 was cancelled. For further details of the Scheme, see Scheme of Arrangement on page 64.*

2. Other than the allotment of Equity Shares to the Eligible Shareholders of the Demerged Company on January 27, 2020, our Company has not allotted any Equity Shares for consideration other than cash. Further our Company has not made a bonus issue since its incorporation.

3. **Shareholding pattern of our Company prior and post Scheme**

a. *The shareholding pattern of our Company prior to the allotment of Equity Shares under the Scheme is as under:*

Category of shareholder	**No. of shareholders**	**No. of fully paid up equity shares held**	**Total no. shares held**	**Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)**	**No. of Voting Rights**	**Total as a % of Total Voting right**	**No. of equity shares held in dematerialized form**
(A) Promoter & Promoter Group	7#	1,00,000	1,00,000	100	1,00,000	100	1,00,000
(B) Public	-	-	-	-	-	-	-
(C1) Shares underlying DRs	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-
(C) Non Promoter-Non Public	-	-	-	-	-	-	-
Grand Total	**7#**	**1,00,000**	**1,00,000**	**100**	**1,00,000**	**100**	**1,00,000**

The entire share capital is held by Suven Life Sciences Limited and 6 individual shareholders held one share each as nominees of Suven Life Sciences Limited

b. *The shareholding pattern of our Company post allotment of Equity Shares under the Scheme is as under:*

The table below presents the shareholding pattern of our Company as on the date of this Information Memorandum:

Category of shareholder	**No. of shareholders**	**No. of fully paid up equity shares held**	**Total no. shares held**	**Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)**	**No. of Voting Rights**	**Total as a % of Total Voting right**	**No. of equity shares held in dematerialized form**
(A) Promoter & Promoter Group	6	7,63,70,000	7,63,70,000	60.00	7,63,70,000	60.00	7,63,70,000
(B) Public	64,198	5,09,12,478	5,09,12,478	40.00	5,09,12,478	40.00	5,04,58,295
(C1) Shares underlying DRs	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-
(C) Non Promoter-Non Public	-	-	-	-	-	-	-
Grand Total	**64,204**	**12,72,82,478**	**12,72,82,478**	**100.00**	**12,72,82,478**	**100.00**	**12,68,28,295**

4. **Major shareholders of our Company 2 (two) years prior to date of the Information Memorandum**

Our Company was incorporated only on November 6, 2018 and hence it has not yet completed its 2 (two) years of existence as on the date of this Information Memorandum.

5. **Major shareholders of our Company 1 (one) year prior to date of the Information Memorandum**

The details of the major Shareholders of our Company 1 (one) year prior to the date of this Information Memorandum is as below:

Sl No.	Name of the Shareholder	Number of Equity Shares held	% to the total Equity Share Capital
1	Suven Life Sciences Limited	99,994*	99.99%
	Total	**99,994**	**99.99%**

**The balance shares are held by 6 individual shareholders as nominees of Suven Life Sciences Limited*

6. **Major shareholders of our Company 10 (ten) days prior to date of the Information Memorandum**

The details of the major Shareholders of our Company as on 10 (ten) days prior to the date of this Information Memorandum is as below:

Sl No.	Name of the Shareholder	Number of Equity Shares held	% to the total Equity Share Capital
1	Jasti Property and Equity Holdings Private Limited	76,365,000	59.99%
2	Rambabu Chirumamilla	3,208,088	2.52%
3	Aditya Birla Sun Life Trustee Private Limited A/Caditya Birla Sun Life Pure Value Fund	2,151,827	1.69%
4	Taiyo Greater India Fund Ltd	1,351,254	1.06%
5	Suryavanshi Commotrade Private Limited	810,000	0.63%
6	Venkata Vajramma Uppalapati	694,044	0.54%
7	Sanjay Katkar	663,010	0.52%
8	Ashish Kacholia	632,000	0.49%
9	Manikumari Uppalapati	525,000	0.41%
10	Abakkus Emerging Opportunities Fund-1	500,000	0.39%
	Total	**86,900,223**	**68.27%**

7. **Major shareholders of our Company as on the date of this Information Memorandum**

The details of the major Shareholders of our Company, as on the date of the Information Memorandum is as below:

Sl No.	Name of the Shareholder	Number of Equity Shares held	% to the total Equity Share Capital
1	Jasti Property and Equity Holdings Private Limited	76,365,000	59.99%
2	Rambabu Chirumamilla	3,208,088	2.52%
3	Aditya Birla Sun Life Trustee Private Limited A/Caditya Birla Sun Life Pure Value Fund	2,151,827	1.69%
4	Taiyo Greater India Fund Ltd	1,351,254	1.06%
5	Suryavanshi Commotrade Private Limited	810,000	0.63%
6	Venkata Vajramma Uppalapati	694,044	0.54%
7	Sanjay Katkar	663,010	0.52%
8	Ashish Kacholia	632,000	0.49%
9	Manikumari Uppalapati	525,000	0.41%
10	Abakkus Emerging Opportunities Fund-1	500,000	0.39%
	Total	**86,900,223**	**68.27%**

8. **Details of Equity Shares held by our Directors**

Except as stated below, there are no other Directors who hold Equity Shares in our Company as on the date of this Information Memorandum:

Name of Director	No. of Equity Shares
Venkateswarlu Jasti	1,000
Total	**1,000**

9. **Shareholding of our Promoters**

Our Promoters, Venkateswarlu Jasti and Sudharani Jasti have acquired their shareholding in our Company, pursuant to the allotment of Equity Shares under the Scheme to the Eligible Shareholders on January 27, 2020. The details of their shareholding are set forth below:

Name of person/ entity	No. of Equity Shares held	Percentage of the paid-up Equity Share Capital (%)
Venkateswarlu Jasti	1,000	Negligible
Sudharani Jasti	1,000	Negligible
Total	**2,000**	**Negligible**

All of the Equity Shares held by our Promoter are fully paid up and none of such Equity Shares have been pledged in any manner. Further, all Equity shares held by our Promoters are in dematerialized form.

10. **Details of Equity Shares held by the members of our Promoter Group**

Except as stated below, none of the members of our Promoter Group hold Equity Shares in our Company as on the date of this Information Memorandum:

Sl. No.	Name of person/ entity	Number of Equity Shares held	% to the total Equity Share Capital
Members of the Promoter Group			
1	Kalyani Jasti	1,000	Negligible
2	Sirisha Jasti	1,000	Negligible
3	Madhavi Jasti	1,000	Negligible
4	Jasti Property and Equity Holdings Private Limited (In its capacity as sole trustee of Jasti Family Trust)	7,63,65,000	60.00
	Total	**7,63,68,000**	**60.00**

11. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.

12. Except, the allotment of the Equity Shares pursuant to the Scheme, no Equity Shares have been issued pursuant to a scheme approved under Sections 391-394 of the Companies Act, 1956 or Sections 230 to 232 of the Companies Act, 2013.

13. Our Company has not had an employee stock option scheme since incorporation.

14. Our Company has not issued any Equity Shares out of revaluation reserves.

15. Our Company, our Directors and our promoters have not entered into any buy-back, standby or similar arrangements to purchase equity shares of our Company from any person.

16. There shall be only one denomination of equity shares of our Company, subject to applicable regulations and our Company shall comply with such disclosure and accounting norms, specified by SEBI from time to time.

17. Other than pursuant to the Scheme, the members of the Promoter Group of our Company and/or our Directors and their relatives, their relatives and associates and the directors of our Company have not purchased or sold or financed, directly or indirectly, any Equity Shares from the date of approval of the Scheme by the NCLT on January 6, 2020, till the date of submission of this Information Memorandum.

18. There are/have been no financing arrangements whereby any member of our Promoter Group and/or our Directors and their relatives have financed the purchase by any other person of securities of our Company from the date of approval of the Scheme by the NCLT on January 6, 2020 till the date of submission of this Information Memorandum

19. There shall be no further issue of capital by our Company whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme till listing of the Equity Shares allotted as per the Scheme.

20. Our Company has 64,204 Equity Shareholders as on date of filing of this Information Memorandum.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

To,
The Board of Directors,
Suven Pharmaceuticals Limited
#8-2-334, SDE Serene Chambers, 6th Floor,
Avenue 7, Road No. 5, Banjara Hills,
Hyderabad – 500 034, Telangana.

Dear Sirs,

Sub: Statement of possible tax benefits available to Suven Pharmaceuticals Limited ('**SPL**' or '**Company**') and its shareholders under the applicable Indian tax laws.

We hereby confirm that the enclosed statement of tax benefits, prepared by SPL states the possible tax benefits available to the Company and the shareholders of the Company under the Income-tax Act, 1961 ('**Act**') as amended by Finance Act 2019. Several of these benefits are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed statement of tax benefits are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.

We do not express an opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain the benefits as per the Statement in future
- The conditions prescribed for availing the benefits, wherever applicable have been/ would be met with and
- The revenue authorities/courts will concur with the views expressed herein

Notwithstanding anything to the contrary, this advice was prepared exclusively for the Company in relation to the Information Memorandum and is based on the facts as presented to us as at the date the advice was given. The advice is dependent on specific facts and circumstances and may not be appropriate to another party.

Neither we, nor our Partners/ Directors, employees and I or agents, owe or accept any duty of care or any responsibility to any other party, whether in contract or in tort (including without limitation, negligence or breach of statutory duty) however arising, and shall not be liable in respect of any loss, damage or expense of whatever nature which is caused to any other party.

For KARVY & CO.,
Chartered Accountants
ICAI Firm Registration No: 001757S

(AJAYKUMAR KOSARAJU)
Partner
Membership No.021989
UDIN: 20021989AAAAAN6304

Place: Hyderabad
Date: January 31, 2020

STATEMENT OF POSSIBLE TAX BENEFITS

*The information provided below sets out the possible tax benefits available to Suven Pharmaceuticals Limited (‘**SPL**’ or ‘**the Company’**) and its equity shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares, under the tax laws currently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.*

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION AS WELL AS IN RESPECT OF THE POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY.

UNDER THE INCOME-TAX ACT, 1961 (“ACT”)

BENEFITS TO THE COMPANY UNDER THE ACT

a) Minimum Alternate Tax (‘MAT’) Credit

- As per section 115JAA(1A) of the Act, credit is allowed in respect of tax paid under section 115JB of the Act i.e. MAT paid for any assessment year commencing on or after April 1, 2006.
- Amount of MAT credit available to be carried forward shall be the difference between the MAT payable under section 115JB of the Act and the tax computed as per the other provisions of the Act for that assessment year. Such MAT credit is available for carry forward up to a period of fifteen assessment years immediately succeeding the assessment year in which MAT credit arises.
- MAT credit is allowed as a set off in a year when the tax is payable under the provisions of the Act other than section 115JB. However, the set off amount is restricted to the difference between MAT payable and tax computed as per the other provisions of the Act for that assessment year.

b) Dividends

- As per the provisions of section 10(34) read with section 115-O of the Act, dividends (both interim and final), if any, received by the company on its investments in shares of another domestic company is exempt from tax. However, as per section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.
- Any amount declared, distributed or paid by the company to shareholders by way of dividends on or after 1 April 2003, whether out of current or accumulated profits, shall be chargeable to dividend distribution tax (‘DDT’) at the rate of 15 percent (plus applicable surcharge and cess) under Section 115-O of the Act. In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends on or after 1 April 2003 needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits.
- Accordingly, the company distributing the dividend will be liable to pay DDT of 15% on the grossed-up amount of dividend (plus applicable surcharge and cess) amounting to effective DDT rate of 20.56%.
- Further, for removing the cascading effect of DDT, provisions of sub-section (1A) to section 115-O, provides that the company will be allowed to set off the dividend received from its subsidiary company during the financial year, while computing the DDT if:

(i) The dividend is received from its domestic subsidiary and the subsidiary has paid the DDT on such dividend; or

(ii) The dividend is received from a foreign subsidiary and the company has paid tax under section 115BBD of the Act.

- For this purpose, a company shall be subsidiary of another company, if such other company, holds more than 50% in nominal value of the equity share of the company.

- As per the provisions of section 115BBD of the Act, dividend received by an Indian company from a specified foreign company (i.e. in which it has nominal equity shareholding of 26% or more) would be taxable at a concessional rate of 15% on gross basis (plus applicable surcharge and education cess).

- However, the same amount of dividend shall not be considered for reduction more than once.

- Any income received from distribution made by any mutual fund specified under section 10(23D) of the Act or from the administrator of the specified undertaking or from the units of specified company referred to in Section 10(35) of the Act, is exempt from tax in the hands of the company under Section 10(35) of the Act.

- As per Section 94(7) of the Act, losses arising from the sale/ redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent of the amount of income claimed exempt, if any.

- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income. The same is determined in accordance with the provisions specified in section 14A of the Act read with Rule 8D of the Income-tax Rules, 1962 ('Rules'), if tax authorities are not satisfied with the correctness of the claim made by the taxpayer.

c) <u>Capital gains</u>

- Capital assets may be categorised into short-term capital assets and long-term capital assets, based on the period of holding.

- As per the provisions of section 2(29A) of the Act read along with 2(42A), capital asset being listed securities or unit of the Unit Trust of India or an unit of equity oriented fund or zero coupon bond, held by a taxpayer for a period less than or equal to twelve (12) months are considered to be short term capital asset and if the period of holding exceeds 12 months, they will be considered as long term capital assets.

- Capital assets being an unlisted share, shall be treated as long term asset where the period of holding exceeds twenty-four months (24).
- Further with respect to any other capital assets, if the period of holding is less than or equal to thirty-six (36) months, the assets will be considered as short-term assets and if the period of holding exceeds thirty-six months, the assets will be classified as long-term capital assets.

- The gains arising on transfer of short-term capital assets is termed as Short-Term Capital Gain ('STCG') and gains arising on transfer of long-term capital assets is termed as Long-Term Capital Gain ('LTCG').

- As per the provisions of section 48 of the Act, LTCG arising on transfer of capital assets other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

- As per section 112A of the Act, LTCG arising on transfer of long term capital asset, being equity shares of a company or units of an equity oriented fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust, is chargeable to tax at the rate of 10% (plus applicable surcharge and cess), provided the transaction is chargeable to securities transaction tax ('STT'), if the amount of such capital gains exceed Rs 1 Lakh. The capital gains shall be computed in accordance with the conditions specified in Section 112A.

- Under the provisions of section 112 of the Act, long-term capital gains from assets other than those covered under section 112A of the Act, would be subject to tax at a rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of securities or units or zero coupon bonds calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at a concessional rate of 10% without allowance of indexation benefit.

- As per the provisions of section 111A of the Act, STCG arising on transfer of equity share in the company or units of equity oriented mutual funds, would be taxable at 15% (plus applicable surcharge and cess), subject to the condition that the transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same.

- STCG arising from transfer of shares in the company or units of mutual funds, other than those covered by Section 111A of the Act, would be subject to tax under the normal provisions of the Act.

- No deduction under Chapter VIA is allowed from income which is chargeable to tax under section 111A or section 112 or section 112A.

- As per section 50 of the Act, where a capital asset is forming part of block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
    - Where the full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value ('WDV') of block of assets and actual cost of the assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
    - Where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the WDV of block of assets and the actual cost of the assets acquired during the year, shall be deemed to be short term capital gains/(losses) and taxed accordingly.
- As per the provisions of section 70 read with section 74 of the Act, short term capital loss arising during the year is allowed to be set off against short term or long term capital gains of the current year and the balance loss, if any, shall be carried forward and set off against any capital gains arising during the subsequent eight assessment years.

- Further, as per the provisions of section 70 read with section 74 of the Act, any long term capital loss arising during the year is allowed to be set off only against the long term capital gains and the balance loss, if any, is allowed to be carried forward for eight subsequent assessment years and set off only against long term capital gains.

Exemption of capital gains

- Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of long term capital assets would be exempt from tax if such capital gain is invested within six months from the date of such transfer in specified assets, being bonds issued by
    - National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988
    - Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956

- In accordance with and subject to the conditions and to the extent specified in section 54EE of the Act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset, if such capital gain is invested within a period of six months from the date of transfer in the Long term specified asset i.e. units of notified fund issued by the Central Government before 1st day of April, 2019.

- The maximum investment in the specified bonds cannot exceed in aggregate of INR 50 lakhs per taxpayer in the year of transfer and in the subsequent financial year.

- Where only a part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

d) <u>Buy Back of Shares</u>

- Buy back means purchase by a company of its own shares in accordance with the provisions of Companies Act, 2013 read with all the rules and regulations made thereunder.

- As per the section 115QA of the Act, in addition to the income tax chargeable in respect of the total income of a domestic company for any assessment year, any amount of distributed income by the company on buy back of shares to a shareholder shall be chargeable to tax and such company shall be liable to pay buy back tax @20% (plus applicable surcharge and education cess) on the distributed income. Further, as per Finance Act 2019, domestic companies including listed companies shall be liable to pay tax on distributed income.

- Distributed income means the consideration paid by the company on buy back of shares as reduced by the amount which was received by the company for issue of such shares determined in the manner as prescribed in the Act.

- However, as per section 10(34A) of the Act, any income arising to the shareholder on account of buy back of shares which is subject to tax under section 115QA of the Act, shall be exempt in the hands of shareholders.

e) <u>Others</u>

- Under Section 32(1) of the Act, company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and intangible assets defined to include patent, trademark, copyright, know-how, licenses, franchises or any other business or commercial rights of similar nature, if such intangible assets are acquired on or after April 01, 1998.

- Further, a company engaged in the business of manufacture/ production of articles, is eligible for a claim of additional depreciation at the rate of 20% on the cost of the new plant and machinery acquired and installed in the business, subject to fulfilment of conditions. Further, in case of assets acquired and installed in the undertaking as specified in section 32AD of the Act, the rate of additional depreciation would be 35% as against the normal rate of 20%.

- As per provisions of Section 35(1)(ii) of the Act, in respect of sum paid to a research association which has as its object the undertaking of scientific research or to a university, college or other institution to be used for scientific research, a deduction to the extent of a sum equal to 150% of the sum so paid shall be allowed.

- In respect of deduction under section 35(1)(ii), the weighted deduction shall be restricted to 150% from 01.04.2017 to 31.03.2020 (i.e. from previous year 2017-18 to previous year 2019-20) and deduction shall be restricted to 100% from 01.04.2020 (i.e. from previous year 2020-21 onwards).
- Under Section 35(1)(iia) of the Act, any sum paid to a company, which is registered in India and which has as its main object the scientific research and development, and being approved by the prescribed authority and such other conditions as may be prescribed, shall also qualify for a deduction.

- As per provisions of Section 35(1)(iii) of the Act, in respect of any sum paid to a research association which has as its object the undertaking of research in social science or statistical research, or to any approved university, College or other institution to be used for scientific research or for research in social sciences or statistical scientific research shall qualify for deduction.

- As per provisions of Section 35(2AA) of the Act, any contribution made to Notified Institutions i.e. National Laboratory, University, Indian Institute of Technology, specified persons as approved by the prescribed authority, is available as deduction. However, weighted deduction shall be restricted to 150% from 01.04.2017 to 31.03.2020 (i.e. from previous year 2017-18 to previous year 2019-20) and deduction shall be restricted to 100% from 01.04.2020 (i.e. from previous year 2020-21 onwards).

- As per the provisions of Section 35DD of the Act, any expenditure incurred by an Indian company, on or after 1 April 1999, wholly and exclusively for the purpose of amalgamation or demerger of an undertaking, shall be allowed a deduction of an amount equal to one-fifth of such expenditure for each of five successive financial years beginning with the financial year in which the amalgamation or demerger takes place.

- As per the provisions of Section 35DDA of the Act, if a company incurs any expenditure in any financial year by way of payment of any sum to an employee in connection with his voluntary retirement, in accordance with any scheme or schemes of voluntary retirement, the company would be eligible to claim a deduction for one fifth of the amount so paid in computing the profits and gains of the business for that financial year, and the balance shall be deducted in equal instalments for each of the four immediately succeeding financial years.

- As per Section 80JJAA, where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2) of that section, be allowed a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided subject to conditions specified therein.

- As per the provisions of section 90, for taxes on income paid in foreign countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases, the provisions of the Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries.

- As per provisions of Section 80G of the Act, the company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfilment of the conditions specified in that section.

f) Concessional Tax Rates

- The Taxation Laws (Amendment) Act 2019, has provided for certain amendments to Finance (No.2) Act, 2019. The Act has inserted section 115BAA and 115BAB, which provides for concessional tax rates to Companies @ 22% and 15% (plus applicable surcharge and cess) subject to satisfaction of certain conditions.

- Such companies adopting the concessional tax rates shall not be eligible to claim deductions under section 10AA, 32(1) (iia), 32AD, 33AB, 33ABA, 35(1)(ii), 35(1)(iia), 35(1)(iii), 35(2AA), 35(2AB), 35AD, 35CCC, 35CCD or any provisions of part C of Chapter VI-A other than section 80JJAA of the Act.

- Further, the provisions of Section 115JB of the Act shall not apply to the companies opting section 115BAA or 115BAB of the Act.

BENEFITS TO THE SHAREHOLDERS UNDER THE ACT

a) Dividends

- As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the members/ shareholders from the company is exempt from tax. The company will be liable to pay dividend distribution tax on the amount distributed as dividend, if any.

- However, the Finance Act 2016 has introduced Section 115BBD A which provides that the aggregate of dividends received by a specified assessee resident in India from domestic companies in excess of INR 10 lakh will be taxed at 10% (plus applicable surcharge and cess) on a gross basis and no deduction will be available for any expenditure.

- No deduction is allowed in respect of expenditure incurred in relation to earning of income which is not chargeable to tax e.g. dividends exempt under Section 10(34) of the Act. The expenditure relatable to ‘exempt income’ needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules if tax authorities is not satisfied with the correctness of the claim made by the taxpayer.

- Also, Section 94(7) of the Act provides that losses arising from the sale/transfer of shares purchased within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt, if any.

b) Capital gains

- Capital assets may be categorised into short-term capital assets and long-term capital assets, based on the period of holding. As per the provisions of section 2(42A) of the Act, capital asset being listed securities or unit of the Unit Trust of India or an unit of equity oriented fund or zero coupon bond, held by a taxpayer for a period less than or equal to twelve (12) months are considered to be short term capital asset and if the period of holding exceeds 12 months, they will be considered as long term capital assets.

- The gains arising on transfer of short term capital assets is termed as STCG and gains arising on transfer of long term capital assets is termed as LTCG.

- As per section 112A of the Act, LTCG arising on transfer of long term capital asset, being equity shares of a company or units of an equity oriented fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust, is chargeable to tax at the rate of 10% (plus applicable surcharge and cess), provided the transaction is chargeable to STT, if the amount of such capital gains exceed one lakh rupees. The capital gains shall be computed in accordance with the conditions specified in Section 112A.

- Under section 112 of the Act, long-term capital gains from assets other than those covered under section 112A of the Act, would be subject to tax at a rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of securities or units or zero coupon bonds calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at a concessional rate of 10% without allowance of indexation benefit.

- As per the provisions of section 111A of the Act, STCG arising on transfer of equity share in the company or units of equity oriented mutual funds, would be taxable at 15% (plus applicable surcharge and cess), subject to the condition that the transaction of sale is entered into on a recognized stock exchange in India and STT has been paid on the same.

- STCG arising on transfer of equity shares or units of equity oriented mutual fund (as defined in the Act) or units of a business trust (as defined in the Act), where such transaction is not chargeable to STT is taxable at the rates applicable to the assessee (plus applicable surcharge and cess).

- In case if individual or Hindu Undivided Family ('HUF'), where the total taxable income as reduced by LTCG is below the basic exemption limit, the LTCG will be reduced to the extent of the shortfall and only the balance LTCG will be subjected to such tax in accordance with the Proviso to sub-section (1) of Section 112 of the Act.

- No deduction under Chapter VIA is allowed from income which is chargeable to tax under section 111A or section 112 or section 112A.

- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against STCG as well as LTCG. Balance loss, if any, shall be carried forward and setoff against any capital gains arising during subsequent eight assessment years.

- Further, long term capital loss arising during a year is allowed to be set-off only against LTCG. Balance loss, if any, shall be carried forward and set-off against LTCG arising during subsequent eight assessment years.

- If the shareholder is a company liable to pay tax on book profits under Section 115JB of the Act, book gain on sale of equity shares shall form part of book profits while computing the book profit under Section 115JB of the Act.

- The characterization of the gain/ losses, arising from sale/ transfer of shares as business income or capital gains would depend on the nature of holding and various other factors. The Central Board of Direct Taxes (CBDT) has vide a circular clarified that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed under the head “Capital Gains” unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

- Under section 36(1)(xv) of the Act, STT paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession".

Exemption of capital gains

- Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of long term capital assets would be exempt from tax if such capital gain is invested within six months from the date of such transfer in specified assets, being bonds issued by
  - National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988
  - Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956

- In accordance with and subject to the conditions and to the extent specified in section 54EE of the Act, the assessee would be entitled to exemption from tax on gains arising from transfer of the long term capital asset if such capital gain is invested within a period of six months from the date of transfer in the Long term specified asset i.e. units of notified fund issued by the Central Government before 1st day of April, 2019.

- The maximum investment in the specified bonds cannot exceed aggregate of INR 50 lakhs per taxpayer in the year of transfer and in the subsequent financial year.

- Where only a part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

- As per the provisions of section 54F of the Act, in case of individuals or Hindu undivided families, LTCG arising from transfer of long term assets other than a residential house is exempt from tax if the net consideration from such transfer is utilized within a period of one year before or two year after the date of transfer, for purchase of a new residential house property in India or for construction of residential house in India within three years from the date of transfer and subject to conditions and to the extent specified therein.

c) Buy Back of Shares

- As per section 10(34A) of the Act, any income arising to the shareholder on account of buy back of shares which is subject to tax under section 115QA of the Act in the hands of company, shall be exempt in the hands of shareholders.

BENEFITS AVAILABLE TO NON-RESIDENTS (OTHER THAN FOREIGN INSTITUTIONAL INVESTORS) UNDER THE ACT

a) Dividends

- Under Section 10(34) of the Act, any income by way of dividends (both interim and final) received from a domestic company is exempt in the hands of the shareholders, if such dividends are subjected to DDT under Section 115-O of the Act.

- No deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax e.g. dividends exempt under Section 10(34) of the Act. The expenditure relatable to 'exempt income' needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

b) Capital gains

- As discussed above, based on the period of holding, a capital asset shall be classified as long term or short term capital asset.

- The gains arising on transfer of short term capital assets is termed as STCG and gains arising on transfer of long term capital assets is termed as LTCG.

- As per section 112A of the Act, LTCG arising on transfer of long term capital asset, being equity shares of a company or units of an equity oriented fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust, is chargeable to tax at the rate of 10% (plus applicable surcharge and cess), provided the transaction is chargeable to STT, if the amount of such capital gains exceed one lakh rupees. The capital gains shall be computed in accordance with the conditions specified in Section 112A of the Act. The same is effective from FY 2018-19.

- Under Section 112 of the Act, long-term capital gains to the extent would be subject to tax at a rate of 20% with indexation benefits. The indexation benefits are however not available in case the shares or debentures of an Indian company are acquired in foreign currency. In such a case, the capital gains shall be computed in the manner specified in first proviso to section 48. As per the first proviso of section 48 of the Act, where the shares are acquired in foreign currency by a non-resident, the capital gains arising on transfer need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of consideration received or accruing as a result of transfer, into the same foreign currency in which the shares are originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on the dates stipulated. If the tax payable on transfer of securities or units exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing the tax payable by the non-resident.

- Further, LTCG arising from transfer of unlisted securities is chargeable to tax at 10% without indexation and foreign exchange fluctuation benefit.

- As per the provisions of section 111A of the Act, STCG arising on transfer of equity share in the company or units of equity oriented mutual funds, would be taxable at 15%, subject to the condition that the transaction of sale is entered into on a recognized stock exchange in India and STT has been paid on the same.

- SCTG arising from transfer of shares in the company or units of mutual funds, other than those covered by Section 111A of the Act, would be subject to tax under the normal provisions of the Act.

- Further, the Finance Act, 2015 have specifically provided for exclusion of capital gains arising to foreign companies from the applicability of MAT, subject to conditions.

- The tax rates mentioned above stands increased by surcharge payable @2% in case the total income of the foreign company exceeds INR 1 Crore but is less than or equal to INR 10 Crores and @ 5% in case the total income of the foreign company exceeds INR 10 Crores. In case of non-corporate FIIs being Individuals/ AOP/ BOI, the surcharge is levied @10% where income exceeds Rs 1 Crore but less than or equal to Rs 2 Crores and @15% in case the total income exceeds INR 2 Crores (in case of incomes referred under section 115AD of the Act).

- Further Health and education cess @4% shall also be levied on all categories of taxpayers.

- As per the provisions of section 70 read with section 74 of the Act, short term capital loss arising during the year is allowed to be set off against short term or long term capital gains and the balance loss, if any, shall be carried forward and set off against the any capital gains arising during the subsequent 8 assessment years.

- Further, as per the provisions of section 70 read with section 74 of the Act, any long term capital loss arising during the year is allowed to be set off only against the long term capital gains and the balance loss, if any, is allowed to be carried forward for 8 subsequent assessment years and set off only against long term capital gains.

Exemption of capital gains

- Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of long term capital assets would be exempt from tax if such capital gain is invested within six months from the date of such transfer in specified assets, being bonds issued by

- National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988
- Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956

- The maximum investment in the specified bonds cannot exceed in aggregate INR 50 lakhs per taxpayer.

- Where only a part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

c) <u>Buy Back of Shares</u>

- As per section 10(34A) of the Act, any income arising to the shareholder on account of buy back of shares which is subject to tax under section 115QA of the Act in the hands of the company, shall be exempt in the hands of shareholders.

d) <u>Tax treaty benefits</u>

- The tax rates and consequent taxation mentioned above will be subject to benefits available under the Double Taxation Avoidance Agreement ('DTAA'), if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or DTAA, whichever is more beneficial.

- Section 90(4) of the Act provides that where a non-resident seeks to claim benefit under a DTAA, a certificate from the Government of that country of his being a resident in that country is required to be furnished i.e. Tax Residency Certificate ('TRC').

- Further, the CBDT vide Notification no.57/2013 [F.NO.142/16/2013-TPL]/SO 2331(E), dated 1 August 2013, has prescribed certain information to be filed by way of a declaration in Form 10F along with the TRC in cases where the TRC obtained from the foreign country does not contain all the prescribed particulars.

<u>Requirement to furnish PAN under the Act</u>

- Section 139A(5A) requires every person from whose income; tax has been deducted at source under chapter XVII-B of the Act to furnish his PAN to the person responsible for deduction of tax at source.

- Section 206AA of the Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB (deductee) to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates:
  (i) at the rate specified in the relevant provision of the Act; or
  (ii) at the rate or rates in force; or
  (iii) at the rate of twenty per cent.

- As per sec 206AA(7), with effect from June 1 2016, the provisions of section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of:
  (i) Payment of interest on long-term bonds as referred to in section 194LC; and
  (ii) Payment in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, subject to fulfillment of conditions specified vide Notification no.53/2016 dated 24th June 2016.

<u>Special benefit available to Non-resident Indians ('NRI')</u>

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

- In addition to some of the general benefits available to non-resident shareholders, where equity shares of the company have been subscribed by NRI in convertible foreign exchange, they have the option of being governed by the provisions of Chapter XIIA of the Act, which *inter alia* entitles them to the following benefits.

- In accordance with section 115E, income from investment (other than dividend income exempt under section 10(34)) or income from long- term capital gains on transfer of assets other than specified asset (specified assets include shares of an Indian company which are acquired/purchased/subscribed in convertible foreign exchange) shall be taxable at the rate of 20% in the hands of a Non-Resident Indian.

- As per the provisions of Section 115F of the Act, LTCG arising to an NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is reinvested in specified assets or in savings certificate referred to in Section 10(4B) of the Act within six months of the date of transfer, subject to the extent and conditions specified in that Section. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently; if the specified assets or saving certificates referred in Section 10(4B) of the Act are transferred or converted into money within three years from the date of their acquisition.

- As per the provisions of Section 115G of the Act, NRIs are not required to file a return of income under Section 139(1) of the Act, if the income chargeable under the Act consists of only investment income or LTCG or both and tax is deductible at source under Chapter XVII-B of the Act.

- Under the provisions of Section 115H of the Act, where a person who is an NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

- In accordance with section 115-I, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Act.

BENEFITS AVAILABLE TO A FOREIGN INSTITUTIONAL INVESTOR ("FII") UNDER THE ACT

a) Dividends exempt under Section 10(34)

- Under Section 10(34) of the Act, any income by way of dividends received from a domestic company is exempt in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.

- However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.

- No deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax e.g. dividends exempt under Section 10(34) of the Act. The expenditure relatable to 'exempt income' needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

b) Capital Gains

- As per the provisions of section 2(14) of the Act, any securities held by FII (which have invested in such securities in accordance with the Securities Exchange Board of India ('SEBI') regulations, will be treated as capital asset and accordingly any income from transfer of such capital asset will be chargeable under the head "Capital Gains".

- In accordance with Section 115AD, FIIs will be taxed at 10 percent (plus applicable surcharge and cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation), if STT is not payable on the transfer of the shares.

- As per the amendment brought by Finance Act, 2018 LTCG arising to FIIs on transfer of long term capital asset referred to in Section 112A will be liable to tax at 10 percent if the amount of such gains exceeds INR 1 Lakh subject to conditions specified in Section 112A.

- As per the provisions of Section 111A of the Act, STCG arising on sale of short term capital asset, being equity shares in a company, shall be chargeable to tax at the rate of 15 percent (plus applicable surcharge and cess) provided the transaction is chargeable to STT. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the rate of 30% (plus applicable surcharge and cess), as applicable.

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O of the Act) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20 percent (plus applicable surcharge and cess).

- The tax rates mentioned above stands increased by surcharge payable @ 2% in case of total income of the corporate FII exceeds INR 1 Crore but is less than or equal to INR 10 Crores and @ 5% in case the total income of the corporate FII exceeds INR 10 Crores. In case of non-corporate FIIs being Individuals/ AOP/ BOI, the surcharge is levied @ 10% where income exceeds Rs 1 Crore but less than or equal to Rs 2 Crores and 15% in case the total income exceeds INR 2 Crores (in case of incomes referred under section 115AD of the Act).

- Further Health and education cess @ 4% shall also be levied on all categories of taxpayers.

- Further, the Finance Act, 2015 have specifically provided for exclusion of capital gains arising to foreign companies (including FIIs who are registered as Companies) from the applicability of MAT, subject to conditions.

- Generally, in case of non-residents, tax, (including surcharge and education cess) on the capital gains, if any, is withheld at source by the buyer in accordance with the relevant provisions of the Act. However, as per the provisions of section 196D(2), no deduction of tax is required to be made from any income by way of capital gains arising from the transfer of securities (referred to in Section 115AD of the Act) payable to FIIs.

- The benefit of exemption u/s 54EC of the Act mentioned above in case of company is also available to FIIs.

- Indirect Transfer Provision u/s 9(1)(i) of the Act - The CBDT issued a clarification vide Circular No. 41 of 2016 dated December 23, 2016, stating that if an FPI has more than 50 per cent of its assets in India, with a value greater than₹ 10 crore, then any investor with a greater than five per cent interest in or contribution to the assets under management (AUM) of the FPI will be covered by the indirect transfer rules and will be subject to Indian tax whenever this investor sells or redeems its shares in the FPI/fund.

- After the issue of the aforementioned circular, representations have been received from various FPIs, FIIs and VCFs and other stakeholders. The stakeholders have presented their concerns stating that the circular does not address the issue of possible multiple taxation of the same income. The representations made by the stakeholders are currently under consideration and examination by CBDT. Pending a decision in the matter the operation of the above mentioned circular in kept in abeyance for the time being.

c) <u>Buy Back of Shares</u>

- As per section 10(34A) of the Act, any income arising to the shareholder on account of buy back of shares which is subject to tax under section 115QA of the Act, shall be exempt in the hands of shareholders.

d) <u>Taxability as per DTAA</u>

- The tax rates and consequent taxation mentioned above will be subjected to any benefits available under DTAA, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or DTAA, whichever is more beneficial to them.

- A certificate from the Government of that country of his being a resident in that country is required to be furnished i.e. TRC.

- Further, the CBDT vide Notification no.57/2013 [F.NO.142/16/2013-TPL]/SO 2331(E), dated 1 August 2013, has prescribed certain information to be filed by way of a declaration in Form 10F along with the TRC in cases where the TRC obtained from the foreign country does not contain all the prescribed particulars.

Computation of book profit under Section 115JB

- An explanation has been inserted in Section 115JB stating that, the provisions of Section 115JB shall not be applicable and shall be deemed never to have been applicable to a foreign company if
  - (i) It is a resident of a country or a specified territory with which India has a tax treaty referred to in sub-section (1) of Section 90 and it does not have a permanent establishment in India; or
  - (ii) It is a resident of a country with which India does not have a tax treaty and it is not required to seek registration under any law for the time being in force relating to companies

BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/ FUNDS

- In terms of Section 10(23FB) of the Act, all venture capital companies/ fund registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on any income from investment in a venture capital undertaking.

- Further, the Finance Act, 2015 has inserted a proviso providing that nothing contained in this clause shall apply in respect of any income of a venture capital fund or venture capital company, being an "investment fund" of the previous year relevant to the assessment year beginning on or after 1st April 2016.

- "Investment fund" has been defined under in clause (a) of Explanation 1 to Section 115UB of the Act to mean any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992.

BENEFITS AVAILABLE TO INVESTMENT FUND UNDER THE ACT:

- The Finance Act, 2015 has inserted Chapter XII-FB in the Act which provides for special taxation regime for Category I and Category II Alternative Investment Funds referred to as "investment fund" as per clause (a) of Explanation 1 to Section 115UB of the Act. Further, the said Act has also inserted Section 10(23FBA) in terms of which income of any investment fund other than income chargeable under the head "Profits and gains of business or profession" shall be exempt from income tax.

BENEFITS AVAILABLE TO MUTUAL FUNDS UNDER THE ACT

- As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India is exempt from income-tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the Act. However, with effect from 1 October 2014, for the purpose of determining additional income tax, the amount of distributed income shall be increased to such amount as would after reduction of additional income tax on such increased amount at the rate specified be equal to the amount of income distributed by mutual fund.

General Anti-Avoidance Rule ('GAAR')

- In terms of Chapter XA of the Act, GAAR may be invoked notwithstanding anything contained in the Act.
- By this Rule, any arrangement entered into by an assessee where the main purpose of the arrangement is to obtain a tax benefit may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be *inter alia* denial of tax benefit, applicable with effect from Financial Year 2017-18.

- The CBDT vide Notification No. 49/2016, dated 22 June 2016, has amended the GAAR. GAAR provisions are not applicable to any income accruing or arising to, or deemed to accrue or arise to, or received or deemed to be received by, any person from transfer of investment made prior to 1 April 2017. Further, GAAR provisions are applicable to any arrangement (if held as impermissible avoidance agreement), irrespective of the date on which it has been entered into, in respect of the tax benefit obtained from an arrangement on or after 1 April 2017.

BENEFITS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957

- The Finance Act, 2015 has abolished the levy of wealth tax under the Wealth Tax Act, 1957 with effect from 1 April 2016.

BENEFITS AVAILABLE UNDER THE GIFT TAX ACT, 1958

- Gift made after 1 October 1998 is not liable for any gift tax, and hence, gift of shares of the company would not be liable for any gift tax.

- However, receipt of any sum of money or any “property” including immovable property (as defined in section 56(2)(x) of the Act) by any person without consideration or for inadequate consideration in excess of INR 50,000 shall be chargeable to tax in the hands of the recipient under the head "Income from other sources" to the extent the consideration is less than Fair Market Value or Stamp duty value, as the case may be, unless specifically exempted under the provisions of the Act.

Notes:

- *The above Statement of Tax Benefits sets out the provisions of law (i.e. the Act as amended by the Finance Act 2019) presently in force in India, in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.*

- *The above Statement of Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws (i.e. the Act as amended by the Finance Act 2019) presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.*

- *The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefits under any other law.*

- *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her/ its own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*

- *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the DTAA, if any, between India and the country in which the non-resident has fiscal domicile.*

- *The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.*

- *The tax rates (including rates for tax deduction at source) mentioned in this Statement is applicable for FY 2018-19.*

SECTION V – ABOUT US

INDUSTRY OVERVIEW

You should read the following summary together with the risk factors and the more detailed information about us and our financial results included elsewhere in this Information Memorandum. The information presented in this section has been extracted from the report "Industry Report on Indian Pharmaceutical Industry– November 2019" prepared by CARE Advisory Research and Training Limited ("CARE Report") and publicly available documents.

Global Economy

Global growth for the year 2019 is estimated to be 3%. The same is expected to improve to 3.4% in 2020, as per The World Bank, World Economic Outlook Update – October 2019. Growth for advanced economies is projected to remain constant at 1.7% in 2019 and 2020, while emerging market and developing economies are projected to experience a growth pick-up from 3.9% in 2019 to 4.6% 2020.

In the United States, growth in 2019 is expected to be 2.4%, moderating to 2.1% in 2020. The projected moderation reflects an assumed shift in the fiscal stance as stimulus from the recently adopted two-year budget deal offsets the fading effects of the 2017 Tax Cuts and Jobs Act.

Growth rates have been marked down for many advanced economies, notably for Euro Area countries where it is expected to drop to 1.2% in the year 2019 from 1.9% in the year 2018 mainly due to weaker growth in foreign demand and a drawdown of inventories. The growth is expected to recover in the year 2020 with estimation of 1.4%.

Emerging and Developing Asia remains the main engine of the world economy, but growth is softening gradually with the structural slowdown in China. In India, growth softened in 2019 as corporate and environmental regulatory uncertainty, together with concerns about the health of the nonbank financial sector, weighed on demand. Growth will be supported by the lagged effects of monetary policy easing, a reduction in corporate income tax rates, recent measures to address corporate and environmental regulatory uncertainty, and government programs to support rural consumption.

The strengthening of growth in 2020 and beyond in India is the driving factor behind the forecast of an eventual global pickup. India's economy is set to grow at 6.1% in 2019, picking up to 7% in 2020 which is double of which is more than double the growth projected for the world of 3.0% and 3.4% respectively.

Indian Economy

The annual growth of India for 2019 has been projected to be 6.1% as per IMF world Economic Outlook update October 2019.

As per IMF, growth in India is projected to be 6.1% in 2019 and 7.0% in 2020. The Growth will be supported by the lagged effects of monetary policy easing, a reduction in corporate income tax rates, recent measures to address corporate and environmental regulatory uncertainty, and government programs to support rural consumption.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025 owing to shift in consumer behavior and expenditure pattern.

Overview on CRAMS Market

Contract Research & Manufacturing Services is considered as an important growth segment of Indian pharmaceutical exports. The global CRAMS business has two major segments – contract manufacturing services (CMS) and contract research services (CRS). Over the last two decades, global pharmaceutical companies have become increasingly reliant on using third parties to improve efficiencies through in-licensing, out-licensing, collaborations and outsourcing by moving towards a networked pharmaceuticals operating model. The global CRAMS market (excluding clinical trials) has reached ~US$111.6 bn in CY 2018. India is emerging as one of the most attractive destinations for outsourcing of global pharmaceutical activities.

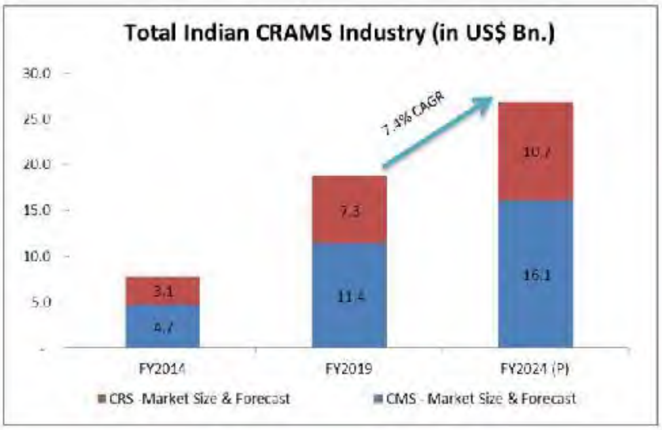
Global CRAMS Industry

The Global CRAMS industry, valued at ~US$111.6 bn in CY18, is expected to grow at 8-10% CAGR to reach a value of ~US$174bn in CY23P. The Contract Manufacturing Segment (CMS) is likely to cross ~US$116 bn, growing at ~8.4% CAGR by CY23P and would account for ~60-65% of the CRAMS industry. The Contract Research Services (CRS) is estimated to expand to US$58 bn by CY23P, outgrowing CMS at a CAGR of 11.3% during the same period. Global CRAMS industry is estimated to be 9-11% of Global pharmaceutical industry.

(Source: Industry Sources, CARE)

Indian CRAMS Industry

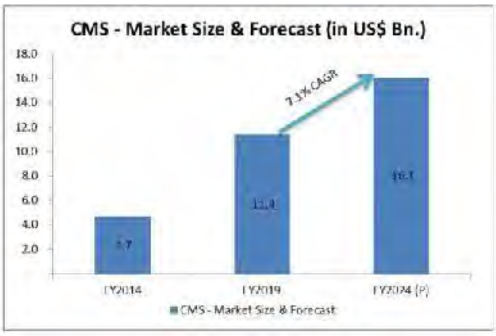
The Indian pharmaceutical industry contributes significantly to public health improvement and economic growth of the country. CRAMS contribute approximate 45-50% of the total pharmaceutical industry in India and expected to contribute with the similar ratio of 43-45% till FY2024. The Indian CRAMS industry, valued at ~US$18.7 bn in FY19, is expected to grow at 7-8% CAGR to reach a value of ~US$26.8 bn in FY24 (P).



(Source: Industry Sources, CARE)

Indian CRAMS industry is expected to cement its position in the global CRAMS industry. CARE expects Indian CRAMS industry to increase to ~15% of global CRAMS market by FY24 (P) from current ~10-12%. As outsourcing picks up among the pharmerging markets (semi-regulated, non-developed markets), Indian CRAMS industry is expected to capitalise on its expertise in the CRAMS space and establish its presence in such new markets.

The Contract Manufacturing Segment (CMS) is likely to cross ~US$16 bn, growing at ~7.1% CAGR by FY24 (P) and would account for ~60% of the CRAMS industry. The Contract Research Services (CRS) is estimated to expand to US$10.7 bn by FY24 (P), outgrowing CMS at a CAGR of 8.0% during the same period.

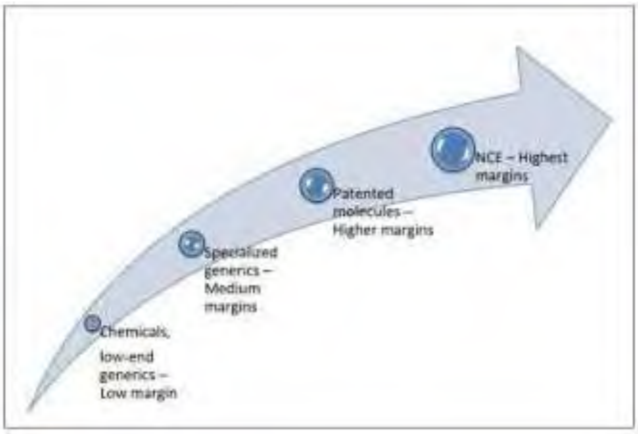


(Source: Industry Sources, CARE)

With the Indian CRAMS industry gradually moving up the value chain and players investing in better technology and higher capacity, manufacture of value-added products may be outsourced to Indian players in the near future. CARE expects the Indian CMS segment to maintain ~ 7% CAGR till FY24 (P).

With costs increasing due to various reasons and research productivity declining in regulated markets, global pharma companies are looking for measures, including outsourcing, to enhance their drug pipeline. CARE expects Indian CRS to grow by 8% CAGR till FY24 (P).

Value chain of CRAMS



Growth Drivers of Indian CRAMS industry

- **Declining R&D budgets amidst falling productivity would lead to additional outsourcing to CRAMS companies**

The pharma industry in the developed markets is under the twin pressures of 1) increasing ‘genericisation’, and 2) regulatory changes leading to additional costs. In US, several provisions of the Affordable Care Act, such as the new excise duty and under-pricing of generic drugs used for Medicaid, have led to increased costs for pharma companies. European countries and Japan have reduced costs of acquisition of drugs for social health schemes/insurance reimbursements. The cost escalations/price reductions are likely to limit future allocations to R&D.

Additionally, in recent years, R&D productivity has slipped in regulated markets. The average cost per approved New Molecule Entity (NME) has nearly doubled in the past decade, despite a 40% fall in the number of NMEs approved by the USFDA. Further, the cost of developing new drugs is estimated to have reached ~US$ 5bn (Source: Forbes). Due to the persistence of such adverse conditions in in-house research, global pharma companies may consider additional outsourcing to Indian CRAMS companies.

- **Lower Manufacturing cost in India**

During the past ten years, growth in manufacturing costs has lagged the increase in net sales. While net sales of Indian CRAMS companies grew at `12-14% CAGR, manufacturing costs have grown at 13% CAGR in the same period. As a proportion of net sales, manufacturing costs have declined substantially. CARE expects increasing competition and greater application of cutting-edge technology to aid further decline in manufacturing costs as a proportion of sales in the medium term. This would result in higher cost competitiveness of Indian CRAMS companies.

- **Capacity addition by players in India**

Investments by CRAMS companies in Fixed Assets have grown at higher CAGR as compare to growth in net sales during past ten years. CARE expects the productivity enhancements of these investments to accrue to the companies in the next few years.

- **Product/customer diversification**

Indian CRAMS companies have specialised in various segments such as contract/custom manufacturing and research, chemistry services and technology outsourcing. Product-wise, players have also moved into APIs, finished dosages and biopharmaceuticals. At present, several CRAMS players are expanding into CNS, diabetes, oncology, orphan drugs, nanotechnology, biosimilars and intermediate stages of clinical research/trials. Customer-wise, Indian CRAMS industry has expanded into newer territories, riding on the back of increasing pharmaceutical exports to various countries across the world. The broad framework and on-going diversification of customers and creating various products/services offered would serve as a hedge for the industry against specific risks.

- **Patent Cliff**

Patented drugs are likely to account for decreasing proportion of sales of global pharmaceutical companies due to the 'patent-cliff' (large proportion of drugs going off-patent). Patents for branded molecules with cumulative global sales of over US$ 251 bn are expected to expire between CY2018 and CY2024 (Source: EvaluatePharma). The generics industry can benefit substantially from the patent cliff and manufacture of such generic drugs in the most cost-effective manner would lead to increased opportunities for contract manufacturing segment.

- **Biopharmaceuticals**

The biopharmaceutical industry is at a pivotal time in medical discovery, which has enormous potential to further revolutionize the treatment of costly and debilitating diseases like Alzheimer's, cancer, heart disease, and hepatitis C. The biopharmaceutical industry accounts for ~5,000 new bio-compounds under study across the world. Additionally, the biopharma industry is highly research intensive (Source: SelectUSA), leading to high market price of biopharma drugs. CARE expects 'Biosimilars' to emerge as a cheaper alternative to the expensive biopharmaceutical drugs. In order to benefit from outsourcing opportunities in bio-drug space in future, some Indian CRAMS companies have already done investments in building support structures and bio-drug facilities.

- **Future growth in phase I & II trials / biopharma**

Until now, processes outsourced to Indian CRAMS companies pertained to generic drug manufacturing, custom research and chemistry processes. However, with the Indian pharmaceutical and CRAMS industry making significant advances, high-end processes carried out exclusively by global pharmaceutical companies may be outsourced to the Indian CRAMS entities in the near future. The new processes may pertain to the Phase I & II activities of the drug trial process, specialty product manufacturing, technology-based outsourcing, pre-clinical trials and the emerging segment of biopharmaceuticals. The next stage of growth of the global CRAMS industry would arise from the outsourcing of these set of advanced activities.

OUR BUSINESS

Our Company is primarily engaged in CRAMS business where research and development is customized to the needs of our global pharmaceutical customers. We endeavor to follow a non-conflict business model with our customers which mean that our products and services are provided for the innovation of the drug whereas our Company is not involved in developing competing drugs.

We undertake research, manufacturing and supply of intermediates of NCEs to global pharmaceutical manufacturers, bulk drugs, contract technical services including process R&D services, process development services and formulation development services. As on September 30, 2019, we have obtained 43 country wide process patents under our CRAMS activities. Pharmaceutical companies can outsource part of their research activity to other companies which can in turn support them with services for new product development. This can range from pre-formulation studies, screening studies, formulation development and use of specific drug delivery technology, clinical research etc. or even a basic idea.

CRAMS business is a niche segment with few players dominating the space. The CRAMS manufacturer's EBIDTA margin from NCE based business generally is high in the range of 20% to 40%. Since NCE based CRAMS are high end in the value chain of drug discovery, the players in this segments are expected to attract more premium for their services. (*Source: CARE Report)*

We are part of Suven group, which has interests in diverse business segments like Discovery Research and CRAMS. The group is spearheaded by Venkateswarlu Jasti, who has more than 45 years of experience. He is responsible for formulating growth plans and involved in all the strategic decisions to be taken for the group.

Prior to the Scheme and incorporation of our Company in the year 2019, the CRAMS business was part of our group company viz., Suven Life Sciences Limited, promoted by our Promoters. The CRAMS business was commenced in the year 1995 and we have undertaken over 854 projects for various life science companies. Pursuant to the Scheme, the CRAMS business was separated and transferred into our Company with an objective to club our over 20 years of experience and focus on achieving our growth plans, as a separate entity.

As on February 29, 2020, we have 926 employees and 7 consultants. Our research team consists of 58 scientists of which 12 are PhD holders. We have 5 manufacturing facilities located at Jeedimetla (Telangana), Pashamylaram 1 (Telangana), Pashamylaram 2 (Telangana), Suryapet (Telangana) and Visakhapatnam (Andhra Pradesh).

We have process research laboratory located at Jeedimetla (Telangana) and Pashamylaram (Telangana) and formulation development centre located at Pashamylaram (Telangana).

All our manufacturing facilities are certified for ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007. Our manufacturing unit at Pashamylaram (Telangana), is cGMP and USFDA compliant. Our Company's unit at Pashamylaram (Telangana) has also been approved for manufacture of Gabapentin by the Commissioner of Ministry of Food and Drug Safety, Korea and granted a cGMP certificate by the Freie Und Hansestadt, Hamburg for manufacturing active pharmaceutical ingredients including Tamsulosin hydrochloride, Gabapentin. Our Company's unit at Pashamylaram (Telangana) has also been approved for manufacture of Fenoprofen Calicum by French National Agency for Medicines and Health Products Safety.

Our Competitive Strengths

Core competence in CRAMS business model

Our Company is primarily engaged in CRAMS business where research and development is customized to the needs of our global pharmaceutical customers. We endeavor to follow a non-conflict business model with our customers which means that our products and services are provided for the innovation of the drug whereas our Company is not involved in developing competing drugs. We provide the innovator companies in drug development with contract research, manufacturing and supply of, (i) intermediates, (ii) APIs and (iii) formulations. Additionally, under our CRAMS model, we provide services such as contract technical services.

With over two decades of experience in the pharmaceutical industry, we have executed 854 CRAMS projects.

For our CRAMS projects, we may be required to undertake various specialized processes. Our facilities are equipped for undertaking specialized processes like cyanation, chiral core technology, Butyl Lithium reaction, reductions (catalytic and chemical), high temperature - high pressure reactions, Lithium diisopropylamide ("**LDA**") and asymmetric synthesis and bio-transformations.

Our Company has experience in performing the following reactions:

Particulars		
• Alkylations	• Chiral Amines syntheis	• Reductions – Catalytic
• Acylation	• Asymmetric synthesis	• Metal hydrides
• Amidation	• Carbohydrates	• High pressure
• Chiral alkylation	• Grignard reaction	• Metal catalysed
• Condensation	• Horner-Emmons Wadsworth reaction	• Birch reductions
• Cyanation	• Organoborane	• Diborane
• Cyclo-condensation	• Hydrogenation using pd/c, Pt/c, Rh/c and Rani-Ni ,Metallation – MeLi / n-BuLi / LDA/HMDS	• LAH
• Formylations	• Mitsunobu Reaction	• DIBAL-H
• Grignard reactions	• Oxidation – Jones	• Catalytic
• Halogenation Using bromine	• Swern	• NaCNBH3
• Chlorine	• KMnO4	• Suzuki Coupling
• POCl3	• NaIO4	• Asymmetric synthesis
• Heck Arylation Reaction Capabilities	• Nitric acid	• Enzymatic resolution

In the past, we have performed these reactions and demonstrated our experience through execution for our various customers over a period of time.

Our revenue from operations account for around 90% towards exports to countries like Germany, Switzerland, U.K., Belgium and other European Countries and Japan, South Korea, USA etc. Exports to US are primarily driven by increased Abbreviated New Drug Applications ("**ANDA**") approvals by USFDA. We have granted an exclusive license in June 2013 to TARO Pharmaceuticals North America, Inc. ("**Taro**") to distribute one of our products Malathion Lotion in USA, Canada and Mexico on supply and royalty payments basis effective till April 2028.

Research driven company

Our Company is research driven with competencies both in terms of our manufacturing and R&D facilities. Our research team consists of 58 scientists being approximately 6.26% of our total employee strength. As of February 29, 2020, we have 926 employees and 7 consultants.

We believe that our R&D has led, and will continue to lead, to new, innovative processes that can increase the efficiencies of production as well as address opportunities that we have identified in the global market for our businesses.

Presence in regulated markets

We provide research, manufacturing and supply of intermediates, APIs and formulations in the companies operating in the regulated markets.

In order to gain access to such regulated markets and gain customer confidence, we are required to comply with the stringent technical, quality and operating standards as required by such regulated markets. For instance, we have our manufacturing unit at Pashamylaram, Telangana which are certified as cGMP and USFDA compliant.

During the six months period ended September 30, 2019, and Fiscal 2019, 98.11% and 97.12% of our revenues from operations were derived from exports out of which revenues from regulated markets of Europe and USA constituted 84.98% & 2.21% and 70.75% & 4.36%, respectively, on consolidated basis.

Experienced Promoter and Key Managerial Team

Our Promoters have played a key role in developing our business and we benefit from their significant experience in the pharmaceutical business. We also have a qualified key management team with experience in the domestic and international pharmaceutical industries, including in the areas of R&D, regulatory affairs, manufacturing, quality control, sales, marketing and finance. We believe that the healthcare domain knowledge and experience of our Promoters and our key management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new segments and geographies.

Our Promoters and key managerial team have over 250 years of cumulative work experience in pharmaceutical industry and all our Key Managerial Personnel have been associated with our Company for nearly a decade or more. For further details of our Key Managerial Personnel, please see "*Our Management*" on page 65.

Our Strategy

The strategy of our management is to facilitate growth, operational efficiency, business synergies and increased operational and customer focus in relation to CRAMS business demerged into SPL. The key business strategy of SPL will be to focus on:

- NCE based pharmaceutical research solutions to global customers for development of key Intermediates/Active Pharmaceutical Ingredients (APIs) during clinical research stage, leading to contract manufacturing operations from clinical development stage to commercial operations.
- development and manufacturing of specialty chemicals for non-pharmaceutical application for global customers.
- development of niche ANDAs leading to manufacturing and supply of generic product for global market.
- on providing contract technical services for global pharmaceutical and biotechnology companies.

Products and services

Our Company is involved in development of NCE based intermediates during clinical development phase for global biotechnology and pharmaceutical companies leading to commercialization after successful completion of clinical development phases. Our Company is also involved in development and commercialization of various specialty chemicals for global sponsors. The Company is also involved in development of formulations in partnership with global pharmaceutical companies which may lead to commercialization as and when approved by the regulatory authorities. Apart from the above manufacturing activities the company is also involved in technical services for various pharmaceutical sponsors.

Manufacturing units and capacity and capacity utilization[#]

Location	**Capacity**
Suryapet, Telangana	300 cm reactors – 93 Nos 500 to 10 KL GL/SS reactors – various Matching quality systems and effluent treatment systems
Pasyamylaram, Telangana API/Intermediate division	Total volume of 120 KL reactions 50 ltrs to 6000 ltrs GL/SS-45 Nos Matching quality systems and effluent treatment systems

Pashamylaram, Telangana Formulation divison	Various developmental capacities for Oral, Solid, Liquid and Cream preparations Matching quality systems
Jeedimetla, Telangana	Kilo Lab, 30 Ltr cm reactors 32 Nos 50 Ltr to 4000 Ltr GL/SS various Process Research – R&D facility.
Jawaharlal Nehru Pharma City, Visakhapatnam	Total 307 KL reactor volumes 3 KL to 12 KL GL/SS reactors – 45 Nos

#The capacity utilization is not ascertainable as all the products are on campaign basis based on need of our customers.

Raw Materials

Our manufacturing processes require a wide variety of raw materials. These raw materials include various chemicals and start up materials from good manufacturing practices service providers, both imported as well as domestically procured. We purchase these raw materials from a list of sources or agents or distributors that we maintain, which has been approved by our internal quality control department after a quality assurance approval process.

Depending on the raw material that we require, we either enter into a contract to purchase it or obtain it through backward integration with our own manufacturing facilities. There are multiple sources that can supply the majority of the raw materials that we require. We also have arrangements with suppliers for raw materials for products meant for the regulated markets, which include terms with respect to quality, timely supplies and availability.

Quality Control

We believe that quality control is critical to our continued success. Across various manufacturing and research facilities, we have put in place quality systems that ensure consistent quality, efficacy and safety of products. Regular audit programs measure and validate our attempts to deliver consistent quality. Our manufacturing units at Pashamylaram (Telangana) are cGMP and US-FDA compliant. Our Company's unit at Pashamylaram (Telangana) has also been approved for manufacture of Gabapentin by the Commissioner of Ministry of Food and Drug Safety, Korea and granted a cGMP certificate by the Freie Und Hansestadt, Hamburg for manufacturing active pharmaceutical ingredients including Tamsulosin hydrochloride, Gabapentin. Our Company's unit at Pashamylaram (Telangana) has also been approved for manufacture of Fenoprofen Calicum by French National Agency for Medicines and Health Products Safety.

Our quality controls are mandated and supported by our executive management and coordinated by an independent corporate quality assurance department. We have adopted a quality policy, which describes the philosophy, structure and key elements of our quality systems. This is translated into various quality guidelines and procedures that are implemented at all operational levels to assure product quality.

Environmental matters

We are subject to significant Indian national and state environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environment protection, hazardous waste management and noise pollution. These regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. The costs associated with compliance with these environmental laws, regulations and guidelines may be substantial and, although we believe that we are in compliance with all applicable environmental standards, we may discover currently unknown environmental problems or conditions. We also handle dangerous materials including explosive, toxic and combustible materials.

Sales and Marketing

Our Company has direct marketing with our sponsors who are biotechnology, pharmaceutical and chemical companies, globally in different regions. Most of our efforts are in direct contact with research and development and procurement teams of our sponsors through which most of the contracts are initiated. We also participate in various chemical symposiums and pharmaceutical events presenting our capabilities to our sponsors.

Employees

As on February 29, 2020, we have 926 employees and 7 consultants. Our research team consists of 58 scientists of which 12 are PhD holders.

Insurance

All our assets including buildings, plant and machinery and stocks are insured for perils such as fire, riots, strikes, malicious damage, earthquakes, floods, cyclones, hurricanes, tornadoes and landslides depending on our risk assessment. We also have a transit insurance policy that covers our products during transit. Our policies are subject to customary exclusions and customary deductibles.

We believe that our insurance coverage is consistent with industry standards for companies in India. Our underwriters for general insurance coverage are National Insurance Company Limited, TATA AIG General Insurance Limited and Future Generali India Insurance Company Limited. We also have a group mediclaim policy with United India Insurance Company Limited.

Properties

Sr. No	Name of the property	Location	Owned/ leased	Term
1	Registered Office	Door No. 8-2-334, 3rd Floor, SDE Serene Chambers, Road No.5, Avenue 7, Banjara Hills, Hyderabad – 500034, Telangana	Leased	Commencement of lease – 1 October 2019. Term -5 years
2	Corporate Office	Door No. 8-2-334, 3rd Floor, SDE Serene Chambers, Road No.5, Avenue 7, Banjara Hills, Hyderabad – 500034, Telangana	Lease	Commencement of lease – 1 October 2019. Term -5 years
3	Suryapet, Telangana	Dasaigudem (V), Suryapet (M) Suryapet Dist. Telangana – 508 213	Own	Not applicable
4	Jeedimetla, Telangana	Plot No.18, Phase III, IDA Jeedimetla, Hyderabad, Telangana – 500 055	Own	Not applicable
5	Pashamylaram, Telangana	Plot No(s). 262- 264 & 269 – 271, IDA, Pashamylaram, Sanga Reddy Dist. Telangana – 502 307	Own	Not applicable
6	Jawaharlal Nehru Pharma City, Andhra Pradesh	Plot No(s). 65 – 67, JN Pharma City, Parwada, Visakhapatnam, Andhra Pradesh – 531 019	Own	Not applicable
7	USA Branch Office	1100 Cornwall Road Monmouth Junction NJ 08852, USA.	Leave and license	Valid till July 31, 2020

Corporate Social Responsibility

Our Company has formulated CSR policy to provide various services covered under Schedule VII of the Companies Act, 2013. Our Company will undertake various CSR activities like supply of drinking water, education support, woman empowerment etc., preferably around our plant locations where our company operates to support the localized populations.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India that are applicable to our business. The information detailed below has been obtained from various legislations, including rules, regulations and bylaws that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Drugs and Cosmetics Act, 1940

The Drugs and Cosmetics Act, 1940 ("Drugs and Cosmetics Act") regulates the import, manufacture, distribution and sale of drugs and cosmetics. In view of the provisions of the Drugs and Cosmetics Act, no person can import, manufacture, distribute, stock and sell any drug, except under the licence granted for respective operations by the authority notified under the Drugs and Cosmetics Act. The main functionaries under the Drugs and Cosmetics Act are the Licensing Authority and the Drug Inspector. While the Director of Food and Drugs Administration is empowered and notified as Licensing Authority to issue licences for different categories of business in drugs, the Assistant Drugs Controller acts as Supervisory officers and assists the Director in implementation of the Drugs and Cosmetics Act and rules thereunder. The Drugs and Cosmetics Act prescribes the standards for purity, identity and strength of drugs and cosmetics.

The Drugs and Cosmetics Rules, 1945 (the "DCA Rules") have been enacted to give effect to the provisions of the Drugs and Cosmetics Act to regulate the manufacture, distribution and sale of drugs and cosmetics in India. The DCA Rules prescribe the procedure for submission of report to the Central Drugs Laboratory, of samples of drugs for analysis or test, the forms of Central Drugs Laboratory's reports thereon and the fees payable in respect of such reports. The DCA Rules also prescribe the drugs or classes of drugs or cosmetics or classes of cosmetics for the import of which a licence is required, and prescribe the form and conditions of such licences, the authority empowered to issue the same and the fees payable therefor. The DCA Rules provide for the cancellation or suspension of such licence in any case where any provisions or rule applicable to the import of drugs and cosmetic is contravened or any of the conditions subject to which the licence is issued is not complied with. The DCA Rules further prescribe the manner of labelling and packaging of drugs.

Clinical trial

The DC Rules lay down the process mechanics and guidelines for clinical trial, including procedure for approval for clinical trials. Clinical trials require obtaining of free, informed and written consent from each study subject. The DC Rules also provide for compensation in case of injury or death caused during clinical trials. The Central Drugs Standard Control Organization has issued the Guidance for industry for submission of clinical trial application for evaluating safety and efficacy, for the purpose of submission of clinical trial application as required under the DC Rules. The Indian Council of Medical Research has issued the Ethical Guidelines for Biomedical Research on Human Participants, 2006 which envisages that medical and related research using human beings as research participants must, necessarily, inter alia, ensure that the research is conducted in a manner conducive to, and consistent with, their dignity, well-being and under conditions of professional fair treatment and transparency. Further such research is subjected to evaluation at all stages of the same.

Narcotic Drugs and Psychotropic Substances Act, 1985

The Narcotic Drugs and Psychotropic Substances Act, 1985 ("NDPS") makes stringent provisions for the control and regulation of operations relating to narcotic drugs and psychotropic substances, to provide for the forfeiture of property derived from, or used in, illicit traffic of narcotic drugs and psychotropic substances and to implement the provisions of the International Convention on Narcotic Drugs and Psychotropic Substances. The NDPS authorises the Central Government to take all such measures as it deems necessary or expedient for the purpose of preventing and combating abuse of narcotic drugs and psychotropic substances. The NDPS prohibits the production, manufacture, possession, sale, purchase, transportation, warehousing, usage, consumption, import or export of any narcotic drug or psychotropic substance, except for medical or scientific purposes as provided.

The Narcotic Drugs and Psychotropic Substances (Amendment) Act, 2014 (the "NDPS Amendment") broaden the object of the NDPS from containing illicit use to also promoting the medical and scientific use of narcotic drugs and psychotropic substances. Further, they allow for management of drug dependence, thereby legitimising opioid substitution, maintenance and other harm reduction services. The NDPS Amendment allows for instituting evidence based and human rights compliant standards for drug treatment facilities, whether public or private, significantly impacting the health and rights of people who use drugs.

National Pharmaceuticals Pricing Policy, 2012 (the "2012 Policy")

The 2012 Policy replaces the drug policy of 1994 and presently seeks to lay down the principles for pricing of essential drugs specified in the National List of Essential Medicines – 2011 ("NLEM") declared by the Ministry of Health and Family Welfare, Government of India and modified from time to time, so as to ensure the availability of such medicines at reasonable price, while providing sufficient opportunity for innovation and competition to support the growth of the Industry. The prices would be regulated based on the essential nature of the drugs rather than the economic criteria/market share principle adopted in the drug policy of 1994. Further, the 2012 Policy will regulate the price of formulations only, through market based pricing which is different from the earlier principle of cost based pricing. Accordingly, the formulations will be priced by fixing a ceiling price and the manufacturers of such drugs will be free to fix any price equal to or below the ceiling price.

Poisons Act, 1919

The Poisons Act, 1919 regulates the import, possession and sale of poisons. It empowers the Central Government to prohibit the importation into India across any customs frontier defined by the Central Government of any specified poison and regulates the grant of licenses.

Intellectual Property Legislations

Intellectual property in India enjoys protection under both common law and statutes.

Under statute, India provides for the patent protection under the Patents Act, 1970 (the "Patents Act"). The Patents Act governs the patent regime in India and recognises process patents as well as product patents. The Patents Act provides for grant of compulsory license on patents after expiry of three years of its grant in certain circumstances such as reasonable requirements of the public, non-availability of patented invention to public at affordable price or failure to work the patented invention.

Further, trademark protection is provided under the Trade Marks Act, 1999 (the "Trade Marks Act"). The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. It prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

In addition to the domestic laws, India is a party to several international intellectual property related instruments including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, and as a member of the World Trade Organisation, India is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995.

Environmental Regulations

The three major statutes in India, which seek to regulate and protect the environment against pollution in India are The Environment Protection Act, 1986, The Water (Prevention and Control of Pollution) Act 1974 and The Air (Prevention and Control of Pollution) Act, 1981. With the objective to control, abate and prevent pollution, the Pollution Control Boards ("PCBs"), vested with diverse powers to deal with water and air pollution, have been established at the Central level and in each State. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders (renewed annually) from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms laid down. Further, the Hazardous Wastes (Management Handling and Transboundary Movement) Rules, 2008 (the "Hazardous Wastes Rules") aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste. The Hazardous Wastes Rules impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste.

Foreign Investment and import/export

The Consolidated FDI Policy allows for FDI up to 100%, under the automatic route for greenfield investments in the pharmaceuticals sector and FDI up to 100%, for brownfield investments (investments in existing companies) under the government approval route.

The Pharmaceutical Export Promotion Council has been set up under the Ministry of Commerce and Industry in 2004. It is the sole issuer of registration-cum-membership certificates to exporters of pharmaceutical products in India. Also, the Importer Exporter Code along with the Foreign Trade (Development & Regulation) Act, 1992 governs imports into India, and the code is mandatory.

Other laws

In addition to the above, our Company is also required to comply at all times with the provisions of various other laws, rules and regulations including The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989, The Chemical Accidents (Emergency Planning Preparedness and Response) Rules, 1996, The Bio-Medical Waste (Management and Handling) Rules, 1998, The Public Liability Insurance Act, 1991, The Explosives Act, 1884 The Factories Act, 1948, The Boilers Act, 1923, various labour laws, legislations relating to shops and commercial establishments, electricity and other revenue and tax legislations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as a public limited company under the Companies Act, 2013, in Hyderabad, Telangana, India, pursuant to a certificate of incorporation dated November 6, 2018 issued by the Registrar of Companies, Telangana, at Hyderabad.

Registered office of our Company

The registered office of our Company is located at Door No. 8-2-334, 3rd Floor, SDE Serene Chambers, Road No.5, Avenue 7, Banjara Hills, Hyderabad – 500034, Telangana.

Changes in the name of our Company

There has been no change in the name of our Company since its incorporation.

Changes in Memorandum of Association

Other than pursuant to the Scheme, there have been no changes to the MOA.

Main objects as set out in the Memorandum of Association of our Company

1. To manufacture, refine, purchase, sell, prepare, import, export all classes and kinds of drugs including pharmaceuticals preparations and formulations, fine chemicals, raw materials and intermediates for drugs and all other pharmaceuticals such as tablets, injectables, syrups, powders, ointments, aerosols, capsules and liquids, for human consumption. To carry on the business of manufacturing, buying, selling, importing, exporting or otherwise dealing in nutraceutical products, medical, pharma and biotech products and agro-biotech products, including vaccines for prevention and cure of certain diseases among human beings and animals.

2. To buy, sell, Import, export, manufacture and treat, and deal in all kinds of chemicals, biologicals, cosmetics, insecticides, agrochemicals, pesticides, hormones, medicated soaps and foods. To Manufacture, process, refine, formulate, purchase, sell, import, export, distribute and/or deal with, all kinds of organic as well as inorganic materials, all kinds of drugs, nutriments, nutraceuticals, phytochemicals, active pharmaceutical ingredients, functional foods, therapeutic preparations, dietary supplements, pharmaceuticals, allopathic and/or veterinary, including bulk drugs and intermediates, organic compounds, acids, vitamins, medicines from fermentation and synthetic routes and/or diagnostics.

3. To render professional and Technical Consultancy and advice to any individual firm, Company, Government and Statutory Undertaking or Corporation or any other body carrying on any business whatsoever in the field of Design and Engineering, Research and Development, Business, Industrial and General Management relating to Chemical and Pharmaceutical Industries.

4. To undertake, promote, encourage, initiate, assist and engage in all kinds of research and development work and to set up laboratories and other facilities required for the same and to render such assistance monetary or otherwise as may be required for that purpose.

5. To undertake all kinds of Research & Development in health-care, biotechnology, pharmaceuticals and formulations not specifically covered aforesaid, and, in particular and without prejudice to the generality, to undertake clinical research, contract clinical research activities, bio-technology and services, to develop new products and provide support services for developing new products and substitutes for imported products and for manufacture and distribution of finished dosage forms and establishing pharmaceutical market networks.

6. To establish, run and maintain hospitals, diagnostics centre's, nursing homes, mobile medical service centers and any medical and health care institution and to promote research and development in these areas.

The main objects of as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Awards and accreditations

The Company under CRAMS division of Suven Life Sciences Limited prior to Demerger has obtained the following awards/accreditations

Year	Awards	Category
2009-15	Star export house	Ministry of Commerce Industry
2014	Best under a billion	Forbes Asia 2014
2013-14	Outstanding export performance award	Contract Research & Manufacturing
2012	TV5 business leader award	Pharmaceutical Sector
2011-12	Platinum patent award	Overall Category

Shareholders' agreements

There are no subsisting shareholders' agreements in relation to our Company.

Material agreements

There are no material agreements entered into by our Company in the preceding two years from the date of this Information Memorandum.

Further, there is no agreement entered into by a Key Managerial Personnel or Director or Promoter or any employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings in the securities of our Company.

Holding company

As on the date of this Information Memorandum, we do not have any holding company

Subsidiary company

As on the date of this Information Memorandum, our Company has the following subsidiary:

Suven Pharma Inc. USA

Unless stated otherwise, the details in relation to our Subsidiary, provided below, are as on the date of this Information Memorandum.

Corporate Information

Suven Pharma Inc. USA was incorporated on 4 March 2019 under the laws of Delaware and bearing file number 7307191. Its registered office is situated at 1100 Cornwall Road, Monmouth Junction NJ 08852, USA.

Suven Pharma Inc. USA is a special purpose vehicle for undertaking various business opportunities in Pharma industry.

Capital Structure

The authorised equity share capital is 1,500 shares having a par value of $0.0100000 per share. The issued and subscribed and paid up equity share capital of Suven Pharma Inc. USA is 1,500 shares having a par value of $0.0100000 per share.

Shareholding

Our Company holds 1,500 equity shares of face value $0.0100000 per share each in its own name of Suven Pharma Inc. USA.

Accumulated profits or losses

There are no accumulated profits or losses of Suven Pharma Inc. USA not accounted for by our Company.

Listing

Our Subsidiary is not listed in India or abroad.

Business Interest & Common Pursuits

Except as set forth in "*Financial Statements*" on page 84, our Subsidiary is not interested in the business of our Company. There are no common pursuits between our Company and our Subsidiary.

Other Confirmations

There has been no rescheduling of our borrowings from financial institutions.

Our Company does not have any strategic/financial partners.

As on date of filing the Information Memorandum, other than pursuant to the Scheme, there has been no acquisition of business, undertakings, mergers, amalgamations or revaluation of assets.

SCHEME OF ARRANGEMENT

Rationale as provided in the Scheme:

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

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

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

- *The demerger would facilitate focused growth, operational efficiencies, business synergies and increased operational and customer focus in relation to the Contract Research and Manufacturing Services Undertaking in the Resulting Company and the Discovery Research Undertaking in the Demerged Company. The demerger would thus provide a platform for having a concentrated approach towards development of the respective business verticals.*

- *Focused business approach for the maximization of benefits to all the shareholders and opportunities for growth.*

- *Operational rationalization, organization efficiency and optimum utilization of various resources.*

- *Ability to leverage financial and operational resources of each business.*

- *Each business would be able to address independent business opportunities, pursue efficient capital allocation and attract different sets of investors, strategic partners, lenders and other stakeholders.*

- *The proposed demerger will enhance value for shareholders and allow a focused strategy in operation of the respective business verticals which would be in the best interest of the Demerged Company and the Resulting Company, shareholders, creditors and all persons connected therewith.*

- *The segregation is also expected to unlock the value of the business verticals of the Demerged Company.*

- *There is no likelihood that the interests of any shareholder or creditor of either the Demerged Company or the Resulting Company would be prejudiced as a result of the Scheme. The demerger will not impose any additional burden on the members of Demerged Company or the Resulting Company. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors and stakeholders.*

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

The Salient features of the Scheme are as follows:

a. Part B, of the Scheme provides for the demerger and vesting of Contract Research and Manufacturing Services Undertaking with our Company;

b. The Appointed Date for the Scheme is October 1, 2018;

c. The Scheme approved by the Tribunal shall be effective from the Appointed Date but shall be operative from the Effective Date (as defined in the Scheme);

d. The Scheme provides that with effect from the Appointed Date and upon the Scheme becoming effective:

    i. The CRAMS undertaking (“Demerged Undertaking”) shall stand transferred as a going concern, to our Company, at book values as of the Appointed Date and the remaining business undertaking of Suven Life

Sciences Limited and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by Suven Life Sciences Limited.

e. The Scheme further provides that in consideration of the demerger of the Demerged Undertaking as under:

    i. in relation to the transfer and vesting of the Demerged Undertaking in to the Company, 1 (One) fully paid up Equity Share of INR 1 (Rupee One only) each of the Company shall be issued and allotted for every 1 (One) fully paid up equity share of INR 1 (Rupee One only) each held in the Demerged Company i.e., Suven Life Sciences Limited.

Approvals with respect to Scheme of Arrangement

The NCLT vide its order dated January 6, 2020 has sanctioned the Scheme of Arrangement. In accordance with the said Scheme, the equity shares of our Company issued subject to applicable regulations shall be listed and admitted to trading on the BSE and NSE. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company seeking listing.

OUR MANAGEMENT

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, the number of Directors on our Board shall not be less than three and not more than fifteen, provided that our Company may appoint more than fifteen Directors after passing a special resolution.

As on the date of this Information Memorandum, our Board comprises of six Directors, out of which three are independent Directors, including a woman Director. The composition of the Board of Directors is in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

Board of Directors

The following table sets forth details of our Board as of the date of filing of this Information Memorandum with the Stock Exchanges:

Name, Designation, DIN, Occupation, Term and period of directorship	Date of Birth and Age (years)	Address	Directorship in other Companies
Venkateswarlu Jasti **DIN**: 00278028 **Designation**: Chairman & Managing Director **Occupation**: Business **Term and period of directorship**: Appointed with effect from November 6, 2019, liable to retire by rotation	01/07/1949 70 years	Plot No 396, Road No. 22B Jubilee Hills Hyderabad 500033, Telangana, India	• Suven Life Sciences Limited • The Federation of Telangana Chambers of Commerce and Industry • Jasti Property and Equity Holdings Private Limited
Govinda Prasad Dasu **DIN**: 00160408 **Designation**: Independent and Non-Executive Director **Occupation**: Chartered Accountant **Term and period of directorship**: Appointed with effect from November 30, 2019, not liable to retire by rotation	30/06/1948 71 years	8-3-322/C/1/19, A-8, Madhura Nagar, Ameerpet, Hyderabad, 500 038, Telangana, India.	• Gokak Textiles Limited • Moschip Technologies Limited • Natco Pharma Limited
Dr. Srivari Chandrasekhar **DIN**: 00481481 **Designation**: Independent and Non-Executive Director **Occupation**: Service **Term and period of directorship**: Appointed with effect from November 30, 2019, not liable to retire by rotation	09/03/1964 55 years	2-2-25/P/2/A, Plot No 2 Bagh Amberpet, Hyderabad 500013, Telangana, India	Nil

Name, Designation, DIN, Occupation, Term and period of directorship	Date of Birth and Age (years)	Address	Directorship in other Companies
Deepanwita Chattopadhyay **DIN**: 02357160 **Designation**: Independent and Non-Executive Director **Occupation**: Service **Term and period of directorship**: Appointed with effect from November 30, 2019, not liable to retire by rotation	04/08/1957 62 years	6-3-1102, Flat No. H-1, Hidden Treasure Apartments, Ayyappa Swamy Temple Road, Somajiguda Hyderabad 500082, Telangana, India	• IKP Knowledge Park • IKP Venture Advisors Private Limited • IKP Trusteeship Services Private Limited • Support Elders Private Limited
Venkata Ramudu Jasthi **DIN**: 03055480 **Designation**: Non-Executive Director **Occupation**: Retired **Term and period of directorship**: Appointed with effect from November 6, 2019, liable to retire by rotation	01/08/1954 65 years	Sr Officers Qtrs No.2, Shourya Bhavanam Campus, MLA Colony, Road No.10-C, Jubilee Hills, Hyderabad 500033, Telangana, India	• Avanti Feeds Limited • Endiya Trustee Private Limited
Jerry Jeyasingh **DIN**: 08589727 **Designation**: Non-Independent and Non-Executive Director and Chief Operating Officer **Occupation**: Business **Term and period of directorship**: Appointed with effect from November 6, 2019, liable to retire by rotation	16/12/1976 43 years	Plot No. 396, Road No. 22B, Jubilee Hills, Hyderabad 500033, Telangana, India	Nil

Brief profile of our Directors

Venkateswarlu Jasti, aged 70 years, is a Post Graduate in Pharmacy from Andhra University, Visakhapatnam, and also a Post Graduate in Pharmacy from St. John University, New York, specializing in Industrial Pharmacy. Having registered himself as a Registered Pharmacist, he successfully owned and operated a chain six of community pharmacies in the state of New York and New Jersey in USA from 1977 till 1989. He was the president elect of Essex County Pharmaceutical Society of New Jersey in 1988.

He returned to India from USA and co-founded Suven Life Sciences Limited in 1989. Since then, he has been successfully managing the company providing the direction and leadership. Under his leadership, Suven Life Sciences Limited developed innovative business models like CRAMS (Contract Research and Manufacturing Services) and DDDSS (Drug Discovery & Development Support Services).

Under his leadership, Suven Life Sciences Limited architected discovery programmes in the year 2004, leading to a pipeline of 13 molecules, with its first molecule SUVN-502 targeted against cognition in Alzheimer's is undergoing proof of concept Phase 2 study in USA. All other molecules are in different phases of preclinical and clinical development programmes.

He is the Chief architect for the formation of A.P. Chief Minister's task force for Pharma during 2001 and responsible for the creation of Pharma City at Vishakhapatnam by Government of Andhra Pradesh and PHARMEXCIL (Pharmaceutical Export Promotion Council), head quartered at Hyderabad. He was Chairman for PHARMEXCIL till 2009. He is also Director on the Board of Suven Life Sciences Limited, FTCCI and Jasti Property and Equity Holdings Private Limited.

He was President of Indian Pharmaceutical Association (IPA), and Chairman of Local Organizing Committee for the 52nd Indian Pharmaceutical Congress held at Hyderabad in 2001 and was President of Bulk Drug Manufacturers Association of India (BDMA) till September 2004.

Govinda Prasad Dasu, aged 71 years, is a Chartered Accountant with expertise in finance comes with rich banking experience gained in various capacities, he has been a career banker for over 33 years and holds considerable expertise in trade finance, international finance, merchant banking, corporate strategies, mergers and acquisitions, loan syndications, forfeiting, international negotiations and co-financing with multilateral agencies. He has been trained in - Treasury Management' at Credit Suisse, Switzerland; International Banking and Development' at the International Development Ireland at Dublin and London and Advanced Agribusiness Management' at Cornell University, Ithaca, New York, USA. He has also been a guest faculty at business schools on international finance and international marketing. His career is also is marked by service in Canara Bank and Exim Bank.

Dr. Srivari Chandrasekhar, aged 55 years, completed all his primary and higher education in Hyderabad and Joined CSIR, IICT for a Ph. D Programme. After completing his Ph. D (1991) with the then director Dr. A. V. Rama Rao, he moved to USA for a post-doctoral position with Prof. J. R. Falck (1991-94). He joined Council of Scientific and Industrial Research – Indian Institute of Chemical Technology ("**CSIR-IICT**") as Scientist C in 1994 and grew upto the level of director in 2015. He is a fellow of all the three Indian Science academies, i.e., National Academy of Sciences, Indian Academy of Sciences and Indian National Science academy. He is also an Alexander von Humboldt fellow. He has made significant contributions in diverse areas of organic chemistry with a special emphasis on chiral chemistry, total synthesis of biologically active natural products and pharmaceutical products. He introduced polyethylene glycol (PEG) as a novel, environmentally benign solvent medium. He has developed technologies for the synthesis of latest anti-tuberculosis drug, bed aquiline; anti-tumor and abortive drug, misoprostol; anti-platelet molecule, beraprost; ant depressive compound, sertraline and drug for treatment of schizophrenia, asenapine. He has more than 275 publications with 6500 citations. 65 students have been already awarded Ph. D. degree under his able guidance and 20 post-doctoral associates have worked in his group. He has received several accolades including Eminent Scientist Award for contributions in the field of Chemistry from Telangana State Government in 2017, CNR Rao National Prize for Chemical Research 2012, CSIR Technology award 2014 and Infosys prize in Chemical sciences 2014 for his contributions in synthetic organic chemistry with special focus on the synthesis of complex molecules from natural sources and innovative, practical approaches to pharmaceuticals of current interest to industry.

Venkata Ramudu Jasthi, aged 65 years, 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 neighbouring villages. He has rich and varied experience in community services.

Deepanwita Chattopadhyay, aged 62 years, is Chairman & CEO of IKP Knowledge Park, developed the first Life Science Research Park in India, in Hyderabad. She pioneered a Hardware Product Incubator and Makerspace, IKP EDEN, in Bangalore and works with Indian and global partners to nurture and fund over 400 innovators and early startups. In 2018 she was awarded the "Top Women Achievers of the Year 2017 in Asia" by Asia One Business Magazine and "Women of the Decade in Life Sciences & Innovation" by the Women Economic Forum.

She completed her graduation in Physics from Presidency College, Kolkata, B.Tech & M.Tech in Radio Physics & Electronics from Calcutta University and was a senior research fellow at the Centre for Applied Research in Electronics, IIT, Delhi. After brief stints as faculty at the Electrical and Electronics Engineering Department, BITS, Pilani and as freelance writer and editor of science material for children, she joined the telecom advisory practice of ICICI Bank Limited in 1994. She advised both government agencies and the private sector on telecom regulation & policy, convergence issues, market forecasts and entry strategies. She was deputed to IKP Knowledge Park as its CEO in August 2001.

She is the Founder Chairman of Support Elders Private Limited. She is a Director on the Boards of IKP Trust and IKP Investment Management Company and the President of IKP EDEN. She is a Member of the Governing Councils of several Incubators in India, and member of several National level committees including the Committee of the Prime Minister's Fellowship for Doctoral Research, DBT Committee on Biotech Parks and the CII National Committee on Biotechnology.

Dr. Jerry Jeyasingh, aged 43 years is a Medical Doctor from Sri Ramachandra Medical College and Research Institute in Chennai. He joined KMC Group in Dubai, helped establish KMC Group into a leading corporate healthcare provider in Dubai with a chain of Medical Centers, Pharmacies and Medical Labs. His main aim was to make Healthcare accessible to all sections of society, especially focusing on the underserved industrial workers and contract laborers.

He also played a key role in assisting the Dubai Health Authority in initiating and conducting the pilot study for the compulsory health care program in Dubai which eventually led to the implementation of mandatory health insurance plan that is currently adopted by the Dubai Government.

He has been closely involved in conducting numerous free health camps in industrial areas in various parts of Dubai over the last decade, helping raise awareness of health and safety among immigrant workers. He has also been involved with various charities in Dubai and India, supporting and promoting basic healthcare.

He is also sports enthusiast, member of the local running club, plays for the local cricket and football teams as well. He is an avid traveler, having a special interest in trekking and mountain climbing. He has travelled extensively in the mountainous jungles of Borneo and the many islands in the South China Sea.

Relationship between our Directors

As on the date of this Information Memorandum, none of the directors are related to each other except Venkateswarlu Jasti and Dr. Jerry Jeyasingh (who is son-in-law of Venkateswarlu Jasti).

Details of directorship in companies suspended or delisted

None of our Directors is or was a director of any listed company, whose shares are or were suspended from being traded on any of the stock exchanges during the last five years prior to the date of this Information Memorandum, during the term of her/his directorship in such company.

None of our Directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange, during the term of her/his directorship in such company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

There are no service contracts entered into between any of our Directors and our Company for provision of any benefits upon termination of directorship.

Details of remuneration for our Directors

The Board is composed of 6 members consisting of executive, non-executive and Independent Directors including one independent woman director. The Composition satisfies the listing norms. Out of the six member of the Board, Venkateswarlu Jasti is the Executive Managing Director and Chief Executive Officer of our Company appointed by our Company in its first Annual General Meeting held on November 30, 2019 for a period of 5 years commencing from November 6, 2019 on the terms and conditions as detailed below. Further, pursuant to the board resolution dated January 10, 2020, the designation of Venkateswarlu Jasti was changed to Managing Director. Further the board in its meeting held on January 27, 2020 has elected Venkateswarlu Jasti as Chairman of the board, pursuant to which he is re-designated as Chairman & Managing Director Hence past data pertaining to Managing Director/Whole Time Director is not applicable.

Salary:

Basic Salary of INR 30,00,000 (Rupees Thirty lakh only) per month with an annual increment not exceeding 15% of salary effective from the month of November every year as may be decided by the Board on the recommendations of the NRC.

Commission:

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

Perquisites and Allowances:

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

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

Bonus or profit sharing plan for our Directors

None of our Directors are party to any bonus or profit sharing plan of our Company.

Payment or benefit to Directors of our Company

No amount or benefit has been paid or given within the two preceding years from the date of this Information Memorandum or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered in the capacity of being a Director.

Shareholding of our Directors in our Company

Our Articles do not require our Directors to hold any qualification shares.

Except as disclosed in the section titled "*Capital Structure*" on page 29, none of our Directors hold any Equity Shares in our Company.

Borrowing Powers of the Board

In accordance with our Articles of Association and subject to the provisions of the Companies Act, 2013, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, borrow any sum of money for the purpose of our Company and the Board may secure repayment of such money in such manner and upon such terms and conditions in all respects as it thinks fit. Pursuant to a resolution of the shareholders of our Company dated November 30, 2019, in accordance with Section 180 of the Companies Act, 2013, the Board is authorised to borrow up to an amount of INR 80,000 lakhs in excess of the aggregate of the paid up capital and free reserves of our Company and for creation of charge/providing security for the sum borrowed on the assets of our Company.

Other Confirmations

Our Directors and Key Management Personnel may be regarded as interested in the Equity Shares held by them, if any. All of our Directors and Key Management Personnel may also be deemed to be interested to the extent of any dividends payable to them and other distributions in respect of the Equity Shares, if any, held by them.

Further, our Directors have no interest in any property acquired by our Company or proposed to be acquired of or by our Company or in any transactions relating to acquisition of land, construction of building and supply of machinery.

No loans have been availed by our Directors or the Key Management Personnel from our Company.

Our Company has not instituted an employee stock option plan.

Except Venkateswarlu Jasti, none of our Directors are interested in the promotion or formation of our Company.

Our Company has not made any payments in cash or shares or otherwise to any of our Directors or to firms or companies in which any of our Directors are interested as members or promoters nor has any Directors been offered any inducements to become interested in any firm or company, in connection with the promotion or formation of our Company.

Changes in our Board in the last three years

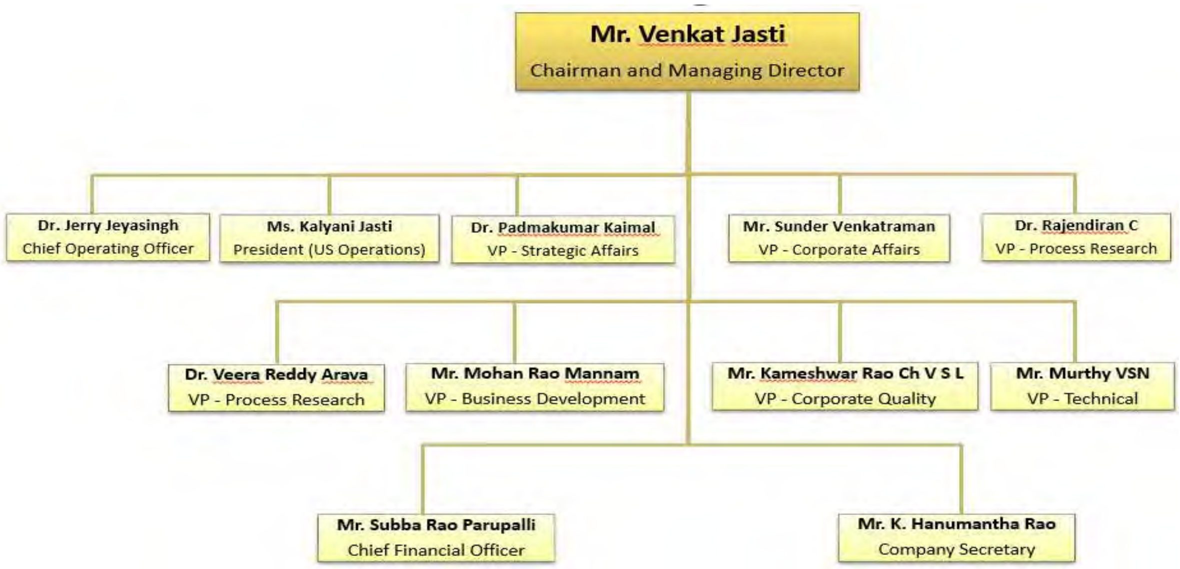
Name	Designation	Date of appointment/ cessation	Reason
Venkateswarlu Jasti*	Chairman & Managing Director	November 6, 2019	Appointment
Jerry Jeyasingh#	Non-Executive Director and Chief Operating Officer	November 6, 2019	Appointment
Venkata Ramudu Jasthi	Non- Executive Director	November 6, 2019	Appointment
Govinda Prasad Dasu	Independent and Non-Executive Director	November 30, 2019	Appointment
Srivari Chandrasekhar**	Independent Director	November 30, 2019	Appointment
Deepanwita Chattopadhyay**	Independent Director	November 30, 2019	Appointment
Sunder Venkatraman	Director	January 10, 2020	Cessation
Subba Rao Parupally	Director	January 10, 2020	Cessation

** He was appointed as the Executive Managing Director and Chief Executive Officer of our Company in its first Annual General Meeting held on November 30, 2019 for a period of 5 years commencing from November 6, 2019. Further, pursuant to the board resolution dated January 10, 2020, his designation was changed to Managing Director. Moreover, the board in its meeting held on January 27, 2020 has elected him as a Chairman of the board, pursuant to which he is re-designated as Chairman & Managing Director.*

#On November 6, 2019, he was appointed as additional director by the Board and also appointed as Non-Executive Director and Chief Operating Officer by the Board subject to approval of the members in the General Meeting. In the AGM held on 30 November 2019, he was appointed as the Non-Executive Director and Chief Operating Officer.

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

Management Organization Chart



Key Managerial Personnel

In addition to the Whole-time Director, P Subba Rao, Chief Financial Officer and K Hanumantha Rao, Company Secretary are the Key Managerial Personnel of our Company.

Remuneration details of the KMP for Fiscal 2019: Nil

All our Key Managerial Personnel are permanent employees of our Company.

Relationship of Key Managerial Personnel

None of our Key Managerial Personnel are related to each other or to the Directors.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Shareholding of Key Management Personnel

As of the date of this Information Memorandum, none of the Key Management Personnel hold any Equity Shares in our Company except for P Subba Rao, Chief Financial Officer who holds 59,600 Equity Shares in our Company.

Changes in our Key Managerial Personnel in the last three years

No change in the KMP since the incorporation of our Company

Service contracts with Key Managerial Personnel

There are no service contracts entered into between any of our Key Management Personnel and our Company for provision of any benefits upon termination of employment.

Bonus or profit sharing plan for our Key Management Personnel

None of our Key Management Personnel are party to any bonus or profit sharing plan of our Company.

Payment or benefit to Key Management Personnel of our Company

No amount or benefit has been paid or given within the two preceding years from the date of this Information Memorandum or is intended to be paid or given to any of our Key Management Personnel except the normal remuneration for services rendered in the capacity of being an employee.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the rules framed thereunder, in respect of corporate governance including constitution of the Board and committees thereof.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

a. Audit Committee

The members of Audit Committee are:

1. Govinda Prasad Dasu, Chairman
2. Venkata Ramudu Jasthi
3. Srivari Chandrasekhar

The Audit Committee was constituted by a meeting of the Board held on November 6, 2019. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, and its terms of reference are as follows:

The role of the Audit Committee shall be as follows:

(a) oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) provide recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(c) approve payment to statutory auditors for any other services rendered by them;

(d) review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   i. matters required to be included in the Director's Responsibility Statement to be included in the board of directors report in terms of clause (c) of sub Section 3 of Section 134 of the Companies Act, 2013;

   ii. changes, if any, in accounting policies and practices and reasons for the same;

   iii. major accounting entries involving estimates based on the exercise of judgment by the management of the Company;

   iv. significant adjustments made in the financial statements arising out of audit findings;

   v. compliance with listing and other legal requirements relating to financial statements;

   vi. disclosure of any related party transactions; and

   vii. modified opinion(s) in the draft audit report.

(e) review, with the management, the quarterly and any other partial year period financial statements before submission to the board of directors for their approval;

(f) review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our board of directors to take up steps in this matter;

(g) review and monitor the auditor's independence and performance, and effectiveness of audit process;

(h) approve or subsequently modify transactions of the Company with related parties;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

(i) scrutinize inter-corporate loans and investments;

(j) provide valuation of undertakings or assets of the Company, wherever it is necessary;

(k) evaluate internal financial controls and risk management systems;

(l) review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(m) review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(n) discuss with internal auditors of any significant findings and follow up there on;

(o) review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(p) discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(r) to review the functioning of the whistle blower mechanism;

(s) approve the appointment of the Chief Financial Officer of the Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(t) oversee the vigil mechanism established by the Company and the chairman of audit committee shall directly hear grievances of victimisation of employees and directors, who use vigil mechanism to report genuine concerns; and

(u) carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the board of directors of the Company or specified/provided under the Companies Act, 2013 or by the SEBI Listing Regulations or by any other regulatory authority.

Further, the Audit Committee shall mandatorily review the following information:

a. management discussion and analysis of financial condition and results of operations;

b. statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

c. management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;

d. internal audit reports relating to internal control weaknesses;

e. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and

f. statement of deviations in terms of the SEBI Listing Regulations:

   i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and

   ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.

The powers of the Audit Committee shall include the following:

a. To investigate activity within its terms of reference;

b. To seek information from any employee of the Company;

c. To obtain outside legal or other professional advice; and

d. To secure attendance of outsiders with relevant expertise, if it considers necessary

b. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Govinda Prasad Dasu, Chairman
2. Venkata Ramudu Jasthi
3. Venkateswarlu Jasti

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on November 6, 2019. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are as follows:

a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b. Formulation of criteria for evaluation of performance of independent directors and the Board;

c. Devising a policy on Board diversity;

d. Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e. Analysing, monitoring and reviewing various human resource and compensation matters;

f. Determining the Company’s policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

g. Determining remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

h. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

i. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

j. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

k. Administering any employee stock option plan ("Plan");

l. Determining the eligibility of employees to participate under the Plan;

m. Granting options to eligible employees and determining the date of grant;

n. Determining the number of options to be granted to an employee;

o. Determining the exercise price under the Plan;

p. Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan;

q. Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

b. and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended.

r. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

c. Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Venkata Ramudu Jasthi, Chairman
2. Deepanwati Chattopadhyay
3. Jerry Jeyasingh

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on November 6, 2019. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as follows:

a. Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;

b. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

c. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time; Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and

d. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

d. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. J.V.Ramudu, Chairman
2. Venkateswarlu Jasti, Member and
3. Deepanwita Chattopadhyay

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on November 6, 2019. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder, and have been set out below:

a. To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;

b. To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

c. To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

d. To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

e. To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

f. To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

The Promoters of our Company are Venkateswarlu Jasti and Sudharani Jasti. As on the date of this Information Memorandum, each of our Promoters hold 1000 Equity Shares of the issued, subscribed and paid-up Equity Share capital of our Company. Our Promoters have acquired shareholding in our Company pursuant to the Scheme. Suven Life Sciences Limited was the original promoter of our Company. For details see section "*Changes in our Promoters*" at page 78 below.

Details of our Promoters

Individual Promoters

Photograph	Profile	Directorship held in Companies
	Venkateswarlu Jasti, aged 70 years, is one of our Promoters. **Date of birth**: July 1, 1949 **Address**: Plot No 396, Road No. 22B, Jubilee Hills Hyderabad 500 033, Telangana, India **Permanent Account Number**: ACEPJ1919K **Aadhar Card Number**: 7032 0711 9746 **Driving License Number**: 314341995	• Suven Life Sciences Limited • The Federation of Telangana Chambers of Commerce and Industry • Jasti Property and Equity Holdings Private Limited
	Sudharani Jasti, aged 64 years, is one of the Promoters **Date of birth**: June 8, 1954 **Address**: Plot No 396, Road No. 22B, Jubilee Hills Hyderabad 500 033, Telangana, India **Permanent Account Number**: ACPPJ5653F **Aadhar Card Number**: 3923 7033 2308	Suven Life Sciences Limited

Changes in our Promoters

Our Company was incorporated on November 6, 2018 with 8 individual shareholders, subsequently. On February 5, 2019, Suven Life Sciences Limited (along with 6 nominees) held 100% of the shareholding of our Company. Pursuant to the Scheme of Arrangement, shareholding of Suven Life Sciences Limited was cancelled on January 27, 2020 and 1,000 Equity Shares each were allotted to Venkateswarlu Jasti and Sudharani Jasti on January 27, 2020. Venkateswarlu Jasti and Sudharani Jasti are the current Promoters of our Company pursuant to the Scheme.

Interest of our Promoters

Interest of our Promoters in the promotion of our Company

Our Promoters are interested in our Company to the extent of their respective direct or indirect shareholding in our Company and the dividend declared, if any and any other distributions in respect of their direct or indirect shareholding in our Company. For further details, see "*Capital Structure*" on page 29.

Interest of our Promoter in the Property of our Company

Our Promoters do not have any interest whether direct or indirect in any property acquired by our Company, within three years preceding the date of this Information Memorandum or proposed to be acquired by our Company as on the date of this Information Memorandum or in any transaction for acquisition of land, construction of buildings and supply of machinery, etc.

Interest of our Promoters in our Company other than as Promoter

Further, except as stated in this section and "*Financial Statements*" on page 84, our Promoters do not have any interest in our Company other than as promoters.

Interest of our Promoters in our Company arising out of being a member of firm or company

Our Company has not made any payments in cash or shares or otherwise to any of our Promoters or to firms or companies in which any of our Promoters are interested as members or promoters nor has any Promoter been offered any inducements to become interested in any firm or company, in connection with the promotion or formation of our Company.

Common Pursuits of our Promoters with our Company

None of the business activities of our Promoters are similar to that of our Company.

Disassociation by our Promoters in the last three years

Our Promoters have not disassociated themselves from any significant venture during the three years preceding the date of filing of this Information Memorandum.

Payment or benefit to Promoters of our Company

No amount or benefit has been paid or given within the two preceding years from the date of this Information Memorandum or is intended to be paid or given to any of our Promoters or any member of our Promoter Group other than in the ordinary course of business.

Confirmations

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

None of our Promoters have been identified as a 'wilful defaulter' by the RBI, any government/regulatory authority and/or by any bank or financial institution.

None of our Promoters are debarred from accessing the capital markets by SEBI.

None of our Promoters is a promoter or director of any Company which is debarred from accessing the capital market by SEBI.

PROMOTER GROUP

Unless the context requires otherwise, the entities forming part of our promoter group in accordance with SEBI ICDR Regulations have been identified as our Promoter Group companies.

GROUP COMPANY

1. *Suven Life Sciences Limited ("SLSL")*

Corporate Information

SLSL was incorporated under the provisions of Companies Act, 1956 on March 9, 1989 with registration number 01-09713, having its registered office at Door No. 8-2-334, 6th Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad – 500 034, Telangana, India. Its corporate identification number is L24110TG1989PLC009713.

SLSL's equity shares are listed on the BSE and NSE. SLSL is engaged in the bio-pharmaceuticals, focused on innovative New Chemical Entities (NCE) for unmet medical need under Central Nervous System (CNS) disorders.

Interest of our Promoters

As on December 31, 2019, Venkateswarlu Jasti and Sudharani Jasti held 1,000 equity shares each of SLSL's equity share capital.

Financial Information

The following information has been derived from the consolidated financial statements of SLSL for the last three financial years:

(INR lakhs except per share data)

Particulars	FY 2019	FY 2018*	FY 2017**
Equity Capital	1,272.82	1,272.82	1,272.82
Other equity	81,826.56	75,467.83	65,427.06
Total Income	68,773.37	64,852.91	56,557.03
Profit for the year	8,694.31	12,368.75	8,718.73
EPS (Basic & Diluted)	6.83	9.72	6.84
Net Asset Value	65.29	60.29	52.40

**extracted from audited financial statements of FY 2019*
***extracted from audited financial statements of FY 2018*

Share price information

The equity shares of SLSL are listed on BSE and NSE. The following table provides details of the highest and lowest price on BSE and NSE during the preceding six months:

Month	BSE		NSE	
	High	Low	High	Low
February 2020*	67.40	30.10	67.50	24.50
January 2020	321.85	20.30*	322.00	15.20*
December 2019	312.95	253.10	312.90	251.90
November 2019	334.90	273.00	334.70	272.75
October 2019	306.85	247.85	307.75	248.10
September 2019	304.75	252.05	304.40	251.75

**Pursuant to the Scheme, the share price has been adjusted w.e.f. January 21, 2020, the record date being January 22, 2020*

Significant notes of auditors of SLSL for the last three financial years

There are no significant notes by the auditors of SLSL in relation to aforementioned financial statements for the specified three immediately preceding financial years

Other confirmations

Our Group Company has not made a rights issue in the three years preceding the date of this Information Memorandum.

Our Group Company does not fall under the definition of sick industrial companies under Sick Industrial Companies (Special Provisions) Act, 1985, or declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further no winding up, insolvency or bankruptcy proceedings have been initiated against our Group Company.

As on date of this Information Memorandum, our Group Company is not a defunct company and there has been no application made to the registrar of companies for striking off its name.

None of the business activities of our Group Company are similar to that of our Company, accordingly there are no conflicts of interest or common pursuits.

Our Group Company do not have any interest in any transaction in acquisition of land, construction of building and supply of machinery, etc. in relation to our Company except the agreement to be entered into with our company for leasing of premises.

Our Group Company has not provided any unsecured loans to our Company which are outstanding as of date.

Our Group Company does not have any interest in the promotion of our Company.

Except as disclosed in the "*Financial Statements"* on page 84, our Group Company does not have any business interests in our Company.

Litigation

Except as disclosed in "*Outstanding Litigation and Other Material Developments*" on page 107, our Group Company is not party to any pending litigations which will have a material impact on our Company.

Except pursuant to the Scheme, there are no business transactions between our Group Company and our Company which are significant to the financial performance of our Company.

RELATED PARTY TRANSACTIONS

For details of related party transactions of our Company, see "*Financial Statements*" on page 84

DIVIDEND POLICY

As on the date of this Information Memorandum, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act.

The dividend, if any, will depend on a number of factors, including but not limited to our earnings, capital requirements, contractual obligations, results of operations, financial condition, cash requirements, business prospects and any other financing arrangements, applicable legal restrictions and overall financial position of our Company. Our Board may also, from time to time, declare interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared. In addition, our ability to pay dividends may be impacted by restrictive covenants under the loan or financing arrangements our Company may enter into to finance our fund requirements for our business activities.

Our Company has declared an interim dividend of INR 2.50 per Equity Share and one time special dividend of INR 2.50 per Equity Share, aggregating to INR 5.00 per Equity Share on February 13, 2020.

SECTION VI - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Suven Pharmaceuticals Limited

Report on the Interim Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying interim standalone Ind AS financial statements of **Suven Pharmaceuticals Limited** ('the Company'),which comprise the interim standalone Balance Sheet as at 30th September, 2019, the interim standalone Statement of Profit and Loss (including Other Comprehensive Income), the interim standalone Statement of Changes in Equity, the Statement of interim standalone Cash Flows for the six month period then ended and notes to the interim standalone 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 interim standalone Ind AS financial statements give the information required by the Companies Act, 2013 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 30th September, 2019, its profit and total comprehensive income, changes in equity and its cash flows for the six month period then ended on that date.

Basis for Opinion

We conducted our audit 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 interim 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 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 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 interim standalone Ind AS financial statements.

Management's Responsibility for the Interim 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 interim standalone Ind AS financial statements that give a true and fair view of the standalone financial position, standalone financial performance including other comprehensive income, standalone changes in equity and standalone cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under section 133 of the act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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; the 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 interim standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

KARVY & CO
Chartered Accountants
Firm No. 001757S
HYDERABAD

27/01/2020

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

In preparing the interim standalone Ind AS financial statements, Board of Directors are 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 Board of Directors 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 interim standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether these interim 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 interim 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 interim 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 interim 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 interim standalone Ind AS financial statements, including the disclosures, and whether the interim standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

KARVY & CO. Chartered Accountants Firm No. 001757S HYDERABAD

27/01/2020

Other matters

The comparative Ind AS Statement of Profit and Loss; Statement of Changes in Equity and Statement of Cash flows of the Company for the corresponding half year and period ended September 30, 2018 are not included in these Interim standalone Ind AS financial statements as the Company was not in existence during that period The comparative Ind AS Statement of Profit and Loss; Statement of Changes in Equity and Statement of Cash flows of the Company for the previous period beginning November 6, 2018(i.e Incorporation date) and ending on March 31, 2019 have been included in these Interim Standalone Ind AS financial statements. Our opinion is not qualified in respect of this matter.

Restriction of use

The accompanying interim standalone Ind AS financial statements have been prepared and this report thereon issued, solely for the purpose of inclusion in the information memorandum to be filed by the Company with relevant stock exchanges for the proposed listing of equity shares of the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

KARVY & CO.
Chartered Accountants
Firm No. 001757S
HYDERABAD

For KARVY & CO.,
Chartered Accountants
ICAI Firm Registration No: 001757S

(AJAYKUMAR KOSARAJU)
Partner
Membership No.021989
UDIN: 20021989AAAAAD5797

Place: Hyderabad
Date: 27/01/2020

27/01/2020

SUVEN PHARMACEUTICALS LIMITED

Standalone Balance Sheet as at 30th September, 2019

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

Particulars	Notes	As at Sept 30, 2019	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	25,992.49	26,821.21
Capital work-in-progress	3	13,791.33	11,106.87
Intangible assets	4	251.45	268.50
Financial assets		-	-
(i) Investments	5 (a)(i)	20,882.55	7.05
(ii) Loans	5 (b)	7.34	7.22
(iii) Other financial assets	5 (c)	447.48	437.42
Other non-current assets	6	1,563.62	679.93
Total Non-current assets		62,936.26	39,328.20
Current assets			
Inventories	7	15,231.36	15,709.83
Financial assets		-	-
(i) Investments	5(a)(ii)	9,440.82	706.10
(ii) Trade receivables	5(d)	16,134.85	14,750.17
(iii) Cash and cash equivalents	5(e)(i)	5,531.85	1,090.30
(iv) Bank balances other than (iii) above	5(e)(ii)	201.76	199.36
(v) Loans	5(b)	34.08	10.77
(vi) Other financial assets	5(c)	0.28	0.28
Other current assets	8	7,338.19	6,506.62
Total Current assets		53,913.19	38,973.42
TOTAL ASSETS		116,849.44	78,301.62
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9(a)	1,272.82	1,272.82
Other equity	9(b)	74,234.82	57,756.22
Total Equity		75,507.64	59,029.05
LIABILITIES			
Non-current liabilities			
Provisions	10	594.53	594.53
Deferred tax liabilities (net)	11	2,598.37	2,917.17
Total Non-current liabilities		3,192.90	3,511.70
Current liabilities			
Financial liabilities			
(i) Borrowings	12(a)	26,596.64	8,279.36
(ii) Trade payables		-	-
(a) Total outstanding dues to Micro and Small Enterprises	12(b)	740.69	73.22
(b) Total outstanding dues to creditors other than Micro and Small Enterprises	12(b)	3,907.33	5,284.27
(iii) Other financial liabilities	12(c)	1,661.75	1,420.12
Current Tax Liabilities(net)	13	4,630.16	10.96
Provisions	10	269.83	165.83
Other current liabilities	14	342.49	527.11
Total Current liabilities		38,148.90	15,760.87
TOTAL LIABILITIES		41,341.80	19,272.57
TOTAL EQUITY AND LIABILITIES		116,849.44	78,301.62

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)

KARVY & CO. Chartered Accountants Firm No. 001757S HYDERABAD

Ajay Kumar Kosaraju
Partner
Membership No. 021989

Place : Hyderabad
Date : 27th January 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

SUVEN PHARMACEUTICALS LTD. Hyd-34.

SUVEN PHARMACEUTICALS LIMITED

Standalone Statement of Profit and Loss for the period ended 30th September, 2019

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

Particulars	Notes	For the six months period ended Sept 30, 2019	For the period 6th November 2018 to March 31, 2019
Income			
Revenue from operations	15	47,031.90	37,783.46
Other income	16	788.98	60.01
Total Income		**47,820.88**	**37,843.47**
Expenses			
Cost of materials consumed	17	11,913.94	12,452.12
Changes in inventories of work-in-progress and finished goods	18	1,325.68	(2,132.13)
Manufacturing expenses	19	5,224.30	5,130.47
Employee benefits expense	20	3,663.37	2,963.15
Finance costs	21	743.33	278.92
Depreciation and amortization expense	22	1,120.73	1,149.68
Other expenses	23	2,091.67	2,214.55
Total Expenses		**26,083.02**	**22,056.76**
Profit before tax		**21,737.86**	**15,786.71**
Tax expense			
Current tax	24	5,569.60	3,317.07
Deferred tax	24	(315.84)	1,542.21
Profit/(Loss) for the period		**16,484.10**	**10,927.43**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements gains (losses) on defined benefit plans		(8.46)	-
Income tax relating to items that will not be reclassified to profit or loss		-	
Re-measurement gains (losses) on defined benefit plans		2.96	-
Other Comprehensive Income /(Loss) for the period, net of taxes		**(5.51)**	-
Total Comprehensive Income for the period		**16,478.60**	**10,927.43**
Earnings per Equity share (Par value of Re.1 each)			
Basic and Diluted (not annualised)	33	**12.95**	**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

KARVY & CO. Chartered Accountants Firm No. 001757S HYDERABAD

Place : Hyderabad
Date : 27th January 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

SUVEN PHARMACEUTICALS LTD. Hyd-34.

SUVEN PHARMACEUTICALS LIMITED

Standalone Statement of changes in equity for the period ended 30th Sept, 2019

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

a. Equity share capital

	As at 30th September 2019		As at 31st March 2019	
	Number of Shares	Amount	Number of Shares	Amount
A. Equity share capital				
Opening Balance	-	-	100,000	1.00
Less: Cancellation of shares under Scheme of Demerger (Refer Note 35)	-	-	(100,000)	(1.00)
	-	-	-	-
B. Equity Share Suspense*				
Equity shares of Re 1/- each	127,282,478	1,272.82	127,282,478	1,272.82
	127,282,478	**1,272.82**	**127,282,478**	**1,272.82**

*Represents equity shares subsequently allotted on 27th January, 2020.

b. Other Equity

Particulars	Note	Reserves & surplus: Securities Premium	General reserve	Retained earnings	Total Equity
Balance as at November 6, 2018					
Acquired in pursuant to demerger		**12,230.21**	**5,527.91**	**30,016.09**	**47,774.21**
Adjustement due to demerger		-	(601.24)	-	**(601.24)**
Deferred tax impact of demerger		-	-	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		-	-	-	-
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)	-	-	16,484.10	**16,484.10**
Other comprehensive income	9(b)	-	-	(8.46)	**(8.46)**
income		-	-	2.96	**2.96**
Transfer to General Reserve		-	-	-	-
Transfer from Retained Earnings		-	-	-	-
Total comprehensive income for the period		-	-	**16,478.60**	**16,478.60**
Dividend paid		-	-	-	-
Tax on distributed profit		-	-	-	-
Balance at Sept 30, 2019		**12,230.21**	**6,427.67**	**55,576.94**	**74,234.82**

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 : 27th January 2020

KARVY & CO. Chartered Accountants Firm No. 001757S HYDERABAD

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

SUVEN PHARMACEUTICALS LTD. Hyd-34.

SUVEN PHARMACEUTICALS LIMITED

Standalone Statement of Cash flows for the period ended 30th Sept, 2019

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

Particulars		For the period ended 30th Sept 2019	For the year ended 31st March 2019
A. Cash flow from operating activities			
Profit before tax		**21,737.86**	**15,786.71**
Adjustments :		-	-
Depreciation and amortisation expense		1,120.73	1,149.68
Interest Income		(19.20)	(19.76)
Finance Cost		743.33	278.92
Gain on sale of Current Investment		(151.21)	(16.33)
Loss/(Profit) on disposal of Property,plant & equipment		(8.00)	-
Operating profit before working capital changes		**23,423.51**	**17,179.22**
Adjustments for (Increase)/decrease in operating assets		-	-
Trade Receivables		(1,384.68)	(8,489.11)
Inventories		478.47	(1,708.92)
Other non current financial assets		(10.19)	171.58
Other non current assets		(883.68)	2,703.51
Other current financial assets		(21.67)	4.01
Other current assets		(831.57)	(370.65)
Adjustments for Increase/(decrease) in operating liabilities		-	-
Trade Payables		(709.47)	985.36
Long term provision		-	288.58
Short term provision		95.54	(273.18)
Other financial liabilities		241.63	(1,751.42)
Other current liabilities		(184.62)	(392.42)
Cash generated from operating activities		**20,213.28**	**8,346.58**
Income taxes paid (net of refunds)		950.40	3,306.11
Net Cash flows from operating activities	**(A)**	**19,262.88**	**5,040.47**
		-	-
B. Cash flow from Investing activities		-	-
Payments for Purchase of property, plant and equipment		(2,974.49)	(5,659.03)
Proceeds from sale of Property, plant & equipment		21.43	(19.56)
Changes in Investments		(20,875.50)	-
Sale/(purchase) of mutual funds		(8,583.51)	(689.77)
Bank balances not considered as cash and cash equivalents		(2.40)	(199.36)
Interest received		19.20	19.76
Net cash flow from /(used in) investing activities	**(B)**	**(32,395.28)**	**(6,547.96)**
		-	-
C. Cash flows from financing activities		-	-
(Repayment)/Proceeds from Long term borrowings		-	5,203.03
(Repayment)/Proceeds from short term borrowings		18,317.28	(24.64)
Finance Cost		(743.33)	(278.92)
Dividends paid to equity holders (including dividend distribution tax)		-	(2,301.69)
Net cash flow from /(used in) financing activities	**(C)**	**17,573.95**	**2,597.78**
		-	-
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	4,441.55	1,090.30
Cash and cash equivalents as at the beginning of the period (Refer Note 5(e) (i))		1,090.30	-
Cash and cash equivalents at the end of the period		**5,531.85**	**1,090.30**
		-	-
Cash and cash equivalents (Refer Note 5(e)(i))		5,531.85	1,090.30
Balances per statement of cash flows		**5,531.85**	**1,090.30**

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)

As per our report of even date

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

Ajay Kumar Kosaraju
Partner
Membership No. 021989

KARVY & CO. Chartered Accountants Firm No. 001757S HYDERABAD

Place : Hyderabad
Date : 27th January 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

SUVEN PHARMACEUTICALS LTD. Hyd-34.

1 Company overview

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

(i) Compliance with IND AS

These special purpose interim financial statements of the Company for the half period ended 30th September 2019 have been prepared in accordance with Ind AS 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules,2013, as amended for the limited purpose of inclusion in the Information Memorandum to be filed with Stock Exchanges. Accordingly the comparative number for interim statement of profit and loss, interim statement of changes in equity and interim cash flow statement has been given for the period 6th November 2018 to 31 March 2019, instead of April to September 2018.

(ii) Historical cost convention

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

• certain financial assets are measured either at fair value or at amortised cost depending on the classification

• employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation; and

• Share-based payments which are measured at fair value of the options

b) Current versus non-current classification

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

• Expected to be realised or intended to sold or consumed in normal operating cycle

• Held primarily for the purpose of trading

• Expected to be realised within twelve months after the reporting period, or

• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

• It is expected to be settled in normal operating cycle

• It is held primarily for the purpose of trading

• It is due to be settled within twelve months after the reporting period, or

• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as the Chief Operating Decision Maker. Refer note 28 for the segment information presented.

d) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

SUVEN PHARMACEUTICALS LTD. Hyd-34.

e) Fair value measurement

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

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

• In the principal market for the asset or liability, or

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

f) Revenue recognition

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

Revenue is 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.

g) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

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

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h) Income tax

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

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

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

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

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

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

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

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

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

i) Impairment of assets

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

j) Cash and cash equivalents

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

k) Trade receivables

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

l) Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net 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.

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m) Impairment of non-financial assets

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

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

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

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

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

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

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

n) Provisions, Contingent liabilities, Contingent assets and commitments

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

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

Contingent liability is disclosed in the case of:

• a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

• a present obligation arising from past events, when no reliable estimate is possible;

• a possible obligation arising from past events, unless the probability of outflow of resources is remote.

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

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

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

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o) Investments and other financial assets

i) Classification

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

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

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

ii) Measurement

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

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:
Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

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

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.

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p) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Loans and Borrowings

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

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

Financial guarantee contracts

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

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.

q) Derivatives and hedging activities

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

r) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the 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.

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s) Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

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

t) Intangible assets

(i) Computer software

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

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

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads. 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

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u) Trade and other payables

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

v) Borrowings

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

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

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

w) Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

x) Employee benefits

(i) Short-term obligations

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

(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.

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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

(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.

y) Financial instruments

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

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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

z) Contributed equity

Equity shares are classified as equity.

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

aa) Dividends

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

ab) Earning per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

• The profit attributable to owners of the company

• By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

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

• The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

• The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

ac) Cash flow statement

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

ad) Rounding of Amounts

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

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ae) Critical estimates and Judgements

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

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

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

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

2 Recent accounting pronouncements

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

Ind AS 116 - Leases :

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

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

• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

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

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

The standard permits two possible methods of transition -

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

Ind AS 12 – Income taxes :

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

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

Ind AS 109- Prepayment features with Negative compensation :

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

Ind AS 19 – Plan amendment, curtailment or settlement :

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

The amendments require an entity:

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• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

Ind AS 23 – Borrowing Costs :

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

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

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

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

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

The Demerger will be accounted in accordance with Indian Accounting Statndard(IND AS 103) - Business Combination as notified under Section 133 of the Act read together with paragraph 3 of the Companies(Indian Accounting Standard) Rules 2015

The Resulting Company, as on the Appointed Date, shall record the assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in it pursuant to the Scheme of Arrangement at their respective book values, excluding revaluation, if any, as appearing in the books of the Demerged Company

The Securities Premium Account, General Reserve and Retained earnings of the Demerged Company, as on the Appointed Date, shall be apportioned between the Resulting Company and the Demerged Company on the basis of net assets transferred to the Resulting Company and net assets retained by the Demerged Company

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(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	2,474.29
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
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	1,133.19	-
Disposals	-	-	-	0.45	-	-	-	-	-	-	0.45	-
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March,2019	-	3.00	1,540.38	4,117.43	201.66	73.27	106.47	1,125.24	231.20	188.19	7,586.84	-
Net Book Value as at March 31, 2019	1,536.43	28.20	8,266.59	14,320.70	232.78	84.58	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	-	-	-	250.13	-	-	1.68	9.39	2.45	24.74	288.39	2,684.46
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	5.70	-	35.92	-	-	-	-	41.62	-
Balance as at 30th Sept,2019	1,536.43	31.20	9,806.97	18,682.56	434.44	121.93	175.37	2,776.50	792.39	297.04	34,654.82	13,791.33
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	-	0.37	211.00	640.44	26.40	8.59	16.62	138.00	30.45	31.80	1,103.68	-
Disposals	-	-	-	2.70	-	25.50	-	-	-	-	28.19	-
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30th Sept,2019	-	3.37	1,751.38	4,755.18	228.06	56.37	123.09	1,263.23	261.66	219.99	8,662.33	-
Net Book Value as at 30th Sept,2019	1,536.43	27.82	8,055.59	13,927.38	206.38	65.56	52.28	1,513.26	530.73	77.05	25,992.49	13,791.33

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 Rs. 153,642,712/- 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 Sept 30, 2019 for mutation in the name of the Company.

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	268.50	268.50
Gross carrying amount		
At 1st April,2019	332.84	332.84
Additions	-	-
Balance as at 30th Sept,2019	**332.84**	**332.84**
Accumulated amortisation and impairment		
Upto 1st April,2019	64.33	64.33
Charge for the period	17.05	17.05
Balance as at 30th Sept,2019	**81.38**	**81.38**
Net Book Value as at 30th Sept,2019	**251.45**	**251.45**

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Notes to the Standalone financial statements

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

Note 5: Financial assets

5 (a) (i) Non-current investments

Particulars	As at 30 Sept 2019		As at 31 March 2019	
	Shares	Amount	Shares	Amount
Investments carried at cost				
Unquoted Equity Instruments - (Fully paid up)				
a) In Subsidiary Companies				
-Equity shares of Suven Pharma Inc. At par value UDS 0.01	1,500.00	0.01	-	-
-Additional paid in capital	NA	20,875.49	-	-
		-		-
b) Other Investments		-		-
Jeedimetla Effluent Treatment Ltd	1,000.00	6.00	1,000.00	6.00
Patancheru Envirotech Pvt Ltd	10,487.00	1.05	10,487.00	1.05
Total Investments carried at cost	**12,987.00**	**20,882.55**	**11,487.00**	**7.05**
Total Non-Current investments	**12,987.00**	**20,882.55**	**11,487.00**	**7.05**
Aggregate amount of quoted investments & market value ther	-	-	-	-
Aggregate value of unquoted investments	-	20,882.55	-	7.05
Aggregate amount of impairement in value of Investment in unquoted equity investments	-	-	-	-

5 (a) (ii) Current investments

Particulars	As at 30 Sept 2019		As at 31 March 2019	
	Units	Amount	Units	Amount
Investment in Mutual Funds- Unquoted (Fully paid up)				
HDFC Short Term Debt Fund-Growth	8,581,102	1,853.26	-	-
Reliance Prime Debt Fund-Growth	21,818	1,023.93	-	-
IDFC Low Duration Fund-Growth	6,698,151	1,848.05	-	-
SBI Liquid Fund -Growth	128,719	3,875.53	24,212	706.10
TATA Liquid Fund - Growth	27,598	840.05	-	-
Total Current Investments	**15,457,388**	**9,440.82**	**24,212**	**706.10**
Aggregate amount of quoted investments & market value ther	-	-	-	-
Aggregate value of unquoted investments	-	9,440.82	-	706.10
Aggregate amount of impairment in value of Investment in unquoted investments		-	-	-

5(b) Loans

Particulars	As at 30 Sept 2019		As at 31 March 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to employees	16.46	7.34	10.77	7.22
Loan to Suven Pharma Inc.,	17.63	-	-	-
Total loans	**34.08**	**7.34**	**10.77**	**7.22**

5(c) Other financial assets

Particulars	As at 30 Sept 2019		As at 31 March 2019	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Security Deposits	0.28	434.54	0.28	415.19
Interest accrued on deposit	-	12.94	-	22.23
Total Other financial assets	**0.28**	**447.48**	**0.28**	**437.42**

5(d) Trade receivables

Particulars	As at 30 Sept 2019	As at 31 March 2019
Unsecured, considered good	16,134.85	14,750.17
Total receivables	**16,134.85**	**14,750.17**

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

5(e) (i) Cash and cash equivalents

Particulars	As at 30 Sept 2019	As at 31 March 2019
Balances with banks		
-in current accounts	52.32	57.75
-in EEFC account	4,003.73	657.77
- in Cash Credit account	1,466.94	367.38
- Deposits with maturity of less than three months	-	-
Cash on hand	8.86	7.39
Total cash and cash equivalents	**5,531.85**	**1,090.30**

5(e) (ii) Other bank balances

Particulars	As at 30 Sept 2019	As at 31 March 2019
In unclaimed dividend accounts	7.79	11.65
Deposits -LC & BG	187.67	187.65
Interest accrued on LC & BG	6.30	0.06
Total Other bank balances	**201.76**	**199.36**

Note 6: Other non-current assets

Particulars	As at 30 Sept 2019	As at 31 March 2019
Capital advances	1,563.62	679.93
Total other non-current assets	**1,563.62**	**679.93**

Note 7: Inventories(Valued at lower of cost or Net Realisable Value)

Particulars	As at 30 Sept 2019	As at 31 March 2019
Raw materials	3,728.03	3,033.11
Work-in-progress	7,734.13	7,001.16
Finished goods	2,129.67	4,188.32
Stores and spares	1,424.80	1,258.36
Packing materials	214.72	228.87
Total inventories	**15,231.36**	**15,709.83**

Note 8: Other current assets

Particulars	As at 30 Sept 2019	As at 31 March 2019
Unsecured, considered good		
Service tax appeal deposit	3.00	-
MEIS receivable	375.37	536.52
MEIS licenses on hand	139.78	344.39
Duty drawback receivable	108.72	39.29
GST Receivable	5,819.00	4,785.44
Pre paid expenses	284.16	385.99
Advances to Material Suppliers	561.65	352.05
Advances to service providers	46.51	35.79
Others advances	-	27.15
Total other current assets	**7,338.19**	**6,506.62**

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

Note 9: Equity share capital and other equity

Particulars	As at 30 Sept 2019	As at 31 March 2019
(a). Equity Share Capital		
Authorised Capital		
201,000,000 Equity shares of Re. 1 /- each	2,010.00	2,010.00
(201,000,000 Equity shares of Re. 1 /- each)		
	2,010.00	**2,010.00**
Issued, Subscribed and fully paid up		
100,000 Equity shares of Re. 1 /- each	-	1.00
Less: Cancellation of shares under Scheme of Arrangement(Refer Note 35)	-	(1.00)
(100,000 Equity shares of Re. 1 /- each)		
	-	-
(b) Equity Shares Suspense		
Equity shares to be issued pursuant to the Scheme of Arrangement(Refer Note 35)		
Equity Shares of Re. 1/- each	1,272.82	1,272.82
12,72,82,478 Equity shares of Re. 1/- each		

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

Particulars	As at 30 Sept 2019		As at 31 March 2019	
	Number	Amount	Number	Amount
As at November 06, 2018	-	-	-	-
Opening balance as at 01st April'2019	127,282,478	1,272.82		
Issue of equity share capital	-	-	100,000	1.00
Cancellation of shares under scheme of demerger (refer note 35)	-	-	(100,000)	(1.00)
Allotment of shares pursuant to scheme of demerger (refer note 35)	-	-	127,282,478	1,272.82
Closing balance	**127,282,478**	**1,272.82**	**127,282,478**	**1,272.82**

NOTE:

1) 12,72,82,478 equity shares of Re.1/- each amounting to Rs.12,72,82,478/- is the proposed equity share capital of the Company effective from 1st October, 2018 post restructuring. The Company is in the process of listing its equity shares in the recognised Stock exchanges in India, hence the share capital stands unallotted and disclosed under equity share suspense account.

2) In terms of the Scheme, the paid up equity share capital of Rs 100,000 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).

3) The equity shares shall be subsequently allotted on 27th January 2020.

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 and paid an interim dividend of Re 1.50/- per equity share.

9(b) Other equity

Particulars	As at 30 Sept 2019	As at 31 March 2019
Securities premium	12,230.21	12,230.21
General reserve	6,427.67	6,427.67
Retained earnings	55,576.94	39,098.35
Total other equity	**74,234.82**	**57,756.22**

(i) Securities premium

Particulars	As at 30 Sept 2019	As at 31 March 2019
Opening balance	12,230.21	-
Acquired in pursuant to demerger	-	12,230.21
Add: On issue of shares	-	-
Closing Balance	**12,230.21**	**12,230.21**

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

(ii) General Reserve

Particulars	As at 30 Sept 2019	As at 31 March 2019
Opening balance	6,427.67	-
Acquired in pursuant to demerger	-	5,527.91
Adjustement due to demerger	-	(601.24)
Cancellation of shares under scheme of demerger (refer note 35)	-	1.00
Add: Transferred from Retained Earnings	-	1,500.00
Closing Balance	**6,427.67**	**6,427.67**

(iii) Retained earnings

Particulars	As at 30 Sept 2019	As at 31 March 2019
Opening balance	39,098.35	-
Add: Accquired in pursuant to the Scheme of Demerger (Refer note 35)	-	30,016.09
Deferred tax adjustement	-	1,956.51
Net profit for the year	16,484.10	10,927.43
Transferred to General reserve	-	(1,500.00)
Dividend paid	-	(1,909.24)
Tax on distributed profit	-	(392.45)
Other Comprehensive Income	-	-
- Remeasurements of post employment benefit obligation, net of tax	(5.51)	-
Closing balance	**55,576.94**	**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:

General reserve is used from time to time to transfer the profits from retained earnings for appropriation purpose.

Retained Earnings:

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

Note 10: Provisions

Particulars	As at 30 Sept 2019		As at 31 March 2019	
	Current	Non-Current	Current	Non-Current
Provision for Employee benefits*				
-Leave obligations	148.95	355.63	100.95	355.63
-Gratuity	120.89	238.90	64.89	238.90
	269.83	**594.53**	**165.83**	**594.53**

* As the Actuarial Valuation Report has not been obtained as at 30th September 2019, the above provision amounts are based on the estimates of the management, hence, relevant notes on relating to the same have not been provided.

Note 11: Deferred tax assets /(liabilities)

The balances comprises temporary differences attributable to :

Particulars	As at 30 Sept 2019	As at 31 March 2019
Defined benefit obligations*	217.54	187.94
Demerger expenses	19.17	30.42
Other items	0.11	0.10
Others-MAT credit	(0.00)	816.73
Total Deferred tax assets	**236.83**	**1,035.19**
Set-off of deferred tax liabilities pursuant to set-off provisions		
- Depreciation	2,808.09	3,950.22
- Unrealised capital gains on MF	27.11	2.13
Total Deferred tax Liabilities	**2,835.20**	**3,952.36**
Total deferred tax assets/(Liabilities) (net)	**(2,598.37)**	**(2,917.17)**

*** Adjustment in pursuant to the scheme of arrangement (refer note 35)**

Note 12: Financial liabilities

12(a) Current borrowings

Particulars	As at 30 Sept 2019	As at 31 March 2019
Secured		
Working Capital Loans from State Bank of India(refer note (i) below)	2,976.92	2,965.71
Working Capital Loans from Bank of Bahrain & Kuwait (refer note (i) below)	592.20	563.53
Unsecured	-	-
Federal Bank -Term Loan (refer note (ii) below)	4,918.79	-
Loan from Director (refer note (iii) below)	1.00	1.00
Loan from related party (refer note (iv) below)	17,659.56	4,656.25
Interest on Loan from related party	448.17	92.87
Total Current Borrowings	**26,596.64**	**8,279.36**

Notes:

I. Details of Current Borrowings

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

(a). Working capital loans of Rs.356,911,608 (PY Rs. 352,924,063) 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%

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

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

(ii). Details of Term Loans

Particulars	Termsof repayment from	As at 30 September	Range of Interest
Foreign currency loan - Federal bank	Repayable in 4 equal monthly installments commencing from 3rd month	4,918.79	5.05 (USD)

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

(iv) Loan from related party represents loan taken from Suven Life Sciences Limited.

12(b) Trade payables

Particulars	As at 30 Sept 2019	As at 31 March 2019
Dues to micro enterprises and small enterprises (Refer Note below)	740.69	73.22
Dues to creditors other than micro enterprises and small enterprises	3,907.33	5,284.27
Total trade payables	**4,648.02**	**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 the overdue amount beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letters to all suppliers seeking their status. Response from a few suppliers has been received and is still awaited from other suppliers. In view of this, the liability of interest has been calculated and the required disclosures made, in the table below, to the extent of information available with the Company.

Particulars	As at 30 Sept 2019	As at 31 March 2019
Principal amount remaining unpaid to any supplier as at the end of the accounting year	734.13	67.12
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	6.56	6.09
The amount of interest paid along with the amounts of the payment made to the supplier	-	-
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	6.48	6.03
The amount of interest accrued and remaining unpaid at the end of the accounting year	0.08	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(c) Other Financial liabilities

Particulars	As at 30 Sept 2019	As at 31 March 2019
Current		
Liabilities for expenses	1,298.28	1,016.08
Payable for Capital Goods	355.69	392.39
Unpaid dividend on equity shares*	7.79	11.65
Total other current financial liabilities	**1,661.75**	**1,420.12**

*As at 30th September 2019, there has been No Amount due and outstanding to be transferred to IEPF (Investor Education and Protection Fund).

Note 13: Current tax asset/(Liability) (net)

Particulars	As at 30 Sept 2019	As at 31 March 2019
Advance tax	4,256.51	3,306.11
Less: Provision for income tax	8,886.67	3,317.07
Total Current tax asset/(Liability) (net)	**(4,630.16)**	**(10.96)**

Note 14: Other current liabilities

Particulars	As at 30 Sept 2019	As at 31 March 2019
Advance from customers	222.85	399.06
Statutory dues payable	119.64	128.06
Total other current liabilities	**342.49**	**527.11**

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

Note 15: Revenue from operations

Particulars	30 Sept 2019	31 March 2019
Sale of Products	45,339.80	34,424.74
Sale of Services	705.62	2,532.74
	46,045.42	**36,957.48**
Other Operating Income		
Export Incentives (MEIS)	770.68	742.19
Duty Drawback Received	215.05	83.79
Service tax rebate claim received	0.75	-
	986.48	**825.98**
	47,031.90	**37,783.46**

Note 16: Other income

Particulars	30 Sept 2019	31 March 2019
Interest income		
On fixed deposits	6.31	6.32
Others	12.90	13.44
Credit balances written back	14.27	23.92
Insurance Claim received	0.41	-
Foreign Exchange Gain (Net)	595.89	-
Gain on Financial Assets	151.21	16.33
Net gain on sale of Property,Plant and equipment	8.00	-
	788.98	**60.01**

Note 17: Cost of materials consumed

Particulars	30 Sept 2019	31 March 2019
Raw Materials		
Raw Materials at the beginning of the period	3,033.11	-
Add: Inventories accquired pursuant to the scheme	-	2,710.65
Purchases during the period	12,430.47	12,600.96
Less: Raw Materials at the end of the period	3,728.03	3,033.11
	11,735.55	**12,278.50**
Packing Materials		
Packing Materials at the beginning of the period	228.87	-
Add: Inventories accquired pursuant to the scheme	-	226.35
Purchases during the period	164.23	176.15
Less: Packing Materials at the end of the period	214.72	228.87
	178.39	**173.63**
	11,913.94	**12,452.12**

Note 18: Changes in inventories of work-in-progress and finished goods

Particulars	30 Sept 2019	31 March 2019
Opening Balance:	-	-
Work-in-progress	7,001.16	-
Add: Inventories accquired pursuant to the scheme	-	4,285.57
Finished Goods	4,188.32	-
Add: Inventories accquired pursuant to the scheme	-	4,771.78
Total opening balance	**11,189.48**	**9,057.35**
Closing Balance:		
Work-in-progress	7,734.13	-
Add: Inventories accquired pursuant to the scheme	-	7,001.16
Finished Goods	2,129.67	-
Add: Inventories accquired pursuant to the scheme	-	4,188.32
Total closing balance	**9,863.80**	**11,189.48**
	1,325.68	**(2,132.13)**

SUVEN PHARMACEUTICALS LTD. Hyd-34.

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

Note 19: Manufacturing expenses

Particulars	30 Sept 2019	31 March 2019
Power & Fuel	1,930.32	1,805.78
Consumable Stores	53.45	53.61
Factory Upkeep Expenses	1,358.43	1,094.44
Environment Management Expenses	693.57	602.30
Safety Expenses	64.76	62.38
Quality Control Expenses	398.37	331.92
Repairs & Maintenance:	-	-
Buildings	12.75	16.33
Plant & Machinery	712.65	1,163.71
	5,224.30	**5,130.47**

Note 20: Employee benefits expense

Particulars	30 Sept 2019	31 March 2019
Salaries & Wages	3,288.94	2,567.35
Contribution to Provident & other funds	202.00	201.22
Gratuity Expense	50.28	82.77
Staff Welfare Expenses	122.16	111.81
	3,663.37	**2,963.15**

Note 21: Finance costs

Particulars	30 Sept 2019	31 March 2019
Interest		
On Borrowings	98.58	78.95
On Inter Company Loan	448.17	92.87
Bank Charges	196.58	107.09
	743.33	**278.92**

Note 22: Depreciation and amortisation expense

Particulars	30 Sept 2019	31 March 2019
Depreciation of property, plant and equipment (Refer Note 3)	1,103.68	1,133.20
Amortisation of intangible assets (Refer Note 4)	17.05	16.47
	1,120.73	**1,149.68**

Note 23: Other expenses

Particulars	30 Sept 2019	31 March 2019
Rent	36.55	38.25
Rates & Taxes	14.18	12.70
Service Tax	-	16.24
Insurance	258.12	161.10
Communication Charges	51.87	47.44
Travelling & Conveyance	314.27	319.68
Printing & Stationery	30.44	16.51
Vehicle Maintenance	15.29	12.77
Professional Charges	238.07	184.19
Payments to Auditors (Refer note 23(a)below)	12.26	12.31
Security Charges	109.65	117.78
Repairs & Maintenance - others	42.84	58.14
Loss on sale of Property,Plant and equipment	2.25	-
Corporate Social Responsibility(Refer note 23(b)below)	-	-
Foreign Exchange Loss (Net)	-	268.71
Sales Promotion	487.65	391.18
Clearing & Forwarding	205.65	178.28
Commission on Sales	83.72	102.05
General Expenses	188.84	277.21
	2,091.67	**2,214.55**

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

Note 23(a): Details of payments to auditors

Particulars	30 Sept 2019	31 March 2019
Payment to auditors		
As auditor:		
(i) Stat Auditor Fees	9.50	10.00
(ii) Tax audit fees	-	-
(iii) Other services	2.00	2.00
(iv) Re-imbursement of out -of- pocket expenses	0.76	0.31
	12.26	12.31

Note 23(b): Corporate social responsibility expenditure

Particulars	30 Sept 2019	** 31 March 2019
Amount required to be spent as per section 135 of the Act	315.13	NA
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	NA
(ii) On purpose other than (i) above	-	NA

****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	30 Sept 2019	31 March 2019
(a) Income tax expense		
Current tax		
Current tax on profits for the year	5,569.60	3,317.07
Adjustments for current tax of prior periods		
Total current tax expense	**5,569.60**	**3,317.07**
Deferred tax		
Decrease(increase) in deferred tax assets		
Increase(decrease) in deferred tax liabilities	(315.84)	1,542.21
Total Deferred tax expense/(benefit)	**(315.84)**	**1,542.21**
Income tax expense	**5,253.76**	**4,859.28**
Income tax expense is attributable to:		
Profit from operations	**5,253.76**	**4,859.28**

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

Particulars	30 Sept 2019	31 March 2019
Profit from operations before income tax expenses	21,737.86	15,786.71
Tax at the Indian tax rate of 25.168% (2018-19 -34.944%)	**5,470.99**	**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	
Disallowance u/s 40a (ia)	0.09	
Profit on sale of asset	(2.01)	
Interest on Income tax	46.61	29.07
Interest on MSMED	0.12	2.13
Income tax paid at special rate	(31.48)	(123.08)
opening DTL on impact of rate change	7.91	-
Gratuity & Leave encashment	44.45	-
Impact of WDV change	(1,103.11)	5.07
MAT Credit	816.73	(570.42)
Others	2.91	0.01
Income tax expenses	**5,253.76**	**4,859.28**

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

Financial instruments and risk management

Note 25: Fair value measurements

	As at 30 September 2019		As at 31 March 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments				
-Equity Investment	-	7.05	-	7.05
-Mutual funds	9,440.82	-	706.10	-
Trade Receivables	-	16,134.85	-	14,750.17
Loans	-	41.43	-	17.99
Security deposits	-	447.76	-	437.69
Cash and Cash equivalents	-	5,531.85	-	1,090.30
Bank Balances	-	7.79	-	11.65
Fixed Deposits with Banks and Interest thereon	-	193.97	-	187.71
Total Financial Assets	**9,440.82**	**22,364.69**	**706.10**	**16,502.56**
Financial Liabilities				
Borrowings	-	26,596.64	-	8,279.36
Current maturities of long-term debt	-	-	-	-
Unpaid dividends	-	7.79	-	11.65
Trade Payables	-	4,648.02	-	5,357.49
Capital creditors	-	355.69	-	392.39
Total Financial Liabilities	**-**	**31,608.13**	**-**	**14,040.89**

(i) Fair value hierarchy

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

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Financial assets measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at September 30, 2019					
Financial assets					
Equity Investment		-	-	7.05	7.05
Investment in mutual funds	5(a)(i)	-	9,440.82	-	9,440.82
Trade Receivables		-	-	16,134.85	16,134.85
Loans		-	-	41.43	41.43
Security deposits		-	-	447.76	447.76
Fixed Deposits with Banks and Interest thereon		-	-	193.97	193.97
Total Financial Assets		**-**	**9,440.82**	**16,825.06**	**26,265.88**

Financial liabilities measured at amortised cost & Fair Value	Notes	Level 1	Level 2	Level 3	Total
As at September 30, 2019					
Financial Liabilities					
Borrowings		-	-	26,596.64	26,596.64
Current maturities of long-term debt		-	-	-	-
Unpaid dividends		-	-	7.79	7.79
Trade Payables		-	-	4,648.02	4,648.02
Capital creditors		-	-	355.69	355.69
Total Financial Liabilities		**-**	**-**	**31,608.13**	**31,608.13**

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
Total Financial Assets		**-**	**706.10**	**15,400.61**	**16,106.71**

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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).

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

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

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

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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 30 September 2019

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	More than 120 days	Total
Gross carrying amount	14,218.62	1,781.14	106.44	0.62	28.03	16,134.85
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses(loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables(net of impairment)	**14,219**	**1,781**	**106**	**1**	**28**	**16,135**

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Year ended 31 March 2019

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	Morethan 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.

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 September 30, 2019	On Demand	in next 12 months	>1 year	Total
(i) Borrowings	26,596.64	-	-	26,596.64
(ii) Trade payables	-	4,648.02	-	4,648.02
(iii) Other financial liabilities	7.79	1,653.97	-	1,661.75
	26,604.42	6,301.99	-	32,906.41

Year ended March 31, 2019	On Demand	in next 12 months	>1 year	Total
(i) Borrowings	8,279.36	-	-	8,279.36
(ii) Trade payables	-	5,357.49	-	5,357.49
(iii) Other financial liabilities	11.65	1,408.47	-	1,420.12
	8,291.01	6,765.96	-	15,056.97

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C) Market risk - foreign exchange risk

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

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

(a) Foreign currency risk exposure:

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

Particulars	As at September 30, 2019			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	4,054.47	-	-	-
Trade receivables(Net)	15,473.10	-	-	-
Financial Liabilities	-			
Borrowings	8,487.90	-	-	-
Trade payables	1,542.97	-	2	-
Other financial liabilities	26.52	-	-	-

Particulars	As at March 31, 2019			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	712.36	-	-	-
Trade receivables	14,298.01	-	-	-
Financial Liabilities	-			
Borrowings	3,529.24			
Trade payables	571.34	-	-	-
Other financial liabilities	55.50	-	-	-

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)

	30 September, 2019	31 March , 2019
Net debt	20,863.03	6,989.70
Total Equity	75,507.64	59,029.05
Net debt to equity ratio	28%	12%

(b) Dividends (on equity instruments)

	30 September, 2019	31 March , 2019
(i) Equity shares		
Interim dividend for the year ended March 31, 2019 of Rs.1.50) per fully paid share	-	1,909.24
(ii) Dividends not recognised at the end of the reporting period	-	-
The interim dividend paid has been declared as final dividend in the board meeting held on 25/05/2019	-	-

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(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. CRAMS. 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 period ended		Value of Net Assets as on		Additions to Fixed Assets during the period	
	30 Sept 2019	31 March 2019	30 Sept 2019	31 March 2019	FY 2019-20	FY 2018-19
INDIA	872.42	1,065.62	26,238.70	27,071.77	288.39	441.40
U S A	999.19	1,563.17	5.24	17.94	-	4.78
EUROPE	38,387.64	25,393.09	-	-	-	-
OTHERS	5,786.17	8,935.60	-	-	-	-
	46,045.42	36,957.48	26,243.94	27,089.71	288.39	446.18

Information about major customers

Revenues from one of the customers of the Company's in Europe was Rs. 15,480 lakhs representing approximately 33.62% of the Company's total revenue, for the period ended 30th September 2019 and Rs. 15,196 lakhs representing approximately 41% of the Company's total revenue, for the year ended 31 March 2019.

Note 29: Interest in Other Entities

The Company's subsidiaries as at September 30, 2019 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	30 Sept 2019	31 March 2019	30 Sept 2019	31 March 2019	Principal activity
Suven Pharma Inc.,	USA	100%	-	0%	-	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.

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) Key Management personnel (KMP) : Mr. Venkateswarlu Jasti (Chairman & MD)
Mr. P. Subba Rao (Chief Financial Officer)
Mr. K. Hanumantha Rao (Company Secretary)
(d) Relative of Key Management personnel : Mrs. Kalyani Jasti (Daughter of Mr.Venkateswarlu Jasti)
(e) Entity with common control : Suven Life Sciences Limited

(a)Parent entities*

Name	Type	Place of Incorporation	Ownership Interest	
			30 Sept 2019	31 March 2019
Jasti Property and Equity Holdings Private Limited	Immediate and Ultimate parent entity	India	60.00%	60.00%

* Shares pending for allotment. (Refer Note 9)

(b) Subsidiaries

	30 Sept 2019	31 March 2019
Opening	-	-
Investment in subsidiary	20,875.50	-
Balance outstanding	**20,875.50**	-

(c)Key Management Personnel compensation

	30 Sept 2019	31 March 2019
Short term employee benefits	443.62	611.75
Post-employment benefits	-	-
Long term employee benefits	-	-
Termination benefits	-	-
Total Compensation	**443.62**	**611.75**
Balance outstanding	218.65	227.37

(d) Relative of Key Management Personnel compensation

	30 Sept 2019	31 March 2019
Short term employee benefits	106.55	232.10
Post-employment benefits	-	-
Long term employee benefits	-	-
Termination benefits	-	-
Total Compensation	**106.55**	**232.10**

(e) Entity with common control

	30 Sept 2019	31 March 2019
Suven Life Sciences Limited	18,107.73	4,749.12

Note 31: Contingent Liabilities and contingent assets

	30 Sept 2019	31 March 2019
Claims against the company not acknowledged as debts		
a) Letter of credit for imports	2,061.23	1,077.47
b) Bank Guarantee	11.00	6.50
	2,072.23	**1,083.97**

Note 32: Commitments

	30 Sept 2019	31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of Payments	8,828.38	3,665.86
	8,828.38	**3,665.86**

SUVEN PHARMACEUTICALS LTD. Hyd-34.

Note 33: Earnings per share

	30 Sept 2019	31 March 2019
Profit After Tax (PAT)	16,484.10	10,927.43
Weighted average number of equity shares *	127282478	127282478
Basic Earnings per share**	12.95	8.59

Note:

* For the purpose of calculating earnings per share for the half year ended 30th September 2019 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.

** The Earnings per share is not annualised.

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 six months period ended September 30, 2019 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 September 30, 2019.

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 Re 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**

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SUVEN PHARMACEUTICALS LIMITED

Notes to the Standalone financial statements

Note 36 : 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)

KARVY & CO. Chartered Accountants Firm No. 001757S HYDERABAD

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

SUVEN PHARMACEUTICALS LTD. Hyd-34.

K. Hanumantha Rao
Company Secretary
Membership No. A11599

P. Subba Rao
Chief Financial Officer
Membership No. A11342

Place : Hyderabad
Date : 27th January 2020

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Suven Pharmaceuticals Limited

Report on the Interim Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying interim consolidated Ind AS financial statements of **Suven Pharmaceuticals Limited** ('the Company') which comprise the interim consolidated Balance Sheet as at 30th September, 2019, the interim consolidated Statement of Profit and Loss (including Other Comprehensive Income), the interim consolidated Statement of Changes in Equity, the Statement of interim consolidated Cash Flows for the six month period then ended and notes to the interim consolidated 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 interim consolidated Ind AS financial statements give the information required by the Companies Act, 2013 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 30th September, 2019, its profit and total comprehensive income, changes in equity and its cash flows for the six month period then ended on that date.

Basis for Opinion

We conducted our audit of the interim 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 interim 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 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 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 interim consolidated Ind AS financial statements.

Management's Responsibility for the interim consolidated 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 interim consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under section 133 of the act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 interim consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

KARVY & CO. Chartered Accountants Firm No. 001757S HYDERABAD

27/01/2020

In preparing the interim consolidated Ind AS financial statements, Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether these interim 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 interim 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 interim 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 interim 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 interim consolidated Ind AS financial statements, including the disclosures, and whether the interim standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

ARVY & CO. Chartered Accountants Firm No. 001757S HYDERABAD

27/01/2020

Other matters

1. The comparative Ind AS Consolidated Statement of Profit and Loss; Consolidated Statement of Changes in Equity and Consolidated Statement of Cash flows of the Company for the corresponding half year and period ended September 30, 2018 are not included in these Interim consolidated Ind AS financial statements as the Company was not in existence during that period. The comparative Ind AS Consolidated Statement of Profit and Loss; Consolidated Statement of Changes in Equity and Consolidated Statement of Cash flows of the Company for the previous period beginning November 6, 2018 (i.e., Incorporation date) and ending on March 31, 2019 have been included in these Interim Consolidated Ind AS financial statements. Our opinion is not qualified in respect of this matter.

2. We draw your attention to Note no.36 of notes to Interim consolidated Ind AS financial statements, that the Company has invested thirty five million US Dollars in Rising Pharma Holdings Inc through its wholly owned subsidiary (i.e., Suven Pharma Inc), during April, 2019. As per the explanation provided by the management, it is understood that the acquisition of assets and liabilities under US Bankruptcy code is under process, hence the Company did not consider Rising Pharma Holdings Inc for consolidation purpose.

Restriction of use

The accompanying interim consolidated Ind AS financial statements have been prepared and this report thereon issued, solely for the purpose of inclusion in the information memorandum to be filed by the Company with relevant stock exchanges for the proposed listing of equity shares of the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

KARVY & CO. Chartered Accountants Firm No. 001757S HYDERABAD

For KARVY & CO.,
Chartered Accountants
ICAI Firm Registration No: 001757S

(AJAYKUMAR KOSARAJU)
Partner
Membership No.021989
UDIN: 20021989AAAAAE4104

Place: Hyderabad
Date: 27/01/2020

27/01/2020

SUVEN PHARMACEUTICALS LIMITED

Consolidated Balance Sheet as at 30th September, 2019

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

Particulars	Notes	As at Sept 30, 2019	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	25,992.49	26,821.21
Capital work-in-progress	3	13,791.33	11,106.87
Intangible assets	4	251.45	268.50
Financial assets		-	-
(i) Investments	5 (a)(i)	24,682.05	7.05
(ii) Loans	5 (b)	7.34	7.22
(iii) Other financial assets	5 (c)	447.48	437.42
Other non-current assets	6	1,563.62	679.93
Total Non-current assets		66,735.76	39,328.20
Current assets			
Inventories	7	15,231.36	15,709.83
Financial assets		-	-
(i) Investments	5(a)(ii)	9,440.82	706.10
(ii) Trade receivables	5(d)	16,134.85	14,750.17
(iii) Cash and cash equivalents	5(e)(i)	5,549.44	1,090.30
(iv) Bank balances other than (iii) above	5(e)(ii)	201.76	199.36
(v) Loans	5(b)	16.46	10.77
(vi) Other financial assets	5(c)	0.28	0.28
Other current assets	8	7,338.19	6,506.62
Total Current assets		53,913.15	38,973.42
TOTAL ASSETS		120,648.91	78,301.62
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9(a)	1,272.82	1,272.82
Other equity	9(b)	74,425.17	57,756.22
Total Equity		75,697.99	59,029.05
LIABILITIES			
Non-current liabilities			
Provisions	10	594.53	594.53
Deferred tax liabilities (net)	11	2,598.37	2,917.17
Total Non-current liabilities		3,192.90	3,511.70
Current liabilities			
Financial liabilities			
(i) Borrowings	12(a)	30,121.64	8,279.36
(ii) Trade payables		-	-
(a) Total outstanding dues to Micro and Small Enterprise	12(b)	740.69	73.22
(b) Total outstanding dues to creditors other than Micro and Small Enterprises	12(b)	3,907.33	5,284.27
(iii) Other financial liabilities	12(c)	1,745.87	1,420.12
Current Tax Liabilities(net)	13	4,630.16	10.96
Provisions	10	269.83	165.83
Other current liabilities	14	342.49	527.11
Total Current liabilities		41,758.01	15,760.87
TOTAL LIABILITIES		44,950.91	19,272.57
TOTAL EQUITY AND LIABILITIES		120,648.91	78,301.62

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

As per our report of even date

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

KARVY & CO. Chartered Accountants Firm No. 001757S HYDERABAD

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 : 27th January 2020

SUVEN PHARMACEUTICALS LTD. Hyd-34.

SUVEN PHARMACEUTICALS LIMITED
Consolidated Statement of Profit and Loss for the period ended 30th September, 2019

(All amounts in Indian Rupees In Lakhs, unless otherw

Particulars	Notes	For the six months period ended Sept 30, 2019	For the period 6th November 2018 to March 31, 2019
Income			
Revenue from operations	15	47,031.90	37,783.46
Other income	16	788.98	60.01
Total Income		**47,820.88**	**37,843.47**
Expenses			
Cost of materials consumed	17	11,913.94	12,452.12
Changes in Inventories of work-in-progress and finished goods	18	1,325.68	(2,132.13)
Manufacturing expenses	19	5,224.30	5,130.47
Employee benefits expense	20	3,663.37	2,963.15
Finance costs	21	824.30	278.92
Depreciation and amortization expense	22	1,120.73	1,149.68
Other expenses	23	2,092.70	2,214.55
Total Expenses		**26,165.02**	**22,056.76**
Profit before tax		**21,655.86**	**15,786.71**
Tax expense			
Current tax	24	5,569.60	3,317.07
Deferred tax	24	(315.84)	1,542.21
Profit/(Loss) for the period		**16,402.10**	**10,927.43**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		-	
Remeasurements gains (losses) on defined benefit plans		(8.46)	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Re-measurement gains (losses) on defined benefit plans		2.96	-
Other Comprehensive Income /(Loss) for the period, net of taxes		**(5.51)**	-
Total Comprehensive Income for the period		**16,396.59**	**10,927.43**
Earnings per Equity share (Par value of Re.1 each)			
Basic and Diluted (not annualised)	33	**12.89**	**8.59**

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

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

KARVY & CO. Chartered Accountants Firm No. 001757S HYDERABAD

Ajay Kumar Kosaraju
Partner
Membership No. 021989

Place : Hyderabad
Date : 27th January 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

SUVEN PHARMACEUTICALS LTD. Hyd-34.

SUVEN PHARMACEUTICALS LIMITED

Consolidated Statement of changes in equity for the period ended 30th Sept, 2019

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

a. Equity share capital

	As at 30th September 2019		As at 31st March 2019	
	Number of Shares	Amount	Number of Shares	Amount
A. Equity share capital				
Opening Balance	-	-	100,000	1.00
Less: Cancellation of shares under Scheme of Arrangement (Refer Note 35)	-	-	(100,000)	(1.00)
	-	-	-	-
B. Equity Share Suspense*				
Equity shares of Rs 1/- each	127,282,478	1,272.82	127,282,478	1,272.82
	127,282,478	1,272.82	127,282,478	1,272.82

*Represents equity shares subsequently allotted on 27th January, 2020.

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 at 6th November, 2018						
Acquired in pursuant to demerger		12,230.21	5,527.91	30,016.09	-	47,774.21
Adjustement due to demerger		-	(601.24)	-	-	(601.24)
Deferred tax impact of demerger		-	-	1,956.51	-	1,956.51
Profit for the year	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 year		-	1,501.00	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 at March 31, 2019		12,230.21	6,427.67	39,098.35	-	57,756.22
Balance at April 1, 2019		12,230.21	6,427.67	39,098.35	-	57,756.22
Profit for the year	9(b)	-	-	16,402.10	-	16,402.10
Other comprehensive income	9(b)	-	-	(8.46)	-	(8.46)
Income tax relating to items of other comprehensive income		-	-	2.96	-	2.96
Transfer to General Reserve		-	-	-	-	-
Transfer from Retained Earnings		-	-	-	-	-
Total comprehensive income for the year		-	-	16,396.59	-	16,396.59
Foreign exchange translation reserve	9(b)	-	-	-	272.35	272.35
Dividend paid		-	-	-	-	-
Tax on distributed profit		-	-	-	-	-
Balance at Sept 30, 2019		12,230.21	6,427.67	55,494.94	272.35	74,425.17

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 : 27th January 2020

KARVY & CO. Chartered Accountants Firm No. 001757S HYDERABAD

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

SUVEN PHARMACEUTICALS LTD. Hyd-34.

SUVEN PHARMACEUTICALS LIMITED

Consolidated Statement of Cash flows for the period ended 30th Sept, 2019

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

Particulars		For the period ended 30th Sept 2019	For the year ended 31st March 2019
A. Cash flow from operating activities			
Profit before tax		**21,655.86**	**15,786.71**
Adjustments :		-	-
Depreciation and amortisation expense		1,120.73	1,149.68
Interest Income		(19.20)	(19.76)
Finance Cost		824.30	278.92
Gain on sale of Current Investment		(151.21)	(16.33)
Loss/(Profit) on disposal of Property,plant & equipment		(8.00)	-
Operating profit before working capital changes		**23,422.48**	**17,179.22**
Adjustments for (increase)/decrease in operating assets		-	-
Trade Receivables		(1,384.68)	(8,489.11)
Inventories		478.47	(1,708.92)
Other non current financial assets		(10.19)	171.58
Other non current assets		(883.68)	2,703.51
Other current financial assets		(4.04)	4.01
Other current assets		(831.57)	(370.65)
Adjustments for increase/(decrease) in operating liabilities		-	-
Trade Payables		(709.47)	985.36
Long term provisions		-	288.58
Short term provision		95.54	(273.18)
Other financial liabilities		325.74	(1,751.42)
Other current liabilities		(184.62)	(392.42)
Cash generated from operating activities		**20,313.98**	**8,346.58**
Income taxes paid (net of refunds)		950.40	3,306.11
Net Cash flows from operating activities	(A)	**19,363.59**	**5,040.47**
		-	-
B. Cash flow from investing activities		-	-
Payments for Purchase of property, plant and equipment		(2,974.49)	(5,659.03)
Proceeds from sale of Property, plant & equipment		21.43	(19.56)
Changes in Investments		(24,675.00)	-
Sale/(purchase) of mutual funds		(8,583.51)	(689.77)
Bank balances not considered as cash and cash equivalents		(2.40)	(199.36)
Interest received		19.20	19.76
Foreign currency translation reserve		272.35	-
Net cash flow from /(used in) investing activities	(B)	**(35,922.42)**	**(6,547.96)**
		-	-
C. Cash flows from financing activities		-	-
(Repayment)/Proceeds from long term borrowings		-	5,203.03
(Repayment)/Proceeds from short term borrowings		21,842.28	(24.64)
Finance Cost		(824.30)	(278.92)
Dividends paid to equity holders (including dividend distribution tax)		-	(2,301.69)
		-	-
Net cash flow from /(used in) financing activities	(C)	**21,017.98**	**2,597.78**
		-	-
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	4,459.14	1,090.30
Cash and cash equivalents as at the beginning of the period (Refer Note 5(e) (i))		1,090.30	-
Cash and cash equivalents at the end of the period		**5,549.44**	**1,090.30**
		-	-
Cash and cash equivalents (Refer Note 5(e)(i))		5,549.44	1,090.30
Balances per statement of cash flows		**5,549.44**	**1,090.30**

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

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

KARVY & CO. Chartered Accountants Firm No. 001757S HYDERABAD

Place : Hyderabad
Date : 27th January 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

SUVEN PHARMACEUTICALS LTD. Hyd-34.

1 Company overview

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

(i) Compliance with IND AS

These special purpose interim consolidated financial statements of the Company for the half year ended 30th September 2019 have been prepared in accordance with Ind AS 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules,2013, as amended for the limited purpose of inclusion in the Information Memorandum to be filed with Stock Exchanges. Accordingly the comparative number for interim consolidated statement of profit and loss, interim consolidated statement of changes in equity and interim consolidated cash flow statement has been given for the period 6th November 2018 to 31 March 2019, instead of April to September 2018.

(ii) Historical cost convention

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

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

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

SUVEN PHARMACEUTICALS LTD. Hyd-34.

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) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

e) Fair value measurement

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

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

• In the principal market for the asset or liability, or

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

f) Revenue recognition

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

Revenue is 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.

g) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

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

h) Income tax

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

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

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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.

i) Impairment of assets

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

j) Cash and cash equivalents

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

k) Trade receivables

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

l) Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net 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.

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m) Impairment of non-financial assets

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

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

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

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

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

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

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

n) Provisions, Contingent liabilities, Contingent assets and commitments

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

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

Contingent liability is disclosed in the case of:

• a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

• a present obligation arising from past events, when no reliable estimate is possible;

• a possible obligation arising from past events, unless the probability of outflow of resources is remote.

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

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

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

o) Investments and other financial assets

i) Classification

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

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

• those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

ii) Measurement

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

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

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

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

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

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.

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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

p) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Loans and Borrowings

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

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

Financial guarantee contracts

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

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

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q) Derivatives and hedging activities

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

r) Offsetting financial instruments

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

s) Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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

Estimated useful life :

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

t) Intangible assets

(i) Computer software

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

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(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

u) Trade and other payables

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

v) Borrowings

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

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

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

w) Borrowing costs

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

x) Employee benefits

(i) Short-term obligations

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

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(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.

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

Financial assets

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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.

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• 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

z) Contributed equity

Equity shares are classified as equity.

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

aa) Dividends

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

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ab) Earning per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

ac) Cash flow statement

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

ad) Rounding of Amounts

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

ae) Critical estimates and Judgements

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

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

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

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

2 Recent accounting pronouncements

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

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Ind AS 116 - Leases :

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

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

• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

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

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

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

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

The standard permits two possible methods of transition -

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

Ind AS 12 – Income taxes :

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

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

Ind AS 109- Prepayment features with Negative compensation :

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

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Ind AS 19 – Plan amendment, curtailment or settlement :

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

The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

Ind AS 23 – Borrowing Costs :

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

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

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

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

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

The Demerger will be accounted in accordance with Indian Accounting Statndard(IND AS 103) - Business Combination as notified under Section 133 of the Act read together with paragraph 3 of the Companies(Indian Accounting Standard) Rules 2015

The Resulting Company, as on the Appointed Date, shall record the assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in it pursuant to the Scheme of Arrangement at their respective book values, excluding revaluation, if any, as appearing in the books of the Demerged Company

The Securities Premium Account, General Reserve and Retained earnings of the Demerged Company, as on the Appointed Date, shall be apportioned between the Resulting Company and the Demerged Company on the basis of net assets transferred to the Resulting Company and net assets retained by the Demerged Company

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Notes to the Consolidate financial statements

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

Note 3: Property, plant and equipment

Particulars	Land - Free Hold	Buildings - Office at Factory	Buildings - Factory(including roads)	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Laboratory Equipments	ETP Works	EDP Equipments	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	2,474.29
Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
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	1,133.19	-
Disposals	-	-	-	0.45	-	-	-	-	-	-	0.45	-
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March,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**	-
Net Book Value as at March 31, 2019	**1,536.43**	**28.20**	**8,266.59**	**14,320.69**	**232.78**	**84.58**	**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	-	-	-	250.13	-	-	1.68	9.39	2.45	24.74	288.39	2,684.46
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	5.70	-	35.92	-	-	-	-	41.62	-
Balance as at 30th Sept,2019	**1,536.43**	**31.20**	**9,806.97**	**18,682.56**	**434.44**	**121.93**	**175.37**	**2,776.50**	**792.39**	**297.04**	**34,654.82**	**13,791.33**
Accumulated depreciation and impairr	-	-	-	-	-	-	-	-	-	-	-	-
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	-	0.37	211.00	640.44	26.40	8.59	16.62	138.00	30.45	31.80	1,103.68	-
Disposals	-	-	-	2.70	-	25.50	-	-	-	-	28.19	-
Exchange difference	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30th Sept,2019	-	**3.37**	**1,751.38**	**4,755.18**	**228.06**	**56.37**	**123.09**	**1,263.23**	**261.66**	**219.99**	**8,662.33**	-
	-	-	-	-	-	-	-	-	-	-	-	-
Net Book Value as at 30th Sept,2019	**1,536.43**	**27.82**	**8,055.59**	**13,927.38**	**206.38**	**65.56**	**52.28**	**1,513.26**	**530.73**	**77.05**	**25,992.49**	**13,791.33**

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 Rs. 153,642,712/- 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 Sept 30, 2019 for mutation in the name of the Company.

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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	268.50	268.50
Gross carrying amount	-	-
At 1st April,2019	332.84	332.84
Additions	-	-
Balance as at 30th Sept,2019	**332.84**	**332.84**
Accumulated amortisation and impairn	-	-
Upto 1st April,2019	64.33	64.33
Charge for the period	17.05	17.05
Balance as at 30th Sept,2019	**81.38**	**81.38**
Net Book Value as at 30th Sept,2019	**251.45**	**251.45**

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

Note 5: Financial assets

5 (a) (i) Non-current investments

Particulars	As at 30 Sept 2019		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.	-	24,675.00	-	-
b) Other Investments		-		-
Jeedimetla Effluent Treatment Ltd	1,000	6.00	1,000	6.00
Patancheru Envirotech Pvt Ltd	10,487	1.05	10,487	1.05
Total Investments carried at cost	**11,487**	**24,682.05**	**11,487**	**7.05**
Total Non-Current investments	**11,487**	**24,682.05**	**11,487**	**7.05**
Aggregate amount of quoted investments & market value ther	-	-	-	-
Aggregate value of unquoted investments	-	24,682.05	-	7.05
Aggregate amount of impairement in value of Investment in unquoted equity investments	-	-	-	-

5 (a) (ii) Current investments

Particulars	As at 30 Sept 2019		As at 31 March 2019	
	Units	Amount	Units	Amount
Investment in Mutual Funds- Unquoted (Fully paid up)				
HDFC Short Term Debt Fund-Growth	8,581,102	1,853.26	-	-
Reliance Prime Debt Fund-Growth	21,818	1,023.93	-	-
IDFC Low Duration Fund-Growth	6,698,151	1,848.05	-	-
SBI Liquid Fund -Growth	128,719	3,875.53	24,212	706.10
TATA Liquid Fund - Growth	27,598	840.05	-	-
Total Current Investments	**15,457,388**	**9,440.82**	**24,212**	**706.10**
Aggregate amount of quoted investments & market value ther	-	-	-	-
Aggregate value of unquoted investments	-	9,440.82	-	706.10
Aggregate amount of impairment in value of Investment in unquoted investments	-	-	-	-

5(b) Loans

Particulars	As at 30 Sept 2019		As at 31 March 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to employees	16.46	7.34	10.77	7.22
Total loans	**16.46**	**7.34**	**10.77**	**7.22**

5(c) Other financial assets

Particulars	As at 30 Sept 2019		As at 31 March 2019	
	Current	Non Current	Current	Non Current
Unsecured, considered good				
Security Deposits	0.28	434.54	0.28	415.19
Interest accrued on deposit	-	12.94	-	22.23
Total Other financial assets	**0.28**	**447.48**	**0.28**	**437.42**

5(d) Trade receivables

Particulars	As at 30 Sept 2019	As at 31 March 2019
Unsecured, considered good	16,134.85	14,750.17
Total receivables	**16,134.85**	**14,750.17**

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(All amounts in Indian Rupees In Lakhs, unless otherwise stated)

5(e) (i) Cash and cash equivalents

Particulars	As at 30 Sept 2019	As at 31 March 2019
Balances with banks		
-in current accounts	69.91	57.75
-in EEFC account	4,003.73	657.77
- in Cash Credit account	1,466.94	367.38
Cash on hand	8.86	7.39
Total cash and cash equivalents	**5,549.44**	**1,090.30**

5(e) (ii) Other bank balances

Particulars	As at 30 Sept 2019	As at 31 March 2019
In unclaimed dividend accounts	7.79	11.65
Deposits -LC & BG	187.67	187.65
Interest accrued on LC & BG	6.30	0.06
Total Other bank balances	**201.76**	**199.36**

Note 6: Other non-current assets

Particulars	As at 30 Sept 2019	As at 31 March 2019
Capital advances	1,563.62	679.93
Total other non-current assets	**1,563.62**	**679.93**

Note 7: Inventories(Valued at lower of cost or Net Realisable Value)

Particulars	As at 30 Sept 2019	As at 31 March 2019
Raw materials	3,728.03	3,033.11
Work-in-progress	7,734.13	7,001.16
Finished goods	2,129.67	4,188.32
Stores and spares	1,424.80	1,258.36
Packing materials	214.72	228.87
Total inventories	**15,231.36**	**15,709.83**

Note 8: Other current assets

Particulars	As at 30 Sept 2019	As at 31 March 2019
Unsecured, considered good		
Service tax appeal deposit	3.00	-
MEIS receivable	375.37	536.52
MEIS licenses on hand	139.78	344.39
Duty drawback receivable	108.72	39.29
GST Receivable	5,819.00	4,785.44
Pre paid expenses	284.16	385.99
Advances to Material Suppliers	561.65	352.05
Advances to service providers	46.51	35.79
Others advances	-	27.15
Total other current assets	**7,338.19**	**6,506.62**

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

Note 9: Equity share capital and other equity

Particulars	As at 30 Sept 2019	As at 31 March 2019
(a). Equity Share Capital		
Authorised Capital		
201,000,000 Equity shares of Re. 1 /- each	2,010.00	2,010.00
(201,000,000 Equity shares of Re. 1 /- each)		
	2,010.00	2,010.00
Issued, Subscribed and fully paid up		
100,000 Equity shares of Re. 1 /- each	-	1.00
Less: Cancellation of shares under Scheme of Arrangement (Refer Note 35)	-	(1.00)
(100,000 Equity shares of Re. 1 /- each)		
	-	-
(b) Equity Shares Suspense		
Equity shares to be issued pursuant to the Scheme of Arrangement(Refer Note 35)		
Equity Shares of Re. 1/- each	1,272.82	1,272.82
12,72,82,478 Equity shares of Re. 1/- each		

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

Particulars	As at 30 Sept 2019		As at 31 March 2019	
	Number	Amount	Number	Amount
As at November 06, 2018	-	-	-	-
Opening balance as at 01st April'2019	127,282,478	1,272.82		-
Issue of equity share capital	-	-	100,000	1.00
Cancellation of shares under scheme of demerger (refer note 35)	-	-	-100,000	-1.00
Allotment of shares pursuant to scheme of demerger (refer note 35)	-	-	127,282,478	1,272.82
Closing balance	127,282,478	1,272.82	127,282,478	1,272.82

NOTE:

1) 12,72,82,478 equity shares of Re.1/- each amounting to Rs.12,72,82,478/- is the proposed equity share capital of the Company effective from 1st October, 2018 post restructuring. The Company is in the process of listing its equity shares in the recognised Stock exchanges in India, hence the share capital stands unallotted and disclosed under equity share suspense account.

2) In terms of the Scheme, the paid up equity share capital of Rs 100,000 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).

3) The equity shares shall be subsequently allotted on 27th January 2020.

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 and paid an interim dividend of Re 1.50/- per equity share .

9(b) Other equity

Particulars	As at 30 Sept 2019	As at 31 March 2019
Securities premium	12,230.21	12,230.21
General reserve	6,427.67	6,427.67
Retained earnings	55,494.94	39,098.35
Foreign Exchange Translation Reserve	272.35	-
Total other equity	74,425.17	57,756.22

(i) Securities premium

Particulars	As at 30 Sept 2019	As at 31 March 2019
Opening balance	12,230.21	-
Acquired in pursuant to demerger	-	12,230.21
Add: On issue of shares	-	-
Closing Balance	12,230.21	12,230.21

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Notes to the Consolidate financial statements

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

(ii) General Reserve

Particulars	As at 30 Sept 2019	As at 31 March 2019
Opening balance	6,427.67	-
Acquired in pursuant to demerger	-	5,527.91
Adjustement due to demerger	-	-601.24
Cancellation of shares under scheme of demerger (refer note 35)	-	1.00
Add: Transferred from Retained Earnings	-	1,500.00
Closing Balance	**6,427.67**	**6,427.67**

(iii) Retained earnings

Particulars	As at 30 Sept 2019	As at 31 March 2019
Opening balance	39,098.35	-
Add: Accquired in pursuant to the Scheme of Demerger (Refer note 35)	-	30,016.09
Deferred tax adjustement	-	1,956.51
Net profit for the year	16,402.10	10,927.43
Transferred to General reserve	-	-1,500.00
Dividend paid	-	-1,909.24
Tax on distributed profit	-	-392.45
Other Comprehensive Income	-	-
- Remeasurements of post employment benefit obligation, net of tax	-5.51	-
Closing balance	55,494.94	39,098.35

(iv) Foreign Exchange Translation Reserve

Particulars	As at 30 Sept 2019	As at 31 March 2019
Opening balance	-	-
Exchange differences on translating the financial statement of foreign operations	272.35	-
Closing Balance	272.35	-

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:

General reseve is used from time to time to transfer the profits from retained earnings for appropriation purpose.

Retained Earnings:

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

Note 10: Provisions

Particulars	As at 30 Sept 2019		As at 31 March 2019	
	Current	Non-Current	Current	Non-Current
Provision for Employee benefits*				
-Leave obligations	148.95	355.63	100.95	355.63
-Gratuity	120.89	238.90	64.89	238.90
	269.83	594.53	165.83	594.53

* As the Actuarial Valuation Report has not been obtained as at 30th September 2019, the above provision amounts are based on the estimates of the management, hence, relevant notes relating to the same have not been provided.

Note 11: Deferred tax assets /(liabilities)

The balances comprises temporary differences attributable to :

Particulars	As at 30 Sept 2019	As at 31 March 2019
Defined benefit obligations*	217.54	187.94
Demerger expenses	19.17	30.42
Other items	0.11	0.10
Others-MAT credit	-0.00	816.73
Total Deferred tax assets	236.83	1,035.19
Set-off of deferred tax liabilities pursuant to set-off provisions		
- Depreciation	2,808.09	3,950.22
- Unrealised capital gains on MF	27.11	2.13
Total Deferred tax Liabilities	2,835.20	3,952.36
Total deferred tax assets/(Liabilities) (net)	-2,598.37	-2,917.17

* Adjustment in pursuant to the scheme of arrangement (refer note 35)

12(a) Current borrowings

Particulars	As at 30 Sept 2019	As at 31 March 2019
Secured		
Working Capital Loans from State Bank of India(refer note (i) below)	2,976.92	2,965.71
Working Capital Loans from Bank of Bahrain & Kuwait (refer note (i) below)	592.20	563.53
Unsecured	-	-
Federal Bank -Term Loan (refer note (ii) below)	4,918.79	-
Loan from Director (refer note (iii) below)	1.00	1.00
Loan from Others	3,525.00	-
Loan from related party (refer note (iv) below)	17,659.56	4,656.25
Interest on Loan from related party	448.17	92.87
Total Current Borrowings	30,121.64	8,279.36

SUVEN PHARMACEUTICALS LTD. Hyd-34.

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

Notes:

I. Details of Current Borrowings

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

(a). Working capital loans of Rs.356,911,608 (PY Rs. 352,924,063) 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, 2019 & March 31, 2018 have been grouped under the head "Cash and Cash equivalents"

(ii). Details of Term Loans

Particulars	Termsof repayment from	As at 30 September	Range of Interest
Foreign currency loan - Federal bank	Repayable in 4 equal monthly insallments commencing from 3rd month	4,918.79	5.05 (USD)

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

(iv) Loan from related party represents loan taken from Suven Life Sciences Limited.

12(b) Trade payables

Particulars	As at 30 Sept 2019	As at 31 March 2019
Dues to micro enterprises and small enterprises (Refer Note below)	740.69	73.22
Dues to creditors other than micro enterprises and small enterprises	3,907.33	5,284.27
Total trade payables	**4,648.02**	**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 30 Sept 2019	As at 31 March 2019
Principal amount remaining unpaid to any supplier as at the end of the accounting year	734.13	67.12
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	6.56	6.09
The amount of interest paid along with the amounts of the payment made to the supplier	-	-
The amount of interest due and payable for the period of delay in making payment (which	6.48	6.03
The amount of interest accrued and remaining unpaid at the end of the accounting year	0.08	0.06
The amount of further interest due and payable even in the succeeding year, until such date	-	-

12(c) Other Financial liabilities

Particulars	As at 30 Sept 2019	As at 31 March 2019
Current		
Liabilities for expenses	1,382.39	1,016.08
Payable for Capital Goods	355.69	392.39
Unpaid dividend on equity shares*	7.79	11.65
Total other current financial liabilities	**1,745.87**	**1,420.12**

*As at 30th September 2019, There has been No Amount due and outstanding to be transferred to IEPF (Investor Education and Protection Fund).

Note 13: Current tax asset/(Liability) (net)

Particulars	30 Sept 2019	31 March 2019
Advance tax balance	4,256.51	3,306.11
Less: Provision for income tax	8,886.67	3,317.07
Total Current tax asset/(Liability) (net)	**-4,630.16**	**-10.96**

Note 14: Other current liabilities

Particulars	30 Sept 2019	31 March 2019
Government grants	-	-
Advance from customers	222.85	399.06
Statutory dues payable	119.64	128.06
Total other current liabilities	**342.49**	**527.11**

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SUVEN PHARMACEUTICALS LIMITED

Notes to the Consolidate financial statements

(All amounts in Indian Rupees In Lakhs, unless otherwise stated)

Note 15: Revenue from operations

Particulars	30 Sept 2019	31 March 2019
Sale of Products	45,339.80	34,424.74
Sale of Services	705.62	2,532.74
	46,045.42	**36,957.48**
Other Operating Income		
Export Incentives (MEIS)	770.68	742.19
Duty Drawback Received	215.05	83.79
Service tax rebate claim received	0.75	-
	986.48	**825.98**
	47,031.90	**37,783.46**

Note 16: Other income

Particulars	30 Sept 2019	31 March 2019
Interest income		
On fixed deposits	6.31	6.32
Others	12.90	13.44
Credit balances written back	14.27	23.92
Insurance Claim received	0.41	-
Foreign Exchange Gain (Net)	595.89	-
Gain on Financial Assets	151.21	16.33
Net gain on sale of Property,Plant and equipment	8.00	-
	788.98	**60.01**

Note 17: Cost of materials consumed

Particulars	30 Sept 2019	31 March 2019
Raw Materials		
Raw Material at the beginning of the period	3,033.11	-
Add: Inventories accquired pursuant to the scheme	-	2,710.65
Purchases during the period	12,430.47	12,600.96
Less: Raw Material at the end of the period	3,728.03	3,033.11
	11,735.55	**12,278.50**
Packing Materials		
Packing Material at the beginning of the period	228.87	-
Add: Inventories accquired pursuant to the scheme	-	226.35
Purchases during the period	164.23	176.15
Less: Packing Material at the end of the period	214.72	228.87
	178.39	**173.63**
	11,913.94	**12,452.12**

Note 18: Changes in inventories of work-in-progress and finished goods

Particulars	30 Sept 2019	31 March 2019
Opening Balance:		
Work-in-progress	7,001.16	-
Add: Inventories accquired pursuant to the scheme	-	4,285.57
Finished Goods	4,188.32	-
Add: Inventories accquired pursuant to the scheme	-	4,771.78
Total opening balance	**11,189.48**	**9,057.35**
Closing Balance:		
Work-in-progress	7,734.13	-
Add: Inventories accquired pursuant to the scheme	-	7,001.16
Finished Goods	2,129.67	-
Add: Inventories accquired pursuant to the scheme	-	4,188.32
Total closing balance	**9,863.80**	**11,189.48**
	1,325.68	**-2,132.13**

SUVEN PHARMACEUTICALS LTD. Hyd-34.

(All amounts in Indian Rupees In Lakhs, unless otherwise stated)

Note 19: Manufacturing expenses

Particulars	30 Sept 2019	31 March 2019
Power & Fuel	1,930.32	1,805.78
Consumable Stores	53.45	53.61
Factory Upkeep Expenses	1,358.43	1,094.44
Environment Management Expenses	693.57	602.30
Safety Expenses	64.76	62.38
Quality Control Expenses	398.37	331.92
Repairs & Maintenance:	-	-
Buildings	12.75	16.33
Plant & Machinery	712.65	1,163.71
	5,224.30	5,130.47

Note 20: Employee benefits expense

Particulars	30 Sept 2019	31 March 2019
Salaries & Wages	3,288.94	2,567.35
Contribution to Provident & other funds	202.00	201.22
Gratuity Expense	50.28	82.77
Staff Welfare Expenses	122.16	111.81
	3,663.37	2,963.15

Note 21: Finance costs

Particulars	30 Sept 2019	31 March 2019
Interest		
On Borrowings	179.51	78.95
On Inter Company Loan	448.17	92.87
Bank Charges	196.61	107.09
	824.30	278.92

Note 22: Depreciation and amortisation expense

Particulars	30 Sept 2019	31 March 2019
Depreciation of property, plant and equipment (Refer Note 3)	1,103.68	1,133.20
Amortisation of intangible assets (Refer Note 4)	17.05	16.47
	1,120.73	1,149.68

Note 23: Other expenses

Particulars	30 Sept 2019	31 March 2019
Rent	36.55	38.25
Rates & Taxes	14.18	12.70
Service Tax	-	16.24
Insurance	258.12	161.10
Communication Charges	51.87	47.44
Travelling & Conveyance	314.27	319.68
Printing & Stationery	30.44	16.51
Vehicle Maintenance	15.29	12.77
Professional Charges	238.07	184.19
Payments to Auditors (Refer note 23(a)below)	13.29	12.31
Security Charges	109.65	117.78
Repairs & Maintenance - others	42.84	58.14
Loss on sale of Property,Plant and equipment	2.25	-
Corporate Social Responsibility(Refer note 23(b)below)	-	-
Foreign Exchange Loss (Net)	-	268.71
Sales Promotion	487.65	391.18
Clearing & Forwarding	205.65	178.28
Commission on Sales	83.72	102.05
General Expenses	188.84	277.21
	2,093.00	2,215.00

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(All amounts in Indian Rupees In Lakhs, unless otherwise stated)

Note 23(a): Details of payments to auditors

Particulars	30 Sept 2019	31 March 2019
Payment to auditors		
As auditor:		
(i) Stat Auditor Fees	9.50	10.00
(ii) Tax audit fees	-	-
(iii) Other services	3.03	2.00
(iv) Re-imbursement of out -of- pocket expenses	0.76	0.31
	13.29	12.31

Note 23(b): Corporate social responsibility expenditure

Particulars	30 Sept 2019	** 31 March 2019
Amount required to be spent as per section 135 of the Act	315.13	NA
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	NA
(ii) On purpose other than (i) above	-	NA

****Since Previous year ended 31st March 2019 was the first year of incorporation of the Company , 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	30 Sept 2019	31 March 2019
(a) Income tax expense		
Current tax		
Current tax on profits for the year	5,569.60	3,317.07
Adjustments for current tax of prior periods		
Total current tax expense	**5,569.60**	**3,317.07**
Deferred tax		
Decrease(increase) in deferred tax assets		
Increase(decrease) in deferred tax liabilities	-315.84	1,542.21
Total Deferred tax expense/(benefit)	**-315.84**	**1,542.21**
Income tax expense	**5,253.76**	**4,859.28**
Income tax expense is attributable to:		
Profit from operations	**5,253.76**	**4,859.28**

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

Particulars	30 Sept 2019	31 March 2019
Profit from operations before income tax expenses	21,737.86	15,786.71
Tax at the Indian tax rate of 25.168% (2018-19 -34.944%)	**5,470.99**	**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	-
Disallowance u/s 40a (ia)	0.09	-
Profit on sale of asset	-2.01	-
Interest on Income tax	46.61	29.07
Interest on MSMED	0.12	2.13
Income tax paid at special rate	-31.48	(123.08)
opening DTL on impact of rate change	7.91	-
Gratuity & Leave encashment	44.45	-
Impact of WDV change	-1,103.11	5.07
MAT Credit	816.73	(570.42)
Others	2.91	0.01
Income tax expenses	**5,253.76**	**4,859.28**

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(All amounts in Indian Rupees In Lakhs, unless otherwise stated)

Financial instruments and risk management

Note 25: Fair value measurements

	30 September 2019		31 March 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Investments				
-Equity Investment	-	7.05	-	7.05
-Mutual funds	9,440.82	-	706.10	-
Trade Receivables	-	16,134.85	-	14,750.17
Loans	-	23.80	-	17.99
Security deposits	-	447.76	-	437.69
Cash and Cash equivalents	-	5,549.44	-	1,090.30
Bank Balances	-	7.79	-	11.65
Fixed Deposits with Banks and Interest thereon	-	193.97	-	187.71
Total Financial Assets	**9,440.82**	**22,364.66**	**706.10**	**16,502.56**
Financial Liabilities				
Borrowings	-	30,121.64	-	8,279.36
Current maturities of long-term debt	-	-	-	-
Unpaid dividends	-	7.79	-	11.65
Trade Payables	-	4,648.02	-	5,357.49
Capital creditors	-	355.69	-	392.39
Total Financial Liabilities	**-**	**35,133.13**	**-**	**14,040.89**

(i) Fair value hierarchy

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

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Financial assets measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
As at September 30, 2019					
Financial assets					
Equity Investment		-	-	7.05	7.05
Investment in mutual funds	5(a)(i)	-	9,440.82	-	9,440.82
Trade Receivables		-	-	16,134.85	16,134.85
Loans		-	-	23.80	23.80
Security deposits		-	-	447.76	447.76
Fixed Deposits with Banks and Interest thereon		-	-	193.97	193.97
Total Financial Assets		**-**	**9,440.82**	**16,807.43**	**26,248.26**

Financial liabilities measured at amortised cost & Fair Value	Notes	Level 1	Level 2	Level 3	Total
As at September 30, 2019					
Financial Liabilities					
Borrowings		-	-	30,121.64	30,121.64
Current maturities of long-term debt		-	-	-	-
Unpaid dividends		-	-	7.79	7.79
Trade Payables		-	-	4,648.02	4,648.02
Capital creditors		-	-	355.69	355.69
Total Financial Liabilities		**-**	**-**	**35,133.13**	**35,133.13**

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
Total Financial Assets		**-**	**706.10**	**15,400.61**	**16,106.71**

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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).

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(All amounts in Indian Rupees In Lakhs, unless otherwise stated)

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

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

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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 30 September 2019

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	More than 120 days	Total
Gross carrying amount	14,218.62	1,781.14	106.44	0.62	28.03	16,134.85
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses(loss allowance provision)	-	-	-	-	-	-
Carrying amount of trade receivables(net of impairment)	**14,218.62**	**1,781.14**	**106.44**	**0.62**	**28.03**	**16,134.85**

SUVEN PHARMACEUTICALS LTD. Hyd-34.

Year ended 31 March 2019

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	Morethan 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.

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 September 30, 2019	On Demand	in next 12 months	>1 year	Total
(i) Borrowings	30,121.64	-	-	30,121.64
(ii) Trade payables	-	4,648.02	-	4,648.02
(iii) Other financial liabilities	7.79	1,738.08	-	1,745.87
	30,129.42	6,386.10	-	36,515.52

Year ended March 31, 2019	On Demand	in next 12 months	>1 year	Total
(i) Borrowings	8,279.36	-	-	8,279.36
(ii) Trade payables	-	5,357.49	-	5,357.49
(iii) Other financial liabilities	11.65	1,408.47	-	1,420.12
	8,291.01	6,765.96	-	15,056.97

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C) Market risk - foreign exchange risk

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

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

(a) Foreign currency risk exposure:

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

Particulars	As at September 30, 2019			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	4,054.47	-	-	-
Trade receivables(Net)	15,473.10	-	-	-
Financial Liabilities	-	-	-	
Borrowings	8,487.90	-	-	-
Trade payables	1,542.97	-	1.52	-
Other financial liabilities	26.52	-	-	-

Particulars	As at March 31, 2019			
	USD	GBP	EUR	Others
Financial assets				
Cash and Cash equivalents	712.36	-	-	-
Trade receivables	14,298.01	-	-	-
Financial Liabilities	-			
Borrowings	3,529.24			
Trade payables	571.34	-	-	-
Other financial liabilities	55.50	-	-	-

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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)

	30 September, 2019	31 March , 2019
Net debt	24,370.44	6,989.70
Total Equity	75,697.99	59,029.05
Net debt to equity ratio	32%	12%

(b) Dividends (on equity instruments)

	30 September, 2019	31 March , 2019
(i) Equity shares		
Interim dividend for the year ended March 31, 2019 of Rs.1.50) per fully paid share	-	1,909.24
(ii) Dividends not recognised at the end of the reporting period	-	-
The interim dividend paid has been declared as final dividend in the board meeting held on 25/05/2019	-	-

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(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. CRAMS. 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 period ended		Value of Net Assets as on		Additions to Fixed Assets during	
	30 Sept 2019	31 March 2019	30 Sept 2019	31 March 2019	FY 2019-20	FY 2018-19
INDIA	872.42	1,065.62	26,238.70	27,071.77	288.39	441.40
U S A	999.19	1,563.17	5.24	17.94	-	4.78
EUROPE	38,387.64	25,393.09	-	-	-	-
OTHERS	5,786.17	8,935.60	-	-	-	-
	46,045.42	**36,957.48**	**26,243.94**	**27,089.71**	**288.39**	**446.18**

Information about major customers

Revenues from one of the customers of the Company's in Europe was Rs. 15,480 lakhs representing approximately 33.62% of the Company's total revenue, for the period ended 30th September 2019 and Rs. 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 September 30, 2019 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	30 Sept 2019	31 March 2019	30 Sept 2019	31 March 2019	Principal activity
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

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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) Key Management personnel(KMP)	: Mr. Venkateswarlu Jasti (Chairman & MD) Mr. P. Subba Rao (Chief Financial Officer) Mr. K. Hanumatha Rao (Company Secretary)
(c) Relative of Key Management personnel	: Mrs. Kalyani Jasti (Daughter of Mr.Venkateswarlu Jasti)
(d) Entity with common control	: Suven Life Sciences Limited

(a)Parent entities*

Name	Type	Place of Incorporation	Ownership Interest	
			30 Sept 2019	31 March 2019
Jasti Property and Equity Holdings Private Limited	Immediate and Ultimate parent entity	India	60.00%	60.00%

* Shares pending for allotment. (Refer Note 9)

(b)Key Management Personnel compensation

	30 Sept 2019	31 March 2019
Short term employee benefits	442.81	611.75
Post-employment benefits	-	-
Long term employee benefits	-	-
Termination benefits	-	-
Total Compensation	**442.81**	**611.75**
Balance outstanding	**218.65**	**227.37**

(c) Relative of Key Management Personnel compensation

	30 Sept 2019	31 March 2019
Short term employee benefits	106.55	232.10
Post-employment benefits	-	-
Long term employee benefits	-	-
Termination benefits	-	-
Total Compensation	**106.55**	**232.10**

(d) Entity with common control

	30 Sept 2019	31 March 2019
Suven Life Sciences Limited	18,107.73	4,749.12

Note 31: Contingent Liabilities and contingent assets

	30 Sept 2019	31 March 2019
Claims against the company not acknowledged as debts		
a) Letter of credit for imports	2,061.23	1,077.47
b) Bank Guarantee	11.00	6.50
	2,072.23	**1,083.97**

Note 32: Commitments

	30 Sept 2019	31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of Payments(including advances)	8,828.38	3,665.86
	8,828.38	**3,665.86**

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

Note 33: Earnings per share

	30 Sept 2019	31 March 2019
Profit After Tax (PAT)	16,402.10	10,927.43
Weighted average number of equity shares *	127,282,478	127,282,478
Basic Earnings per share **	12.89	8.59

Note:

* For the purpose of calculating earnings per share for the half year ended 30th September 2019 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.

** The Earnings per share is not annualised.

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 six months period ended September 30, 2019 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 September 30, 2019.

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 Re 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: 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		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
30 Septemebr 2019								
Parent								
Suven Pharmaceuticals Ltd.	162.76%	54,632.14	100.50%	16,484.10	100.00%	-5.51	100.50%	16,478.60
Subsidiaries:		-		-				
Suven Pharma Inc.	-62.76%	-21,065.85	-0.50%	-82.00	0.00%	-	-0.50%	-82.00
TOTAL	**100.00%**	**33,566.29**	**100.00%**	**16,402.10**	**100.00%**	**-5.51**	**100.00%**	**16,396.59**
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: The company has invested 35 million USD (25% share holding) in Rising Pharma Holdings Inc., through its wholly owned subsidiary(i.e Suven Pharma Inc.) in the Month of April' 2019. Since the acquistion of assets and liabilities are under process the same has not been considered for consolidation purpose.

Name of the subsidiary : Suven Pharma Inc
Reporting currency : USD
Date of Incorporation : 09th March 2019

Particulars	30 September 2019	31 March 2019
Share capital	30,000,000	-
Reserves & surplus	(119,360)	-
Total assets	35,024,948	-
Total Current liabilities	5,144,308	-
Investments	-	-
Turnover / Total income	-	-
Profit/(loss) before taxation	(119,360)	-
Provision for Taxation	-	-
Profit/ (loss) after taxation	(119,360)	-
Proposed dividend	-	-
% of share holding	100%	-

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Notes to the Consolidate financial statements

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

KARVY & CO. Chartered Accountants Firm No. 001757S HYDERABAD

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 : 27th January 2020

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MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Financial Statements which appear elsewhere in this Information Memorandum. You should also read the section titled "Risk Factors" on page 15, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to the financial statements of our Company.

This discussion contains forward-looking statement and reflects our current plans and expectations, actual results may differ materially from those anticipated in these forward-looking statements. By their nature certain market risk disclosures are only estimates and could be materially different from those that have been estimated. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the sections titles "Risk Factors", "Forward-Looking Statements" and "Our Business" on pages 15, 9 and 53 respectively.

Overview

Our Company is primarily engaged in CRAMS business where research and development is customized to the needs of our global pharmaceutical customers. We endeavor to follow a non-conflict business model with our customers which mean that our products and services are provided for the innovation of the drug whereas our Company is not involved in developing competing drugs.

We undertake research, manufacturing and supply of intermediates of NCEs to global pharmaceutical manufacturers, bulk drugs, contract technical services including process R&D services, process development services and formulation development services. As on September 30, 2019, we have obtained 43 country wide process patents under our CRAMS activities. Pharmaceutical companies can outsource part of their research activity to other companies which can in turn support them with services for new product development. This can range from pre-formulation studies, screening studies, formulation development and use of specific drug delivery technology, clinical research etc. or even a basic idea.

CRAMS business is a niche segment with few players dominating the space. The CRAMS manufacturer's EBIDTA margin from NCE based business generally is high in the range of 20% to 40%. Since NCE based CRAMS are high end in the value chain of drug discovery, the players in this segments are expected to attract more premium for their services. (*Source: CARE Report)*

We are part of Suven group, which has interests in diverse business segments like Discovery Research and CRAMS. The group is spearheaded by Venkateswarlu Jasti, who has more than 45 years of experience. He is responsible for formulating growth plans and involved in all the strategic decisions to be taken for the group.

Prior to the Scheme and incorporation of our Company in the year 2019, the CRAMS business was part of our group company viz., Suven Life Sciences Limited, promoted by our Promoters. The CRAMS business was commenced in the year 1995 and we have undertaken over 854 projects for various life science companies. Pursuant to the Scheme, the CRAMS business was separated and transferred into our Company with an objective to club our over 20 years of experience and focus on achieving our growth plans, as a separate entity.

As on February 29, 2020 we have 926 employees and 7 consultants. Our research team consists of 58 scientists of which 12 are PhD holders.

We have 5 manufacturing facilities located at Jeedimetla (Telangana) Pashamylaram 1 (Telangana), Pashamylaram 2 (Telangana), Suryapet (Telangana) and Visakhapatnam (Andhra Pradesh).

We have process research laboratory located at Jeedimetla (Telangana) and Pashamylaram (Telangana) and formulation development centre located at Pashamylaram (Telangana).

All our manufacturing facilities are certified for ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007. Our manufacturing unit at Pashamylaram (Telangana), is cGMP and USFDA compliant. Our Company's unit at Pashamylaram (Telangana) has also been approved for manufacture of Gabapentin by the Commissioner of Ministry of Food and Drug Safety, Korea and granted a cGMP certificate by the Freie Und Hansestadt, Hamburg for manufacturing active pharmaceutical ingredients including Tamsulosin hydrochloride, Gabapentin. Our Company's unit at Pashamylaram (Telangana) has also been approved for manufacture of Fenoprofen Calicum by French National Agency for Medicines and Health Products Safety.

Significant developments subsequent to September 30, 2019 (last audited financial statements)

1. NCLT, vide its order dated January 6, 2020 approved the Scheme of Arrangement between Suven Life Sciences Limited, our Company and the respective shareholders and creditors, in accordance with sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013. Pursuant to the Scheme, the CRAMS undertaking of the Demerged Company is transferred to and vested with our Company. The Effective Date of the Scheme was January 9, 2020 with effect from the Appointed Date i.e., October 1, 2018. Accordingly, pursuant to the Scheme, 12,72,82,478 Equity Shares of INR 1 each were allotted to the shareholders of Suven Life Sciences Limited and the existing share capital of our Company was cancelled on January 27, 2020.

2. Our Board of Directors was reconstituted and KMPs were appointed.

3. Our Company has received in-principle approval for listing from BSE and NSE on February 24, 2020 and February 25, 2020 respectively.

4. Our Company was granted an exemption from the application of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 by the SEBI vide the letter no. SEBI/HO/CFD/DIL-2/AM/GB/8108/2020 dated March 3, 2020

Other than the above, after the date of last audited accounts i.e. September 30, 2019, the Directors of our Company confirm that, there have not been any significant developments.

Factors Affecting Our Results of Operations

Our business and results of operations are affected by a number of factors, including the following:

- outsourcing trends, dependence on collaborative partnership programs, technological advances
- the effect of changes in our accounting policies;
- our ability to manage our growth effectively;
- costs and availability of raw materials;
- outcome of legal or regulatory proceedings to which we, are a party to or might become involved in;
- changes in political and social conditions in India;
- epidemic situation in and outside India;difficult condition in the global capital market and the economy generally;
- our ability to control cost and retained key personnel;
- our ability to finance its business and growth;
- our ability to compete effectively, particularly in new markets and business lines;
- potential mergers, acquisitions or restructurings;
- changes in the foreign exchange control regulations in India and
- other factors discussed in this Information Memorandum, including "Risk Factors"
- major changes, in pharmaceutical industry especially in the CRAMS business, if any

Significant Accounting Policies

a) **Basis of preparation**

i) Compliance with IND AS

These special purpose interim consolidated financial statements of the Company for the half year ended 30th September 2019 have been prepared in accordance with Ind AS 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules,2013, as amended for the limited purpose of inclusion in the Information Memorandum to be filed with Stock Exchanges. Accordingly, the comparative number for interim consolidated statement of profit and loss, interim consolidated statement of changes in equity and interim consolidated cash flow statement has been given for the period 6th November 2018 to 31 March 2019, instead of April to September 2018.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:
• certain financial assets are measured either at fair value or at amortised cost depending on the classification
• employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation; and
• Share-based payments which are measured at fair value of the options

b) **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
• Expected to be realised or intended to sold or consumed in normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period, or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
• It is expected to be settled in normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period, or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in Cash and Cash equivalents. The Company has identified twelve months as its operating cycle.

c) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as being the Chief Operating Decision Maker. Refer note 28 of the Consolidated Financial Statements for the segment information presented.

d) **Foreign currency translation**

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

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

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

e) **Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability.
The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

f) **Revenue recognition**

The Company earns revenue primarily from sale of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API) Speciality chemicals and formulated drugs under contract research and manufacturing services.
Revenue is 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 of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18.

g) **Government grants**

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

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

h) **Income tax**

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

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

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

i) **Impairment of assets**

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

j) **Cash and cash equivalents**

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

k) **Trade receivables**

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

l) **Inventories**

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net 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.

m) **Impairment of non-financial assets**

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

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

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

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

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

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

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

n) **Provisions, Contingent liabilities, Contingent assets and commitments**

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

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

Contingent liability is disclosed in the case of:
• a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
• a present obligation arising from past events, when no reliable estimate is possible;
• a possible obligation arising from past events, unless the probability of outflow of resources is remote.
Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

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

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

o) **Investments and other financial assets**

i) Classification
The Company classifies its financial assets in the following measurement categories:
• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
• those measured at amortised cost.

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

ii) Measurement

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

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:
Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

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

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

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

iii) Impairment of financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28 details how the Company determines whether there has been a significant increase in credit risk.
For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

Dividends

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

Royalty

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

p) **Financial liabilities**

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Loans and Borrowings

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

q) **Derivatives and hedging activities**

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

r) **Offsetting financial instruments**

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

s) **Property, plant and equipment**

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

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

Depreciation methods, estimated useful lives and residual value

Depreciation on Property, Plant & Equipment is provided on straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.
The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in Statement of profit or loss when the assets is derecognised.

Estimated useful life :

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

t) **Intangible assets**

(i) Computer software
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

u) **Trade and other payables**

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

v) **Borrowings**

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

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

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

w) **Borrowing costs**

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.
Other borrowings costs are expensed in the period in which they are incurred.

x) **Employee benefits**

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

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

Gratuity obligations

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

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

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

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

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.

y) **Financial instruments**

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

Financial assets

Initial recognition and measurement

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

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

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:
· Financial assets at fair value
· Financial assets at amortised cost
Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

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

z) **Contributed equity**

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

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

ab) Earning per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

• The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

• The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

ac) Cash flow statement

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

ad) Rounding of Amounts

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

ae) Critical estimates and Judgements

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

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

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

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

2. Recent accounting pronouncements

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

Ind AS 116 - Leases :

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

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

• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application
Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.
Certain practical expedients are available under both the methods.

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

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

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

Ind AS 12 – Income taxes :

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

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

Ind AS 109- Prepayment features with Negative compensation :

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

Ind AS 19 – Plan amendment, curtailment or settlement:

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

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

Ind AS 23 – Borrowing Costs:

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

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

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

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

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

The Demerger will be accounted in accordance with Indian Accounting Standard(IND AS 103) - Business Combination as notified under Section 133 of the Act read together with paragraph 3 of the Companies(Indian Accounting Standard) Rules 2015.

The Resulting Company, as on the Appointed Date, shall record the assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in it pursuant to the Scheme of Arrangement at their respective book values, excluding revaluation, if any, as appearing in the books of the Demerged Company.

The Securities Premium Account, General Reserve and Retained earnings of the Demerged Company, as on the Appointed Date, shall be apportioned between the Resulting Company and the Demerged Company on the basis of net assets transferred to the Resulting Company and net assets retained by the Demerged Company.

Summary of Changes to Significant Accounting Policies

There has been no change in classification of any accounting measures including operating expenses, income, operating income, depreciation, etc.

Related Party Transactions

For details, see "*Financial Statements*" on page 84.

Income and Expenses

Our income and expenditure are reported in the following manner:

Income

Total income consists of revenue from operations and other income.

Revenue from operations

Revenue from operations comprises of sale of products and sale of services. The other operating income includes export incentives (MEIS), duty drawback received and service tax rebate claim received.

Other income

Other income primarily comprises interest income on bank deposits and financial assets, net gain or loss on sale of investments, profit on sale of capital assets (net of loss on assets sold or scrapped or written off) and net gain or loss arising on financial assets designated as at Fair Value through Profit or Loss ("**FVTPL**").

Expenses

Expenses comprise employee benefits expenses, finance costs, depreciation and amortization expense, operating expenses and other expenses.

Employee benefits expenses

Employee benefits expenses comprises salaries and wages including bonus, contribution to provident and other funds, gratuity expense and staff welfare expenses.

Finance Costs

Finance cost comprises interest on borrowings, interest on inter-company loan, bank charges amongst others.

Depreciation and amortization

Depreciation and amortization expenses comprises depreciation on tangible assets and amortization of intangible assets including right to use assets.

Operating expenses

Operating expenses comprise of power & fuel, consumable stores, factory upkeep expenses, quality control expenses, repairs & maintenance etc.

Other expenses

Other expenses primarily comprise rent, insurance, traveling & conveyance, sales promotion, clearing & forwarding, general expenses, etc.

Our Results of Operations

The following table sets forth select financial data from our audited consolidated financial statement of profit and loss for the six months ended September 30, 2019 and period November 6, 2018 to March 31, 2019 (i.e., since incorporation to the year end):

(INR in Lakhs)

Particulars	**As on September 30, 2019**	**As a percentage of total income**	**As on March 31, 2019**	**As a percentage of total income**
Income				
Revenue from operations	47,031.90	98.35%	37,783.46	99.84%
Other income	788.98	1.65%	60.01	0.16%
Total Income	**47,820.88**	**100.00%**	**37,843.47**	**100.00%**
Expenses				
Cost of material consumed	11,913.94	24.91%	12,452.12	32.90%
Changes in inventories of work-in progress & finished goods	1,325.68	2.77%	-2,132.13	-5.63%
Manufacturing expenses	5,224.30	10.92%	5,130.47	13.56%
Employee benefits expense	3,663.37	7.66%	2,963.15	7.83%
Finance costs	824.30	1.72%	278.92	0.74%
Depreciation & amortization expense	1,120.73	2.34%	1,149.68	3.04%
Other expenses	2,092.70	4.38%	2,214.55	5.85%
Total Expenses	**26,165.02**	**54.71%**	**22,056.76**	**58.28%**
Profit before tax	**21,655.86**	**45.29%**	**15,786.71**	**41.72%**
Tax expense				
Current tax	5,569.60	11.65%	3,317.07	8.77%
Deferred tax	-315.84	-0.66%	1,542.21	4.08%

Particulars	As on September 30, 2019	As a percentage of total income	As on March 31, 2019	As a percentage of total income
Profit for the period	**16,402.10**	**34.30%**	**10,927.43**	**28.88%**

Cash Flows

The following table sets forth our cash flows from operating, investing and financing activities for the six months period ended September 30, 2019 and for the period November 6, 2018 to March 31, 2019, on consolidated basis:

(INR in Lakhs)

Particulars	For the six months period ended September 30, 2019	FY 2019
Net cash flow from operating activities	19,363.59	5,040.47
Net cash flow from / (used in) investing activities	(35,922.42)	(6,547.96)
Net cash flow from / (used in) financing activities	21,017.98	2,597.78
Net increase / (decrease) in cash and cash equivalents	4,459.14	1,090.30

Operating Activities

Net cash flow from operating activities was INR 19,363.59 lakhs for the six months ended September 30, 2019. While our profit before tax was INR 21,655.86 lakhs for the six months ended September 30, 2019, we had an operating profit before working capital changes of INR 23,422.48 lakhs, primarily due to depreciation and amortization expense of INR 1,120.73 lakhs. Our changes in working capital for the six months ended September 30, 2019 primarily consisted of an increase in trade receivables of INR 1,384.68 lakhs, an increase in other non-current assets of INR 883.68 lakhs and an increase in other current assets of INR 831.57 lakhs, which was partially offset by an increase in other current liabilities of INR 184.62 lakhs.

Net cash flow from operating activities was INR 5,040.47 lakhs for the year ended March 31, 2019. While our profit before tax was INR 15,786.71 lakhs for the year ended March 31, 2019, we had an operating profit before working capital changes of INR 17,179.22 lakhs, primarily due to depreciation and amortization expense of INR 1,149.68 lakhs. Our changes in working capital for the year ended March 31, 2019 primarily consisted of an increase in trade receivables of INR 8,489.11 lakhs, an increase in inventories of INR 1,708.92 lakhs and an increase in other current assets of INR 370.65 lakhs, which was partially offset by an increase in other current liabilities of INR 392.42 lakhs.

Investing Activities

Net cash flow used in investing activities was INR 35,922.42 lakhs for the six months ended September 30, 2019, primarily comprising changes in investments of INR 24,675.00 lakhs, purchase of mutual funds of INR 8,583.51 lakhs and purchase of property, plant and equipment of INR 2,974.49 lakhs, which was partially offset by proceeds from sale of fixed assets of INR 21.43 lakhs and foreign currency translation reserve of INR 272.35 lakhs.

Net cash flow used in investing activities was INR 6,547.96 lakhs for the year ended March 31, 2019, primarily comprising purchase of property, plant and equipment of INR 5,659.03 lakhs which was partially offset by income received of INR 19.76 lakhs.

Financing Activities

Net cash flow from financing activities was INR 21,017.98 lakhs for the six months ended September 30, 2019, comprising proceeds from short term borrowings of INR 21,842.28 lakhs partially offset by finance costs of INR 824.30 lakhs.

Net cash flow from financing activities was INR 2,597.78 lakhs for the year ended March 31, 2019, comprising proceeds from long term borrowings of INR 5,203.03 lakhs partially offset by dividend paid to the equity holders (including dividend distribution tax) of INR 2,301.69 and finance costs of INR 278.92 lakhs.

Financial indebtedness

The following table sets forth certain information relating to our outstanding indebtedness as of September 30, 2019, on consolidated basis, and our repayment obligations in the periods indicated:

(*in INR lakhs)*

Category of Borrowing	Outstanding amount as on September 30, 2019
Secured	
Working capital loans from banks	3,569.12
Unsecured	
From banks	4,918.79
From Director	1.00
From Others	3,525.00
From related party	17,659.56
Interest on loan from related party	448.17
Total	**30,121.64**

Contingent Liabilities and Commitments

The following is a summary table of our contingent liabilities as of September 30, 2019, on consolidated basis, to the extent not provided for:

(*in INR lakhs)*

Particulars	As of September 30, 2019
Claims against the company not acknowledged as debts	
a. Letter of Credit (Import)	2,061.23
b. Bank Guarantees	11.00
Total	**2,072.23**

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Capital Expenditure

The Company incurred capital expenditure of INR 288.39 lakhs towards additions in equipments as on 30 September 2019.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rates and foreign exchange rates. In the normal course of business, we are exposed to certain market risks including foreign exchange rate risk and interest risk.

Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. We mitigate risk by structuring our borrowings to achieve a reasonable, competitive cost of funding. There can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Foreign exchange rate risk

Changes in currency exchange rates influence our results of operations. We import certain raw materials, the price of which are denominated in foreign currency, which is mostly the U.S. dollar or the Euro. Our export sales, are denominated in currencies other than Indian Rupees. Although we selectively enter into hedging transactions to minimise our foreign currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or the Euro or other relevant foreign currencies.

Liquidity risk

Adequate and timely cash availability for our operations is the liquidity risk associated with our operations. We require substantial amounts of working capital for our business operations such as maintaining and operating our manufacturing facility, marketing and distributing our products, developing new products and enhance existing products and the failure to obtain such capital may adversely affect our growth prospects and future profitability.

Credit Risk

We are exposed to the risk that our counterparties may not comply with their obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. Our customer base majorly has creditworthy counterparties which limits the credit risk, however, there can be no assurance that our counterparties may not default on their obligations, which may adversely affect our business and financial condition.

General

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate/government bonds and hence the evaluation of liability is exposed to fluctuations in the yields as at the valuation date.

Unusual or infrequent events or transactions

Except as described in this Information Memorandum, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

Significant dependence on a few customers and suppliers

We do not depend on one supplier or customer.

Total turnover of each major industry segment

For the six months ended September 30, 2019 and Financial Year 2019, we operated in only a single reportable segment.

Significant economic changes that materially affected or are likely to affect income from operations

Other than as described in this section and the sections of this Information Memorandum titled “*Our Business*”, “*Risk Factors*” and “*Industry Overview*” on pages 53, 15 and 49, there have been no significant economic changes that materially affected or are likely to affect our Company's income from operations.

Known trends or uncertainties

Other than as described in this Information Memorandum, particularly in the sections “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 15 and 85, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

Future relationship between cost and revenue

Other than as described in "*Risk Factors*", "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 15, 53 and 85, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

New products or business segments

Other than as disclosed in this chapter and in "*Our Business*" on page 53, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Competitive conditions

We operate in a competitive environment. For further details see "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 53, 49 and 15, respectively.

Seasonality of business

There is no seasonality in our business.

Material developments subsequent to September 30, 2019

NCLT, vide its order dated January 6, 2020 approved the Scheme of Arrangement between Suven Life Sciences Limited, our Company and the respective shareholders and creditors, in accordance with sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013. Pursuant to the Scheme, the CRAMS undertaking of the Demerged Company is transferred to and vested with our Company. The Effective Date of the Scheme was January 9, 2020 with effect from the Appointed Date i.e., October 1, 2018. Accordingly, pursuant to the Scheme, 12,72,82,478 Equity Shares of INR 1 each were allotted to the shareholders of Suven Life Sciences Limited and the existing share capital of our Company was cancelled on January 27, 2020.

SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND OTHER MATERIAL DEVELOPMENTS

In terms of Schedule VI, Part A, para (12), sub-para (A) of the ICDR Regulations, our Company is required to disclose in this Information Memorandum, (i) all criminal proceedings; (ii) all actions by statutory or regulatory authorities; (iii) claims related to direct and indirect taxes; and (iv) all material litigation, in each case involving our Company, our Directors, our Promoters. Additionally, all disciplinary action including penalty imposed by SEBI/Stock Exchanges, against the Promoters in the last five financial years, including outstanding actions, have to be disclosed. Further, litigation involving the Group Companies, which may have a material impact on our Company are required to be disclosed.

*Further, pre-litigation notices received, if any, by our Company, the Promoters, a Director or the Group Companies (the "**Relevant Parties**") from third parties (excluding those notices issued by statutory/regulatory/tax authorities) shall, unless otherwise decided by the Board of Directors, not be considered material until such time that the Relevant Party is impleaded as defendant in litigation proceedings before any judicial forum.*

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Litigations involving our Company

Criminal proceedings against our Company

Our Company is currently involved in certain legal proceedings in India as under:

1. ***Title dispute with regard to land belong to the Company situated at Unit I, Suryapet, Telangana***

   Our Company's land property to the extent of 4 acre 6 guntas situated at Dasaigudem, Suryapet District, Telangana, one of the plants of the Company is in title dispute with previous owners of the property. Aggrieved by the judgment and decree passed by the trail court at Nalgonda, Suryapet dismissing the suit, the opposite party (Appellants) has filed a suit on January 20, 2020 against our Company and others before the Hon'ble High Court of Telangana for suitable directions in this matter. The suit filed by the aggrieved party is valued at INR 31.13 Lakhs. The Company is currently contesting in High Court of Telangana.

2. ***There is a demand letter dated October 9, 2019 issued by Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC), Visakhapatnam for payment of fee towards delay in implementation of the project situated at Jawaharlal Nehru Pharma City (JNPC)***

   Our Company had purchased land admeasuring 21.18 acres in JNPC from APIIC, Andhra Pradesh State Government undertaking to implement the project. Due to delays in creation of necessary infrastructure facilities, the implementation of the project in the said JNPC got delayed. The project of the Company was however finally commissioned in the year 2015. The demand letter issued by APIIC asking for payment of INR 606 Lakhs towards restoration and delay condonation fee and other miscellaneous charges. The demand letter issued by APIIC is being examined by the legal counsel of our Company to contest the matter in the court of law.

Criminal proceedings by our Company

Nil

Civil proceedings against our Company

Nil

Actions by regulatory and statutory authorities

Nil

Tax proceedings against our Company

(in ₹ lakhs, to the extent quantifiable)

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings
Direct Tax (A)		
Income Tax	Nil	Not applicable
Indirect Tax (B)		
Sales Tax and VAT (1)	Nil	Nil
Service Tax (2)	Nil	Nil
Total (1+2)	Nil	Not applicable
Total (A+B)	Nil	Not applicable

Litigations against our Promoter, our Group Companies and our Directors which may have an adverse impact on our Company

Litigations involving our Subsidiary

Criminal proceedings against our Subsidiary

Nil

Criminal proceedings by our Subsidiary

Nil

Civil proceedings against our Subsidiary

Nil

Actions by regulatory and statutory authorities against our Subsidiary

Nil

Tax proceedings against our Subsidiary

(in ₹ lakhs, to the extent quantifiable)

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings
Direct Tax (A)		
Income Tax	Nil	Not applicable
Indirect Tax (B)		
Total (1+2)	Nil	Not applicable
Total (A+B)	Nil	Not applicable

Litigation involving our Directors

Except for the show cause notice issued by SEBI against Venkateswarlu Jasti neither there are any litigations nor any statutory and regulatory proceeding against our directors. For further details on the show cause notice please see "*Regulatory/ Statutory actions taken against our Promoters" on page 109*

Litigation involving our Promoters

Criminal proceedings involving our Promoters

Nil

Civil litigations involving our Promoters

Nil

Regulatory/ Statutory actions taken against our Promoters

Show cause notice issued by SEBI to Venkateswarlu Jasti

SEBI issued a show cause notice dated January 11, 2019 to one of the promoters Venkateswarlu Jasti and Jasti Family Trust, an entity belong to Promoter Group of the Company and 3 other individuals for violation of Insider Trading Regulations of SEBI, basis press release dated September 10, 2015 in relation to grant of product patents to Suven Life Sciences Limited. The matter is being represented by the legal counsel of the Company and the said promoters and other 3 entities.

Tax proceedings against our Promoters

Nil

Disciplinary actions against our Promoters

There are no disciplinary actions, including penalty imposed by SEBI/Stock Exchanges, against our Promoters in the last five financial years. Nil

Litigation involving our Group Companies

Show cause notice issued by SEBI to Suven Life Sciences Limited

SEBI served a show cause notice dated May 27, 2019 on our Group Company i.e., Suven Life Sciences Limited for violation of Insider Trading Regulations of SEBI, basis press release dated September 10, 2015 in relation to grant of product patents to Suven Life Sciences Limited.

Outstanding dues to small scale undertakings or any other creditors:

As of September 30, 2019, the total trade payables of our Company, were INR 4,648.02 lakhs.

The details of outstanding dues to creditors, as on September 30, 2019, are as follows:

Particulars	**No. of creditors**	**Amount due**
Micro, small or medium enterprises*	49	740.69
Creditors – raw material	397	3,325.89
Other creditors	95	581.44

* *Based on available information regarding status of suppliers as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as of September 30, 2019*

For complete details about outstanding dues to the creditors of our Company, see "*Financial Statements*" on page 84.

GOVERNMENT APPROVALS

Pursuant to the Scheme of Arrangement, all the permits, licenses, registrations, authorities, allotments, approvals, contracts, engagements, arrangements, title, interest, benefits, rights and benefits under insurance policies, intellectual property including trademarks, patents, copyrights, privileges, goodwill, import quotas, import licenses, industrial designs, labels, label designs and all other rights including lease rights, tenancy rights, authorizations, licenses, quota rights, all special economic zone benefits, excise duty exemptions, income-tax benefits and exemptions, approvals and recognitions for scientific research issued by the prescribed authority, powers and facilities of every kind, nature and description whatsoever of the CRAMS Undertaking of the Demerged Company shall stand transferred to and vested in or shall be deemed to be transferred to and vested in our Company as if the same were originally given or issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to our Company.

Incorporation details

Certificate of incorporation dated November 6, 2018 issued to our Company by the RoC.

Material Approvals in relation to our business and operations

Business related approvals

i) Material business related approvals in relation to our Jeedimetla (Telangana) unit:

a) Factory License bearing number 67147.
b) LUT Export License bearing number AA360318018441G.
c) A.P. Excise for Methanol bearing number EX/12157/2003.
d) License to Import and Store Petroleum in Installation (Class A) bearing number P/HQ/TG/15/3390 (P168721).
e) License for Storage and Usage of Solvents in Manufacturing of Drugs (Hexane) bearing number License No.: 15/NAPT/RR/2009 and File no A3/CS/175/2014.
f) H.T. Electricity Installation Permit including Captive Generation Permit bearing number LR No.: Dy.CEIG/HYD/HV/ D.No.2591/2014.
g) H.T. Electricity Supply Agreement bearing number LR No.: DEE/Op/KKP/F.HT/ D.No.4888.
h) HMT Boiler (AP-2165) Registration / Renewal bearing number 52/2019-20.
i) Weights & Measures act (Balances) bearing number S. No.: 196527, Schedule VIII, Rule 16(3): 168 and S. No.: 241944, Schedule XI, Rule 16(3): 168 and S. No.: 196528, Schedule VIII, Rule 16(3): 168 and S. No.: 196526, Schedule VIII, Rule 16(3): 168.
j) Weights & Measures act (Standard weights) bearing number S. No.: 030027, Schedule VIII, Rule 16(3): 168 and S. No.: 241945, Schedule VIII, Rule 16(3): 168 and S. No.: 528823, Schedule VIII, Rule 16(3): 168.
k) Weights & Measures act (Storage Tanks) bearing number S. No.: 361361, Schedule VIII, Rule 16(3): 168.
l) CFE – TSPCB bearing number Order No. 1413470/TSPCB/CFE/RO-Medchal/HO/2018 date: 03.08.2018.
m) CFO for Air, Water & Hazardous Waste Authorization bearing number 180521574012.
n) CFE – TSPCB bearing number 678-RR-II/APPCB/ZO-HYD/CFE/2008-804.
o) CFO for Air, Water & Hazardous Waste Authorization bearing number 678-RR-II/PCB/ ZOH/CFO/2016-564.
p) Drug License bearing number 11393/BM/2012.
q) Controlled Substances License (Narcotics) bearing number SUBBACDC500054.
r) Biomedical Waste Authorization bearing number TSPCB/BMWA/MEDCH-2035021/HO/2019-1876.

ii) Material business related approvals in relation to our Pashamylaram (Telangana) unit:

a) Consent for Establishment under sec 25 of the Water (P&C of P) Act, 1974 and under sec 21 of Air (P&C of P) Act, 1981 bearing number Order no: 200/TSPCB/CFE/RO-I/HO/2018-2758
b) Consent for Operation under sec 25/26 of the Water (P&C of P) Act, 1974 and under sec 21 of Air Act, 1981 and Authorization under rule 5 of Hazardous Waste Rules bearing number TSPCB/RCP/CFO&HWM/HO/2019
c) Environmental Clearance (EC) bearing number SEIAA/TS/02/MDK-03/2016-665
d) Methanol License bearing number Proc.Cr.No. D2/15/2006/ Methanol
e) License to Import and Store Petroleum in Installation (Explosives License) bearing number P/HQ/AP/15/3189(P19348).

f) Storage of Furnace Oil / LDO (chapter VI of Petroleum Rules) bearing number A/P/HQ/AP/15/3524(P189273)
g) Storage of Furnace Oil / LDO (chapter VI of Petroleum Rules) bearing number A/P/HQ/AP/15/3882(P239682)
h) Denatured Spirit bearing number Cr.No.735/2019/CPE/C5.
i) Hexane Storage License bearing number License No.88.
j) License to Work a Factory (under Factories Act, 1948)-Unit3 bearing number License No/Registration No:42957+
k) License to Work a Factory (under Factories Act, 1948) FDC bearing number License No/Registration No:95281
l) Electrical Licence bearing number S.No. SRD813.
m) Certificate for use of a Boiler (Boiler Licence) bearing number AP/2914
n) Certificate for use of a Boiler (Boiler Licence) bearing number AP/5890
o) Certificate for use of a Boiler (Boiler Licence) bearing number TS/580
p) Registration of Factory (ESI Account Number) bearing number 52-22515-90
q) Registration of Factory (PF Code Number) bearing number AP/SAO/PTC/39349
r) Drug Licence (Form 25) bearing number No.31/MD/AP/2003/B/R in Form 25
s) Licence to Storage Compressed gas in pressure vessel or vessels (Liquid Nitrogen) bearing number S/HO/TG/03/890 (S56128)
t) Acetic Anhydride Licence bearing number BACD1400443
u) Absolute Alchohal (Ethanol) bearing number Cr.No.786/2019/CPE/C4
v) No Objection Certificate FIRE NOC bearing number RC.No.577/MSB/CR/MDK/ 2017, 31/01/2017
w) Storage of Gas Cylinders bearing number G/SH/TG/06/254 (G44155)

iii) Material business related approvals in relation to our Suryapet (Telangana) unit:

a) CFO (Air & Water) and Hazardous waste Authorization bearing number TSPCB/RCP/NLG/10180/CFO&HWM/HO/2016-224, 23.04.2016.
b) Drugs & Cosmetics Act bearing number 106/NG/AP/95/B/R
c) Factory License bearing number 31660.
d) Boiler License bearing number AP/3713, 179/2019-20
e) Boiler License bearing number AP/4179 – 52/2019-20
f) D.S License bearing number Cr.No:787/2019/CPE/C5
g) Purchase of Diesel bearing number 281/2000
h) Bulk Storage Class A for Solvents bearing number P/HQ/TG/15/1200 (P4659)
i) Storage of petroleum class B (Diesel) bearing number P/HQ/TG/15/3183 (P16814)
j) Storage of petroleum class A (DS) bearing number P/HQ/AP/15/3503 (P197149)
k) Cylinders' Storage Shed bearing number G/SC/TG/06/1858(G22269)
l) SLOP for Hexane bearing number (CS5/9576/2013) P12(17)2177/AP4942
m) Standard Weights bearing number 139823
n) Methanol License bearing number 6188/96E2
o) Chlorine gas Cylinders Cy.No.1392,1393,1394 bearing number HT Certificate: 655
p) M M A Cylinders bearing number 4241,4242,4243,4244,4245, 4246,4926,4927,4928,5121,5122
q) H.T.Electrical Installation Permit Lr.No, SE/OPN/NLG/Comml/F/HT/, D.No.1968/12 Dt.11.09.2012
r) Form – A (Controlled substance) Acetic Anhydride bearing number BACD0100074
s) Groundwater Permission bearing number LR.No.12-2-13-3543,

iv) Material business related approvals in relation to our Vizag (Andhra Pradesh) unit:

a) Electrical Department bearing number VSP1279.
b) Ethanol Licence bearing number 02/2019/2020.
c) Methonel Licence bearing number Reg. No -08/2019-20 PE -120/2019-JA(A6) ESGWK
d) Explosive Licence bearing number P/HQ/AP/15/4051(P341543)
e) Chlorine Cylinders bearing number G/SZ/AP/06/7215(G40616)
f) Boiler Registration Renewal bearing number AP/6437
g) CFE - Consent for Establishment bearing number 314/PCB/CFE/RO-VSP/HO/2013
h) CFO - Consent for Operation bearing number APPCB/VSP/VSP/314/HO/CFO/2018
i) Fire Licence NOC for Occupancy bearing number No. 9223/VSP/RFO/2019
j) Master Weights - 20 KGS/100 bearing number 0767615
k) Master Weights 20/50 ,10/10,5/10,2/9, 1/8, 500/9 bearing number 0767615

l) Details of Weights and measures balance certificates bearing number 033201350800050-032019
m) Factory Registration Certificate bearing number Licence No.44694 Registration No.104247

Labour / employment related approvals

i) Material labour/ employment related approvals in relation to our Jeedimetla (Telangana) unit:

a) Labor License (Contract Labor) bearing number B/PE/RC/RR/489/2004.
b) Labour License -Karthikeya Industrial Services bearing number CLR/MED/DCL/RR/04893/201.
c) Labour License –Tejasri Enterprises bearing number CLR/MED/DCL/RR/06942/201.
d) Labour License -Protex Security Services Pvt Ltd bearing number CLR/MED/DCL/RR/06710/201.

ii) Material labour/ employment related approvals in relation to our Pashamylaram (Telangana) unit:

a) Certificate of Registration (Labour License for the Company) under Contract Labour (R&A) Act+ bearing number No. B / 377 / C. R. (Old No.M-366)
b) Labour License for Contractor (Protex Security Services) bearing number CLR/SAN/ACL/SR/026424/2017
c) Labour License for Contractor (Avinash Enterprises) bearing number CLR/SAN/JCL/RR/04475/2017
d) Labour License for Contractor (Bhavani Enterprises) bearing number L.NO.B/1740/DCL-SED
e) Labour License for Contractor (Manikanta SAi) bearing number B/1013/DCLSRD

iii) Material labour/ employment related approvals in relation to our Suryapet (Telangana) unit:

a) FORM - II, Certificate of Registration under Contract labor (R&A) Act -1970 bearing number CLP/NLG/JCL/RR/00011/2016

iv) Material labour/ employment related approvals in relation to our Vizag (Andhra Pradesh) unit:

a) Labour Registration Certificate AP- 03-32-018-0340484
b) Professional Tax Enrollement No - AADCS4044C9TD001 PTIN - 37990649722
c) Employee State Insurance Registration Number 70520187900010301.
d) Employee Provident Fund Registration Number AP/24545/.

Tax related approvals

a. The permanent account number of our Company is ABBCS1159F;
b. The tax deduction account number of our Company is HYDS53921A;
c. A state-wise break down of the goods and service tax registration number of our Company is as follows:

State	GSTIN
Telangana	36ABBCS1159F1ZI
Andhra Pradesh	37ABBCS1159F1ZG

Material Approvals that have expired and for which renewal applications have been made

Nature of Approval	Issuing Authority	Date of Acknowledgment of Renewal application
Not Applicable	Not Applicable	Not Applicable

Intellectual Property

Trademarks

Nil

Patents

<table>
<tr><th>Sr No</th><th>Title</th><th>PCT Application No & filing date</th><th>PCT Publication No & published date</th><th>Details of National Phase entered countries</th><th>Granted country name</th><th>Grant Number</th><th>Grant date</th><th>Expiry date</th></tr>
<tr><td>1</td><td>Improved process for the preparation of intermediates useful for the preparation of Zonisamide</td><td>PCT/IN03/000325 29-Sep-2003</td><td>WO/2005/030738 07-Apr-2005</td><td>India</td><td>India</td><td>237648</td><td>31-12-2009</td><td>Not renewed, so lapsed</td></tr>
<tr><td></td><td></td><td colspan="7">Total number of granted countries: 1</td></tr>
<tr><td rowspan="7">2</td><td rowspan="6">Improved Process for the preparation of Entacapone</td><td rowspan="6">PCT/IN03/000401 29-Dec-2003</td><td rowspan="6">WO/2005/06363 14-Jul-2005</td><td rowspan="6">Canada, Australia, China, USA, Japan, Europe</td><td>Canada</td><td>2552099</td><td>07-07-2009</td><td>29-12-2023</td></tr>
<tr><td>Australia</td><td>2003288712</td><td>16-May-2011</td><td>29-12-2023</td></tr>
<tr><td>China</td><td>CN100519517</td><td>29-Jul-2009</td><td>29-12-2023</td></tr>
<tr><td>USA</td><td>7385072</td><td>10-06-2008</td><td>29-12-2023</td></tr>
<tr><td>Japan</td><td>4550740</td><td>16-07-2010</td><td>29-12-2023</td></tr>
<tr><td>Europe</td><td>1699753</td><td>26-11-2014</td><td>No validation hence lapsed</td></tr>
<tr><td colspan="4"></td><td colspan="4">Total number of granted countries: 5</td></tr>
<tr><td rowspan="10">3</td><td rowspan="10">Novel intermediates useful for the preparation of Aripiprazole and methods for the preparation of the novel intermediates and Aripiprazole</td><td rowspan="10">PCT/IN04/000316 08-Oct-2004</td><td rowspan="10">WO/2006/038220 13-Apr-2006</td><td rowspan="10">India, Canada, Australia, China, New Zealand, USA, Europe, Japan, Eurasia, South Korea, Israel</td><td>India</td><td>261506</td><td>27-Jun-2014</td><td>08-10-2024</td></tr>
<tr><td>Canada</td><td>2584789</td><td>23-Nov-2010</td><td>08-10-2024</td></tr>
<tr><td>Australia</td><td>2004323810</td><td>1-Mar-2012</td><td>08-10-2024</td></tr>
<tr><td>China</td><td>CN101068789</td><td>15-12-2010</td><td>08-10-2024</td></tr>
<tr><td>New Zealand</td><td>554731</td><td>28-04-2010</td><td>08-10-2024</td></tr>
<tr><td>USA</td><td>7872132</td><td>18-Jan-2011</td><td>08-10-2024</td></tr>
<tr><td>Europe (Validated in the following 4 countries: Italy, France, UK, Germany)</td><td>EP1812395</td><td>21-May-2008</td><td>08-10-2024</td></tr>
<tr><td>Japan</td><td>4819818</td><td>09-09-2011</td><td>08-10-2024</td></tr>
<tr><td>South Korea</td><td>1041551</td><td>08-Jun-2011</td><td>08-10-2024</td></tr>
<tr><td>Eurasia (Validated in the following 9 countries:</td><td>12180</td><td>28-Aug-2009</td><td>08-10-2024</td></tr>
</table>

					Azebaijan, Armenia, Belarus, Kazakhstn, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan)			
					Israel	182439	29-07-2011	08-10-2024
					Total number of granted countries: 22			
4	An Improved Process for the preparation of Losartan	PCT/IN05/000426 21-Dec-2005	WO/2007/020654 22-Feb-2007	India, USA, South Korea	India	238064	20-01-2010	Not renewed, so lapsed
					USA	7923566	12-04-2011	21-12-2025
					South Korea	1250820	29-03-2013	21-12-2025
					Total number of granted countries: 3			
5	Process for the preparation of Losartan	PCT/IN05/000431 21-Dec-2005	WO/2007/026375 8-Mar-2007	India, USA, South Korea	India	237665	04-01-2010	31-08-2025
					USA	US7915425	29-03-2011	21-12-2025
					South Korea	1050256	12-07-2011	21-12-2025
					Total number of granted countries: 3			
6	A process for the preparation of Z & E isomers of Entacapone	PCT/IN06/000143 25-Apr-2006	WO/2007/094007 23-Aug-2007	India	India	237290	14-Dec-2009	13-02-2026
					Total number of granted countries: 1			
7	Process for the preparation of Malathion and its intermediate O,O-dimethldithio phosphoric acid for pharmaceutical use	PCT/IN2008/000270 28-Apr-2008	WO/2009/007998 15-Jan-2009	India, USA, Europe	India	8138366	20-03-2012	28-04-2028
					USA	2170078	26-03-2014	No validation hence lapsed
					Europe	281140	08-03-2017	09-07-2027
					Total number of granted countries: 2			
8	Improved process for the preparation of Dorzolamide hydrochloride and	PCT/IN2009/000228 06-Apr-2009	WO/2010/061398 03-Jun-2010	India	India	268270	24-08-2015	27-11-2028

	preparation of its novel intermediate							
					Total number of granted countries: 1			
9	Improved Process for the preparation of Zolpidem and preparation of its novel intermediate	PCT/IN2008/ 000266 28-April-2008	WO/2009/007 995 19-Mar-2009	India	India	288884	30-10-2017	09-07-2027
					Total number of granted countries: 1			
10	Process for the preparation of Rosuvastatin Calcium and preparation of its novel intermediates	PCT/IN2013/ 000702 18-Nov-2013	WO/2015/008 294 22-Jan-2015	USA, Japan, India, Europe	USA	9518028	13-12-2016	18-11-2033
					Japan	6114475	24-03-2017	18-11-2033
					Europe	3022213	21-06-2017	No validation, hence lapsed
					India	Under prosecution, examination report received, response to be filed 29-Nov-2018		16-07-2013
					Total number of granted countries: 2			
11	Process for the large scale production of 1H-[1,2,3]triazole and its intermediate 1-Benzyl-1H-[1,2,3]triazole	PCT/IN2014/ 000062 27-Jan-2014	WO/2015/037 013 19-Mar-2015	USA, Japan, India, Europe	USA	9783506	10-10-2017	27-01-2034
					Japan	6216073	29-09-2017	27-01-2034
					Europe	3044212	29-11-2017	No validation, hence lapsed
					India	Under prosecution, examination report yet to be received		13-09-2033
					Total number of granted countries: 2			

Approvals related to our Subsidiary, Suven Pharma Inc. USA

Since Suven Pharma Inc. USA has not yet commenced operations, there are no existing approvals.

Intellectual Property

Trademarks

Nil

Patents

Nil

Material Approvals that have expired and for which renewal applications have been made

Nature of approval	Issuing Authority	Date of Acknowledgment of Renewal application
Not applicable	Not applicable	Not applicable

Material Certification that have expired and for which renewal applications have been made

Nature of approval	Issuing Authority	Date of Expiry
Not applicable	Not applicable	Not applicable

REGULATORY AND STATUTORY DISCLOSURES

Authority of Listing

NCLT, vide its order dated January 6, 2020 approved the Scheme of Arrangement between Suven Life Sciences Limited, our Company and the respective shareholders and creditors, in accordance with sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013. Pursuant to the Scheme, the CRAMS undertaking of the Demerged Company is transferred to and vested with our Company. The Effective Date of the Scheme was January 9, 2020 with effect from the Appointed Date i.e., October 1, 2018.

In accordance with the Scheme, the Equity Shares of our Company, issued pursuant to the Scheme, shall be listed and admitted to trading on BSE and NSE. Such admission and listing is not automatic and will be subject to fulfilment by our Company of the respective listing criteria of the Stock Exchanges and also subject to such other terms and conditions as may be prescribed by the respective Stock Exchanges at the time of the application made by our Company seeking approval for listing.

Eligibility Criterion

There being no initial public offering or rights issue, the eligibility criteria prescribed under the SEBI ICDR Regulations are not applicable. However, SEBI, vide its letter no. SEBI/HO/CFD/DIL-2/AM/GB/8108/2020 dated March 3, 2020, granted relaxation of clause (b) to sub-rule (2) of Rule 19 of SCRR thereof by making an application to SEBI under sub-rule (7) of Rule 19 of the SCRR as per the SEBI Circular. Our Company submitted this Information Memorandum, containing information about our Company, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and NSE and the Information Memorandum shall be made available to public through the respective websites of the Stock Exchanges i.e., www.bseindia.com and www.nseindia.com. Our Company shall make the Information Memorandum available on its website at www.suvenpharm.com. Our Company shall publish an advertisement in the newspapers containing its details as per the SEBI Circular with the details required in terms of Annexure A Part III (A) para 2 sub-clause 5 of the SEBI Circular. The advertisement shall draw specific reference to the availability of the Information Memorandum on our Company's website.

Prohibition by SEBI

Our Company, Directors, Promoters, Promoter Group and the natural persons in control are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters, Promoter Group is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Fugitive Economic Offences

None of our Promoters or Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Association with the Securities Market

None of our other Directors are associated with the securities market in any manner. No action has been initiated by SEBI against any of our Directors in the past five years preceding the date of this Information Memorandum.

Identification as willful defaulter by RBI

Our Company, Promoters, Directors have not been identified as wilful defaulters by the Reserve Bank of India.

Disclaimer Clause of the BSE

BSE vide its letter (bearing reference no. DCS/AMAL/BA/R37/1460/2019-20) dated 11 April 2019, approved the Scheme of Arrangement under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, BSE's name has been included in this Information Memorandum as one of the stock exchanges on which our Company's Equity Shares are proposed to be listed.

As required, a copy of the Draft Information Memorandum and this Information Memorandum has been submitted to BSE.

Disclaimer Clause of the NSE

NSE has vide its letter (bearing reference no. NSE/LIST/20048 dated 23 April 2019 approved the Scheme of Arrangement under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, NSE's name is included in this Information Memorandum as one of the stock exchanges on which this Company' s Equity securities are proposed to be listed.

As required, a copy of the Draft Information Memorandum and this Information Memorandum has been submitted to NSE.

General Disclaimer from our Company

Our Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisements to be published in terms of Annexure A Part III (A) para 2 sub-clause 5 of the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

Applications have been made to BSE and NSE for an official quotation of the Equity Shares of our Company. Our Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. Our Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within a period as approved by SEBI.

Listing Approval from BSE and NSE

Our Company has obtained in-principle listing approvals from BSE and NSE on February 24, 2020 and February 25, 2020. Our Company shall make the applications for final listing and trading approvals from BSE and NSE.

Securities and Exchange Board of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957

Our Company was granted an exemption from the application of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 by the SEBI vide the letter no. SEBI/HO/CFD/DIL-2/AM/GB/8108/2020 dated March 3, 2020.

Filing

A copy of this Information Memorandum has been filed with BSE and NSE.

Demat Credit

Our Company has executed a Tripartite Agreement with the Depositories i.e. NSDL and CDSL, dated December 24, 2018 and January 3, 2019 respectively, for admitting our Equity Shares in demat form. Our Company has been allotted ISIN - INE03QK01018.

Consent

Our Company has obtained consent from our Directors, Statutory Auditor and Registrar.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

Dispatch of Share Certificates

In accordance with the Scheme, new Equity Shares have been issued and allotted to the Eligible Shareholders of on the Record Date i.e. January 22, 2020. Our Company will dispatch the physical share certificates to Eligible Shareholders holding shares of Suven Life Sciences Limited in physical form and the new Equity Shares shall be credited to the depository participant accounts of the Eligible Shareholders.

Previous Rights and Public Issues

Since incorporation, our Company has not issued Equity Shares to the public or had any Rights Issues.

Capital Issue in the last 3 years

Neither our Company, nor any listed Group Company has made any capital issue during the last 3 years.

Commission and Brokerage on Previous Issues

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares by our Company.

Performance vis - à - vis objects

This is for the first time our Company is getting listed on any stock exchange.

Outstanding Debentures or Bonds and Redeemable Preference Shares and other Instruments issued by our Company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company.

Stock Market Data for Equity Shares of our Company

The Equity Shares of our Company are not listed on any stock exchange. Through this Information Memorandum, our Company is seeking approval for listing of its Equity Shares from the Stock Exchanges.

Disposal of Investor Grievances:

Our Company has the following platforms for addressing investors' grievances:

- E-mail id: investorservices@suvenpharm.com
- SCORES

Shareholders can express their grievances by sending mails to above e-mail id or raise complaints in SCORES (Common Portal introduced by SEBI). Further, the Shareholders can also raise their grievances with our Company Secretary. As on the date of this Information Memorandum our Company, has not received any investor complaints since incorporation.

Company Secretary and Compliance Officer

K. Hanumantha Rao
Door No. 8-2-334, 3rd Floor, SDE Serene Chambers, Road No. 5,
Avenue 7, Banjara Hills, Hyderabad– 500034, Telangana.
Tel: 91-40-2354 9414
E-mail: khrao@suvenpharm.com

Changes in auditors

The members in the first AGM held on November 30, 2019 appointed Karvy & Co., Chartered Accountants as statutory auditors of the company in place of first auditors M/s Tukaram & Co., LLP, Chartered Accountants appointed by the Board.

Capitalization of reserves or profits or revaluation of assets

There has been no capitalization of our reserves or profits or revaluation of our assets since incorporation to the date of this Information Memorandum.

SECTION VIII – OTHER INFORMATION

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

PROVISIONS OF TABLE "F" IS APPLICABLE

1. The regulations contained in **Table 'F' in Schedule I of the Companies Act, 2013 shall apply to this Company** except in so far as they have been specifically excluded by/or under these articles.

2. INTERPRETATION

a) Unless the context otherwise requires, words or expressions contained in these Articles shall have the same meaning as in the Companies Act, 2013 or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

b) "The Act" means "the Companies Act, 2013" as amended from time to time and statutory modifications thereof.

c) "The Presents" or "Regulations" means these Articles of Association as originally framed or altered from time to time and include the Memorandum of Association where the context so requires.

d) "The Articles" means the Articles of Association of the Company.

e) "The Memorandum" means the Memorandum of Association of the Company.

f) "The Company" or 'This Company' means **SUVEN PHARMACEUTICALS LIMITED** its assigns, substitutes and successors, as well as any concern whether limited or otherwise, with which it might amalgamate or to which transfer its business voluntarily or by operation of law.

g) "The Office" means the Registered Office for the time being of the Company.

h) "Directors" means the Directors for the time being of the Company and includes any person appointed or nominated by the Board occupying the position of director by whatever name called.

i) "The Managing Director" means the Managing Director for the time being of the Company.

j) "Whole time Director / Executive Director" means the Whole time Director for the time being of the Company.

k) "The seal" means the Common Seal for the time being of the Company

l) "Month" means calendar month

m) "Persons" includes Corporates and individuals

n) "Relative" has the meaning assigned to it by section 2(77) of the Act.

o) "Securities" has the meaning assigned to it by section 2(81) of the Act

p) “In writing” or “written” includes printing, lithography and other modes of representing or reproducing words in visible form.

  a. “Depositories Act” shall mean the Depositories Act, 1996 and include where the context so admits, any re-enactment or statutory modification thereof for the time being in force.

  b. “Depository” shall have the meaning assigned thereto by Clause (e) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

  c. “Beneficial Owner” means a person or persons as defined in Section 2 of the Depositories Act and whose name is recorded as such with a depository.

  d. “Member(s) or Shareholder(s)” - unless otherwise provided, means the duly registered holder, from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also one whose name is entered as Beneficial Owner of the shares in the records of a depository.

q) “Share” means a share in the share capital of the Company and includes stock, except where a distinction between stock and shares is expressed or implied.

r) “Capital” means the capital for the time being raised or authorised to be raised for the purpose of the Company.

s) “Paid-up” means and includes credited as paid-up.

t) “The Register” means the Register of Members to be kept pursuant to Section 88 of the Act.

u) “Dividend” includes Interim Dividend.

v) “Year” means the “Financial Year” shall have the meaning assigned thereto by section 2(41) of the Act.

w) “Annual General Meeting” means a general meeting of members held in accordance with the provisions of section 96 of the Act or such other relevant provisions of the Act or Acts related to incorporated companies for the time being in force in India.

x) “Extra-ordinary Meeting” means an Extra-ordinary general meeting of the members duly called and constituted and any adjourned holding thereof.

y) “Ordinary Resolution” and “Special Resolution” shall have the meanings assigned thereto respectively under section 2(63) of the Act.

z) “Postal Ballot” means voting by post or through any electronic mode.

aa) “Proxy” means an instrument whereby any person is authorised to vote for a member at a general meeting on a poll.

bb) "Electronic Mode" means any video conferencing facility or audio visual electronic communication facility employed by the Company which enables all persons participating in that meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting.

cc) "Tribunal" means the National Company Law Tribunal constituted under section 408

dd) "Key managerial personnel" means :

(i) Managing Director or Chief Executive Officer or Manager and in their absence, a whole - time director

(ii) Company Secretary

(iii) Chief Financial Officer

ee) Words importing the singular number include the plural number and vice-versa.

i. Subject as aforesaid any words or expressions defined in 'the Act', where the subject or context forbids, bear the same meaning in these Articles.

ii. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereto.

iii. Words and expressions not defined anywhere in the Act, those words and expressions shall have same meaning as defined in any other law for the time being in force in India.

iv. Words importing the masculine gender also include feminine gender

v. Subject as aforesaid, any words or expressions defined in the Act, shall, except where the subject or context forbids, bear the same meaning these Articles.

vi. The marginal notes here to shall not affect the construction hereof.

RESTRICTIONS ON PURCHASE BY COMPANY OR GIVIVNG LOANS BY IT FOR PURCHASE OF ITS SHARES

4. The funds of the Company shall not be employed in the purchase of, or lent on the security of, shares of the company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with any purchase of subscription of shares in the company or any company of which it may, for the time being, be a subsidiary.

This Article shall not be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise a lien.

4a. Notwithstanding anything contained in these Articles, in accordance with the provisions of Section 68 and subject to other provisions of the Companies Act, 2013 the Company may purchase its own shares or other securities in the form of buy-back up to such percentage(s) as may be stipulated from time to time in this regard upon such terms and conditions as it may consider appropriate, in such manner as may be prescribed and subject to such approval as may be required by Law.

SHARE CAPITAL

7. The Authorized Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company each with power to increase by way of rights issue, private placement issue, preferential issue and other kinds of further issue of shares as per companies act, 2013 and to reduce, alter, convert, classify, subdivide or to repay the same or divide the same into several classes or into equity share capital and preference share capital, and to attach thereto any rights, and to consolidate or subdivide or re-organise the shares, subject to the provisions of the Act, and to vary such rights as may be determined in accordance with these Articles, as amended from time to time (the "Articles").

8. The Directors of the Company may from time to time determine the amount payable on application and allotment at the time of issue of shares and may also make calls upon the members in respect of any money unpaid on their shares of such amount and payable at such times and place as they may from time to time decide.

9. Subject to the provisions of the Act and these Articles, the shares of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

10. The Board may, at its discretion issue any portion of the Preference Shares not already issued, as redeemable preference shares which are at the option of the company liable to be redeemed and subject to provisions of Section 55 of the Act, on such terms as to dividends preferential payment or return of the amount paid up thereon and as to conditions and terms of redemptions the Directors may deem fit.

11. The Board may, at its discretion, convert the unissued Equity Shares into preference shares, Redeemable Preference Shares and vice versa and the Board may issue any part or parts of the unissued shares upon such terms and conditions and with such rights and privileges annexed thereto as the Board at its discretion and subject to the provision of Section 43 of the Companies Act, 2013 thinks fit, and in particular may issue such shares with such preferential or qualified right to dividends and in the distribution of the assets of the company as the Board may subject to the aforesaid section determine.

12a.If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

12b.To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least five persons holding at least one-third of the issued shares of the class in question.

SHARE CERTIFICATES

13. Every person whose name is entered as a member in the 'Register of Members' shall be entitled to receive within two months of the date of allotment one certificate for all the shares under the seal of the Company and if any member so desires, he can have more than one certificate in respect of each or more of his shares on payment of Rs. 50/- as certificate fee for each additional certificate. The Company shall not be bound to issue more than one certificate in respect of the same share to joint holders.

13a. The share certificates shall be issued only after such issue is authorised by the board resolution and every such certificate shall be issued under the seal of the company, which shall be affixed in the presence of, and signed by

i. Two directors duly authorised by the board of directors of the company for the purpose or the committee of the board, if so authorised and

ii. The secretary or any person authorised by the board for the purpose.

Provided that if the composition of the board permits of it, atleast one of the aforesaid two directors shall be a person other than the managing or whole-time director.

14. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of Rs. 50/- and on Executing an Indemnity Bond in respect of the shares comprised in the certificate after the Directors are satisfied as to the Genuineness of the case.

REDEEMABLE PREFERNCE SHARES

15. Subject to the provisions of section 55 of the Companies Act, 2013 preference shares may be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before issue of the shares may, by special resolution, determine.

16. Subject to the provisions of these Articles the Company shall have power to issue preference shares carrying a right to redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of the Company and the Board may, subject to the provisions of Section 55 of the Act exercise such power in such manner as provided in this Article

16a. Holders of the Preference shares have right to a fixed cumulative dividend at a fixed rate per annum (free of Company's tax but subject to deduction of taxed at source at the prescribed rate) on the capital for the time being paid up therein with a priority to the Equity Shares

16b. In case of winding-up the holders of preference shares, shall have right in a winding-up to a repayment of the capital and of any arrears of the fixed cumulative dividends whether earned, declared or not up to the commence of the winding-up in priority to the Equity Shares of surplus assets of the Company but shall not have any further rights to participate in the profits or assets of the Company.

16c. In case of redemption of Preference Shares the fixed percentage of dividend shall be calculated up to and as on the date of redemption and in case of payment of interim dividend, it will be calculated up to and as on the date of declaration of interim dividend.

16d. The Company shall redeem Preference Shares on the expiry of 15 years from the date of allotment thereof but the Company may, at its option and at any time after the expiry of 12 years from the date of allotment of Preference Shares on giving not less than 3 months notice in writing to the holders of such shares, redeem at par the whole or any part of Preference Shares together thereon, whether declared or not, up to the date of redemption thereof out of the money of the Company which may lawfully be applied for the purpose provided that, if the Company which may lawfully be applied for the purpose provided that, if the Company shall at and time determine to redeem a part of such shares for the time being outstanding, the shares to be so redeemed shall be determined by a draw to be made in such manner as may be decided by the Board of Directors.

The draw referred to herein shall be made upon notice to the shareholder of the said shares at the office in the presence of a Notary Public or a representative of the Auditors for the time being of the Company and such of the holders of shares as may care to attend. The Notice herein shall further specify the number of shares to be so redeemed, the date, time and place for redemption and surrender of the certificates of the shares so to be redeemed.

16e. At the time and place so fixed each holder of such shares shall be bound to surrender to the Company the certificate or certificates for his shares to be redeemed and the company shall pay to him the amount payable in respect of such redemption, where any such certificates accompanies any shares which are not liable for redemption the Company shall issue to the holder thereof, a fresh certificate.

16f. The voting rights of the persons holding the said shares shall be in accordance with the provisions of Section 47 of the Companies Act, 2013.

16g. The Company shall not create/issues further preference shares having rights to rank in priority to the existing Preference shares.

16h. In the event the Company creates / issues any further Redeemable Preference Shares ranking pari passu with or subordinate to the Redeemable Preference Shares, it will do on only with the consent in writing of the holders of not less than three-fourths of the holders of Redeemable Preference Shares then outstanding or with the sanction of a Special Resolution passed at a separate meeting of the holders of Redeemable Preference Shares then outstanding.

16i. Subject to the preferential rights of the holders of the Preference Shares attached in respect of payment of dividends and payments of Capital in the event of winding up, the holders of Equity Shares shall be entitled to the whole or the residue of the profits that may be decided to be distributed as a dividend and the amount of capital paid-up or treated as paid-up on such shares to be repaid and all surplus and assets thereafter shall belong to the holders of Equity Shares in Proportion to the capital on such shares at the commencement of winding up.

ALLOTMENT OF SHARES

17. Subject to the provisions of these Articles, the Shares shall be under the control of the Board, who may allot or otherwise dispose off the same to such persons on such terms and conditions at such times, either at a par or at a premium, and for such consideration as the Board thinks fit. Provided that, where at any time it is proposed to increase the subscribed capital of the Company by the allotment further shares' then the Board shall issue such shares in the manner set out in Section 62 of the Act, unless otherwise authorised in terms of the provisions of the said section of the Act. Provided further that the option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting.

RESTRICTION ON ALLOTMENT

18. If the Company shall offer any of its shares to the public for subscription:

(a.) No allotment thereof shall be made, unless the amount stated in the Prospectus as the minimum subscription has been subscribed, and the sum payable on application thereof has been paid to and received by the Company but this provision shall no longer apply after the first allotment of share offered to the public for subscription.

(b.) The amount payable on application on each share shall not be less that 25 percent of the nominal amount of the share and

(c.) The company shall comply with the provisions of Section, 39 of the Companies Act, 2013.

COMMISSION AND BROKERAGE

19. The company may exercise the powers of paying commissions conferred by Section 40 of the Companies Act, 2013 provided that the rate or percentage or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said Section and the commission shall not exceed 5 % of the price at which any shares in respect whereof the same is paid, are issued or 2 ½ % of the price at which any debentures are issued (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

LIABILITY OF JOINT HOLDERS OF SHARES

21. The Joint-holders of a shares be severally as well as jointly liable for the payment of all installments and calls due in respect of such share

CALLS ON SHARES

23. The Board may, from time to time, subject to the provisions of Section 49 of the Companies Act, 2013 make such call as the Board thinks fit upon the members in respect of all money unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every calls so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have made when the resolution of the Board authorizing such call was passed. That option or right to call of shares shall not be given to any person except with the sanction of the company in General Meeting.

A Notice of thirty days may be given for payment of call amount

24. If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the share for which the call shall have been made or the installment shall be due, shall pay interest for the same at such rate not exceeding eighteen percent per annum from the date appointed for the payment or at such lower rate (if any) as the Board may determine.

25. The Board shall be at liberty to waive payment of any such interest either wholly or in part

26. If by terms of issue of any share or otherwise any amount is made payable at any fixed times or by installments at fixed times, whether on account of the amount of the share or by way of premium every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of call shall relate to such amount or installment accordingly

27. The Board may if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the share held by him beyond the same actually called, for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the share in respect of which such advances have been made, the company may pay interest at such rate not less than unless the company in General Meeting shall otherwise direct, 15% per annum, as the member paying such sum in advance and the Board agree upon money so paid in excess of the amount of the calls shall not rank of dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such member not less than three months notice in writing

28. A call may be revoked or postponed at the discretion of the Board.

29. If by the conditions of allotment of any shares, the whole or part of the amount of issue thereof shall be payable by installments, every such installments shall, when due by paid to the Company by the person who, for the time being, shall be the registered holder of the share by his executor or administrator.

FORFEITURE AND LIEN

30. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or installment remains, unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued by the Company by reason of such non-payment.

31. The Notice shall name a day (not being less than 14 days from the date of the Notice) and a place on and which such call or installment such interest are to be paid. The Notice shall also state that in the event of Non-payment at or before the time, and at the place appointed the shares in respect of which such call was made or installment payable will be liable to be forfeited.

32. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

33a. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

33b. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

34. Any share so forfeited shall be deemed to be the property of the Company and the Board may sell re-allot or otherwise dispose of the same in such manner as it thinks fit.

35. The Board may, at any time before any shares so forfeited shall have been sold re-allotted or otherwise disposed of, annual the forfeiture thereof upon such conditions as it thinks fit.

36. A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall, not withstanding, remain liable to pay, an shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing upon or in respect of such share, at the time of the forfeiture together with interest thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.

37. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, title to such shares; and the person to whom any such shares is sold be registered as a holder of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be effected by any irregularity in the proceedings in reference to such forfeiture, sale or disposition.

38. The Provision of Articles 30 to 37 hereof shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

39. The Company shall have a first and paramount lien upon every share not being fully paid up registered in the name of each member (whether solely or jointly with other), and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such shares whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 21 hereof is to have full effect. Such lien shall be extended to all dividends from time to time declared in respect of such shares unless otherwise agreed, the registration of transfer of a share operate as waiver of the Company's lien, if any on such share the Directors may at any time declare any shares wholly or partly to be exempt from the provisions of this clause.

40. For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for 7 days after the date of such notice

41. The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which lien exists as is presently payable, and the residue, if any, shall (subject to a like sum or sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

42. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold in any case the purchaser shall not be bound to see to the regularity of the proceedings, not to the application of the purchase money and after his name has been entered in the Register n respect of such shares the validity of the sale shall not be impeached by any person, and the remedy of any person arrived by the sale shall be in damages only and against the company exclusively.

43. Where any share under the powers in that behalf herein contained is sold by the board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares. The Board may issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate not so delivered up.

TRANSFER AND TRANSMISSION

44. Save as provided in Section 56 of the Companies Act, 2013 no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or behalf of the transferee has been delivered to the Company within the time prescribed by Section 56, together with the certificate or if no such certificate or if no such certificate is in existence, the Letter of Allotment of the Share. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one witness who shall add his address.

45. Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of a partly paid share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 56 of the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee within 2 weeks from the date of receipt of the notice, enter in the register the name of the transferee in the manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

46. Every instrument of transfer of any share shall be in writing in the prescribed form, and in accordance with the provisions of Section 56 of the Act.

47. Subject to the provisions of Section 58 of the Companies Act, 2013 the Board by assigning sufficient cause for such refusal may, within 30 days from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a share upon which the Company has a lien and, in case of shares not fully paid-up the Board may refuse to register to a transferee of whom it does not approve.

Provided that the registration of transfer of a share shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

48. No transfer shall be made to a minor or person of unsound mind.

49. Every instrument of transfer shall be left at the office of registration, accompanied by the Certificate of the share to be transferred or, it no such certificate is in existence, by the Letter of Allotment of the share and such other evidence as the board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which shall be retained by the Company, but any instrument of transfer which the board may refuse to register shall be returned to the persons depositing the same.

50. If the Board refused whether in pursuance of Article 47 or otherwise to register the transfer of any share, the company shall, within 30 days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal.

51. No fee shall be charged for the registration or transfer, grant of probate, grant of letter of administration, certificate of the death or marriage, power of- attorney, letters of allotment and for split, sub-division of renounceable letter of right or other instrument.

52. The executor or administrator of a deceased (not being one of several joint-holders) shall be the only person recognized by the company as having any title to the share registered in the name of such member, and, in case of the death of any one or more of the registered joint-holders of any share, the survivor shall be the only person recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on the share held by him jointly with any other person. Before recognizing any executor or administrator, the Board may require him to obtain a Grant of Probate or Letters of Administration or other legal representation, as the case may be, from a competent Court in India and having effect in Telangana provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the board to dispense with the production of Probate or Letters of Administration or such other legal representation, such terms as to indemnity or otherwise as the Board, in its absolute discretion, may consider adequate.

53. Any committee or guardian of a lunatic member or any person becoming entitled to hold or to transfer a share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may with the consent of the Board (which the Board shall not be bound to give) be registered as a member in respect of such share, or may, subject to the regulations as to transfer herein before contained, transfer such share. This Article is hereinafter referred to as "The Transmission Article".

54. If the person so becoming entitled under the Transmission Article shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a Notice in writing signed by him stating that he so elects

54b. If the person aforesaid shall elect to transfer the share; he shall testify his election by executing an instrument of transfer of the share.

54c. All the limitations restrictions and provisions of these Articles relating to the right of transfer and the registration of instrument of transfer of a share shall be applicable to any such notice of transfer as aforesaid as if the death, Lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.

55. A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall, subject to the provisions Section 123 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the share.

56. Provided that the Board may at any time given notice requiring any such person to elect either to be register himself or to transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

ALTERATION OF CAPITAL

57. The Company may by passing ordinary resolution:
    a) increase its authorised share capital by such amount as it thinks expedient;
    b) Consolidate and divide its Share Capital into shares of larger amount than its existing shares;
    c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
    d) Sub divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, nevertheless, subject to the provisions of Section 61 of the Act;
    e) Cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

58. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, - (i) its share capital (ii) any Capital redemption reserve Account (iii) any share premium Account.

BORROWING POWERS

59. The Board may from time to time, at its discretion, subject to the provisions of Sections 179 and 180 of the Companies Act, 2013 borrow money for the purpose of the company by passing special resolution in general meeting, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid up share capital and free reserves, apart from the temporary loans obtained from the company's bankers in the ordinary course of business.

60. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, perpetual redeemable debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled Capital (even if no part of that uncalled amount has been called up) for the time being.

GENERAL MEETINGS

61. In addition to any other meeting, general Meetings of the Company shall be held within such intervals as are specified in Section 96 of the Companies Act,2013 and subject to the Provisions of sub-section (2) section of the said of the Act, during the business hours, that is between 9.00 a.m and 6.00 p.m at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situate as may be determined by the Board. Each such General Meeting shall be called as "Annual General Meeting" and shall be specified as such in the notice convening the meeting. Any other meeting of the company shall, except in the case where an Extra-Ordinary General Meeting is convened under the provisions of the next following Article, be called a "General Meeting".

62. The Board may, whenever it thinks fit, call a General Meeting, and it shall, on the requisition of such number of members who hold on the date of receipt of the requisition, not less than one- tenth of such of the paid up share capital of the Company as at that date carries the right of voting in regard to the matter(s) to be considered at the meeting, forthwith proceed to call an extra-ordinary General Meeting, and in the case of such requisition the provisions of Section 100 of the Companies Act,2013 shall apply.

63. A general meeting or the Annual General Meeting of the Company may be called by giving not less than clear twenty-one days' notice in writing or through electronic mode. Such meeting may be called by giving a shorter notice than twenty-one days but with the consent of not less than 95% of the members entitled to vote at such meeting. A statement setting out the material facts concerning each item of special business to be transacted at a general meeting shall be annexed to the notice calling such meeting in accordance with provisions of Section 102 of the Companies Act, 2013.

64. The Company shall comply with the provisions of Section 111 of the Companies Act, 2013 as to giving notice of resolutions and circulating statements on the requisition of members.

65. Notice of every meeting of the Company shall be given to every member of the Company, to the Auditors of the Company and to any legal representative of any deceased member or the assignee of the insolvent member and every director of the company in any manner hereinafter authorised for the giving of notices to such persons. Provisions of section 101 read with 20 of the Companies Act, 2013 shall be followed by the company.

66. The accidental omission to give any such notice to or its non receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

67. Every member entitled to vote at a meeting of the company or on any resolution to be moved thereat, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with conclusion of the meeting, to inspect the proxies lodged at any time during the business

hours of the Company provided not less than three days notice in writing of the intention so to inspect is given to the Company.

68. No member shall exercise any voting right in respect of any Shares registered in his name on which any calls or any other sum presently payable by him have not been paid, or in regard to which the Company has or has exercised any right of lien.

PROCEEDINGS AT GENERAL MEETINGS

69. The ordinary business of an Annual General Meeting shall be to received and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual general Meeting and all business transacted at any other General Meeting shall be deemed as Special Business.

70. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for the general meetings shall be as provided in section 103 of the Companies Act, 2013.

71. Any act or resolution under the provisions of these Articles or the Act, if permitted or required to be done or passed by the Company in General Meeting shall be sufficiently so done or passed if elected by an Ordinary Resolution as defined in Section 2 (63) of the Companies Act, 2013 unless either the Act or these Articles specifically requires such act to be done or resolution passed by a Special Resolution as defined in the said Section

72. The Chairman of the Board of Directors or in his absence, Managing Director shall preside as Chairman at every General Meeting of the company. If at any meeting no such Chairman or Managing Director is present to chair the meeting within 15 minutes after the time appointed for holding of the meeting or either of them is not willing to act as Chairman, the Directors present shall choose one of the Directors present to be the Chairman of the meeting, or if no Directors is present or if all the Directors present decline to take the chair, the Members present shall choose one of the Members present to be the Chairman of the meeting.

73**.** If within half an hour from the time appointed for the meeting a quorum be not present, the Meeting, if convened upon such requisition as aforesaid, shall be dissolved, but in any other case, if shall stand adjourned to the same day in the next week, at the same time and place or such other day and at such time and place as the Board may be notice appoint and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting those members who are present shall be the quorum.

Provided that in case of an adjourned meeting or change of day, time and place of meeting, the company shall give not less than 3 days to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

74. At any general meeting, a resolution put to vote of the meeting shall, unless a poll is demanded under section 109 of the Companies Act, 2013 or the voting is carried out electronically, be decided on a show of hands.

A declaration by the Chairman of the meeting of the passing of a resolution or otherwise by show of hands and an entry to that effect in the books containing the minutes of the meeting of the company shall be conclusive evidence of the fact of passing of such resolution or otherwise.

75. Poll may be ordered to be taken by the Chairman of the meeting on his motion, and shall be ordered to be taken by him on a demand made in that behalf by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on

which an aggregate sum of not less than five lakh rupees has been paid-up. Provisions of section 109 of the Companies Act, 2013 shall be followed by the company.

76. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

77. The demand of a poll may be withdrawn at any time by the persons who made the demand.

78. When a poll is to be taken the Chairman of the meeting shall appoint two scrutinizers, at least one of whom shall be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed to scrutinize the votes given on the poll and report to him thereon.

79. On a poll, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be need not , if he votes, use all his votes or cast in the same way all the votes he uses.

80. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

81. The Chairman of a General Meeting may adjourn the same from time to time and from place, to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

82. A member can exercise his right to vote by the electronic means as prescribed under section 108 of the Companies At, 2013

VOTES OF MEMBERS

83. Subject to any special conditions; of restriction as to voting upon which any shares may be issued or may for the time being, be held, on a show of hands, every member present in person shall have one vote, and on a poll every member present in person or by proxy shall have one vote for every share held by him in respect of which he is entitled to vote provided that the voting rights of the holder of any share issued at any time after the date of adoption of the Articles shall be as specified in Section 48 of the Companies Act, 2013.

    Provided that no Company or body corporate being a member of the Company shall vote by proxy unless a resolution of its Board of Directors under the provisions of Section of 113 of the Companies Act, 2013 is in force and the representative in such resolution is present at the General Meeting at which the vote by proxy is tendered.

84. When a meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

85. Where a company or a body corporate (hereinafter called member company) is a member of the Company, a person duly appointed by resolution in accordance with the provision of section 113 of the Companies Act, 2013 to represent such member company at meeting of the company, shall not, by reason of such appointment, be deemed to be a proxy, and the pledging with the Company at the office or production at the meeting of a copy of such resolution duly signed by one director of such member company and certified by him or them as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence the same rights and powers, including the right to vote by proxy on behalf of the member company which the represents, as that member company could exercise if it were an individual member.

86. If any member is a lunatic, idiot or non-composement he may vote whether on a show of hands or on a poll by his Committee, curator banis or other legal curator and such last mentioned person may give his vote, by proxy provided that forty eight hours at least before the time of holding the meeting or adjourned meeting as the case may be, at which any person proposes to vote, he shall satisfy, the Board of his right under the Transmission Article to transfer the shares in respect of which he proposes to exercise his right under the Article unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

87. Where there are joint registered holders of any share, any one of the such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting either personally or by proxy, that one of the said persons so

present whose name stands first on the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purpose of this Article be deemed joint-holders thereof.

PROXY

88. On a poll votes may be given either personally or by proxy, or, in the case of a body corporate, by a representative duly authorized

89. The instrument appointing a proxy shall be in writing under the hand or the appointer or his Attorney duly authorised in writing or if such appointer is a body corporate by under its common seal or the hand of its Officer or Attorney duly authorised. A proxy who is appointed for a specified meeting only shall be called special proxy. Any other shall be called a General Proxy.

90. A person may be appointed as proxy he is not member of the Company and every notice convening a meeting of the Company shall state this, that a member entitled to attend and vote at the meetings is entitled to appoint a proxy to attend and vote instead of him.

91. This instrument appointing a proxy and the power of Attorney or other authority (if any) under which it is signed, or notarially certified copy of that power of authority, shall be deposited at the office not less than forty eight hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

92. A vote in accordance with terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share shall have been received by the Company at the office before the vote is given;
Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may hi his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

93. A person can act as proxy on behalf of the members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the company carrying voting rights.

94. Any instrument appointing a proxy shall be in the form prescribed under section 105 of the Companies Act, 2013 and rules made thereto.

95. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in him name on which any calls or other sums presently payable by him have not been paid or regard to which the Company has exercised any right of lien.

96. Any objection as to the admission or rejection of a vote, either on a show of hands, or on a poll made in due time, shall be referred to the Chairman, who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.

97. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid of all purposes.

DIRECTORS AND THEIR POWERS

98. The First Directors of the Company are:
    1. Dasu Govinda Prasad
    2. Sunder Venkatraman
    3. Subba Rao Parupalli

99. Unless and otherwise determined by Special resolution, the number of Directors of the Company shall not be less than three nor more than fifteen, including Special, Technical, Nominated, Alternate, Additional, Co-opted Executive, Administrative and debenture Directors, if any.

100. The company shall appoint atleast one women Director on the Board of the Company as per the provisions of Section 149 of the Companies Act, 2013.Provided that any intermittent vacancy of a women director shall be filled up by the board at the earliest but not later than immediate next board meeting or three months from the date of such vacancy whichever is later.

101. The Company shall have atleast one-third of the total number of the directors as independent directors on the Board. Provided that any intermittent vacancy of an independent director shall be filled up by the board at the earliest but not later than immediate next board meeting or three months from the date of such vacancy, whichever is later. The company shall follow the provisions of section 149 of the Companies Act, 2013.

102. The company may as per the provisions of section 151 of the Companies Act, 2013 have one director elected by small shareholders.

103. As per the provisions of section 149, the Board shall have power at any time and from time to time to appoint one or more persons as additional directors, provided the number of the directors already mentioned and the number of directors /additional directors thus appointed together shall not exceed the limit prescribed under the Act

104. Subject to the provisions of section 161 of the Companies Act, 2013, Board shall have power to appoint any person to act as alternate director for a director during his absence for a period not less than 3 months from India.

105. Subject to the provisions of section 161 of the Companies Act, 2013, Board shall have power to appoint any person as a director nominated by any institution in pursuance of any law time being in force or of any agreement.

106. Subject to the provisions of section 173 of the Companies Act, 2013 the directors of the Company may participate in meetings of the Board through Electronic Mode as may be set out in the notice of the meeting, provided the directors intending to participate in the Board meeting by Electronic Mode confirm to the Company their participation in meeting of the Board by Electronic Mode at least 2 Business Days prior to the scheduled date of such meeting.

107. Subject to the provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof) (‘the Act’), the Board shall have power to appoint form time to time one or more of their body to be Managing Director or Managing Directors or Whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company, if any) remove or dismiss him or them from office and appoint another or others in his or their place or places. The Board shall have power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

Provided that an individual can be appointed or reappointed or continue as Chairperson of the Company as well as Managing Director or Chief Executive Officer of the Company at the same time.

108. Subject to the provisions of section 152 of the Companies Act, 2013 at every annual general meeting, not less than two–thirds of the total directors and director mentioned in article 105 shall be the persons whose period of office is liable to determination by retirement of directors by rotation.

109. Nothing withstanding anything contained in these articles but subject to the provisions of section 68 to 70 and any other application provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

110. The company may subject to the provisions of the Act, Rules and regulations issue any kind of shares under Employee stock option scheme or any other scheme or as Sweat Equity Shares.

111. The Board may, from time to time at their discretion raise, borrow or secure the payment of any sum(s) of money for the purposes of the Company at such time, manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by promissory notes or by opening current accounts or by receiving deposits after complying with the provisions of section 76 of the companies Act, 2013 and

advances with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company (both present and future) including its uncalled capital for the time being or by mortgaging, charging, pledging any land, building, plant and machinery, goods or other property and securities of the Company or by such other means.

112. Where in the Act, it has been provided that the Company shall have any right, privileges or authority of that the Company could carry out any transaction only if the Company is so authorized by its Articles, then in that case, by virtue of this Regulation the Company is hereby specifically authorized, empowered and entitled to have such rights, privileges or authority and to carry out such transaction as have been permitted by the Act, subject to, such transactions be in compliance with the Act, without there being a separate regulation in that behalf herein provided.

COMMON SEAL

115. The Directors of the Company shall provide a common seal of the Company and for the safe custody thereof. The seal shall never be used except by the authority of the directors or a committee of Directors previously given by means of a resolution. Any documents to which the seal is affixed shall be signed by at least one director of the Company and countersigned by the Managing Director(s) of the Company or by any other Director or secretary of the Company.

PROCEEDINGS OF THE BOARD

116. The quorum for the transaction of the business of the Directors shall be two or one third of Directors whichever is higher and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

117. A resolution in writing signed by all the Directors shall be effective for all purposes as if a resolution passed at the meeting of the Directors duly called, held and constituted.

118. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

119. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

120. As otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

121. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

122. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

123. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. If no such chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.

124. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

125. A committee may elect a Chairperson of its meetings. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

126. A committee may meet and adjourn as it thinks fit.

127. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

128. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

129. As otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

130. The Company may subject to the provisions of the Act and applicable rules merge into, or with, or acquire all, or a part of, the business of, or purchase, or acquisition of shares, or any ownership interest in another legal person or entity;

131. The company may subject to the provisions of the Act, Rules and regulations issue any kind of shares under Employee stock option scheme or any other scheme or as Sweat Equity Shares.

132. Where in the Act, it has been provided that the Company shall have any right, privileges or authority of that the Company could carry out any transaction only if the Company is so authorized by its Articles, then in that case, by virtue of this Regulation the Company is hereby specifically authorized, empowered and entitled to have such rights, privileges or authority and to carry out such transaction as have been permitted by the Act, subject to, such transactions be in compliance with the Act, without there being a separate regulation in that behalf herein provided.

DIVIDENDS AND RESERVES

137. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

138. The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

139. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

140. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

141. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

142. No dividend shall bear interest against the company.

BONUS SHARES

143. The Company may issue fully paid-up bonus shares to its members in the manner provided in section 63 of the Companies Act, 2013

CAPITALISATION OF PROFITS AND RESERVES

151.

i. The Company in general meeting may, upon the recommendation of the Board, resolve –

a) That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
b) That such sum be accordingly set free for distribution in the manner specified in clause ii amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause iii, either in or towards –

a. paying up any amounts for the time being unpaid on any shares held by such members respectively;

b. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

c. partly in the way specified in sub-clause "a" and partly in that specified in sub-clause "b";

d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

e. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

152.

i. Whenever such a resolution as aforesaid shall have been passed, the Board shall –
   a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
   b. generally do all acts and things required to give effect thereto.

ii. The Board shall have power –
   a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and
   b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

iii. Any agreement made under such authority shall be effective and binding on such members.

DEMATERIALIZATION OF SECURITIES

Option to dematerialise Securities:

153. Notwithstanding anything contained in these Articles, the Company may in accordance with the provisions of the Depositories Act, 1996, be entitled to dematerialise its securities and to offer the same to the share holders or members of the Company present and future (subscription in a dematerialised form) and on the same being done, the Company shall maintain a Register of Members holding various securities both in physical and dematerialised form in any media as permitted by law including any form of electronic media, either in respect of existing shares or any shares either by itself or agency appointed for the purpose.

Option for Investors:

154. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of depository, in respect of any security in the manner provided by the Depositories Act, 1996; and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

Securities in Depositories to be held in Fungible form:

155. All securities held by a Depository shall be dematerialised and be in fungible form.

156. Rights of Depositories and Beneficial Owners:

i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

ii. Save as otherwise provided in (i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

iii. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his / her securities which are held by a Depository.

Service of documents:

157. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities:

158. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

Allotment of Securities dealt with in a Depository:

159. Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

Distinctive numbers of securities held in a Depository:

160. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

Register and index of beneficial owners:

161. The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996; shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

RECONSTRUCTION

162. On any sale of the undertaking of the Company, the Board or the Liquidators on a wind-up may, if authorised by a Special Resolution, accept fully or partly paid up shares, debentures or securities of any other company, whether incorporated in India or not, either than existing to be formed for the purchase in whole or in par of the property of the Company, and the Board (if the profits of the company permit) or the Liquidators (in a winding-up) may distribute such shares or securities or any other property of the Company amongst the members without realization, or vest the same in trustees for them, and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities benefit or properties otherwise than in accordance with the valuation of any such securities or properties of such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed be or is in the course of being wound up, such statutory rights (if any) under Section 494 of the Companies Act. 1956 as are incapable of being varied or excluded by these Articles.

WINDING UP

163. If the Company be wound up and the assets available for distribution among the members as such be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that as nearly as may be Losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid up at the commencement of winding up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up or which ought to have been paid-up on the shares held by them respectively but this articles is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

164. If the Company be wound-up, whether voluntarily or otherwise, the Liquidators may, with the sanction of a special resolution, divide among the contributories, in spice or kind, any part of the assets of the Company and may, with the like sanction, vest and part of the assets of the company in Trustees upon such trusts to the benefits of the contributories, or any of them, as the liquidators, with the like sanction, think fit.

INDEMNITY

165. Every Director, Secretary or any person (whether an Official of the Company or not) employed by the Company and any person appointed as Auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Secretary, Officer, Employee or Auditor in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquired or in connection with any application under Section 463 of the Companies Act, 2013 in which relief is granted to him by the Court.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of our Company on any working day (i.e. Monday to Friday and not being a bank holiday in Hyderabad) between 10:00 AM and 2:00 PM for a period of seven days from the date of filing of this Information Memorandum with the Stock Exchanges.

Documents for Inspection

- Memorandum and Articles of Association of the Company, as amended till date.
- Certificate of incorporation of our Company dated November 6, 2018
- Statement of tax benefits dated 31 January 2020 issued by the Karvy & Co., Chartered Accountants.
- NCLT order dated January 6, 2020 approving the Scheme of Arrangement.
- Letters issued by BSE and NSE under Regulation 37 of SEBI Listing Regulations, bearing reference no. DCS/AMAL/BA/R37/1460/2019-20 dated April 11, 2019, and no. NSE/LIST/20048 dated April 23, 2019, respectively, approving the Scheme of Arrangement.
- SEBI letter bearing reference no. SEBI/HO/CFD/DIL-2/AM/GB/8108/2020 dated March 3, 2020 granting relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI Circular issued by SEBI dated March 10, 2017 for the purpose of listing of the shares.
- BSE letter no. DCS/AMAL/DS/IP/1685/2019-20 dated February 24, 2020 granting in-principle approval for listing.
- NSE letter no. NSE/LIST/27 dated February 25, 2020 granting in-principle approval for listing.
- Tripartite Agreement dated December 24, 2018 with NSDL, Registrar and Transfer Agent and our Company.
- Tripartite Agreement dated January 3, 2019 with CDSL, Registrar and Transfer Agent and our Company.

DECLARATION

All relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. All statements made in this Information Memorandum are true and correct.

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

Name: Venkateswarlu Jasti
Designation: Chairman & Managing Director

Place: Hyderabad
Dated: March 4, 2020

SUVEN PHARMACEUTICALS LIMITED * HYD *