



# SUVEN PHARMACEUTICALS LIMITED

CIN: U24299TG2018PLC128171  
Registered and Corporate Office: Door No. 8-2-334, 3<sup>rd</sup> Floor, SDE Serene Chambers, Road No. 5, Avenue 7, Banjara Hills, Hyderabad - 500034, Telangana.

## PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF THE COMPANY

STATUTORY ADVERTISEMENT ("ADVERTISEMENT") ISSUED IN COMPLIANCE WITH CIRCULAR NO. CFD/DIL3/CIR/2017/21 DATED MARCH 10, 2017, AS AMENDED, ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IN RELATION TO SCHEMES OF ARRANGEMENT BY LISTED ENTITIES AND RELAXATION UNDER SUB-RULE (7) OF RULE 19 OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED (THE "SCRR"), PURSUANT TO THE SCHEME OF ARRANGEMENT UNDER SECTIONS 230 TO 232, READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER BETWEEN SUVEN LIFE SCIENCES LIMITED AND SUVEN PHARMACEUTICALS LIMITED ("OUR COMPANY"), AND THE RESPECTIVE SHAREHOLDERS AND CREDITORS, WITH EFFECT FROM JANUARY 9, 2020, APPROVED BY THE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH BY ITS ORDER DATED JANUARY 6, 2020 (THE "SCHEME OF ARRANGEMENT") AND THE GRANT OF PERMISSION BY SEBI FOR THE RELAXATION OF THE STIPULATIONS UNDER RULE 19(2)(B) OF THE SCRR.

### 1. Details of change of name and/or object clause:

There were no changes in the name and object clause of the Company as on the date of this advertisement.

### 2. Capital Structure

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

Particulars	Aggregate Nominal Value (₹)
<b>Authorized share capital</b> 10,00,000 equity shares of INR 1 each	10,00,000
<b>Issued, Subscribed and paid-up share capital</b> 1,00,000 equity shares of INR 1 each	1,00,000

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

Particulars	Aggregate Nominal Value (₹)
<b>Authorized share capital</b> 20,10,00,000 equity shares of INR 1 each	20,10,00,000
<b>Issued, Subscribed and paid-up share capital</b> 12,72,82,478 equity shares of INR 1 each	12,72,82,478
1,00,000 Equity Shares of INR 1 each aggregating to INR 1,00,000 has been cancelled pursuant to the Scheme of Arrangement.	

### 3. Shareholding pattern of our Company

The table below represents the shareholding pattern of our Company as on the date of this advertisement.

Category (I)	Category of the share-holders (II)	No. of share-holders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957 (VII) As a % of (A+B+C2))	Number of Voting Rights held in each class of securities(X)			No. of Shares Underlying Outstanding convertible securities (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (X)/(VII+X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)	Number of equity shares held in dematerialised form (XIV)	
								Class:eg: X	Class:eg: y	Total			No. (a)	As a % of total Shares held (b)			No. (a)
(A)	Promoter and Promoter Group	6	7,63,70,000	0	0	7,63,70,000	60.00	7,63,70,000	0	7,63,70,000	60.00	0	0	0	0	0	7,63,70,000
(B)	Public	64,198	5,09,12,478	0	0	5,09,12,478	40.00	5,09,12,478	0	5,09,12,478	40.00	0	0	0	0	0	5,04,58,295
<b>Grand Total</b>		<b>64,204</b>	<b>12,72,82,478</b>	<b>0</b>	<b>0</b>	<b>12,72,82,478</b>	<b>100.00</b>	<b>12,72,82,478</b>	<b>0</b>	<b>12,72,82,478</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,68,28,295</b>

### 4. Details of Equity Shares held by the Promoters and members of our Promoter Group

Sl. No.	Name of person/entity	Number of Equity Shares held	% to the total Equity Share Capital
<b>Promoters</b>			
1	Venkateswarlu Jasti	1,000	Negligible
2	Sudharani Jasti	1,000	Negligible
<b>Members of Promoter Group</b>			
3	Kalyani Jasti	1,000	Negligible
4	Sirisha Jasti	1,000	Negligible
5	Madhavi Jasti	1,000	Negligible
6	Jasti Property and Equity Holdings Private Limited (In its capacity as sole trustee of Jasti Family Trust)	7,63,65,000	60.00
<b>Total</b>		<b>7,63,70,000</b>	<b>60.00</b>

### 5. Major Shareholders of our Company

The details of the ten largest Shareholders of our Company as on the date of this Advertisement is set out below:

Sl. No.	Name of the Shareholder	Number of Equity Shares held	% to the total Equity Share Capital	Interest
1	Jasti Property and Equity Holdings Private Limited	76,365,000	60.00	Promoter group
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	Taijo 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	Manikamani Uppalapati	525,000	0.41	-
10	Abakkus Emerging Opportunities Fund-1	500,000	0.39	-
<b>Total</b>		<b>86,900,223</b>	<b>68.27</b>	

### 6. Details of promoters of our Company:

Pursuant to the Scheme of Arrangement, the current Promoters of our Company are Venkateswarlu Jasti and Sudharani Jasti. Details on their educational qualifications, experience, address is as under:

Sl. No	Name	Address	Experience and Educational qualification
1.	Venkateswarlu Jasti	Plot No 396, Road No. 22B Jubilee Hills Hyderabad 500033, Telangana, India	Venkateswarlu Jasti, 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. He has more than 45 years of experience in the pharmaceutical industry and is responsible for formulating growth plans and is involved in all the strategic decisions to be taken for the Suven group.
2.	Sudharani Jasti	Plot No 396, Road No. 22B Jubilee Hills Hyderabad 500033, Telangana, India	Smt. Sudharani Jasti is a Graduate in Science from Andhra University; She has more than 35 years of experience in providing the right direction and leadership in all governance matters.

### 7. Business and its management:

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. 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. 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. As on December 31, 2019, 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). All our manufacturing facilities are certified for ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.

Our Company's strengths are: (a) Core competence in CRAMS business model; (b) Research driven Company; (c) Presence in regulated markets; and (d) Experienced Promoter and Key Managerial Team.

### 8. Management:

The following table sets forth details of our Board of Directors:

Sl. No.	Name	DIN	Designation
1.	Venkateswarlu Jasti	00278028	Managing Director
2.	Govinda Prasad Dasu	00160408	Independent and Non-Executive Director
3.	Dr. Srivari Chandrasekhar	00481481	Independent and Non-Executive Director
4.	Deepanwita Chattopadhyay	02357160	Independent and Non-Executive Director
5.	Venkata Ramudu Jasthi	03055480	Non-Executive Director
6.	Jerry Jeyasingh	08589727	Non-Independent and Non-Executive Director and Chief Operating Officer

The details of our Key Managerial Personnel are as follows:

Sl. No.	Name	Designation
1	P. Subba Rao	Chief Financial Officer
2	K Hanumantha Rao	Company Secretary and Compliance Officer

### 9. Reason for the Scheme of Arrangement (Demerger):

The scheme of arrangement approved by the Hon'ble National Company Law Tribunal, Hyderabad Bench ("Scheme") provides for the demerger of Suven Pharmaceuticals Limited/Resulting Company from Suven Life Sciences Limited/the Demerged Company pursuant to Sections 230 to 232, read with Section 66 and other applicable provisions of the Companies Act, 2013. The rationale as provided in the Scheme is as under:

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 the Scheme of Arrangement (Demerger).

#### Salient features of the Scheme are as follows:

- Part B, of the Scheme provides for the demerger and vesting of Contract Research and Manufacturing Services Undertaking with our Company;
- The Appointed Date for the Scheme is October 1, 2018;
- The Effective Date for the Scheme is January 9, 2020;

d) The Scheme approved by the Tribunal shall be effective from the Appointed Date but shall be operative from the Effective Date;

e) The Scheme provides that with effect from the Appointed Date and upon the Scheme becoming effective:

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.

f) The Scheme further provides that in consideration of the demerger of the Demerged Undertaking as under:

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 with mirror shareholding of Suven Life Sciences Limited.

### 10. Financial Statements of the Company for the previous three years prior to the date of listing:

A. Our Company was incorporated on November 6, 2018. The following table sets forth financial data from our audited consolidated financial statement for the six months ended September 30, 2019 and period November 6, 2018 to March 31, 2019:

#### Consolidated Balance Sheet as at 30<sup>th</sup> September, 2019:

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

Particulars	Notes	As at September 30, 2019	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>		<b>66,735.76</b>	<b>39,328.20</b>
<b>Current Assets</b>			
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
<b>Total Current Assets</b>		<b>53,913.15</b>	<b>38,973.42</b>
<b>TOTAL ASSETS</b>		<b>1,20,648.91</b>	<b>78,301.62</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9(a)	1,272.82	1,272.82
Other equity	9(b)	74,425.17	57,756.22
<b>Total Equity</b>		<b>75,697.99</b>	<b>59,029.05</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	10	594.53	594.53
Deferred tax liabilities (net)	11	2,598.37	2,917.17
<b>Total Non-current liabilities</b>		<b>3,192.90</b>	<b>3,511.70</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	12(a)	30,121.64	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)	1,745.87	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
<b>Total Current liabilities</b>		<b>41,758.01</b>	<b>15,760.87</b>
<b>TOTAL LIABILITIES</b>		<b>44,950.91</b>	<b>19,272.57</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,20,648.91</b>	<b>78,301.62</b>

As per our report of even date

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

Sd/-  
**Ajay Kumar Kosaraju**  
Partner  
Membership No. 021989

Place: Hyderabad  
Date: 27<sup>th</sup> January 2020

Sd/-  
**K. Hanumantha Rao**  
Company Secretary  
Membership No. A11599

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

Sd/-  
**Venkateswarlu Jasti**  
Chairman & Managing Director  
DIN: 00278028

Sd/-  
**P. Subba Rao**  
Chief Financial Officer  
Membership No. A11342

#### Consolidated Statement of Profit and Loss for the period ended 30<sup>th</sup> 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 6 <sup>th</sup> November 2018 to March 31, 2019
<b>Income</b>			
Revenue from operations	15	47,031.90	37,783.46
Other income	16	788.98	60.01
<b>Total Income</b>		<b>47,820.88</b>	<b>37,843.47</b>
<b>Expenses</b>			
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
<b>Total Expenses</b>		<b>26,165.02</b>	<b>22,056.76</b>
<b>Profit before tax</b>		<b>21,655.86</b>	<b>15,786.71</b>
<b>Tax expense</b>			
Current tax	24	5,569.60	3,317.07
Deferred tax	24	(315.84)	1,542.21
<b>Profit/(Loss) for the period</b>		<b>16,402.10</b>	<b>10,927.43</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements gains (losses) on defined benefit plans		(8.46)	-
<b>Income tax relating to items that will not be reclassified to profit or loss</b>			
Re-measurement gains (losses) on defined benefit plans		2.96	-
<b>Other Comprehensive Income/(Loss) for the period, net of taxes</b>		<b>(5.51)</b>	<b>-</b>
<b>Total Comprehensive Income for the period</b>		<b>16,396.59</b>	<b>10,927.43</b>
<b>Earnings per Equity share (Par value of ₹1 each) Basic and Diluted (not annualised)</b>	33	<b>12.89</b>	<b>8.59</b>

As per our report of even date

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

Sd/-  
**Ajay Kumar Kosaraju**  
Partner  
Membership No. 021989

Place: Hyderabad  
Date: 27<sup>th</sup> January 2020

Sd/-  
**K. Hanumantha Rao**  
Company Secretary  
Membership No. A11599







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
	<b>2,093.00</b>	<b>2,215.00</b>

Note 23(a): Details of payments to auditors (All amounts in Indian Rupees in Lakhs, unless otherwise stated)

Particulars	30 Sept 2019	31 March 2019
<b>Payment to auditors</b>		
As auditor:		
(i) Stat Auditor Fees	9.50	10.00
(ii) Tax audit fees	-	-
(iii) Other services	3.03	2.00
(iv) Re-imbursment of out-of-pocket expenses	0.76	0.31
	<b>13.29</b>	<b>12.31</b>

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 31<sup>st</sup> 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
<b>(a) Income tax expense</b>		
Current tax		
Current tax on profits for the year	5,569.60	3,317.07
Adjustments for current tax of prior periods	-	-
<b>Total current tax expense</b>	<b>5,569.60</b>	<b>3,317.07</b>
Deferred tax		
Decrease(increase) in deferred tax assets	-	-
Increase/(decrease) in deferred tax liabilities	-315.84	1,542.21
<b>Total Deferred tax expense(benefit)</b>	<b>-315.84</b>	<b>1,542.21</b>
<b>Income tax expense</b>	<b>5,253.76</b>	<b>4,859.28</b>
<b>Income tax expense is attributable to:</b>		
<b>Profit from operations</b>	<b>5,253.76</b>	<b>4,859.28</b>

(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
<b>Tax at the Indian tax rate of 25.168% (2018-19-34.944%)</b>	<b>5,470.99</b>	<b>5,516.51</b>
<b>Computed expected tax expense:</b>		
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
<b>Income tax expenses</b>	<b>5,253.76</b>	<b>4,859.28</b>

Financial instruments and risk management

Note 25: Fair Value Measurements (All amounts in Indian Rupees in Lakhs, unless otherwise stated)

	30 September 2019		31 March 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
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
<b>Total Financial Assets</b>	<b>9,440.82</b>	<b>22,364.66</b>	<b>706.10</b>	<b>16,502.56</b>
<b>Financial Liabilities</b>				
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
<b>Total Financial Liabilities</b>	<b>-</b>	<b>35,133.13</b>	<b>-</b>	<b>14,040.89</b>

(i) Fair value hierarchy

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

Financial assets measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
<b>As at September 30, 2019</b>					
<b>Financial assets</b>					
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	
<b>Total Financial Assets</b>			<b>9,440.82</b>	<b>16,807.43</b>	<b>26,248.26</b>
<b>Financial liabilities measured at amortised cost &amp; Fair Value</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>As at September 30, 2019</b>					
<b>Financial Liabilities</b>					
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	
<b>Total Financial Liabilities</b>			<b>35,133.13</b>	<b>35,133.13</b>	
<b>Financial assets measured at fair value &amp; Amortised cost</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>As at March 31, 2019</b>					
<b>Financial assets</b>					
Equity Investment	-	-	7.05	7.05	
Investment in mutual funds	-	-	706.10	-	706.10

Trade Receivables	Level 1	Level 2	Level 3	Total	
Loans	-	-	17.99	17.99	
Security deposits	-	-	437.69	437.69	
Fixed Deposits with Banks and Interest thereon	-	-	187.71	187.71	
<b>Total Financial Assets</b>		<b>706.10</b>	<b>15,400.81</b>	<b>16,106.71</b>	
<b>Financial liabilities measured at amortised cost &amp; Fair Value</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>As at March 31, 2019</b>					
<b>Financial Liabilities</b>					
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	
<b>Total Financial Liabilities</b>			<b>14,040.89</b>	<b>14,040.89</b>	

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

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

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

Note 26: Financial Risk Management

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

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

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

(A) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by 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 (All amounts in Indian Rupees in Lakhs, unless otherwise stated)

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)	-	-	-	-	-	-
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>14,218.62</b>	<b>1,781.14</b>	<b>106.44</b>	<b>0.62</b>	<b>28.03</b>	<b>16,134.85</b>

Year ended 31 March 2019

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

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

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

(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
<b>Financial assets</b>				
Cash and Cash equivalents	4,054.47	-	-	-
Trade receivables (Net)	15,473.10	-	-	-
<b>Financial Liabilities</b>				
Borrowings	8,487.90	-	-	-
Trade payables	1,542.97	-	1.52	-
Other financial liabilities	26.52	-	-	-
Particulars	As at March 31, 2019			
Financial assets	USD	GBP	EUR	Others
Cash and Cash equivalents	712.36	-	-	-
Trade receivables	14,298.01	-	-	-
<b>Financial Liabilities</b>				
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	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 ₹ 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	-	-

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:

1. 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 year	
	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	-	-	-	-
	<b>46,045.42</b>	<b>36,957.48</b>	<b>26,243.94</b>	<b>27,089.71</b>	<b>288.39</b>	<b>446.18</b>

Information about major customers

Revenues from one of the customers of the Company's in Europe was ₹ 15,480 lakhs representing approximately 33.62% of the Company's total revenue, for

issued to shareholders of Suvon Life Sciences limited on 22<sup>nd</sup> January, 2020 (the record date) in the ratio of 1:1 of ₹ 1/- each in Suvon Pharmaceuticals Limited.

Consequently, the Scheme became operational on 9<sup>th</sup> 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:

Suvon 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 Income		Share in total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
30 Septembr 2019								
Parent								
Suvon Pharmaceuticals Ltd.	162.76%	54,632.14	100.50%	16,484.10	100.00%	-5.51	100.50%	16,478.60
Subsidiaries:								
Suvon Pharma Inc.	-62.76%	-21,065.85	-0.50%	-82.00	0.00%	-	-0.50%	-82.00
<b>TOTAL</b>	<b>100.00%</b>	<b>33,566.29</b>	<b>100.00%</b>	<b>16,402.10</b>	<b>100.00%</b>	<b>-5.51</b>	<b>100.00%</b>	<b>16,396.59</b>
31 March 2019								
Parent								
Suvon Pharmaceuticals Ltd.	100.00%	59,029.05	100.00%	10,927.43	0.00%	-	100.00%	10,927.43
Subsidiaries:								
Suvon Pharma Inc.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>TOTAL</b>	<b>100.00%</b>	<b>59,029.05</b>	<b>100.00%</b>	<b>10,927.43</b>	<b>0.00%</b>	<b>-</b>	<b>100.00%</b>	<b>10,927.43</b>

\*The company has invested 35 million USD (25% share holding) in Rising Pharma Holding Inc., through its wholly owned subsidiary (i.e. Suvon Pharma Inc.) in the Month of April 2019. Since the acquisition of assets and liabilities are under process the same has not been considered for consolidation purpose.

Name of the subsidiary : Suvon Pharma Inc.

Reporting currency : USD

Date of Incorporation : 9<sup>th</sup> March 2019

Particulars	30 September 2019	31 March 2019
Share capital	3,00,00,000	-
Reserves & surplus	(1,19,360)	-
Total assets	3,50,24,948	-
Total Current liabilities	51,44,308	-
Investments	-	-
Turnover/Total Income	-	-
Profit/(loss) before taxation	(1,19,360)	-
Provision for Taxation	-	-
Profit/(loss) after taxation	(1,19,360)	-
Proposed dividend	-	-
% of share holding	100%	-

**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 31<sup>st</sup> March 2019 represents the figures from 6<sup>th</sup> November 2018 to 31<sup>st</sup> March 2019. Hence current period figures are not comparable with previous period figures.

As per our report of even date

for **KARVY & CO.** Chartered Accountants (Firm Reg. No.001757S) For and on behalf of the Board of Directors of **Suvon Pharmaceuticals Limited**

Sd/- **Ajay Kumar Kosaraju** Partner Membership No. 021989  
 Sd/- **Venkateswarlu Jasti** Chairman & Managing Director DIN: 00278028  
 Sd/- **K. Hanumantha Rao** Company Secretary Membership No. A11599  
 Sd/- **P. Subba Rao** Chief Financial Officer Membership No. A11342

B. The following table sets forth financial data from our audited standalone financial statement 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):

**Standalone Balance Sheet as at 30<sup>th</sup> September, 2019:**

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

Particulars	Notes	As at Sept 30, 2019	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
<b>Total Non-current assets</b>		<b>62,936.26</b>	<b>39,328.20</b>
<b>Current assets</b>			
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
<b>Total Current assets</b>		<b>53,913.19</b>	<b>38,973.42</b>
<b>TOTAL ASSETS</b>		<b>1,16,849.44</b>	<b>78,301.62</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9(a)	1,272.82	1,272.82
Other equity	9(b)	74,234.82	57,756.22
<b>Total Equity</b>		<b>75,507.64</b>	<b>59,029.05</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provisions	10	594.53	594.53
Deferred tax liabilities (net)	11	2,598.37	2,917.17
<b>Total Non-current liabilities</b>		<b>3,192.90</b>	<b>3,511.70</b>
<b>Current liabilities</b>			
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	732.22
(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
<b>Total Current liabilities</b>		<b>38,148.90</b>	<b>15,760.87</b>
<b>TOTAL LIABILITIES</b>		<b>41,341.80</b>	<b>19,272.57</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,16,849.44</b>	<b>78,301.62</b>

As per our report of even date

for **KARVY & CO.** Chartered Accountants (Firm Reg. No.001757S) For and on behalf of the Board of Directors of **Suvon Pharmaceuticals Limited**

Sd/- **Ajay Kumar Kosaraju** Partner Membership No. 021989  
 Sd/- **Venkateswarlu Jasti** Chairman & Managing Director DIN: 00278028  
 Sd/- **K. Hanumantha Rao** Company Secretary Membership No. A11599  
 Sd/- **P. Subba Rao** Chief Financial Officer Membership No. A11342

**Standalone Statement of Profit and Losses for the period ended 30<sup>th</sup> 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
<b>Income</b>			
Revenue from operations	15	47,031.90	37,783.46
Other income	16	788.98	60.01
<b>Total Income</b>		<b>47,820.88</b>	<b>37,843.47</b>
<b>Expenses</b>			
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
<b>Total Expenses</b>		<b>26,083.02</b>	<b>22,056.76</b>
<b>Profit before tax</b>		<b>21,737.86</b>	<b>15,786.71</b>
<b>Tax expense</b>			
Current tax	24	5,569.60	3,317.07
Deferred tax	24	(315.84)	1,542.21
<b>Profit/(Loss) for the period</b>		<b>16,484.10</b>	<b>10,927.43</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements gains (losses) on defined benefit plans		(8.46)	-
<b>Income tax relating to items that will not be reclassified to profit or loss</b>		<b>-</b>	<b>-</b>
Re-measurement gains (losses) on defined benefit plans		2.96	-
<b>Other Comprehensive Income/(Loss) for the period, net of taxes</b>		<b>(5.51)</b>	<b>-</b>
<b>Total Comprehensive Income for the period</b>		<b>16,478.60</b>	<b>10,927.43</b>
<b>Earnings per Equity share (Par value of ₹ 1 each)</b>			
<b>Basic and Diluted (not annualised)</b>	33	<b>12.95</b>	<b>8.59</b>

As per our report of even date

for **KARVY & CO.** Chartered Accountants (Firm Reg. No.001757S) For and on behalf of the Board of Directors of **Suvon Pharmaceuticals Limited**

Sd/- **Ajay Kumar Kosaraju** Partner Membership No. 021989  
 Sd/- **Venkateswarlu Jasti** Chairman & Managing Director DIN: 00278028  
 Sd/- **K. Hanumantha Rao** Company Secretary Membership No. A11599  
 Sd/- **P. Subba Rao** Chief Financial Officer Membership No. A11342

**Standalone Statement of Changes in Equity for the period ended 30<sup>th</sup> Sept 2019:**

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

Particulars	As at 30 <sup>th</sup> September 2019		As at 31 <sup>st</sup> March 2019	
	Number of Shares	Amount	Number of Shares	Amount
<b>A. Equity share capital</b>				
Opening Balance	-	-	1,00,000	1.00
Less: Cancellation of shares under Scheme of Arrangement (Refer Note 35)	-	-	(1,00,000)	-1.00
	-	-	-	-
<b>B. Equity Share Suspense*</b>				
Equity shares of ₹ 1/- each	12,72,82,478	1,272.82	12,72,82,478	1,272.82
	<b>12,72,82,478</b>	<b>1,272.82</b>	<b>12,72,82,478</b>	<b>1,272.82</b>

\*Represents equity shares subsequently allotted on 27<sup>th</sup> January 2020.

**b. Other Equity**

Particulars	Note	Reserves & surplus			Total Equity
		Securities Premium	General reserve	Retained earnings	
<b>Balance as at November 6, 2018</b>					
Acquired in pursuant to demerger		12,230.21	5,527.91	30,016.09	47,774.21
Adjustment 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 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
<b>Total comprehensive income for the period</b>		-	<b>899.76</b>	<b>11,383.94</b>	<b>12,283.70</b>
		-	-	-	-
Dividend paid	9(b)	-	-	(1,909.24)	(1,909.24)
Tax on distributed profit		-	-	(392.45)	(392.45)
<b>Balance as at March 31, 2019</b>		<b>12,230.21</b>	<b>6,427.67</b>	<b>39,098.35</b>	<b>57,756.22</b>
		-	-	-	-
<b>Balance as at April 1, 2019</b>		<b>12,230.21</b>	<b>6,427.67</b>	<b>39,098.35</b>	<b>57,756.22</b>
Profit for the period	9(b)	-	-	16,484.10	16,484.10
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		-	-	-	-
<b>Total comprehensive income for the period</b>		-	-	<b>16,478.60</b>	<b>16,478.60</b>
		-	-	-	-
Dividend paid		-	-	-	-
Tax on distributed profit		-	-	-	-
<b>Balance at Sept 30, 2019</b>		<b>12,230.21</b>	<b>6,427.67</b>	<b>55,576.94</b>	<b>74,234.82</b>

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) For and on behalf of the Board of Directors of **Suvon Pharmaceuticals Limited**

Sd/- **Ajay Kumar Kosaraju** Partner Membership No. 021989  
 Sd/- **Venkateswarlu Jasti** Chairman & Managing Director DIN: 00278028  
 Sd/- **K. Hanumantha Rao** Company Secretary Membership No. A11599  
 Sd/- **P. Subba Rao** Chief Financial Officer Membership No. A11342

**Standalone Statement of Cash Flows for the period ended 30<sup>th</sup> 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
<b>A. Cash flow from operating activities</b>		
Profit before tax	21,737.86	15,786.71
<b>Adjustments :</b>	-	-
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)	-
<b>Operating profit before working capital changes</b>	<b>23,423.51</b>	<b>17,179.22</b>
<b>Adjustments for (Increase)/decrease in operating assets</b>	<b>-</b>	<b>-</b>
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)
<b>Adjustments for Increase/(decrease) in operating liabilities</b>		
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)
<b>Cash generated from operating activities</b>	<b>20,213.28</b>	<b>8,346.58</b>
Income taxes paid (net of refunds)	950.40	3,306.11
<b>Net Cash flows from operating activities</b>	<b>(A) 19,262.88</b>	<b>5,040.47</b>
<b>B. Cash flow from Investing activities</b>		
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
<b>Net cash flow from/( used in) investing activities</b>	<b>(B) (32,395.28)</b>	<b>(6,547.96)</b>
<b>C. Cash flows from financing activities</b>		
(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)
<b>Net cash flow from/(used in) financing activities</b>	<b>(C) 17,573.95</b>	<b>2,597.78</b>
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