

In search of new CNS therapies for better living



## CEO'S COMMUNIQUE

*Dear Shareholders*

You are well aware that we have been striving hard for nine long years to build an innovative, sustainable and sizeable base which consists of exciting innovation pipeline of NCE's in CNS and growing CRAMS business.

Our focus area in CNS is Cognition in Alzheimer's disease, ADHD & Schizophrenia.

Alzheimer's disease is a debilitating neurodegenerative disease characterized by dementia and memory loss. The threat of Alzheimer's and other neurological diseases are extraordinary.

**The statistics are stark: about one in three people over 85, and one in 10 over 65, will develop Alzheimer's disease.**

Alzheimer's disease, a potential \$20 billion market lacking effective medicines or a major contender but littered with high-profile drug failures in the past 2 years.

**During the last 10 years we have seen almost 100 compounds that have failed in Phase 3 and only a handful of drugs have been approved for Alzheimer's and dementia since 1990s.**

There is clearly a need for more effective therapies that address this and other neurodegenerative diseases; that is where your company is focusing and progressing very well.

For the past nine years we have committed significant time and resources to our Drug Discovery & Development program in CNS arena where there is the **highest unmet medical need with lowest success rate as well as the longest timelines hence it is taking long time to see any monetary success** at Suven even though we have built an exciting innovative research pipeline of 13 novel molecules most of which are first in class

**I have been communicating all along that it takes decades to turn new product concept into reality and to find treatments for Alzheimer's disease but any success would bring huge monetary benefit to Suven and brings relief to the millions of people world over afflicted with Alzheimer's.**

**But I am happy to inform you that this is the best year ever for CRAMS segment in the history of Suven both in terms of sales and net profit even after spending Rs33 crores on Drug Discovery which was written off on the P&L account.**

**We continue to see exciting growth opportunity in the CRAMS segment and to capture that opportunity we will be expanding our capacities by the addition of a new green field site at Vizag with an outlay of around Rs 100crs which in turn adds to the growth and profitability in the years to come.**

**I thank all the shareholders for their unrelenting support & patience in letting the management continue the innovative path to discover and develop drugs for unmet medical need for the benefit of humanity at large and also to the benefit of us, the shareholders.**



*Yours Sincerely*  
**Venkat Jasti**



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alzheimer's  association\*

# KNOW<sup>the</sup> 10 SIGNS

EARLY DETECTION MATTERS

## Have you noticed any of these warning signs?

Please list any concerns you have and take this sheet with you to the doctor.

*Note: This list is for information only and not a substitute for a consultation with a qualified professional.*

\_\_\_1. **Memory loss that disrupts daily life.** One of the most common signs of Alzheimer's, especially in the early stages, is forgetting recently learned information. Others include forgetting important dates or events; asking for the same information over and over; relying on memory aides (e.g., reminder notes or electronic devices) or family members for things they used to handle on their own. **What's typical?** Sometimes forgetting names or appointments, but remembering them later.

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\_\_\_2. **Challenges in planning or solving problems.** Some people may experience changes in their ability to develop and follow a plan or work with numbers. They may have trouble following a familiar recipe or keeping track of monthly bills. They may have difficulty concentrating and take much longer to do things than they did before. **What's typical?** Making occasional errors when balancing a checkbook.

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\_\_\_3. **Difficulty completing familiar tasks at home, at work or at leisure.** People with Alzheimer's often find it hard to complete daily tasks. Sometimes, people may have trouble driving to a familiar location, managing a budget at work or remembering the rules of a favorite game. **What's typical?** Occasionally needing help to use the settings on a microwave or to record a television show.

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\_\_\_4. **Confusion with time or place.** People with Alzheimer's can lose track of dates, seasons and the passage of time. They may have trouble understanding something if it is not happening immediately. Sometimes they may forget where they are or how they got there. **What's typical?** Getting confused about the day of the week but figuring it out later.

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\_\_\_5. **Trouble understanding visual images and spatial relationships.** For some people, having vision problems is a sign of Alzheimer's. They may have difficulty reading, judging distance and determining color or contrast. In terms of perception, they may pass a mirror and think someone else is in the room. They may not recognize their own reflection. **What's typical?** Vision changes related to cataracts.

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alzheimer's  association®

# KNOW<sup>the</sup> 10 SIGNS

EARLY DETECTION MATTERS

\_\_\_6. **New problems with words in speaking or writing.** People with Alzheimer's may have trouble following or joining a conversation. They may stop in the middle of a conversation and have no idea how to continue or they may repeat themselves. They may struggle with vocabulary, have problems finding the right word or call things by the wrong name (e.g., calling a watch a "hand clock"). **What's typical?** Sometimes having trouble finding the right word.

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\_\_\_7. **Misplacing things and losing the ability to retrace steps.** A person with Alzheimer's disease may put things in unusual places. They may lose things and be unable to go back over their steps to find them again. Sometimes, they may accuse others of stealing. This may occur more frequently over time. **What's typical?** Misplacing things from time to time, such as a pair of glasses or the remote control.

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\_\_\_8. **Decreased or poor judgment.** People with Alzheimer's may experience changes in judgment or decision making. For example, they may use poor judgment when dealing with money, giving large amounts to telemarketers. They may pay less attention to grooming or keeping themselves clean. **What's typical?** Making a bad decision once in a while.

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\_\_\_9. **Withdrawal from work or social activities.** A person with Alzheimer's may start to remove themselves from hobbies, social activities, work projects or sports. They may have trouble keeping up with a favorite sports team or remembering how to complete a favorite hobby. They may also avoid being social because of the changes they have experienced. **What's typical?** Sometimes feeling weary of work, family and social obligations.

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\_\_\_10. **Changes in mood and personality.** The mood and personalities of people with Alzheimer's can change. They can become confused, suspicious, depressed, fearful or anxious. They may be easily upset at home, at work, with friends or in places where they are out of their comfort zone. **What's typical?** Developing very specific ways of doing things and becoming irritable when a routine is disrupted.

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If you have questions about any of these warning signs, the Alzheimer's Association recommends consulting a physician. Early diagnosis provides the best opportunities for treatment, support and future planning.



## CORPORATE INFORMATION

### Board of Directors

Shri Venkateswarlu Jasti

Smt Sudha Rani Jasti

Dr M R Naidu

Dr K V Raghavan

Shri D G Prasad

Dr Syed E Hasnain

Shri M Gopala Krishna, IAS (Retd.)

Chairman & CEO

Whole-time Director

Director

Director

Director

Director

Director

### Company Secretary

CS K Hanumantha Rao

### Statutory Auditors

Karvy & Co.,

Chartered Accountants

No.2, Bhooma Plaza, Street No.4

Avenue 7, Banjara Hills, Hyderabad - 500 034.

### Cost Auditors

D Z R & Co.,

Cost Accountants

216, HMT Satavahana Nagar

Kukatpally, Hyderabad - 500 072.

### Internal Auditors

Polineni Associates

Chartered Accountants

Flat No. 203, Gayatri Nilayam, 1-1-721/A,

Gandhi Nagar, Hyderabad - 500 080

### Registrars & Share Transfer Agents

Karvy Computershare Pvt. Ltd.

Plot No. 17 to 24, Vittal Rao Nagar,

Madhapur, Hyderabad - 500 081

### Bankers

State Bank of India

State Bank of Patiala

Bank of India

Bank of Bahrain & Kuwait

### Registered Office

Serene Chambers, 6th Floor, Road No.5,

Avenue 7, Banjara Hills, Hyderabad - 500 034

### Manufacturing Facilities

**Unit - 1** : Dasaigudem (V), Suryapet (M),  
Nalgonda Dist, Andhra Pradesh - 508 213

**Unit - 2** : Plot No.18/B, Phase III,  
IDA Jeedimetla, Hyderabad - 500 055

### Unit - 3 :

A) Plot No. 262, 263 & 269 - 271, IDA,  
Pashamylaram, Medak Dist.  
Andhra Pradesh - 502 307

B) Plot No. 264, IDA Pashamylaram,  
Medak Dist. Andhra Pradesh - 502 307

### Research and Development Centre's

#### Research Centre - I

Plot No.18/B, Phase III, IDA Jeedimetla  
Hyderabad - 500 055

#### Research Centre - II

#### Bio-Pharmaceutical Lab

5th Floor, SDE Serene Chambers,  
Road No.5, Banjara Hills, Hyderabad - 500 034

#### Research Centre - III

#### Formulation Development Centre

Plot No. 265 - 268, APIIC, IDA Pashamylaram  
Medak Dist, Andhra Pradesh - 502 307



## NOTICE

NOTICE is hereby given that the 24<sup>TH</sup> ANNUAL GENERAL MEETING of the Members of SUVEN LIFE SCIENCES LIMITED will be held on Tuesday, the 13th day of August 2013 at 10.00 a.m. at KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry [FAPCCI], 11-6-841, Red Hills, Hyderabad - 500 004 to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013, the Statement of Profit & Loss for the year ended on that date and together with the Report of the Directors and the Auditor's Report thereon.
2. To declare a dividend
3. To appoint a director in place of Dr K. V. Raghavan, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri D. G. Prasad, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint M/s. Karvy & Co., Chartered Accountants, Hyderabad, the retiring Auditors as Statutory Auditors for the year 2013-14 and to fix their remuneration.

### SPECIAL BUSINESS

#### ITEM NO. 6

#### REVISION IN REMUNERATION OF MS. KALYANI JASTI, AS PRESIDENT (US OPERATIONS) OF THE COMPANY

*To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution*

"RESOLVED THAT pursuant to Section 314(1B) of the Companies Act, 1956 approval of the Company be and is hereby accorded to increase the salary of Ms Kalyani Jasti, President (US Operations) by way of annual increment of 15% of present salary of USD 120,000 w.e.f. 1st April 2013 for the remaining period of her appointment, subject to approval of the Central Government and the revised salary is as under:

Salary 138,000 USD p.a.

Performance Bonus 20% of salary."

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

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

"RESOLVED FURTHER THAT the remuneration payable to Ms Kalyani Jasti as aforesaid shall be subject to such modification as the Central Government may suggest or require which the Board of Directors are hereby authorized to accept on behalf of the Company."

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

"RESOLVED FURTHER THAT the Company Secretary of the Company and GM (Finance & Costing) of the Company be and are hereby severally authorized to submit an application to the Central Government along with all the necessary enclosures and give any statement, declaration, undertaking and do all such acts, deeds and things as are necessary to give effect to the aforesaid resolution."

#### ITEM NO. 7

#### APPOINTMENT OF SHRI M GOPALA KRISHNA AS A DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 98 of the Articles of Association of the Company, Shri M Gopala Krishna, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company and who holds office upto the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received notice from a member under Section 257 of the Companies Act, 1956 proposing his candidature, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

#### ITEM NO 8

#### ISSUE OF SECURITIES FOR AN AGGREGATE AMOUNT NOT EXCEEDING USD 100 MILLION

*To consider and if thought fit, to pass, with or without modification, the following resolution as a special resolution.*



**"RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provision of the Articles of Association of the Company, the Listing Agreement entered into between the Company and various stock exchanges, the guidelines and clarifications issued by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Government of India (GOI) and any other statutory/regulatory authorities, and subject to all such other approvals, permissions, consents and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall also include any committee thereof), the consent and approval of the Company be and is hereby accorded to the Board for issuance of the Company's securities (as defined below) in pursuance of one or more International or Domestic Public Offerings, by way of direct issuance and allotment of shares including in the form of Global Depository Receipts (GDRs) and / or American Depository Receipts (ADRs) and / or any other securities linked to shares and / or any other convertible instrument or securities such as Convertible Debentures, Bonds, Foreign Currency Convertible Bonds (FCCBs), Convertible Warrants (hereinafter referred to as securities) to be subscribed by foreign / domestic investors including but not limited to NRIs, FIIs, Qualified Institutional Buyers (QIBs), Mutual Funds, Banks, Insurance Companies, other Institutions / Corporate Bodies and / or Individuals or otherwise whether or not such investors are members of the Company, in any Foreign Currency or Indian Rupees, subject to such conditions as the Board may consider appropriate, provided that the amount for which the Securities to be issued shall not exceed U.S. \$ 100 million (U.S.Dollar Hundred million) or its equivalent of any other Foreign / Indian currencies in one or more tranches and shall be in accordance with all applicable laws and regulations. The Board be and is hereby authorized subject to applicable laws and regulations to issue the aforesaid securities to the investors, in such manner as they may deem appropriate in their absolute discretion in one or more tranches and at a premium to market price(s), and if necessary, in consultation with Lead Managers and / or Underwriters and / or other Advisors of the Company concerned with the offering, as they may deem appropriate."

**"RESOLVED FURTHER THAT** without prejudice to the generality of the above, the aforesaid issuance of the securities may have to be subject to such terms or conditions as are in

accordance with prevalent market practices and applicable laws and regulations including but not limited to the terms and conditions relating to payment of interest, dividend, premium on redemption, the terms for issue of additional shares or variations in the price or period of conversion of Securities into Equity shares or terms pertaining to voting rights or options for redemption of Securities or conversion rights and that the Company is also entitled to enter into and execute all such arrangements with any Lead Managers, Underwriters, Guarantors, Depositories, Custodians and all such Agencies as may be involved or concerned in such offerings of securities and to remunerate all such agencies including by way of commission, brokerage, fees or the like, also to seek the listing of such securities or securities representing the same in one or more Domestic / International Stock Exchanges, in accordance with all applicable laws and regulations."

**"RESOLVED FURTHER THAT** the Company and / or any Agency or Bodies as are authorized by the Board may issue Depository Receipts (including by way of GDRs or ADRs or FCCBs) represented by underlying shares in the capital of the company or such other Securities as may be required with such features and attributes as are prevalent in International / Domestic capital markets for instruments of this nature and to provide the tradability and free transferability thereof in accordance with market practices and subject to applicable laws and regulations and the Articles of Association of the Company."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of securities as may be required to be issued and allotted upon conversion of any Securities (referred to above) or as may be necessary in accordance with the terms of offering."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board is hereby authorised to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary or desirable for such purpose, including but not limited to entering into arrangements for managing, underwriting, marketing, listing, trading, and appointing Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees and such other agencies and to issue any Prospectus or Offering Document and sign the same and all other required applications, filings, deeds, documents and writings and to pay any fees, commissions, remuneration and expenses and to resolve any doubts or question that may arise in the issue and allotment of securities relating to the Offerings ".

**"RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded, in terms of Section 293 and other applicable provisions, if any, of the Companies Act, 1956



and subject to compliance with all applicable laws and regulations to the Board to issue Securities or raise loans, by the creation of mortgage(s) and / of charges and / or lien(s) on all or any of the Company's immovable and / or movable assets both present and future in such form and manner and on such terms and conditions as may be deemed fit and appropriate by the Board."

**"RESOLVED FURTHER THAT** the Board be and is hereby empowered to delegate all or any of the powers described above to any Committee of Directors or to Chairman & CEO or any Director or any officers of the Company."

**ITEM NO. 9**

**RE-APPOINTMENT OF MR. VENKATESWARLU JASTI AS CHAIRMAN & CEO**

*To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution*

**"RESOLVED THAT** pursuant to Section(s) 198, 269, 309, 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof and subject to such other consents or approvals as may be necessary, the Company hereby approves the re-appointment of Mr. Venkateswarlu Jasti, as Chairman & CEO on the terms and conditions as set out in the explanatory Statement annexed hereto for a period of 2 years and 8 months commencing from 4th January 2013 till 31st August 2015 in accordance with the provisions of Section I of Part II of Schedule XIII to the Companies Act, 1956."

**"RESOLVED FURTHER THAT** where in any financial years during the currency of above said tenure of Mr. Venkateswarlu Jasti as Chairman & CEO, the company has no profits or its profits are inadequate, then the company shall pay the remuneration in accordance with the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956."

**ITEM NO. 10**

**RE-APPOINTMENT OF MRS. SUDHA RANI JASTI AS WHOLE-TIME DIRECTOR**

*To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution*

**"RESOLVED THAT** pursuant to Section(s) 198, 269, 309, 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory

modification or re-enactment thereof and subject to such other consents or approvals as may be necessary, the Company hereby approves the re-appointment of Mrs Sudha Rani Jasti, as Whole-time Director on the terms and conditions as set out in the explanatory Statement annexed hereto for a period of 2 years and 8 months commencing from 4th January 2013 till 31st August 2015 in accordance with the provisions of Section I of Part II of Schedule XIII to the Companies Act, 1956."

**"RESOLVED FURTHER THAT** where in any financial years during the currency of above said tenure of Mrs. Sudha Rani Jasti as Whole-time Director, the company has no profits or its profits are inadequate, then the company shall pay the remuneration in accordance with the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956."

**ITEM NO 11**

**ENHANCEMENT OF BORROWING POWERS**

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

**"RESOLVED THAT** in supersession of the resolution passed at the Annual General Meeting of the Company held on 12th September 2005 and pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby is accorded to the Board of Directors of the Company (the Board which expression shall include any Committee of the Board formed for this purpose) to borrow from time to time any sum or sums of money, on such terms and conditions and in such manner, (including by way of issue of debt instruments) as the Board may deem fit, which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, which have not been set apart for any specific purpose, provided that the total amount of money so borrowed shall not, at any time exceed the limit of Rs 400 crores (Rupees Four Hundred Crores only)."

By order of the Board of Directors

Place : Hyderabad  
Date : 14th May, 2013

**K. Hanumantha Rao**  
Company Secretary



## NOTES

1. A member entitled to attend and vote at this Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself on a poll and Proxy need not be a member of the Company. The instrument of Proxy in order to be valid, duly completed and signed must be deposited at the Registered Office of the Company atleast 48 hours before the commencement of the meeting.
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special businesses is annexed hereto.
3. Members holding shares in physical form are requested to notify any change in their address/bank details immediately to the Registrars and Transfer Agents Karvy Computershare Pvt. Ltd., Hyderabad and in case of Members holding shares in electronic form are requested to notify any change in mailing address/bank details to their respective Depository Participants.
4. The Members are requested to bring their copies of the Annual Report to the meeting, and handover the attendance slips at the entrance hall of the meeting.
5. The Register of Members of the Company and share transfer books will remain closed *from 5th August 2013 to 7th August 2013 (both days inclusive)*. Share transfer requisitions received at M/s. Karvy Computershare Pvt. Ltd., or at the Registered Office of the Company by 5.30 p.m. on 3rd August 2013 will be in time for payment of dividend subject to provisions of section 206A of the Companies Act, 1956.
6. Dividend if declared at the Annual General Meeting, will be paid to the members whose names appear on the Register of Members as on the Book Closure date in respect of shares held in physical form and in respect of shares held in electronic form (Demat), dividend will be paid to the beneficial owners as per the list to be provided by the Depositories, as on the book closure date.
7. Members desiring to have any information on the accounts are requested to make a request for the same at least one week before the date of meeting. So that the requisite information will be made available at the meeting.
8. Corporate Members are requested to send a duly certified copy of the Board Resolution / power of attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
9. Members are requested to send all correspondence concerning registration of transfers, transmission, subdivision or any other shares related matter to Company's Registrars.
10. Members are requested to register their email IDs with the Company's RTA, Karvy Computershare Pvt. Ltd for the purpose of servicing of documents in electronic form.



## EXPLANATORY STATEMENT

(Pursuant to section 173(2) of the Companies Act, 1956)

### ITEM NO. 6

It may be recalled that the members in Annual General Meeting (AGM) held on 27th July 2010 have approved the appointment of Ms Kalyani Jasti as President (US Operations) along with the salary of USD 120,000 p.a. with performance bonus of 20% of salary. The Central government has approved the appointment for a period of 5 years commencing from 1st September 2010 to 31st August 2015 with a stipulation that any increase in remuneration of Ms Kalyani Jasti would require approval of the Central Govt.

Ms Kalyani Jasti reported for the duty in the month of April 2011 and since then she has been working for the Company in her capacity as President (US Operations) without any increment on her salary.

The Board of Directors keeping in view the length of service she has put up in the Company increased her salary by 15% to USD 138,000 p.a. with performance bonus 20% of salary. The Board of Directors also proposed her annual increment not exceeding 15% of her salary. Both the above are subject to approval of the members in the Annual General Meeting and approval of the Central Government. The above annual increments were also considered and recommended by the Selection Committee.

In terms of the provisions of Section 314(1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003, the appointment of relative of Director of the Company on a remuneration exceeding ₹ 50,000/- p.m. requires the approval of the members by way of special resolution and the Central Government. The Board recommends this resolution for approval of the members.

Except Shri Venkateswarlu Jasti and Smt. Sudha Rani Jasti being relatives of the proposed appointee, none of the Directors of the Company is concerned or interested in the above said resolution.

### ITEM NO. 7

Shri M Gopala Krishna was co-opted as Additional Director on the Board of the company pursuant to section 260 of the Companies Act, 1956 on the 14th November 2012. Shri M Gopala Krishna holds office of the Director up to the date of this Annual General Meeting. The Company has received notice from a member along with required deposit, proposing the candidature of Shri M Gopala Krishna for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

None of the Directors except Shri M Gopala Krishna is concerned or interested in the resolution.

### ITEM NO. 8

The Board of Directors in their meeting held on 14th May 2013 has decided to raise funds either from the international capital markets by way of the issue of American Depository Receipts (ADRs) / Global Depository Receipts (GDRs) / Foreign Currency Convertible Bonds (FCCBs) and / or other securities (debt instruments) to international investors and / or through domestic offerings to various investors, for augmenting the resources needed to meet the Company's Research and Development capital expenditure plans for its business model(s) Drug Discovery and Development Support Services (DDDSS) / CRAMS and/or for its acquisitions plans/ ongoing expansion plans, modernization of its plant facilities.

The ADRs / GDRs / FCCBs / or other securities will be listed in one or more foreign stock exchanges and will be convertible into equity shares of your company at a conversion price to be decided between the Company and such investors.

The detailed terms and conditions for the offer and the rights and privileges of the holders of ADRs / GDRs / FCCBs will be determined in consultation with the lead managers, advisors and underwriters to be appointed by the Company. Since the pricing of these debt instruments could be decided at a later stage, the resolution did not state the issue price or the precise number of securities to be issued. The Board of Directors or any committee constituted for this purpose shall finalize the terms and conditions in consultation with the agencies afore said in accordance with the applicable laws, guidelines, rules and regulations in this regard.

As per Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and as per the terms of listing agreement with the stock exchanges, the further issue of shares / offer and allotment of shares to the persons other than the



existing shareholders would require approval of the members in the general meeting authorizing the Board of Directors to issue securities as stated in the resolution.

The Board recommends the resolution for your approval.

None of the Directors of the company is any way concerned or interested in the resolution.

#### ITEM NO. 9

The Board of Directors in its meeting held on 14th November 2012 has re-appointed Mr Venkateswarlu Jasti as Chairman and CEO of the Company for a period of 2 years 8 months w.e.f. 4th January 2013 on the following terms and conditions:

#### Salary

₹ 10,00,000 (Rupees Ten Lakhs only) per month with an annual increment not exceeding 15% of salary effective from the month of January every year as may be decided by the Board.

#### Commission

Not more than 1% on net profits of the company calculated as per section 349 and 350 of the Companies Act, 1956.

#### Perquisites

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 dependant parents of appointee.
- b) Leave travel concession for self and family including dependant parents of appointee to and from any place in India once in a year in accordance with the rules of the Company.
- c) Club fees subject to a maximum of 2 clubs will be allowed, provided that no admission or life membership fees shall be paid
- d) Personal accident insurance for a premium amount, which shall not exceed ₹ 10,000 per annum.
- e) Company's contribution to Provident Fund as per the rules of the Company
- f) Company's contribution to Pension / Superannuation fund as per rules of the Company.
- g) Gratuity payable in accordance with the approved fund at a rate not exceeding one-half month's salary for each completed year of service as per rules of the Company.
- h) Use of Company's car with driver for business purposes
- i) Use of telephone and other communication facilities at residence for business purposes.
- j) Any other perquisite that may be allowed as per the guidelines issued by the Central Government from time to time.
- k) One month full pay and allowances as per rules of the company, for every 11 months of service. Encashment of leave at the end of tenure as per rules of the Company.

#### Minimum Remuneration

In the event of company having no profits or its profits are inadequate in any financial year during the tenure of the appointment, then the remuneration of the Chairman & CEO shall be governed by the Section II of Part II of the Schedule XIII of the Companies Act, 1956 as amended from time to time.

The Remuneration Committee in its meeting held on 14th November 2012 has approved the above remuneration package to Mr Venkateswarlu Jasti, Chairman & CEO in accordance with the provisions of Section I and II of Part II of the Schedule XIII to the Act and recommended the same to the Board of Directors.



The information as required under Section II of Part II of the Schedule XIII to the Companies Act, 1956 is furnished hereunder

**I. General Information**

- a) Nature of industry : Pharmaceuticals
- b) Year of Commencement of commercial production : 1989
- c) Financial performance based on given indicators : ₹ in lakhs

Particulars	2012-13	2011-12	2010-11
(i) Revenue from operations	25788.46	20420.78	15043.39
(ii) Operating expenditure	20469.91	18106.13	13688.62
(iii) Depreciation and amortization	786.71	599.79	544.55
(iv) Operating profit	4531.84	1714.86	810.22
(v) Interest expense	1350.94	990.93	610.52
(vi) Other income	104.34	190.25	125.75
(vii) Profit before Tax	3285.24	914.18	325.44
(viii) Provision for Tax	201.29	(522.06)	(714.50)
(ix) Profit for the year	3083.95	1436.24	1039.95
(x) Balance brought forward from previous year	3705.12	2825.93	1764.81
(xi) Profit available for appropriation	6789.07	4262.17	2804.76

**d) Export performance and net foreign exchange**

The Company has achieved an export turnover of ₹ 22,882 lakhs for the year ended 31st March 2013 representing 89% to total turnover. Foreign exchange earnings were ₹ 21,800 lakhs.

**e) Foreign investments or collaborators, if any.**

Company has no foreign investments and there are no foreign collaborations.

**II. Information about the appointee**

**a) Background details and recognitions**

Mr. 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. Having registered himself as a Registered Pharmacist, he owned and successfully managed 6 pharmacies in the state of New Jersey and New York in USA. He was the president elect of Essex County Pharmaceutical Society of NJ which no other Indian occupied till now.

He returned from USA to India in 1988-89 and promoted this company in 1989. Since then, he has been successfully managing the company providing the right direction and leadership in developing technologies, upgrading the facilities, development of export markets etc.

Mr. Jasti has been the Past President of Indian Pharmaceutical Association, and Chairman of Local Organizing Committee for the 52nd Indian Pharmaceutical Congress held at Hyderabad and was President of Bulk Drug Manufacturers Association of India (BDMA) till September, 2004.

He was the past Chairman for Pharmexcil (Pharmaceutical Export Promotion Council) an exclusive statutory body for the promotion of exports of all pharma and biotech products which was set up by Govt. of India.

Mr. Jasti 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 Vizag by Govt. of Andhra Pradesh and Pharmexcil (Pharmaceutical Export Promotion Council) head quartered at Hyderabad by Govt. of India.



## b) Past remuneration

₹ in lakhs

Particulars	2012-13	2011-12	2010-11
Salary	91.80	48.00	48.00
Commission	34.86	0.00	0.00
Contribution to Provident Fund	11.02	5.76	5.76
<b>Total</b>	<b>137.68</b>	<b>53.76</b>	<b>53.76</b>

## c) Job profile and his suitability

Chairman & CEO has an overall responsibility of the company in terms of its strategic growth and business development. Mr. Venkateswarlu Jasti had been on the Board since inception of the company.

## d) Comparative remuneration profile with respect to industry, size of the company, profile of position

Mr. Venkateswarlu Jasti, had been on the Board since inception of the company, he bought out a sick company and propelled its growth. He has streamlined the business operations of the company and has been a strategic management person. His skill set and experience place him in a corresponding major pharma industry in India. Considering general industry structure and specific company profile, the proposed remuneration is in line with industry standards and that of comparatively placed companies in India.

## e) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any.

Mr. Venkateswarlu Jasti is the promoter director in the company; he is spouse of Mrs. Sudha Rani Jasti, Whole-time Director of the company.

## III. Other information

## 1. Reasons of loss or inadequate profits

We do not foresee any loss or inadequacy of profits for the next three years.

## 2. Steps taken or proposed to be taken for improvement

Continued business development and collaborative activities are the steps taken for the continuous improvement.

## 3. Expected increase in productivity and profits in measurable terms.

Unique business models in CRAMS and Drug Discovery and Development Support Services (DDDSS) will improve the profits.

## Disclosures

The remuneration paid to the Chairman & CEO is as stated above at point II (b). The details of all elements of remuneration paid to the Chairman & CEO are also presented in the Report on Corporate Governance which is attached to the Annual Report.

None of the directors is interested in the resolution, except Shri Venkateswarlu Jasti, Chairman & CEO and Smt. Sudha Rani Jasti, Whole-time Director of the Company.

## ITEM NO. 10

The Board of Directors in its meeting held on 14th November 2012 has re-appointed Mrs Sudha Rani Jasti as Whole-time Director of the Company for a period of 2 years 8 months w.e.f. 4th January 2013 on the following terms and conditions:

## Salary

₹ 4,50,000 (Rupees four lakhs fifty thousand only) per month with an annual increment not exceeding 15% of salary effective from the month of January every year as may be decided by the Board.



### Commission

Not more than 0.5% on net profits of the company calculated as per section 349 and 350 of the Companies Act, 1956.

### Perquisites

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

- a) Reimbursement of medical expenses actually incurred for self and her family members including dependant parents of appointee.
- b) Leave travel concession for self and family including dependant parents of appointee to and from any place in India once in a year in accordance with the rules of the Company.
- c) Club fees subject to a maximum of 2 clubs will be allowed, provided that no admission or life membership fees shall be paid
- d) Personal accident insurance for a premium amount, which shall not exceed ₹ 10,000 per annum.
- e) Company's contribution to Provident Fund as per the rules of the Company
- f) Company's contribution to Pension / Superannuation fund as per rules of the Company.
- g) Gratuity payable in accordance with the approved fund at a rate not exceeding one-half month's salary for each completed year of service as per rules of the Company.
- h) Use of Company's car with driver for business purposes
- i) Use of telephone and other communication facilities at residence for business purposes.
- j) Any other perquisite that may be allowed as per the guidelines issued by the Central Government from time to time.
- k) One month full pay and allowances as per rules of the company, for every 11 months of service. Encashment of leave at the end of tenure as per rules of the Company.

### Minimum Remuneration

In the event of company having no profits or its profits are inadequate in any financial year during the tenure of the appointment, then the remuneration of the Whole-time Director shall be governed by the Section II of Part II of the Schedule XIII of the Companies Act, 1956 as amended from time to time.

The Remuneration Committee in its meeting held on 14th November 2012 has approved the above remuneration package to Mrs Sudha Rani Jasti, Whole-time Director in accordance with the provisions of Section I and II of Part II of the Schedule XIII to the Act and recommended the same to the Board of Directors.

The information as required under Section II of Part II of the Schedule XIII to the Companies Act, 1956 is furnished hereunder

### I. General Information

- |                                                    |   |                 |
|----------------------------------------------------|---|-----------------|
| a) Nature of industry                              | : | Pharmaceuticals |
| b) Year of Commencement of commercial production   | : | 1989            |
| c) Financial performance based on given indicators | : |                 |



₹ in lakhs

Particulars	2012-13	2011-12	2010-11
(i) Revenue from operations	25788.46	20420.78	15043.39
(ii) Operating expenditure	20469.91	18106.13	13688.62
(iii) Depreciation and amortization	786.71	599.79	544.55
(iv) Operating profit	4531.84	1714.86	810.22
(v) Interest expense	1350.94	990.93	610.52
(vi) Other income	104.34	190.25	125.75
(vii) Profit before Tax	3285.24	914.18	325.44
(viii) Provision for Tax	201.29	(522.06)	(714.50)
(ix) Profit for the year	3083.95	1436.24	1039.95
(x) Balance brought forward from previous year	3705.12	2825.93	1764.81
(xi) Profit available for appropriation	6789.07	4262.17	2804.76

**d) Export performance and net foreign exchange**

The Company has achieved an export turnover of ₹ 22,882 lakhs for the year ended 31st March 2013 representing 89% to total turnover. Foreign exchange earnings were ₹ 21,800 lakhs.

**e) Foreign investments or collaborators, if any.**

Company has no foreign investments and there are no foreign collaborations.

**II. Information about the appointee**

**a) Background details and recognitions**

Mrs. Sudha Rani Jasti is a Graduate in Science from Andhra University; she returned from USA to India in 1988-89 and promoted this company in 1989. Since then, she has been successfully managing the company as Whole-time Director providing the right direction and leadership in all administrative matters.

**b) Past remuneration**

₹ in lakhs

Particulars	2012-13	2011-12	2010-11
Salary	40.81	36.60	36.60
Commission	17.43	0.00	0.00
Contribution to Provident Fund	4.90	4.39	4.39
<b>Total</b>	<b>63.14</b>	<b>40.99</b>	<b>40.99</b>

**c) Job profile and her suitability**

Whole-time Director has an overall responsibility of the company in terms of its administrative matters. Mrs. Sudha Rani Jasti had been on the Board since inception of the company.

**d) Comparative remuneration profile with respect to industry, size of the company, profile of position**

Mrs. Sudha Rani Jasti, had been on the Board since inception of the company, she bought out a sick company and propelled its growth. She has streamlined the administrative operations of the company. Her skill set and experience place her in a corresponding major pharma industry in India. Considering general industry structure and specific company profile, the proposed remuneration is in line with industry standards and that of comparatively placed companies in India.



- e) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any.

Mrs. Sudha Rani Jasti is the promoter director in the Company; she is spouse of Mr. Venkateswarlu Jasti, Chairman & CEO of the company.

### III. Other information

1. Reasons of loss or inadequate profits  
We do not foresee any loss or inadequacy of profits for the next three years.
2. Steps taken or proposed to be taken for improvement  
Continued business development and collaborative activities are the steps taken for the continuous improvement.
3. Expected increase in productivity and profits in measurable terms.  
Unique business models in CRAMS and Drug Discovery and Development Support Services (DDDSS) will improve the profits.

#### Disclosures

The remuneration paid to the Whole-time Director is as stated above at point II (b). The details of all elements of remuneration paid to the Whole-time Director are also presented in the Report on Corporate Governance which is attached to the Annual Report.

None of the directors is interested in the resolution, except Shri Venkateswarlu Jasti, Chairman & CEO and Smt. Sudha Rani Jasti, Whole-time Director of the Company.

#### ITEM NO. 11

Section 293(1)(d) of the Companies Act, 1956 provides that except with the approval of the Company in general meeting, the Board of Directors cannot borrow monies together with monies already borrowed (apart from temporary loans obtained from the company's bankers in the ordinary course of business) in excess of the aggregate of the paid up capital of the company and its free reserves, which have not set apart for any specific purpose.

The members in the Annual General Meeting of the Company held on 12/09/2005 have authorized the Board of Directors to borrow monies upto a sum of ₹ 200 crores. Keeping in view the present capital expenditure outflows and ongoing expansion plans, modernization of its plant facilities to tap the emerging business opportunities in the DDDSS and CRAMS business models of your company, the existing borrowing limits were not sufficient to pursue all these growth plans. Therefore approval of the members is sought enabling the Board of Directors to proceed further on these plans.

The resolution proposed is in the interest of the company and the Board recommends the resolution for your approval.

None of the Directors is in any way interested or concerned in the resolution.

By order of the Board of Directors

Place : Hyderabad  
Date : 14th May, 2013

**K. Hanumantha Rao**  
Company Secretary

**BRIEF PROFILE OF THE DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

1. **Dr. K.V. Raghavan** is a Fellow of the National Academy of Engineering, Indian Institute of Chemical Engineers (IICChE) and A.P. Academy of Sciences and a Distinguished Fellow of University of Grants Commission (UGC). He was appointed as the Director of Central Leather Research Institute (CLRI), Chennai in 1994. He took over the Directorship of Indian Institute of Chemical Technology, Hyderabad in 1996. On successful completion of this tenure, he was appointed as Scientist in Director's Grade at IICT in October 2003. He took over as the Chairmanship of Recruitment and Assessment Centre of DRDO in May 2004. He is currently the INAE Distinguished Professor and Vice President of INAE for International Scientific Collaboration.

Dr. K.V. Raghavan is also Director on the Board of Godavari Biorefineries Limited. Dr. K.V. Raghavan holds 2000 shares in the Company.

2. **Mr. D.G. Prasad** is a qualified Chartered Accountant and had been a career banker for over 33 years. After being with Canara Bank for over 8 years, Mr. Prasad served Exim Bank for over 25 years having joined in 1983, in its formative phase. While being with Exim Bank, as a Chief General Manager, he was the head of Corporate Banking, Agri Business and SME Business Groups in Exim Bank. He 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 was 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 been a guest faculty at business schools on international finance and international marketing.

Mr. Prasad is also Director on the Board of Gokak Textiles Limited, Media One Global Entertainment Ltd and AMW Auto Component Limited. He does not hold any shares in your Company.

3. **Shri M Gopalakrishna** is an IAS (Retd.) officer and holds a Graduate in Sciences and Law. He joined Indian Administrative Service (IAS) in 1962. Worked under the Governments of Assam, Andhra Pradesh and Government of India. Retired as Chairman of Rural Electrification Corporation in 1997 in the rank of Secretary to the Govt. of India. He was Chairman, SCOPE, [the Standing Conference of Public Enterprises], the apex body for 246 Public Sector Undertakings under the Government of India.

He has wide and varied administrative, corporate and managerial experience of nearly five decades in Government and the Public Sector in the promotion, development and regulation of industry and power utilities.

He was Director on several Industrial Promotion and Development Corporations and Manufacturing companies in the Government of India, Government of A.P. and Government of Assam.

Shri Gopalakrishna is also Director on the Board of JOCIL Limited, Pitti Laminations Limited, BGR Energy Systems Limited, Goldstone Infratech Limited, Kernex Microsystems (India) Limited, Arani Power Systems Limited, Vijayasri Organics Limited, Nuziveedu Seeds Limited and NSL Textiles Limited. He does not hold any shares in your Company.



## REPORT OF THE DIRECTORS

Your Company's Board of Directors has pleasure in presenting this 24th Annual Report together with Audited Accounts of the Company for the financial year ended March 31, 2013

### FINANCIAL RESULTS

(₹ in lakhs)

	Particulars	2012-13	2011-12
i.	Revenue from operations	25788.46	20420.78
ii.	Operating expenditure	20469.91	18106.13
iii.	Depreciation and amortization	786.71	599.79
iv.	Operating profit	4531.84	1714.86
v.	Interest expense	1350.94	990.93
vi.	Other income	104.34	190.25
vii.	Profit before Tax	3285.24	914.18
viii.	Provision for Tax	201.29	(522.06)
ix.	Profit for the year	3083.95	1436.24
x.	Balance brought forward from previous year	3705.12	2825.93
xi.	Profit available for appropriation	6789.07	4262.17
	<b>Appropriations:</b>		
xii.	Proposed final dividend	350.49	350.20
xiii.	Tax on dividend	59.57	56.81
xiv.	Difference in final dividend plus tax (11-12& 10-11)	0.02	0.04
xv.	Transfer to General Reserve	310.00	150.00
xvi.	Balance carried to balance sheet	6069.01	3705.12

### REVIEW OF OPERATIONS

Fiscal 2012-13 was a productive year for your company as can be seen that we have marched towards continued growth momentum over the previous year. The Company's operational performance during the financial year 2012-13 was quite impressive with a sales volume of ₹ 25,788 lakhs as against ₹ 20,421 lakhs in the previous year recording a growth of more than 26 percent. The exports turnover increased by 18 percent, from ₹ 19,358 lakhs in the previous financial year to ₹ 22,881 lakhs in the financial year under review. Profit After Tax (PAT) of the Company increased by 114 percent to ₹ 3,084 lakhs from ₹ 1,436 lakhs in the

previous financial year. Your Company's spend on Discovery R&D continued to the tune of ₹ 3,583 lakhs representing nearly 14% to turnover. The Earnings Per Share (EPS) of your Company has gone up to ₹ 2.64 in fiscal 2012-13 per share from the previous year EPS of ₹ 1.23 in fiscal 2011-12 per share, registering a growth of 115%.

### EXPORTS

Exports continue to be major chunk of revenues of your Company by registering a volume of ₹ 22,882 lakhs representing 89% of total turnover of ₹ 25,788 lakhs.

### DIVIDEND

Your Directors are pleased to recommended a dividend of Re 0.30 paise per equity share of Re 1/- each (@ 30%) for the financial year 2012-13 which will absorb a sum of ₹ 410 lakhs including tax on dividend on paid-up capital of the Company. If approved in the Annual General Meeting the dividend will be paid to the shareholders who are on the Register of Members of the Company as on the book closure date.

### RESEARCH AND DEVELOPMENT

As a research-based biopharmaceutical company, we are committed to applying innovative science and technology in search of new CNS therapies for better living. We continue to prioritise our resources and focus on discovery activities to develop innovative, cost-effective medicines that address significant unmet medical needs in the treatment of cognitive impairment associated with neurodegenerative disorders such as Alzheimer's disease, Attention Deficient Hyperactivity Disorder (ADHD), Huntington's disease, Parkinson, Schizophrenia in our existing pipeline of CNS therapeutic areas and also in the area of depression, Pain and Obesity which we believe are most likely to deliver technical and commercial success.

During the year under review, we continued our research focus on our **twelve (12) internally-discovered therapeutic drug candidates currently** in pre-clinical stage of development targeting conditions such as ADHD, dementia, depression, Huntington's disease, Parkinson's disease and obesity in addition to **developmental candidate SUVN-502 for Alzheimer's disease and Schizophrenia.**

Your Company's major qualitative achievements during the year include Suven getting Pharmexcil's "Platinum Patent Award" for securing the most number of product and process patents under overall category, fourth year in a row.



## CORPORATE SOCIAL RESPONSIBILITY

Our philosophy is to lend a helping hand to the underserved in our society through the support of various charities like old age homes, children's education by constructing schools, drinking water supply, and health centers. Implementing this philosophy in spirit, we make a positive contribution to the communities in which we operate, and encourage support in health and education/sports programs with an aim to bring sustainable improvements to underserved people.

## DIRECTORS

Dr. K V Raghavan, Director and Mr. D G Prasad, Director retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Mr. M Gopalakrishna has joined the Board on 14th November 2012 as Additional Director. Dr Matin Tolar has resigned from the Board w.e.f. 16th January 2013 due to his pre-occupation.

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

## INVESTOR SERVICE

Your Company's share registry operations (physical as well as electronic form of holdings) will continue with Karvy Computershare Private Limited, Registrars and Transfer Agents. They can be contacted at Plot No-17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081 (Phone Nos. 040-23420818, 23420828 Fax No. 040 -23420814) for any query relating to Shares.

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

## REPORT ON CORPORATE GOVERNANCE

A detailed Report on Corporate Governance prepared in substantial compliance with the provisions of Listing Agreements with the Stock Exchanges together with the Auditors' Certificate regarding the compliance of conditions of corporate governance, forms part of Annual Report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

## AUDITORS

### Statutory Auditors

Your Company's Auditors, Messrs Karvy & Co., Chartered Accountants retire at the conclusion of forthcoming Annual General meeting and being eligible, offer themselves for re-appointment.

### Cost Auditors

The Products classified as "bulk drugs" are subjected to Cost Audit in terms of Section 233B of the Companies Act read with the Central Government Rules. M/s. D Z R & Co., Cost Accountants have been re-appointed as the Cost Auditors for the year ending 31st March 2014 having been appointed for the FY 2012-13.

The Cost Audit Report for the year ended 31st March 2012 was reviewed by the Audit Committee at their meeting held on 14th November 2012 and has been filed on 7th January 2013 well within the extended due date of 28th February 2013.

The Cost Audit for the year ended 31st March 2013 is in progress and the Cost Audit Report will be filed within the stipulated time.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Board of Directors confirms that:

- i) The applicable accounting standards have been followed in the preparation of the Annual Accounts.
- ii) Accounting policies have been selected and applied consistently and judgements and estimates made when required that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Annual Accounts have been prepared on a going concern basis.



**PUBLIC DEPOSITS**

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

**PARTICULARS OF EMPLOYEES**

Statement of particulars of employees pursuant to the provision of Sec 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 as amended.

Name of Employee	Age	Designation/ Nature of Duties	Gross Remuneration ₹ in Lakhs	Qualification	Experience in years	Date of Commence- ment	Particulars of last Employment
Mr. Venkateswarlu Jasti	64	Chairman & CEO	137.68	M. Pharma; M.S. (Indus. Pharmacy)	39 years	09/03/1989	Business in USA.
Mrs. Sudha Rani Jasti	59	Whole-time Director	63.14	B.Sc.	32 years	09/03/1989	Business in USA
Dr N.V.S. Ramakrishna	51	Vice- President (Discovery Research)	106.24	M. Sc. Ph D	24 years	04/03/2002	Vice-President (Discovery Research) ZyduS Cadila

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

The information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 with respect to these matters is enclosed herewith and forms part of the Report.

**ACKNOWLEDGEMENTS**

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

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

On behalf of the Board of Directors

Place : Hyderabad,  
Date : 14th May, 2013

**Venkateswarlu Jasti**  
Chairman & CEO



## ANNEXURE TO THE REPORT OF THE DIRECTORS

### CONSERVATION OF ENERGY

INFORMATION UNDER SECTION 217(1)(E) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT

#### Power and Fuel Consumption

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
<b>1. Power and fuel Consumption</b>		
a) Purchased Units (KWH in Lakhs)	103.26	103.89
Total Amount (₹ in Lakhs)	715.55	477.06
Rate/Unit (₹)	6.93	4.59
b) Own Generation		
Diesel Generator Units (KWH in Lakhs)	53.94	21.67
Units/Liter of Diesel Oil	3.03	2.98
Cost/Unit (₹)	16.00	14.79
<b>2 Steam coal 'C' Grade Used in Boiler to generate steam for the process</b>		
Quantity (Mts)	9556.49	5836.61
Total Cost (₹ in Lakhs))	606.59	315.51
Average Rate (₹ per MT)	6347.38	5405.73
<b>3 Furnace Oil</b>		
Quantity (KL)	0.00	628.71
Total Amount (₹ in Lakhs)	0.00	281.25
Average Rate (₹ per KL)	0.00	0.45
<b>4 Consumption per unit of Production</b>	The company is manufacturing different Products using same facilities concurrently. Therefore it is not possible to give consumption per unit of production.	

### TECHNOLOGY ABSORPTION

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT

#### Research and Development

**1. Specific areas in which R&D is carried out by the Company.**

Our R&D consists of CRAMS and Drug Discovery.

Under CRAMS we have developed innovative processes for our customers advanced intermediates

Under Drug discovery we have concentrated in CNS arena to develop drugs for unmet medical needs

**2. Benefits derived as a result of the above R&D**

Based on the development of innovative processes we have garnered new business opportunities thus enhancing the sales.

Under Drug discovery we have developed 12 different molecules targeting various CNS diseases like Alzheimer's disease, ADHD, Depression, Pain and Schizophrenia.



**3. Future plan of Action**

Continue to progress on developing innovative processes for customers for more manufacturing and supply opportunities. Under drug discovery moving SUVN 502 into Phase 2a PoC study while moving other preclinical candidates into IND stage.

**4. Expenditure incurred in the R&D centers and innovation centers of Suven during financial year 2013 and 2012 are given below**

(₹ in Lakhs)

Expenditure on R&D and Innovation	Year ended 31st March, 2013	Year ended 31st March, 2012
(a) Capital	114.08	63.28
(b) Recurring	3469.33	3304.91
(c) Total R&D expenditure	3583.41	3368.19
(d) R&D and innovation expenditure as a percentage of total turnover	14%	16%

**Technology Absorption, Adoption and Innovation**

**1. Efforts, in brief, made towards technology absorption, adoption and innovation.**

Suven CRAMS is continuously engaged in innovative process by utilizing and adopting new technologies

Suven's drug discovery is continuously engaged in developing innovative NCE's for unmet medical needs as of date.

**2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.**

Suven's CRAMS leads to patentable process development for customers thus leading to long term supply agreements when the final products are launched by the customers.

Suven's Drug discovery will bring in new leads for further development into new drugs for unmet medical needs in CNS arena.

**3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished.**

a) Technology imported	NIL
b) Year of import	NA
c) Has technology been fully absorbed	NA
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	NA
e) Technology imported	NA

**FOREIGN EXCHANGE EARNINGS & OUTGO**

For details of foreign Exchange Earnings and out go, please refer to Note No. 34 of Notes to Financial Statements.

On behalf of the Board of Directors

Place : Hyderabad,  
Date : 14th May, 2013

**Venkateswarlu Jasti**  
Chairman & CEO



**ANNEXURE TO THE DIRECTORS' REPORT**

Statement as at 31st March, 2013, pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in respect of Options granted under the Company's Employee Stock Option Schemes.

Sl.No.	Description	2004 Plan
(a)	Options granted	48,00,000
(b)	The pricing formula	At Market price; as per SEBI pricing formula
(c)	Options vested	45,50,000
(d)	Options exercised	17,45,538
(e)	The total number of shares arising as a result of exercise of option	17,45,538
(f)	Options lapsed	18,63,862
(g)	Variation of terms of options	NIL
(h)	Money realized by exercise of options	₹ 3,74,50,470
(i)	Total number of options in force	11,90,600
(j)	i) Employee wise details of options granted to senior managerial personnel during the year.	NIL
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	NIL
	iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	NIL
(k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on Exercise of option calculated in accordance with [Accounting Standard (AS) 20 'Earnings Per Share'].	₹ 2.64
(l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee Compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on Profits and on EPS of the company shall also be disclosed.	The company has used the intrinsic value method to compute the employee compensation cost on account of ESOP in the financial year 2012-13. Had the company used the fair value method, the ESOP cost in the financial year would have been ₹ 1,57,40,975 and net profit would have reduced by this amount. The EPS (in ₹) would have been 2.50

(Contd.)



**ANNEXURE TO THE DIRECTORS' REPORT (CONTD.)**

Sl.No.	Description	2004 Plan	
(m)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Number of outstanding options as on March 31, 2013 were - 1190600. The weighted average exercise price of the outstanding options as on March 31, 2013 was ₹ 25.28 and the weighted average fair value of the outstanding options as on March 31, 2013 was ₹ 14.54	
(n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	The company has opted to use the Intrinsic value method for accounting of compensation cost arising out of ESOP. However for disclosures in Para (l) above the following assumptions have been made	
	i) risk-free interest rate,	6.5%	
	ii) expected life,	48 months	
	iii) expected volatility,	50%	
	iv) expected dividends, and	1.33%	
	v) The price of the underlying share in market at the time of option grant.	<b>Date of grant</b>	<b>Market price ₹</b>
		18-09-2004	74.85
		30-07-2005	88.65
		29-04-2006	82.45
		30-09-2006	101.15
		03-05-2007	41.00
		28-01-2008	36.40
		12-07-2010	29.75
		30-05-2011	22.30



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY OUTLOOK AND OPPORTUNITIES - GLOBAL

According to PWC, pharma's never had it so good. The tools to develop remarkable new medicines are materializing, demand for its products is escalating and trade is getting easier.

Costs per molecule are still rising relentlessly and the number of new medicines reaching the market remains broadly flat because of declining R&D productivity but thankfully new forms of medical intervention are in the pipeline.

Global Pharmaceutical market could be worth nearly \$1.6 trillion by 2020. Out of which mature markets generate 59% of the total revenues but they are becoming more difficult places to prosper.

Demand for medicines is rising rapidly in the growth markets as expanding. By 2020, the BRIC economies alone will account for 33% of the world's GDP. Expenditure on medicines is raising far faster in the growth economies than it is in mature markets. These scenarios present greatest opportunities globally.

### INDUSTRY OUTLOOK AND OPPORTUNITIES - INDIA

The Indian pharmaceutical industry ranks 14th in the world by value and 3rd in volume. With a well-established domestic manufacturing base and cost effective skilled manpower, India is emerging as a global hub for pharma products and the industry continues to be on a growth trajectory.

Some of the major factors that would drive growth in the industry are as follows:

**Increase in domestic demand:** Growth in middle class population with increase in awareness levels, rising per capita Income, change in lifestyle due to urbanization and increase in literacy levels, demand for advanced medical treatment is expected to rise.

**Rise in outsourcing activities:** Increase in the outsourcing business to India for generics, CRAMS, Clinical Data Management, research activities would drive growth of the Indian Pharmaceutical Industry.

**Growth in healthcare financing:** Introduction of products such as health insurance policy, life insurance policy and cashless claims has resulted in increase in healthcare spending, which in turn will benefit the pharmaceutical industry.

**Demand in the generics market:** From 2013 to 2016 drugs worth about US\$ 100 bn are expected to go off and that will benefit Indian pharmaceutical companies.

**Demand from emerging segments:** Some of the emerging segments such as contract research and development, bio-pharma, clinical trials, bio-generics and pharma packaging are expected to drive growth of the Indian pharmaceutical industry.

### SWOT analysis of the Industry

#### Strengths

- Cost effective and highly skilled set of English speaking labor force
- Cost effective innovation, research-based processes & manufacturing operations
- Growing treatment naive patient population
- Higher GDP growth leading to increased disposable income & spending on healthcare.

#### Weaknesses

- NPPA pricing policy affecting the profitability of pharma companies.
- Presence of unorganized players resulting in an increasingly competitive environment
- Poor health insurance coverage.
- Poor infrastructure is a major challenge.

#### Opportunities

- Global demand for generics rising thus India becoming a preferred global outsourcing hub.
- Rapid OTC and generic market growth.
- Significant investment from MNCs.
- Opening up of the health insurance sector

#### Threats

- Wage inflation.
- Government Drugs Price Control Order (DPCO).
- Loosing outsourcing demand to other low cost countries like China.

### FINANCIAL AND OPERATING PERFORMANCE

The Company's operational performance during the financial year 2012-13 was quite impressive with a sales volume of ₹ 25,788 lakhs as against ₹ 20,421 lakhs in the previous year recording a growth of more than 26 percent. The exports turnover increased by 18 percent, from ₹ 19,358 lakhs in the previous financial year to ₹ 22,881 lakhs in the financial year under review. Profit after tax (PAT) of the Company increased by 114 percent to ₹ 3,084 lakhs from ₹ 1,436 lakhs in the previous financial year. Your Company's spend on Discovery R&D continued to the tune of ₹ 3,583 lakhs representing nearly 14% to turnover. The Earnings per Share (EPS) of your Company has gone up to ₹ 2.64 in fiscal 2013 per share from the previous year EPS of ₹ 1.23 in fiscal 2012 per share, registering a growth of 115%.



## INTERNAL CONTROLS

The company has put in place sound internal controls. Qualified team ensures that the internal controls are complied with. The objectives of the internal control system is to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that: transactions are executed in accordance with management's general or specific authorization; transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles/standards or any other criteria applicable to such statements, and (2) to maintain accountability for assets; access to assets is permitted only in accordance with management's general or specific authorization; action taken with respect to any differences. in accordance with generally accepted accounting principles and includes those policies and procedures that: (1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets that could have a material effect on the financial statements.

An independent firm of chartered accountants conducts the internal audit. The Audit Committee of the Board of Directors monitors the internal audit performance.

## HUMAN RESOURCES

Pharmaceutical industry sector is facing global competition and most affected by a high attrition rate in India. Since this industry needs trained manpower who has the requisite experience to meet the compliances with statutory requirements good manufacturing practices, Good Laboratory Practices, QA and QC personnel along with research personnel, your company focuses on these aspects in human resources management.

Your Company continuously implement its training programmers that help in identifying the potential talent from employees in DDDSS and CRAMS projects and to sharpen their latent skills and motivating them to do the right things in the right way. Since Suven is in drug discovery arena where

not many trained people are available, Suven has been focusing on training of fresh graduates to meet the requirements before they get into a specific area of research and also retention of talented employees is always the most important agenda for Suven.

## RISK MANAGEMENT

Suven adopted unique business models: Drug Discovery & Development Support Services (DDDSS) and CRAMS. Each project is led by a Project Manager and a team of scientists to guarantees the quality and the timelines of each project. The Project manager will report the progress on a weekly basis, detailing the progress and future direction of the project to the heads of departments who will review the key milestones throughout the project.

Suven is an IP creating and protecting company, strictly adheres to and harmonize with the global patent regime. To ensure the security and confidentiality of client data access to client data is restricted to the senior most team leader working on the respective project and observes strict standards of confidentiality by entering into an internal CDA. We believe that strict compliances to the non disclosure requirements insulate our company against risks relating to IPR infringement claims of our clients. In addition to these practices, your company regularly conducts safety and preventive audits in all plants and ensures that necessary safeguards are in place to protect the assets against all perils with appropriate insurance policies.

## SAFETY, HEALTH AND ENVIRONMENT

Suven is in the business of design, manufacture and supply of Bulk Actives, Drug Intermediates & Fine Chemicals, and is committed to protect its employees, the environment and public in all phases of its business activities.

Suven employ's Environment Management System (EMS) to measure its progress in Safety, Health and Environment (SHE), considered an integral part of its business. Under EMS, the policy provides framework for compliance with applicable laws and regulations and commitment to the continuous improvement of Environment, personnel skills and conservation of natural resources.

Your Company's comprehensive environmental management system complies with the requirements as stipulated in the standard: ISO 14001: 2004 and Occupational Health and Safety management system (OHSAS) complies with the requirements as stipulated in the standard: OHSAS 18001: 2007, for all three units of Suven.



## REPORT ON CORPORATE GOVERNANCE

### I. COMPANY'S PHILOSOPHY

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

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

### II. BOARD OF DIRECTORS

#### Composition of Board

The Board represents an optimum mix of professionalism, knowledge and experience. As on March 31, 2013, we had a total strength of seven (7) Directors in the Board, comprising of: two (2) (i.e. 30%) are Executive Directors and five (5) (i.e. 70%) are Non-Executive and Independent Directors. The Company immensely benefits from the professional expertise of the Independent Directors. The Board has an adequate combination of Executive Directors, Non-Executive and Independent Directors.

None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2013 have been made by the Directors.

#### Key information pertaining to Directors as on 31st March, 2013

Name of the Director	Category	Directorship in other Public Companies	No. of Committee positions held in all companies as Chairman	No. of Committee positions held in all companies as Member	No. of Board Meetings held/ attended	Attendance at the last AGM held on Sept. 27, 2012
Shri Venkateswarlu Jasti	Chairman & CEO Promoter	-	-	-	4/4	Yes
Smt Sudha Rani Jasti	Whole-time Director Promoter	-	-	1	4/4	No
Dr M R Naidu	Independent Non-Executive Director	1	-	3	4/2	No
Dr K V Raghavan	Independent Non-Executive Director	1	1	1	4/4	No
Shri D G Prasad	Independent Non-Executive Director	3	1	-	4/4	Yes
Dr Syed E Hasnain	Independent Non-Executive Director	1	-	-	4/1	No
Shri M Gopala Krishna <sup>1</sup>	Independent Non-Executive Director	9	2	4	4/2	NA

Dr. Martin Tolar, Director has resigned from the Board w.e.f. 16th January 2013. He did not attend the meetings during the financial year.

<sup>1</sup>Shri M Gopala Krishna was appointed as an additional director on the Board w.e.f 14th November 2012.



**Board Meetings**

The Board met four times in the Financial Year 2012-13, on 4th May 2012, 14th August 2012, 14th November 2012 and 12th February 2013.

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

The time gap between any two meetings did not exceed four months as per the requirements of clause 49 of the Listing agreement and the required information was suitably placed before the board meetings. The details relating to financial and commercial transactions where Directors may have a potential interest, if any, were provided to the Board and interested Directors abstained from the proceedings.

**III. AUDIT COMMITTEE**

**Composition and terms of reference**

The present Audit Committee comprises of all Independent Directors. All of whom possess accounting and financial management expertise / exposure. The Committee was re-constituted by the Board of Directors at its meeting held on 14th November, 2012, by inducting Shri M Gopala Krishna as member of the Committee.

The Committee reviews all matters such as Reports of Internal Auditors/ Statutory Auditors, and discusses their findings, suggestions and other related issues. The Committee also determines major accounting policies followed by the Company and sets out control systems, scope of audit etc. The entire internal audit process has been reviewed by the Committee and Internal Auditors role induced with requisite adequacy.

The composition of the Audit Committee is as follows

Name of Directors & Designation	Category of Director	No. of Meetings	
		Held	Attended
Shri D G Prasad - Chairman	Independent & Non-Executive	4	4
Dr M R Naidu - Member	Independent & Non-Executive	4	2
Dr K V Raghavan - Member	Independent & Non-Executive	4	4
Shri M Gopala Krishna - Member	Independent & Non-Executive	4	2

In addition to the members of the audit committee, these meetings are attended by the Heads of Accounts & Finance, Internal Auditors and Statutory Auditors of the Company and the Company Secretary acts as the Secretary of the Audit Committee.

**Meetings held during the year**

During the year Audit Committee met 4 times on 4th May 2012, 14th August 2012, 14th November 2012 and 12th February 2013. The attendance of the Committee Members was presented in the above table.

**IV. REMUNERATION COMMITTEE**

The present Remuneration Committee composed of four (4) independent directors namely Dr K V Raghavan is the Chairman, Shri D G Prasad, Dr M R Naidu and Prof Seyed E Hasnain are the members of the committee. The terms of reference of the Committee cover evaluation of compensation and benefits payable to executive directors under the provisions of the Companies Act, 1956 and to recommend the same to the Board.

The Committee has met on 14th November 2012 during the year



Remuneration paid to the Executive Directors and sitting fees paid to Non-Executive Directors during 2012-2013 is as under:

**Executive Directors**

(₹ Lakhs)

Name of the Director	Salary & Allowances	Commission	Contribution to Provident Fund	Perquisites	Total
Shri Venkateswarlu Jasti Chairman & CEO	91.80	34.86	11.02	Nil	137.68
Smt Sudha Rani Jasti Whole-time Director	40.81	17.43	4.90	Nil	63.14

**Non-Executive Directors**

Name of the Director	Sitting fee (₹)	No of shares held as on 31st March 2013
Dr M R Naidu	32,000	9,800
Dr K V Raghavan	64,000	2,000
Shri D G Prasad	60,000	NIL
Prof Seyed E Hasnain	10,000	NIL
Shri M Gopala Krishna	30,000	NIL

**V. I. INVESTOR GRIEVANCES COMMITTEE**

Investors Grievance Committee of Directors reviews the following:

Expeditious redressal of investor's grievances, Transfer of shares, Dematerialization/ Re-materialization, Non receipt of Annual Reports and declared dividend, all other matters related to shares/ debentures

The Constitution of Investors Grievance Committee is as follows:

Name of the Director	No. of Investors Grievance Committee Meetings	
	Held	Attended
Dr. K V Raghavan - Chairman	4	4
Dr. M R Naidu - Member	4	2
Smt. Sudha Rani Jasti - Member	4	4

**Name and Address of Compliance Officer**

CS K. HANUMANTHA RAO

Company Secretary & Compliance Officer

Suven Life Sciences Limited

Serene Chambers, 6th Floor, Road No. 5, Avenue 7,

Banjara Hills, Hyderabad - 500 034

Tel : +91 40-2354 1142/ 3311, Fax : +91 40-2354 1152

**Details of complaints/requests received and redressed**

During the year 2012-2013, 98 complaints were received pertaining to the dividends, annual reports, change of bank details/ address and split shares etc from shareholder and the complaints have been resolved to the satisfaction of the Complainants.

As on 31/03/2013 there were no pending Complaints to be resolved.



**II. SHARE TRANSFERS COMMITTEE**

To ensure quicker investor services and expeditious disposal of the share transfer approvals, this Committee has been constituted with the following members of the Board.

Shri Venkateswarlu Jasti, Chairman & CEO is heading the Committee and Smt. Sudha Rani Jasti, Whole-time Director is a member

The Committee meets as and when the memorandum of transfers date is intimated by the Karvy Computershare Pvt. Ltd. (Registrars and Transfer Agents) and accords its approvals accordingly.

The Committee met 2 times during the financial year 2012-13.

**VI. ESOP COMPENSATION COMMITTEE**

The Committee has been authorized to frame suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India including, The Securities and Exchange Board of India (Insider Trading) regulations 1992; and perform such functions required to be performed by the Compensation Committee under the SEBI Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999.

ESOP Compensation Committee composed of Dr. M R Naidu as Chairman, Dr. K V Raghavan as Member and Shri Venkateswarlu Jasti as Member of the Committee.

**VII. GENERAL BODY MEETINGS**

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

Year	Venue	Date and Time	No. of Special Resolutions passed
2011-12	KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry [FAPCCI], 11-6-841, Red Hills, Hyderabad -500 004	27/09/2012 10.00 AM	NIL
2010-11	Hotel Green Park, Greenlands, Begumpet, Hyderabad - 500 016	13/08/2011 10.00 AM	Three
2009-10	Hotel Green Park, Greenlands, Begumpet, Hyderabad - 500 016	27/07/2010 2.30 PM	Two

**Postal Ballot:**

No item of business relating to matters specified under clause 49 of the Listing Agreement with the Stock Exchanges/ or the provisions contained in section 192A of the Companies Act 1956, requiring voting by postal ballot is included in the Notice Convening the 24th Annual General Meeting of the Company

**VIII. DISCLOSURES**

- (i) Disclosure of material, financial and commercial transactions where management has personal interest that may have a potential conflict with the interest of the company at large

During the year 2012-13, no transactions of material nature had been entered into by the Company with the Management or their relatives that may have a potential conflict with interest of the Company. None of the Non-Executive Directors have any pecuniary material relationship or material transactions with the Company for the year ended March 31, 2013.

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



(iii) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and is being reviewed from time to time.

(iv) Reconciliation of Share Capital Audit Report

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

**IX. MEANS OF COMMUNICATION**

**Quarterly Results, Press Releases, Presentations and Publications:**

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

The Financial Results are also displayed on the Company's web site www.suven.com official news releases, presentations made to media are also displayed on the Company's website.

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

The Company is filing/submitting its Shareholding Pattern, Financial Results, Report on Corporate Governance on quarterly basis and are posted on the website of the Company and as well as on the website of BSE/NSE in accordance with the Listing Agreement with the Stock Exchanges which may be accessed by the shareholders

**X. GENERAL INFORMATION FOR SHAREHOLDERS**

(i) Annual General Meeting :

Financial Year : 2012 - 2013

Day and Date : Tuesday the 13th day of August 2013

Time : 10.00 a.m.

Venue : KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry [FAPCCI], 11-6-841, Red Hills, Hyderabad -500 004

(ii) Financial Calendar (tentative):

Financial Year April 1, 2013 to March 31, 2014

Quarter Ending	Release of Results
June 30, 2013	latest by August 15, 2013
September 30, 2013	latest by November 15, 2013
December 31, 2013	latest by February 15, 2014
March 31, 2014	May 15, 2014*

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

(iii) Dates of Book Closure: from 5th August, 2013 to 7th August, 2013 (both days inclusive)



- (iv) **Dividend Disclosure:** The Board of Directors has recommended a dividend of ₹ 0.30 paisa per equity share i.e. 30% for the year 2012-13 subject to approval of the shareholders at the ensuing Annual General Meeting.

**Mode of Dividend payment and date**

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

Date of payment: On and from 27th August, 2013, but within the statutory time limit of 30 days

- (v) **Listing on Stock Exchanges**

The shares of the Company are listed on Bombay Stock Exchange Ltd and National Stock Exchange of India Limited. The Company confirms that it has paid annual listing fees due to the stock exchanges for the financial year 2013-2014.

- (vi) **Stock Code**

Trading Symbol

Exchange	Script Code	Script ID
B S E Limited	530239	SUVEN
National Stock Exchange of India Limited	SUVEN-EQ	SUVEN

Depository for Equity Shares : NSDL and CDSL

Demat ISIN Number : INE495B01038

- (vii) **Stock Market Price Data:**

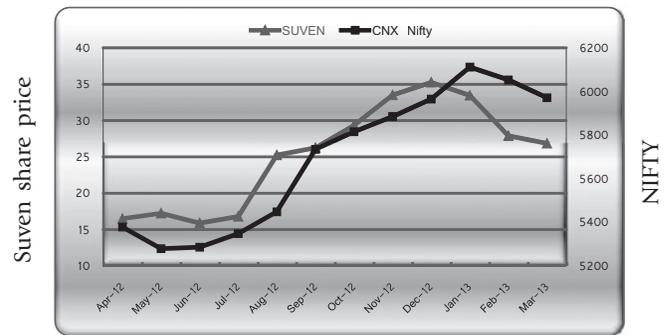
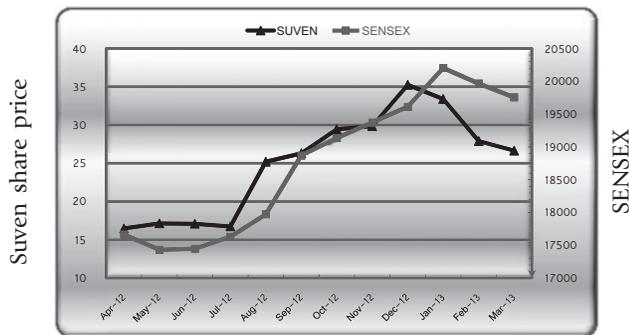
Month	Bombay Stock Exchange (BSE) Month Share Prices (In ₹)		BSE SENSEX	
	HIGH	LOW	HIGH	LOW
Apr-12	16.49	13.45	17,664.10	17,010.16
May-12	17.15	14.40	17,432.33	15,809.71
Jun-12	17.10	13.75	17,448.48	15,748.98
Jul-12	16.75	14.50	17,631.19	16,598.48
Aug-12	25.20	14.65	17,972.54	17,026.97
Sep-12	26.30	21.95	18,869.94	17,250.80
Oct-12	29.45	22.65	19,137.29	18,393.42
Nov-12	29.85	24.70	19,372.70	18,255.69
Dec-12	35.25	29.30	19,612.18	19,149.03
Jan-13	33.40	25.05	20,203.66	19,508.93
Feb-13	27.90	22.05	19,966.69	18,793.97
Mar-13	26.65	22.00	19,754.66	18,568.43



(viii) Stock Price Performance in comparison with NSE NIFTY

Month	National Stock Exchange (NSE) Month Share Prices (In ₹)		NSE NIFTY	
	HIGH	LOW	HIGH	LOW
Apr-12	16.50	13.45	5,378.75	5,154.30
May-12	17.25	14.50	5,279.60	4,788.95
Jun-12	15.90	14.50	5,286.25	4,770.35
Jul-12	16.80	14.50	5,348.55	5,032.40
Aug-12	25.25	14.80	5,448.60	5,164.65
Sep-12	26.25	21.60	5,735.15	5,215.70
Oct-12	29.35	22.60	5,815.35	4,888.20
Nov-12	33.50	24.65	5,885.25	5,548.35
Dec-12	35.25	29.25	5,965.15	5,823.15
Jan-13	33.45	25.05	6,111.80	5,935.20
Feb-13	27.90	22.05	6,052.95	5,671.90
Mar-13	26.85	21.95	5,971.20	5,604.85

Stock Price Performance in comparison with BSE SENSEX & NSE NIFTY



(ix) Registrar and Transfer Agents: (RTA)

Karvy Computershare Private Limited  
 Unit: Suven Life Sciences Ltd  
 Plot No.17 to 24, Vittal Rao Nagar,  
 Madhapur, Hyderabad - 500 081  
 Phone No 040 2342 0818, 2342 0828  
 Fax No 040 2342 0814  
 Email: einward.ris@karvy.com

(x) Share Transfer System

Karvy Computershare Pvt. Ltd, (RTA) has been authorized to process all the valid transfer requisitions on a weekly basis and a memorandum of transfers, if any, will be submitted to the Company. The share certificates duly transferred will be dispatched to the transferees. For this purpose the Company has authorized the Company Secretary of the



Company to monitor the Memorandum of Share Transfers (MOT) as and when reported by RTA and he will report to Share transfer Committee for its approval.

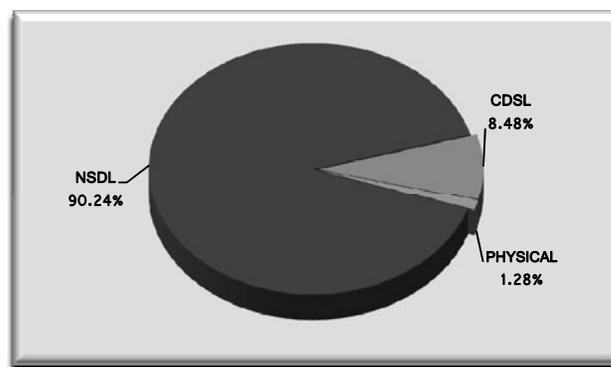
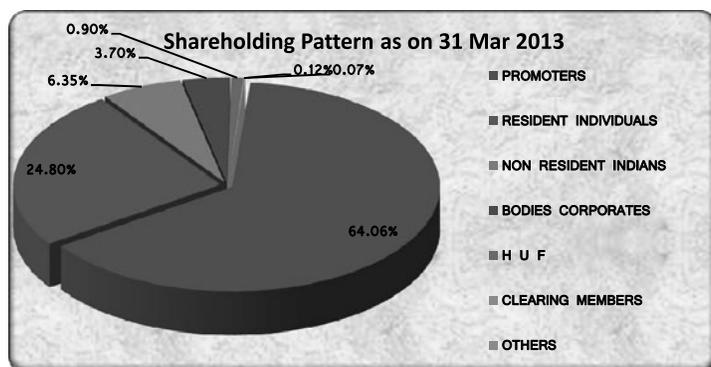
The Company has obtained and filed with the Stock Exchange(s), the half yearly certificates from Company secretary in practice for due Compliance with the share transfer formalities as required under clause 47(c) of listing agreement

(xi) Distribution Shareholding Pattern as on 31st March 2013

Category (Amount)	Shareholders		Share Amount	
	Number	% to total	Amount	% to total
1 - 5000	35999	97.44%	18216455	15.59%
5001 - 10000	505	1.37%	3906000	3.34%
10001 - 20000	235	0.64%	3424478	2.93%
20001 - 30000	67	0.18%	1696418	1.45%
30001 - 40000	45	0.12%	1646496	1.41%
40001 - 50000	27	0.07%	1233703	1.06%
50001 - 100000	37	0.10%	2560653	2.19%
100001 and above	28	0.08%	84144585	72.02%
<b>TOTAL</b>	<b>36943</b>	<b>100%</b>	<b>116828788</b>	<b>100%</b>

(xii) Categories of shareholders as on 31st March 2013

Sl.No.	Category	Cases	Holding	%To Equity
1	Promoters	6	74834828	64.06%
2	Resident Individuals	35140	28971610	24.80%
3	Non Resident Indians	391	7418483	6.35%
4	Corporate Bodies	609	4327038	3.70%
5	H U F	711	1052302	0.90%
6	Clearing Members	81	140702	0.12%
7	Others	5	83825	0.07%
	<b>TOTAL</b>	<b>36943</b>	<b>116828788</b>	<b>100.00%</b>



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

As on 31st March 2013, 98.72% of the paid up equity capital of the Company has been dematerialized and the trading of Equity shares in the Stock Exchanges is under compulsory dematerialization.

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

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

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments in the past and hence as on March 31, 2013, the Company does not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

**(xv) Plant Locations**

**Unit 1** - Dasaigudem Village, Suryapet Mandal, Nalgonda Dist, Andhra Pradesh-508213

**Unit 2** - 18/B, Phase III, IDA, Jeedimetla, Hyderabad Andhra Pradesh-500055

**Unit 3** - A) Plot No. 262, 263 & 269-271, IDA, Pashamylaram, Medak Dist. Andhra Pradesh - 502 307

B) Plot No. 264, IDA Pashamylaram, Medak Dist. Andhra Pradesh - 502 307

**Research and Development Centre's****Research Centre - I**

Plot No.18/B, Phase III, IDA Jeedimetla, Hyderabad - 500 055

**Research Centre - II****Bio-Pharmaceutical Lab**

Serene Chambers, 5th Floor, Avenue 7, Road No.5, Banjara Hills, Hyderabad - 500 034

**Research Centre - III****Formulation Development Centre**

Plot No. 265 - 268, APIIC, IDA Pashamylaram, Medak Dist, Andhra Pradesh - 502 307

**(xvi) Address for Correspondence**

Regd. Office: Serene Chambers,

6th Floor, Road No. 5, Avenue 7,

Banjara Hills, Hyderabad - 500 034

Tel: +91 40-2354 3311 / 2354 1142, Fax: +91 40-2354 1152

E-mail: [info@suven.com](mailto:info@suven.com), [investorservices@suven.com](mailto:investorservices@suven.com)

Website: [www.suven.com](http://www.suven.com)

**(xvii) Unpaid / Unclaimed Dividend**

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by Company to the Investor Education and Protection Fund, established by the Central Government under the provisions of Section 205C of the Companies Act, 1956.

Shareholders of the Company who have either not received or have not en-cashed their dividend warrants, for the financial years 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 are requested to claim the unpaid/unclaimed dividend from the Company before transfer to the fund.



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

To  
The Members of Suven Life Sciences Limited

As required under Clause 49(I)(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2013.

For **Suven Life Sciences Limited**

Place : Hyderabad  
Date : 14th May, 2013

**Venkateswarlu Jasti**  
Chairman & CEO

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## CERTIFICATE OF COMPLIANCE

To the Members of  
M/s. Suven Life Sciences Limited

We have examined the Compliance of conditions of Corporate Governance by M/s. **SUVEN LIFE SCIENCES LIMITED** ("the Company"), for the year ended on 31<sup>st</sup> March 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KARVY & CO.,**  
Chartered Accountants  
(Firm Regn. No. 001757S)

Place : Hyderabad  
Date : 14th May, 2013

**K. AJAY KUMAR**  
Partner  
(M.No. 021989)



## INDEPENDENT AUDITOR'S REPORT

To the Members of

M/s. Suven Life Sciences Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Suven Life Sciences Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2013 the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
  - e) on the basis of written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**K. AJAY KUMAR**  
Partner  
(M. No.021989)

Place : Hyderabad  
Date : 14th May, 2013



## ANNEXURE TO THE AUDITORS' REPORT

### Annexure to the Auditors' Report

#### Referred to in paragraph 1 of our report

- i. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, the management has physically verified all the fixed assets during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such physical verification.
  - c) In our opinion, fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- ii. In respect of its inventories:
  - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical inventory and book records were not material.
- iii.
  - a) According to the information and explanations given to us, during the year the Company has not granted any loans to companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (a) to (iii) (d) of the paragraph 4 of the Order are not applicable.
  - e) According to the information and explanations given to us, the Company has taken an unsecured loan from the party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is ₹ 180 lakhs and the yearend balance is Nil.
  - f) In our opinion and according to the information and explanation given to us, the said loan is interest free loan and other terms and conditions are prima facie not prejudicial to the interest of the company.
- g) According to the information and explanations given to us, the said loan is repayable on demand and there is no repayment schedule.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and nature of its business with regard to the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- v. In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- vi. According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 58A and Section 58AA of the Companies Act, 1956 and the rules framed there under
- vii. In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
- viii. We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of Bulk Drugs, pursuant to Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. In respect of statutory dues:
  - a) According to the records of the company and information and explanations given to us, the company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues to the extent applicable with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts



payable in respect of the above are in arrears as at the yearend for a period of more than six months from the date on which they become payable.

- b) According to the information and explanations given to us, the following amounts have not been deposited with the appropriate authorities on account of dispute :

Nature of the Statute	Amount ₹ in Lakhs	Period to which amount relates	Forum where pending
Income Tax	16.97	AY 2010-11	Income tax appellate Tribunal- Hyderabad.

- x. The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- xi. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to Financial Institutions and Banks. The company did not have any outstanding debentures during the year.
- xii. In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a Chit fund or a Nidhi/ Mutual Benefit fund/ Society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the company.

- xiv. The Company has not dealt or traded in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Order are not applicable to the company.
- xv. In our opinion and as per the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to the information and explanations given to us the term loans were applied for the purpose for which the loans were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long term investment.
- xviii. The Company has not made any preferential allotment to parties and companies covered under register maintained under section 301 of the Companies Act, 1956.
- xix. The Company during the year has not issued any debentures. Accordingly, clause 4 (xix) of the Order are not applicable to the company.
- xx. The Company has not raised any money by public issues during the year.
- xxi. According to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

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

**K. AJAY KUMAR**  
Partner  
(M. No.021989)

Place : Hyderabad  
Date : 14th May, 2013



**BALANCE SHEET AS AT 31ST MARCH, 2013**

	Note	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Fund</b>			
Share Capital	3	1,168.29	1,167.32
Reserves & Surplus	4	14,277.70	11,584.83
<b>Non-Current Liabilities</b>			
Long-term borrowings	5	6,418.33	5,502.45
Long term provisions	6	157.78	178.35
<b>Current Liabilities</b>			
Short-term borrowings	7	2,782.59	2,285.40
Trade payables	8	3,613.53	2,511.07
Other current liabilities	9	3,611.53	4,020.81
Short - term provisions	10	1,382.72	1,248.50
<b>TOTAL</b>		<b>33,412.47</b>	<b>28,498.72</b>
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
<b>Fixed Assets</b>			
i) Tangible assets	11	16,151.54	13,244.35
ii) Capital work-in-progress		414.76	2,364.02
Non - Current Investments	12	0.15	0.10
Deferred Tax Asset (NET)	13	1,569.63	1,760.96
Long term loans and advances	14	943.83	644.44
<b>Current Assets</b>			
Current Investments	15	7.12	452.33
Inventories	16	5,381.43	4,650.17
Trade Receivables	17	2,377.76	2,523.93
Cash and Bank balances	18	2,178.69	316.86
Short - term loans and advances	19	4,367.88	2,528.88
Other current assets	20	19.68	12.68
<b>TOTAL</b>		<b>33,412.47</b>	<b>28,498.72</b>
Summary of significant accounting policies	1-2		

The accompanying notes are an integral part of the Financial Statements.

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

**K. AJAY KUMAR**  
Partner  
(M.No. 021989)

**VENKATESWARLU JASTI**  
Chairman & CEO

**SUDHA RANI JASTI**  
Whole-time Director

Place : Hyderabad  
Date : 14th May, 2013

**K. HANUMANTHA RAO**  
Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

	Note	For the year ended 31st March 2013 (₹ in lakhs)	For the year ended 31st March 2012 (₹ in lakhs)
<b>Income</b>			
Revenue from Operations (Gross)	21	25,828.02	20,465.77
Less: Excise Duty		(39.56)	(44.98)
		25,788.46	20,420.78
<b>Other Income</b>	22	104.34	190.25
<b>TOTAL</b>		<b>25,892.80</b>	<b>20,611.03</b>
<b>Expenses</b>			
Cost of Materials Consumed	23	8,827.40	8,145.56
Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	24	(559.63)	(564.74)
Manufacturing Expenses	25	3,904.81	2,667.83
Employee benefit expenses	26	2,537.70	2,283.03
Research & Development Expenses	27	3,469.33	3,304.91
Financial Costs	28	1,350.94	990.93
Depreciation and amortization expenses	11	786.71	599.79
Other expenses	29	2,290.30	2,269.54
<b>TOTAL</b>		<b>22,607.56</b>	<b>19,696.85</b>
<b>Profit before tax</b>		<b>3,285.24</b>	<b>914.18</b>
<b>Tax expenses</b>			
Current Tax		664.28	171.60
Previous year tax		(13.17)	(0.87)
Deferred Tax		191.34	(522.06)
MAT Credit entitlement		(641.16)	(170.73)
<b>Total tax expenses</b>		<b>201.29</b>	<b>(522.06)</b>
<b>Profit for the year</b>		<b>3,083.95</b>	<b>1,436.24</b>
Basic and Diluted Earnings per share (in ₹)	30	2.64	1.23
Summary of significant accounting policies	1-2		

The accompanying notes are an integral part of the Financial Statements.

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

**K. AJAY KUMAR**  
Partner  
(M.No. 021989)

**VENKATESWARLU JASTI**  
Chairman & CEO

**SUDHA RANI JASTI**  
Whole-time Director

Place : Hyderabad  
Date : 14th May, 2013

**K. HANUMANTHA RAO**  
Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	For the year ended 31st March 2013 (₹ in lakhs)		For the year ended 31st March 2012 (₹ in lakhs)	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and Extraordinary Items		3,285.24		914.18
Adjustments for :				
Depreciation & Amortisation	1,046.64		854.53	
Interest Income	(23.53)		(14.57)	
Interest on Finance cost	1,283.74		990.93	
Profit on sale of Assets	(0.12)		-	
Loss on sale of Assets	-		1.00	
Dividend Income	(80.69)		(56.49)	
MTM Losses	-	2,226.04	348.06	2,123.46
Operating Profit Before Working Capital Changes		5,511.28		3,037.64
Adjustments for :				
Trade and Other Receivables	(1,511.68)		19.01	
Inventories	(731.26)		(1,167.03)	
Trade Payables and Other Liabilities	369.39		1,690.31	
Increase/(Decrease) in Net Current Assets		(1,873.55)		542.29
Cash Generated From Operations		3,637.73		3,579.93
Adjustments for :				
Income Tax paid	569.16	569.16	204.66	204.66
Net Cash From Operating Activities (A)		3,068.57		3,375.27
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale/(Purchase) of Investments	445.16		(518.14)	
Purchase of Fixed Assets	(2,006.91)		(2,727.49)	
Sale of Fixed Assets	2.45		0.35	
Interest Received	16.52		14.14	
Changes in bank balances not considered as cash equivalents	(3.89)		(24.60)	
Dividends Received	80.69		56.49	
Net Cash Used In Investing Activities (B)		(1,465.98)		(3,199.25)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Borrowings (Net)	1,926.13		1,139.48	
Interest Paid on borrowings	(1,283.74)		(983.43)	
Issue of capital with Premium	19.95		-	
Dividend Payouts (including Dividend Tax)	(407.02)		(339.21)	
Net Cash used in financing Activities (C)		255.32		(183.16)
Net Increase in Cash and Cash Equivalents (A+B+C)		1,857.91		(7.14)
Cash and Cash Equivalents at the beginning the year		176.70		183.84
Cash and Cash Equivalents at the end of the year		2,034.64		176.70

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

K. AJAY KUMAR  
Partner  
(M.No. 021989)

VENKATESWARLU JASTI  
Chairman & CEO

SUDHA RANI JASTI  
Whole-time Director

Place : Hyderabad  
Date : 14th May, 2013

K. HANUMANTHA RAO  
Company Secretary



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: CORPORATE INFORMATION

Suven Life Sciences, in the business of design, manufacture and supply of Bulk Actives, Drug Intermediates & Fine Chemicals, Drug Discovery and Development Support Services (DDDSS) and CRAMS catering to the needs of global Life Science Industry, is committed to provide customers with products fulfilling customer's needs and expectations. During the year ended 31st March, 2012 M/s. Suven Nishtaa Pharma Pvt. Ltd. was acquired by M/s. Suven Life Sciences Ltd. Subsequent to the acquisition of M/s. Suven Nishtaa Pharma Pvt. Ltd. were amalgamated with M/s. Suven Life Sciences Ltd., in accordance with the scheme of amalgamation approved by the High court is effective from 1st Jan, 2012. The amalgamation was effected in the accounts for the year ended 31st March, 2012.

### NOTE 2: BASIS OF PREPARATION

#### 2.1 Basis of Accounting

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the accounting standards notified under section 211(3C) of the Companies Act, 1956 of India (the Act) and the relevant provisions of the Act

During the year ended 31 March 2013, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### 2.2 Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported value of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenditure for the year. The difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### 2.3 Revenue Recognition

- i. Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of products are transferred to customers.
- ii. Revenue from Contract Technical Services, Clinical Trials Services and Process Development Services are recognized on completion of the work.
- iii. Income from Investments
  - (i) The Company recognizes Interest on investments on accrual basis.

- (ii) Dividend income on investments is accounted for when the right to receive the payment is established

#### 2.4 Fixed Assets

Fixed assets are stated at cost and as reduced by accumulated depreciation. All costs including financing costs, up to the date of commissioning and attributable to the fixed assets are capitalized. Exchange difference arising on Long Term Foreign currency monetary items relating to acquisition of fixed assets are adjusted to the carrying cost of such assets

#### 2.5 Events Occurring After Balance Sheet Date

Events occurring after the date of balance sheet are considered up to the date of adoption of the accounts, where material and are taken into cognizance.

#### 2.6 Depreciation

Depreciation on fixed assets is provided on straight-line basis at the rates prescribed in Schedule XIV of the Companies Act, 1956. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

#### 2.7 Investments

Non-current investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature.

Investments other than Non-current Investments are stated at cost or market value whichever is lower. Any increase/reduction in the carrying cost is credited / charged to the Profit and Loss account.

#### 2.8 Inventories

- i. Stock of raw materials, Stores, spares and fuel are stated at cost and are valued on FIFO basis.
- ii. Work in process is stated at cost.
- iii. Finished Goods are valued at the lower of the Cost or net realizable value.

#### 2.9 Research & Development expenses

- i. Revenue expenditure on research and development activities is expensed as and when incurred.
- ii. The expenditure on capital assets having alternative use either in R&D activity or otherwise are capitalized and amortized at the rate specified in Schedule XIV of the Companies Act 1956.
- iii. Depreciation on R&D assets is included in R&D expenses.

#### 2.10 Foreign Currency Transactions

- i. Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transaction.



## NOTES TO THE FINANCIAL STATEMENTS

- ii. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account, except exchange difference arising on Long Term Foreign currency monetary items relating to acquisition of fixed assets which are adjusted to the carrying cost of such assets.
- iii. In case of Monetary items which are covered by forward exchange contracts, premium or discount on forward exchange contracts are amortized and recognized in the profits and loss account over the period of the contract. Forward Exchange Contracts outstanding at the balance sheet date, are stated at fair value and any gains or losses are recognized in the profit and loss account.
- iv. Financial Derivative Contracts:  
The realized gain/loss in respect of settled contracts are recognized in the Profit and loss account.

### 2.11 Retirement benefits to employees

The company has Defined Contribution Plan for its employees' retirement benefits comprising of Provident Fund and Employees Pension Scheme, 1995. The Company contributes to State Plans namely Employees' State Insurance Scheme.

The Company has Defined Benefit Plan comprising of Gratuity Fund and Leave Encashment. The Company contributes to Gratuity Fund administered by LIC. The liability for the Gratuity Fund and Leave Encashment are determined on the basis of an independent actuarial valuation done at the year end. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.

### 2.12 Borrowing cost

Borrowing Costs that are directly attributable to the acquisition of a fixed asset are capitalised as part of the cost of the asset till the date the asset is ready for commercial use. All other borrowing costs are charged to revenue.

### 2.13 Income taxes

The current charge for taxes is calculated in accordance with relevant tax regulations applicable to the company. The deferred tax for the timing differences between the book and tax profits for the year end is accounted for, using the tax rates and laws that have been substantially enacted as of the balance sheet date.

Deferred tax assets arising from timing differences are recognized and carried forward only if there is reasonable certainty that they will be realized in future and reviewed for the appropriateness of their respective carrying value at each balance sheet date.

### 2.14 Earnings per share

The basic earnings per share (EPS) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

### 2.15 Impairment of Assets

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

### 2.16 Provisions

Provisions are recognized when the company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation.

### 2.17 Segmental information - Basis of preparation

#### i. Segment Revenue and Expenses

Revenues and expenses are allocated on a reasonable basis to segments being common manufacturing facilities and sales force.

#### ii. Segment Assets and Liabilities

Segment assets and liabilities which can be identified to a segment are allocated to the respective segment. The fixed assets and net current assets are not identifiable for particular segment except R & D segment, because these assets can be used interchangeable among the segments. Hence the management feels that the assets cannot be segregated to particular segment and to disclose these under unallocated assets.

### 2.18 Employee Stock Option Schemes

In accordance with the Securities and Exchange Board of India guidelines, the excess of the market price of shares, at the date of grant of options under the Employee stock option schemes, over the exercise price is treated as employee compensation and amortized on a straight-line basis over the vesting period.

### 2.19 Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less



**NOTES TO THE FINANCIAL STATEMENTS**

	As at 31st March 2013 (No. of Shares)	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (No. of Shares)	As at 31st March 2012 (₹ in lakhs)
<b>NOTE 3: SHARE CAPITAL</b>				
Authorised share capital				
Equity Shares of ₹ 1/- each	400,000,000	4,000.00	400,000,000	4,000.00
Issued, Subscribed and Paid up				
Equity Shares of ₹ 1/- each	116,828,788	1,168.29	116,731,988	1,167.32
<b>3.1 Reconciliation of number of Ordinary Shares outstanding</b>				
As at beginning of the year	116,731,988	1,167.32	116,731,988	1,167.32
Add: Issue of shares on exercise of options	96,800	0.97	-	-
As at end of the year	116,828,788	1,168.29	116,731,988	1,167.32

**3.2 Rights, preferences and restrictions attached to the Ordinary Shares**

The Shares of the Company, having par value of ₹ 1.00 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

**3.3 Shareholders holding more than 5% of the Shares in the Company**

	As at 31st March 2013 (No. of Shares)	As at 31st March 2013 %	As at 31st March 2012 (No. of Shares)	As at 31st March 2012 %
Mr. Venkateswarlu Jasti	22,420,940	19.19	22,420,940	19.21
Mrs. Sudha Rani Jasti	20,756,312	17.77	20,256,312	17.35
Mrs. Sirisha Jasti	10,550,000	9.03	10,268,000	8.80
Mrs. Madhavi Jasti	10,550,000	9.03	10,550,000	9.04
Ms. Kalyani Jasti	10,550,000	9.03	10,550,000	9.04

**3.4 Shares reserved for issue under Options**

	As at 31st March 2013 (No. of Shares)	As at 31st March 2013 ₹ in lakhs	As at 31st March 2012 (No. of Shares)	As at 31st March 2012 ₹ in lakhs
Equity Shares of ₹ 1.00 each	1,190,600	11.91	1,806,060	18.06

**Terms and Conditions of Options Granted**

Each Option entitles the holder thereof to apply for and be allotted one Equity Shares of the Company of ₹ 1.00 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of three years from the date of vesting in respect of Options granted under the Suven Employee Stock Option Scheme -2004

**The vesting period for conversion of Options is as follows:**

- On completion of 24 months from the date of grant of the Options: 25% vests
- On completion of 36 months from the date of grant of the Options: 35% vests
- On completion of 48 months from the date of grant of the Options: 40% vests

The Options have been granted at the 'market price' as defined from time to time under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.



NOTES TO THE FINANCIAL STATEMENTS

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
<b>NOTE 4: RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	3,876.61	5,149.71
Add: Additions during the year	310.00	150.00
Less: P&L Debit balance upto 31.12.11 (Suven Nishtaa Pharma pvt ltd.)	-	(1,423.10)
	4,186.61	3,876.61
<b>Securities Premium Account</b>	4,003.09	4,003.09
Add: Additions during the year	18.98	-
	4,022.08	4,003.09
<b>Surplus in statement of Profit &amp; Loss</b>		
Opening Balance	3,705.12	2,353.62
Add: Profit for the year	3,083.95	1,583.38
Add: Transferred from Suven Nishtaa Pharma Pvt. Ltd on account of amalgamation	-	(147.14)
Add: Deferred tax asset on account of amalgamation of Suven Nishtaa Pharma Pvt Ltd.	-	472.31
	6,789.07	4,262.17
<b>Less: Appropriations</b>		
Transfer to General Reserve	310.00	150.00
Proposed Dividend	350.49	350.20
Earlier year's Dividend	0.01	0.03
<i>Income tax on Proposed Dividend</i>		
Current Year	59.57	56.81
Earlier year's Provision	0.00	0.01
	6,069.01	3,705.12
<b>TOTAL</b>	14,277.70	11,584.83
<b>NOTE 5: LONG - TERM BORROWINGS</b>		
<b>Term Loans</b>		
<b>From Banks (Secured)</b>		
Corporate Loan From S.B.I.	1,310.18	2,000.84
Corporate Loan From State Bank of Patiala	1,190.13	1,795.31
Corporate Loan From Bank of India	2,262.92	2,999.35
Corporate Loan From Bank of Behrain & Kuwait	3,261.60	-
<b>TOTAL (A)</b>	8,024.83	6,795.49
<b>From other parties (Unsecured)</b>		
Loan from Department of Science and Technology, Govt. of India.	899.60	700.00
<b>TOTAL (B)</b>	899.60	700.00
<b>TOTAL (A+B)</b>	8,924.43	7,495.49
<b>Less: Current maturities of long-term borrowings (Refer Note 9)</b>	2,506.10	1,993.04
<b>TOTAL</b>	6,418.33	5,502.45



NOTES TO THE FINANCIAL STATEMENTS

Nature of Security	Terms of Repayment
<b>Corporate Loan From S.B.I.</b> secured by first and Pari-pasu charge on Land, Buildings, Plant & Machinery and Second charge on stocks, receivables and other current assets.	The term loan is repayable in 66 monthly installments varying from 15 Lakhs to 60 Lakhs commenced from October, 2009. Rate of Interest 14.40%.
<b>Corporate Loan From State Bank of Patiala</b> secured by first and Pari-pasu charge on Land, Buildings, Plant & Machinery and Second charge on stocks, receivables and other current assets.	The corporate loan is repayable in 15 quarterly instalments. First three installments of ₹ 67 Lakhs and next 12 installments of ₹ 150 Lakhs. Repayment commenced from 30.09.2011. Rate of Interest 13.75%
<b>Corporate Loan From Bank of India</b> secured by first and Pari-pasu charge on Land, Buildings, Plant & Machinery and Second charge on stocks, receivables and other current assets.	The term loan is repayable in 45 monthly installment of ₹ 67 Lakhs each commenced from May, 2012. Rate of Interest 13.75%
<b>Corporate Loan From Bank of Behrain &amp; Kuwait</b> secured by first and Pari-pasu charge on Land, Buildings, Plant & Machinery and Second charge on stocks, receivables and other current assets.	The term loan is repayable in 16 quarterly installments of US \$ 0.375 Million. Commencing from December, 2013. Rate of Interest 4.15%
<b>Loan from Department of Science and Technology - I</b>	The loan is repayable in 10 Annual installments of ₹ 50 Lakhs each commencing from October, 2013. Rate of Interest 3.00%
<b>Loan from Department of Science and Technology - II</b>	The loan is repayable in 10 Annual installments of ₹ 44.40 Lakhs each commencing from Feb, 2013. Rate of Interest 3.00%

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
<b>NOTE 6: LONG -TERM PROVISIONS</b>		
Gratuity	58.74	72.72
Leave encashment	99.03	105.63
<b>TOTAL</b>	<b>157.78</b>	<b>178.35</b>
<b>NOTE 7: SHORT-TERM BORROWINGS</b>		
<b>Loan repayable on demand</b>		
<b>i) From Banks</b>		
<b>Working Capital Loans from S.B.I (Secured)</b>	<b>2,782.59</b>	<b>2,105.40</b>
Secured by first charge on Raw Materials, Stock in Process, Finished Goods, Receivables and Book Debts and second charge on Land, Buildings and Plant & Machinery.		
<b>ii) Loans and advances from related parties (Unsecured)</b>	<b>-</b>	<b>180.00</b>
<b>TOTAL</b>	<b>2,782.59</b>	<b>2,285.40</b>



## NOTES TO THE FINANCIAL STATEMENTS

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
<b>NOTE 8: TRADE PAYABLES</b>		
Micro and Small Enterprises	-	-
Others	3,613.53	2,511.07
<b>TOTAL</b>	<b>3,613.53</b>	<b>2,511.07</b>
<b>NOTE 9: OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term borrowings (also refer note 5)	2,506.10	1,993.04
Interest accrued but not due	28.43	7.50
Unclaimed Dividend	19.41	17.10
Other Payables		
Advance Received from Customers	88.19	837.62
Liabilities for Expenses	500.94	704.76
Liabilities for statutory dues	57.01	84.36
Liabilities for Capital Works	411.46	376.42
<b>TOTAL</b>	<b>3,611.53</b>	<b>4,020.81</b>
<b>NOTE 10: SHORT - TERM PROVISIONS</b>		
Taxation	651.12	170.73
Dividend	350.49	350.20
Corporate Dividend Tax	59.57	56.81
Gratuity	234.21	241.62
Leave encashment	87.34	81.07
MTM Losses/(gain)	-	348.06
<b>TOTAL</b>	<b>1,382.72</b>	<b>1,248.50</b>



NOTES TO THE FINANCIAL STATEMENTS

NOTE 11: FIXED ASSETS

(₹ in lakhs)

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		AS AT 01/04/2012	Additions during the year	Total	Deductions	AS ON 31/03/2013	As at 01/04/2012	For the year	Deductions	UIPTO 31/03/2013	AS AT 31/03/2013	AS AT 31/03/2012
1	Land-free hold	460.39	34.47	494.86	-	494.86	-	-	-	-	494.86	460.39
2	Buildings - Office at factory	44.78	-	44.78	-	44.78	11.37	0.73	-	12.10	32.68	33.41
3	Buildings - Factory	3,176.52	974.89	4,151.41	-	4,151.41	568.49	119.12	-	687.62	3,463.80	2,608.03
4	Plant and Equipment	8,510.47	2,592.90	11,103.37	-	11,103.37	3,487.60	514.34	-	4,001.94	7,101.43	5,022.87
5	Furniture and fixtures	433.68	7.44	441.12	-	441.12	165.36	27.64	-	193.00	248.12	268.33
6	Vehicles	152.01	-	152.01	14.70	137.31	89.36	13.55	12.37	90.54	46.77	62.65
7	Office Equipments	91.29	2.90	94.19	-	94.19	43.21	4.37	-	47.59	46.60	48.07
8	Laboratory Equipments	1,012.88	212.08	1,224.96	-	1,224.96	207.47	50.12	-	257.59	967.37	805.41
9	ETP Works	140.35	4.16	144.51	-	144.51	103.38	7.52	-	110.90	33.61	36.97
10	Misc Fixed assets	4.62	-	4.62	-	4.62	4.04	0.22	-	4.26	0.36	0.58
11	EDP Equipments	473.21	13.24	486.45	-	486.45	424.70	49.10	-	473.80	12.65	48.51
	<b>Sub total</b>	<b>14,500.21</b>	<b>3,842.09</b>	<b>18,342.29</b>	<b>14.70</b>	<b>18,327.59</b>	<b>5,104.99</b>	<b>786.71</b>	<b>12.37</b>	<b>5,879.33</b>	<b>12,448.26</b>	<b>9,395.22</b>
12	R&D Equipments	5,388.57	114.08	5,502.65	-	5,502.65	1,539.44	259.94	-	1,799.37	3,703.28	3,849.13
	<b>Total Tangible assets</b>	<b>19,888.77</b>	<b>3,956.17</b>	<b>23,844.94</b>	<b>14.70</b>	<b>23,830.24</b>	<b>6,644.43</b>	<b>1,046.64</b>	<b>12.37</b>	<b>7,678.71</b>	<b>16,151.54</b>	<b>13,244.35</b>
	Previous year	15,976.83	329.10	16,305.93	2.88	19,888.77	5,409.06	854.53	1.52	6,644.43	13,244.35	

Note: Depreciation on R&D Equipment of ₹ 259.94 lakhs has been added to R&D Expenses (Previous year ₹ 254.74 lakhs)



NOTES TO THE FINANCIAL STATEMENTS

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
<b>NOTE 12: NON-CURRENT INVESTMENTS (VALUED AT COST)</b>		
<b>A. Investment In Equity shares:</b>		
100 Equity Shares of ₹ 20/- each in G.S.F.C.Limited	0.02	0.02
<b>B Investment in Govt. and Trust securities</b>		
Investment In National Savings Certificates	0.13	0.08
<b>TOTAL</b>	<b>0.15</b>	<b>0.10</b>
<b>Aggregate value of Investments :</b>		
Un-quoted:		
Book Value	0.15	0.10
<b>NOTE 13: DEFERRED TAX LIABILITIES / DEFERRED TAX ASSETS</b>		
<b>Deferred Tax Liabilities</b>		
Depreciation	2,598.36	2,522.31
<b>TOTAL</b>	<b>2,598.36</b>	<b>2,522.31</b>
<b>Deferred Tax Assets</b>		
Unabsorbed Losses	4,074.31	4,189.58
Provision for Gratuity and Leave Encashment	93.67	93.70
<b>TOTAL</b>	<b>4,167.99</b>	<b>4,283.28</b>
Net Deferred Tax Liability / (Asset)	<b>(1,569.63)</b>	<b>(1,760.96)</b>
<b>NOTE 14: LONG TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Capital Advances	775.06	456.88
Security Deposits	168.78	187.56
<b>TOTAL</b>	<b>943.83</b>	<b>644.44</b>
<b>NOTE 15: CURRENT INVESTMENTS</b>		
<b>Investment in Mutual Funds:</b>		
SBI Premier Liquid Fund	3.48	447.33
347.220 units of ₹ 1003.25/- each (Previous year 44588.4611)		
SBI Infrastructure fund	3.64	5.00
50000 units of ₹ 10/- each (Previous year 50000 units)		
<b>TOTAL</b>	<b>7.12</b>	<b>452.33</b>
<b>Aggregate value of Investments :</b>		
Quoted :		
Book Value	7.12	452.33
Market Value	7.12	452.33



**NOTES TO THE FINANCIAL STATEMENTS**

	As at 31st March 2013 (₹ in lakhs)	As at 31st March 2012 (₹ in lakhs)
<b>NOTE 16: INVENTORIES</b>		
(As valued and certified by the Management)		
Raw Materials	1,519.26	1,488.45
Work-in- Process	1,898.86	1,779.38
Finished Goods	1,558.24	1,118.08
Stores and Spares	405.08	264.26
<b>TOTAL</b>	<b>5,381.43</b>	<b>4,650.17</b>
<b>NOTE 17: TRADE RECEIVABLES</b>		
<b>Unsecured, considered good</b>		
Aggregate amount of trade receivables outstanding for a period exceeding six months from the date they are due for payment	45.64	36.11
Others	2,332.12	2,487.81
<b>TOTAL</b>	<b>2,377.76</b>	<b>2,523.93</b>
<b>NOTE 18: CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Balances with bank	925.30	172.09
Cash on hand	9.35	4.61
In fixed deposit (maturity less than 3 months)	1,100.00	-
	<b>2,034.64</b>	<b>176.70</b>
<b>Other bank balances</b>		
Earmarked balances with banks	144.05	140.16
	<b>144.05</b>	<b>140.16</b>
<b>TOTAL</b>	<b>2,178.69</b>	<b>316.86</b>
<b>NOTE 19: SHORT - TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Advances for Purchases	203.83	87.33
Advances for Expenses	205.98	138.09
Prepaid expenses	108.09	89.01
VAT Credit Receivable	740.82	479.11
CENVAT Credit Receivable	660.00	538.00
Service Tax Credit Receivable	473.73	291.66
MAT Credit Entitlement	1,193.95	552.79
Advance Tax and TDS (Net of Provision for Tax)	749.86	316.32
Other Advances	31.63	36.57
<b>TOTAL</b>	<b>4,367.88</b>	<b>2,528.88</b>
<b>NOTE 20: OTHER CURRENT ASSETS</b>		
Interest Accrued	19.68	12.68
<b>TOTAL</b>	<b>19.68</b>	<b>12.68</b>



NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31st March 2013 (₹ in lakhs)	For the year ended 31st March 2012 (₹ in lakhs)
<b>NOTE 21: REVENUE FROM OPERATIONS</b>		
A. Sale of Products	22,800.10	19,213.86
Less : Excise Duty	(39.56)	(44.98)
	22,760.54	19,168.88
B. Sale of Services	3,027.92	1,251.90
<b>TOTAL</b>	<b>25,788.46</b>	<b>20,420.78</b>
A) Sale of Products		
a) Bulk Drugs	1,294.12	798.44
b) Intermediates	21,452.36	18,355.36
c) Recoveries	14.06	15.08
<b>TOTAL</b>	<b>22,760.54</b>	<b>19,168.88</b>
B) Sale of Services		
a) Contract Technical Services	533.47	372.07
b) Clinical Trials Services	301.98	200.59
c) Process Development Charges	358.06	641.20
d) Formulation Development Charges	138.73	38.05
e) Job works	1,695.68	-
<b>TOTAL</b>	<b>3,027.92</b>	<b>1,251.90</b>
	<b>TOTAL (A+B)</b>	<b>20,420.78</b>
	<b>25,788.46</b>	<b>20,420.78</b>
<b>NOTE 22: OTHER INCOME</b>		
Interest Income	23.53	14.57
(Tax Deducted at Source ₹ 2.30 lakhs (Previous year 1.51 lakhs))		
Dividend Income from Mutual Funds	80.69	56.49
Foreign Exchange Fluctuations Gain (Net)	-	75.55
Miscellaneous Receipts	-	43.64
Profit on sale of assets	0.12	-
<b>TOTAL</b>	<b>104.34</b>	<b>190.25</b>
<b>NOTE 23: COST OF MATERIALS CONSUMED</b>		
1) Raw Materials		
Opening Stock	1,460.09	944.92
Purchases	8,747.50	8,589.25
Less: Closing Stock	1,519.26	1,460.09
	<b>(A)</b>	<b>8,074.08</b>
2) Packing Materials		
Opening Stock	17.42	11.95
Purchases	140.83	76.95
Less: Closing Stock	19.18	17.42
	<b>(B)</b>	<b>71.49</b>
	<b>TOTAL (A+B)</b>	<b>8,145.56</b>
	<b>8,827.40</b>	<b>8,145.56</b>



**NOTES TO THE FINANCIAL STATEMENTS**

**Details of Major Raw material consumed**

Particulars	For the year ended 31st March 2013		For the year ended 31st March 2012	
	Quantity Kgs	Value ₹ in lakhs	Quantity Kgs	Value ₹ in lakhs
a) 2-Amino-5-chloro-2-Fluorobenzophenone	18,500	454.74	8,250	174.13
b) Caustic Soda Lye	2,684,177	410.56	2,395,424	294.64
c) 3-Isochromanone	253,000	2,655.44	249,900	2,536.17
d) Methanol	2,413,924	699.56	2,946,004	723.55
e) Chloro Acetaldehyde Dimethyl Acetal	32,799	203.47	23,541	111.75
f) Methyl Formate	145,434	110.62	139,769	118.29
g) Toluene	330,840	268.83	427,065	290.11
h) Tetra Hydrofuran	107,521	234.51	130,785	275.57
i) Ethyl Alcohol	354,835	109.30	330,272	99.32
j) Others	-	3,541.29	-	3,450.56
<b>TOTAL</b>		<b>8,688.33</b>		<b>8,074.08</b>

	For the year ended 31st March 2013 (₹ in lakhs)	For the year ended 31st March 2012 (₹ in lakhs)
<b>NOTE 24: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK - IN - PROGRESS AND STOCK - IN - TRADE</b>		
<b>Opening Stock :</b>		
Work - in - Progress	1,779.38	1,329.29
Finished Goods	1,118.08	1,003.43
<b>A</b>	<b>2,897.46</b>	<b>2,332.72</b>
<b>Closing Stock :</b>		
Work - in - Progress	1,898.85	1,779.38
Finished Goods	1,558.24	1,118.08
<b>B</b>	<b>3,457.09</b>	<b>2,897.46</b>
<b>Increase/(Decrease) in Stocks C = (B-A)</b>	<b>559.63</b>	<b>564.74</b>

Break-up of Stocks - Finished Goods	For the year ended 31st March 2013		For the year ended 31st March 2012	
	Quantity MT.	Value ₹ In Lakhs	Quantity MT.	Value ₹ In Lakhs
a) Bulk Drugs	0.606	11.52	6.199	89.01
b) Intermediates	119.189	1,546.72	86.999	1,029.07
<b>TOTAL</b>	<b>119.795</b>	<b>1,558.24</b>	<b>93.198</b>	<b>1,118.08</b>



NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31st March 2013 (₹ in lakhs)	For the year ended 31st March 2012 (₹ in lakhs)
<b>NOTE 25: MANUFACTURING EXPENSES</b>		
Power & Fuel	2,193.45	1,404.40
Consumable Stores	52.66	41.10
Factory Upkeep Expenses	671.14	415.50
Environment Management Expenses	189.78	198.15
Safety Expenses	44.85	37.75
Quality Control Expenses	185.69	126.46
Repairs & Maintenance :		
Buildings	17.24	11.26
Plant & Machinery	550.00	433.22
<b>TOTAL</b>	<b>3,904.81</b>	<b>2,667.83</b>
<b>NOTE 26: EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages & Bonus	2,043.62	1,711.65
Staff Welfare Expenses	219.81	235.79
Contribution to PF & Other Funds	274.27	335.60
<b>TOTAL</b>	<b>2,537.70</b>	<b>2,283.03</b>

In accordance with Accounting Standard 15 "Employees Benefits", the Company has classified various benefits provided to employees as under:

I. Defined Contribution Plans and respective Contributions

(₹ in lakhs)

Particulars	Employers contribution debited to P&L A/c	
	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Provident Fund	145.44	132.12
State Defined Contribution Plans		
i. Employees' State Insurance	19.52	16.69
ii. Employees' Pension Scheme, 1995	41.92	37.65

II. Defined Benefit Plans

a) Disclosure relating to Employee benefits – As per AS 15 (Revised) For defined benefit plan – Gratuity (Projected Unit Credit Method)

(₹ in lakhs)

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
<b>A. Change in present value of obligation</b>		
Present value of obligation at the beginning of the year	482.22	349.86
Current Service cost	28.25	31.49
Interest cost	38.58	27.99
Benefits paid	(50.83)	(0.09)
Net Actuarial (Gain) / Loss Recognized during the year	9.68	72.98
Present value of obligation at the end of the year	507.90	4,822.22



**NOTES TO THE FINANCIAL STATEMENTS**

	For the year ended 31st March 2013 (₹ in lakhs)	For the year ended 31st March 2012 (₹ in lakhs)
<b>B. Changes in the Fair Value of Plan Assets</b>		
Present Value of Plan Assets at the beginning of the year	167.88	127.54
Expected Return on Plan Assets	14.28	11.80
Actuarial Gain / (Loss)	-	-
Contributions	65.06	28.63
Benefits Paid	(32.27)	(0.09)
Fair Value of Plan Assets at the end of the year	214.95	167.88
<b>C. Net (Asset)/Liability recognized in the Balance Sheet</b>		
Present value of obligation at the end of the year	314.34	204.45
Fair value of Plan Assets at the end of the year	(21.39)	109.89
Funded status (surplus) / deficit	292.95	314.34
Net (Asset) / Liability recognized in the Balance Sheet	292.95	314.34
<b>D. Expenses recognized in the Profit &amp; Loss Account</b>		
Service Cost	28.25	31.49
Interest Cost	38.58	27.99
Expected return on Plan Assets	(14.28)	(11.80)
Net Actuarial (Gain) / Loss recognized during the year	9.68	72.98
<b>Total Expenses recognized in Profit and Loss account</b>	<b>62.23</b>	<b>120.65</b>
<b>Assumptions Used</b>		
Discount Rate (per annum)	8.00%	8.00%
Rate of increase in Compensation levels	9.00%	9.00%
Rate of Return on Plan Assets (for Funded Scheme)	9.25%	9.25%
Expected Average remaining working lives of employees (years)	25.05	25.05

**b) Other Employee Benefit Plan**

The liability for Leave Encashment as at the year end is ₹186.38 lakhs (previous year ₹ 186.70 lakhs) and the assumptions are as same as above.

**NOTE 27: RESEARCH & DEVELOPMENT EXPENSES**

Lab Maintenance	752.89	737.30
Patent Related Expenses	533.38	475.89
R & D Materials	509.35	479.18
R & D Other Expenses	287.30	248.81
R & D Salaries	1,126.47	1,108.99
Depreciation	259.94	254.74
<b>TOTAL</b>	<b>3,469.33</b>	<b>3,304.91</b>

**NOTE 28: FINANCE COSTS**

Interest - on Fixed Loans	944.37	740.38
- on Others	229.97	148.12
Bank Charges	109.40	102.43
Exchange difference on foreign currency loan	67.20	-
<b>TOTAL</b>	<b>1,350.94</b>	<b>990.93</b>



NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31st March 2013 (₹ in lakhs)	For the year ended 31st March 2012 (₹ in lakhs)
<b>NOTE 29: OTHER EXPENSES</b>		
<b>Administrative &amp; Other Expenses</b>		
Rent	94.32	100.47
Rates & Taxes	9.21	7.60
Service Tax	14.20	7.44
Insurance	129.21	109.35
Communication Charges	64.55	66.01
Travelling & Conveyance	274.82	234.62
Printing & Stationery	64.56	65.64
Vehicle Maintenance	22.05	27.85
Professional Charges	247.22	125.48
Payments to Auditors :		
- As Auditors	5.50	4.63
- for Tax Matters	1.75	1.50
- for other Services	0.75	0.75
- for Expenses	0.12	0.20
Security Charges	91.60	68.92
Donations	5.19	4.65
Repairs & Maintenance	23.96	31.57
Loss on Foreign Exchange Fluctuations	21.18	-
Loss /(Gain) on Forward Contracts	362.95	625.61
MTM on Forward Contracts	-	348.06
General Expenses	145.84	131.47
<b>TOTAL (A)</b>	<b>1,578.98</b>	<b>1,961.82</b>
<b>Selling Expenses</b>		
Sales Promotion	148.58	18.99
Advertisement	3.71	6.75
Carriage Outwards	178.78	138.19
Commission on Sales	171.73	52.98
<b>TOTAL (B)</b>	<b>502.80</b>	<b>216.91</b>
<b>Clinical Projects Expenses</b>	<b>208.52</b>	<b>90.81</b>
<b>TOTAL (C)</b>	<b>208.52</b>	<b>90.81</b>
<b>Total Other Expenses (A+B+C)</b>	<b>2,290.30</b>	<b>2,269.54</b>



**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 30: EARNINGS PER SHARE**

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
Net Profit after tax available for Equity shareholders (₹ in lakhs)	3,083.95	1,436.24
Weighted average of number of Equity shares outstanding during the year	116,748,431	116,731,988
Basic and Diluted Earnings Per Equity share (Re.1/- Face Value)	2.64	1.23

**NOTE 31: ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS**

**31.1 Contingent Liabilities**

(₹ in lakhs)

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
Un expired Letters of Credit	550.58	358.71
Income tax appeal for Asst.year 2010-11	86.98	0.00

31.2 Capital commitments not provided for on account of capital works net of advance ₹ 278.39 lakhs (Previous year ₹ 225.19 lakhs)

31.3 During the year Unclaimed Dividend pertaining to 2004-05 amounting to ₹ 1.40 Lakhs has been transferred to Investor Education and Protection Fund. There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as of 31st March 2013 (Previous year Nil)

31.4 Based on information available with the company, no creditors have been identified as Micro and Small enterprises with in the meaning of "Micro, Small and Medium enterprises development (MSMED) Act, 2006".

**31.5 Managerial Remuneration:**

(₹ in lakhs)

Particulars	Chairman & CEO		Whole-time Director	
	2012-13	2011-12	2012-13	2011-12
Salary & Allowances	91.80	48.00	40.81	36.60
Commission	34.86	-	17.43	-
Contribution to Provident Fund	11.02	5.76	4.90	4.39
<b>TOTAL</b>	<b>137.68</b>	<b>53.76</b>	<b>63.14</b>	<b>40.99</b>

31.6 National Savings Certificates to the extent of ₹ 3,000/- have been pledged with Government Authorities.



## NOTES TO THE FINANCIAL STATEMENTS

### 31.7 Employee Stock Option Scheme

The Company instituted the Employees Stock Option 2004 plan for all eligible employees. The Scheme covers all eligible employees of Suven Life Sciences Limited and its subsidiary.

The movement in options during the year ended March 31, 2013 is set out below:

Particulars	Year Ended 31st March, 2013 (No. of Shares)	Year Ended 31st March, 2012 (No. of Shares)
Options outstanding at the beginning of the year	1,806,060	1,735,812
Add : Granted during the year	-	500,000
<b>TOTAL</b>	<b>1,806,060</b>	<b>2,235,812</b>
Less: Lapsed	518,660	429,752
Converted into equity shares	96,800	Nil
Options outstanding at the end of the year	1,190,600	1,806,060

31.8 Excise Duty amounting to ₹ 26.18 lakhs on Closing Stock of finished goods has been provided during the year to comply with 'Guidance Note on Accounting treatment for Excise duty' issued by Institute of Chartered Accountants of India.

### 31.9 Hedging and Derivatives

Company has entered into Forward Exchange contract, being derivative instruments for hedging purpose and not intended for trading or speculation purposes, to establish the amount of currency in Indian Rupees required or available at the settlement date of certain payables and receivables. The following are the outstanding Forward Exchange Contracts as on 31st March 2013, entered into by the Company;

Foreign Currency	Buy or Sell	No. of Contracts	Cross Currency	Amounts in USD	
				2012-13	2011-12
USD	Sell	11	Indian Rupees	Nil	\$95,00,000

## NOTE 32: SEGMENT REPORTING

### A) PRIMARY SEGMENT :

#### Business Segment

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

- a) Manufacturing (CRAMS)
  - b) Services (DDDSS)
  - c) Research and Development
- I. Manufacturing (CRAMS) - Bulk Drugs & Intermediates under contract services products are developed and produced on an exclusive basis under contract Manufacturing services
  - II. Services (DDDSS) - Which consists of Clinical Trials and Testing and Analysis services



**NOTES TO THE FINANCIAL STATEMENTS**

**B) SECONDARY SEGMENT :**

**Geographical Segment**

The Company has identified the following geographical reportable segments:

- a) India-The company sells Bulk Drugs and Intermedites and Fine Chemicals.
- b) U.S.A -The company sells Intermediates
- c) Europe-The company sells Bulk Drugs and Intermedites
- d) Others -The company sells Bulk Drugs and Intermedites

(₹ in lakhs)

Particulars	Manufacturing (CRAMS)	Services (DDDSS)	Research and Development	Un allocated	Total
<b>Segment Revenue</b>					
External Sales	22,760.54	3,027.92	-	-	25,788.46
	(19,168.88)	(1,251.90)	-	-	(20,420.78)
Inter Segmental Adj.	-	-	-	-	-
<b>TOTAL</b>	<b>22,760.54</b>	<b>3,027.92</b>	<b>-</b>	<b>-</b>	<b>25,788.46</b>
	(19,168.88)	(1,251.90)	-	-	(20,420.78)
<b>Segment Result</b>					
Operating Profit	7,928.86	1,514.45	(3,469.33)	(1,618.74)	4,355.25
	(6,507.91)	(531.83)	(3,304.91)	(2,122.40)	1,612.43
Other Income	-	-	-	-	104.34
	-	-	-	-	190.25
Interest Expense	-	-	-	-	1,174.34
	-	-	-	-	888.50
Exceptional items	-	-	-	-	-
Income Tax -Current Tax	-	-	-	-	664.28
	-	-	-	-	171.60
Previous Current Tax	-	-	-	-	(13.17)
	-	-	-	-	(0.87)
Deferred Tax	-	-	-	-	191.34
	-	-	-	-	(522.06)
MAT Credit entitlement	-	-	-	-	(641.16)
	-	-	-	-	(170.73)
Net Profit	-	-	-	-	3,083.95
	-	-	-	-	1,436.24
Segment Assets	20,363.99	3,823.00	4,176.51	5,048.98	33,412.47
	(17,446.83)	(3,681.82)	(3,988.33)	(3,381.75)	(28,498.72)
Segment Liabilities	7,540.70	769.47	1,763.87	1,474.11	11,548.16
	(6,780.97)	(385.66)	(1,770.05)	(1,307.45)	(10,244.12)
Capital Expenditure	3,842.09	-	114.08	-	3,956.17
	(265.81)	(3,385.72)	(63.28)	-	(3,714.81)
Depreciation	691.10	47.81	259.94	47.81	1,046.65
	(498.08)	(50.85)	(254.74)	(50.85)	(854.53)

Note: Figures in brackects relates to previous years.



NOTES TO THE FINANCIAL STATEMENTS

C) Geographical Information

(₹ in lakhs)

Country	Revenue		Location of Assets		Additions to Fixed Assets	
	Year Ended 31.03.2013	Year Ended 31.03.2012	Year Ended 31.03.2013	Year Ended 31.03.2012	Year Ended 31.03.2013	Year Ended 31.03.2012
IINDIA	2,906.83	1,036.74	23,808.43	19,867.82	3,955.31	3,911.18
U S A	7,384.97	6,291.27	21.81	20.95	0.86	3.63
EUROPE	10,990.10	11,698.14				
OTHERS	4,506.56	1,394.63				
<b>TOTAL</b>	<b>25,788.46</b>	<b>20,420.78</b>	<b>23,830.24</b>	<b>19,888.77</b>	<b>3,956.17</b>	<b>3,914.81</b>

NOTE 33: RELATED PARTY DISCLOSURES

List of and relationship with related parties with whom transactions have taken place during the year :

Key Managerial Personnel : Mr. Venkateswarlu Jasti (Chairman & CEO)  
Mrs. Sudha Rani Jasti (Whole-time Director)

Relative of key managerial persons : Ms. Kalyani Jasti (Daughter of Mr.Venkateswarlu Jasti)

(₹ in lakhs)

Particulars	Key Managerial Personnel	Relative of Key Managerial Personnel	Total
Remuneration	200.83 (94.75)	78.20 (66.43)	279.03 (161.18)
Finance	- (180.00)	- -	- (180.00)
Balance outstanding	- (180.00)	- -	- (180.00)

Note: Figures in bracket relates to previous year

NOTE 34: OTHERS

34. 1) Value of Imports on CIF basis

(₹ in lakhs)

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
a) Raw Materials	3,221.04	3,099.14
b) Components and Spare Parts	372.18	271.04

34. 2) Expenditure in Foreign Currency

(₹ in lakhs)

Particulars	Year Ended 31st March 2013	Year Ended 31st March 2012
Travel	46.21	42.30
Dividend	12.62	10.89
Sales Commission	155.65	52.45
Foreign Branch Expenses	416.29	380.85
Research & Development Expenses	623.75	444.11
<b>TOTAL</b>	<b>1,254.52</b>	<b>930.60</b>



**NOTES TO THE FINANCIAL STATEMENTS**

34. 3) Value of Imported and indigeneous Raw Materials, Stores and Spares consumed and percentage of each to total consumption.

	Year Ended 31st March 2013		Year Ended 31st March 2012	
	Value ₹ In Lakhs	% to Total	Value ₹ In Lakhs	% to Total
<b>a) Raw Materials</b>				
i) Imported	3,349.32	38.55	2,696.43	33.40
ii) Indegenious	5,339.01	61.45	5,377.65	66.60
<b>TOTAL</b>	<b>8,688.33</b>	<b>100.00</b>	<b>8,074.08</b>	<b>100.00</b>
<b>b) Stores and Spares</b>				
i) Imported	8.05	15.28	5.45	13.26
ii) Indegenious	44.61	84.72	35.65	86.74
<b>TOTAL</b>	<b>52.66</b>	<b>100.00</b>	<b>41.10</b>	<b>100.00</b>

34. 4) Dividend remittances in foreign currency

Year of Remittance	On Account of Financial Year	No. of Non-Resident Shareholders	No. of Shares held	Amount of Dividend
2012/2013	2011/2012	7	4207900	12.62
2011/2012	2010/2011	9	4357900	10.89

34. 5) Earnings in Foreign Currency (₹ in lakhs)

	Year Ended 31st March 2013	Year Ended 31st March 2012
FOB Value of Exports	21,800	18,178

**NOTE 35 :**

M/s. Suven Nishtaa Pharma Pvt. Ltd., wholly owned subsidiary was merged with the company on 01.01.2012 . Accordingly previous year figures includes combined operations for three months and hence previous year figures are not comparable.

**NOTE 36 :**

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

Signatures of Note 1 to 36

The accompanying notes are an integral part of the Financial Statements.

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

**K. AJAY KUMAR**  
Partner  
(M.No. 021989)

**VENKATESWARLU JASTI**  
Chairman & CEO

**SUDHA RANI JASTI**  
Whole-time Director

Place : Hyderabad  
Date : 14th May, 2013

**K. HANUMANTHA RAO**  
Company Secretary



## E-COMMUNICATION REGISTRATION FORM

To

**Karvy Computershare Private Limited**  
 (Unit: Suven Life Sciences Limited)  
 Plot no.17 to 24, Vittalrao Nagar,  
 Madhapur, Hyderabad - 500 081

Dear Sir/Madam,

**RE: Green Initiative in Corporate Governance**

I agree to receive all communication from the Company in electronic mode. Please register my e-mail id in your records for sending communication through e-mail.

Folio No. : \_\_\_\_\_

DP ID : \_\_\_\_\_

Client ID : \_\_\_\_\_

PAN : \_\_\_\_\_

Name of 1st Registered Holder : \_\_\_\_\_

Name of Joint Holder(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-mail ID : \_\_\_\_\_

Date: \_\_\_\_\_ Signature of the first holder: \_\_\_\_\_

**Important Notes:**

- 1) On registration, all the communication will be sent to the e-mail ID registered in the folio/DP ID & Client ID.
- 2) Shareholders are requested to keep company informed as and when there is any change in the e-mail address. Unless the email Id given above is changed by you by sending another communication in writing, the company will continue to send the notices/documents to you on the above mentioned email ID.



# SUVEN LIFE SCIENCES LIMITED

Regd. Off: SDE Serene Chambers, Road No.5,  
Avenue 7, Banjara Hills, Hyderabad - 500 034

## ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall

DP ID No.		NAME AND ADDRESS OF THE REGISTERED SHAREHOLDER
Client ID No./ Folio No.		
No. of Shares		

I/We hereby record my/our presence at the 24th Annual General Meeting to be held on Tuesday the 13th day of August 2013 at 10.00 a.m. at KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry [FAPCCI], 11-6-841, Red Hills, Hyderabad -500 004.

Signature of Shareholder/Proxy



# SUVEN LIFE SCIENCES LIMITED

Regd. Off: SDE Serene Chambers, Road No.5,  
Avenue 7, Banjara Hills, Hyderabad - 500 034

## PROXY FORM

I/ We \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ being a Member / Members of  
SUVEN LIFE SCIENCES LIMITED hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ as my/our Proxy to attend and vote for me/us and on my/our  
behalf at the 24th Annual General Meeting to be held on Tuesday the 13th day of August 2013 at 10.00 a.m. at KLN Prasad Auditorium,  
The Federation of Andhra Pradesh Chambers of Commerce & Industry [FAPCCI], 11-6-841, Red Hills, Hyderabad 500 004, and at  
any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

DP ID No.		Signature _____	<div style="border: 1px solid black; padding: 5px; text-align: center;"> Affix  ₹1.00  Revenue  Stamp </div>
Client ID No./ Folio No.			
No. of Shares			

**Note:** This form duly completed and signed as per specimen registered with the Company should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the commencement of the meeting.





cGMP facility at Pashamylaram

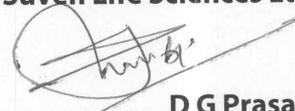
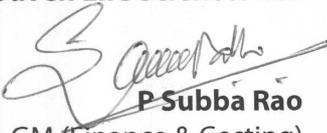
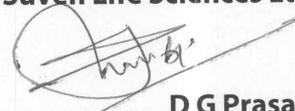
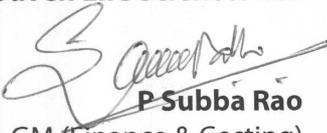
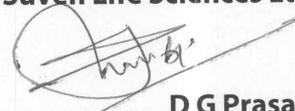
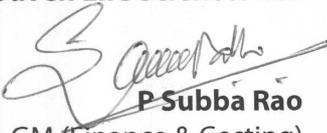


Sri Venkat Jasti receiving Business Leader 2012 Award from Hon'ble Chief Minister of A.P.



**FORM A**

**(Pursuant to Clause 31(a) of the Listing Agreement)**

1.	Name of the Company:	<b>SUVEN LIFE SCIENCES LIMITED</b>				
2.	Annual financial statements for the year ended	<b>31st March 2013</b>				
3.	Type of Audit observation	<b>Un-qualified</b>				
4.	Frequency of observation	<b>Not Applicable</b>				
5.	<p style="text-align: center;">Signed by-</p> <table border="0" style="width: 100%;"><tr><td style="width: 50%; text-align: center;"><p><b>For Suven Life Sciences Ltd</b></p><p><b>Venkateswarlu Jasti</b> Chairman &amp; CEO</p></td><td style="width: 50%; text-align: center;"><p><b>For Suven Life Sciences Ltd</b></p><p><b>D G Prasad</b> Chairman of Audit Committee</p></td></tr><tr><td style="text-align: center;"><p><b>For Suven Life Sciences Ltd</b></p><p><b>P-Subba Rao</b> GM (Finance &amp; Costing)</p></td><td style="text-align: center;"><p><b>For KARVY &amp; CO.,</b> Chartered Accountants FRN: 01757S</p><p><b>(K. AJAY KUMAR)</b> Partner (M. No. 021989)</p></td></tr></table>		<p><b>For Suven Life Sciences Ltd</b></p>  <p><b>Venkateswarlu Jasti</b> Chairman &amp; CEO</p> 	<p><b>For Suven Life Sciences Ltd</b></p>  <p><b>D G Prasad</b> Chairman of Audit Committee</p>	<p><b>For Suven Life Sciences Ltd</b></p>  <p><b>P-Subba Rao</b> GM (Finance &amp; Costing)</p>	<p><b>For KARVY &amp; CO.,</b> Chartered Accountants FRN: 01757S</p>  <p><b>(K. AJAY KUMAR)</b> Partner (M. No. 021989)</p>
<p><b>For Suven Life Sciences Ltd</b></p>  <p><b>Venkateswarlu Jasti</b> Chairman &amp; CEO</p> 	<p><b>For Suven Life Sciences Ltd</b></p>  <p><b>D G Prasad</b> Chairman of Audit Committee</p>					
<p><b>For Suven Life Sciences Ltd</b></p>  <p><b>P-Subba Rao</b> GM (Finance &amp; Costing)</p>	<p><b>For KARVY &amp; CO.,</b> Chartered Accountants FRN: 01757S</p>  <p><b>(K. AJAY KUMAR)</b> Partner (M. No. 021989)</p>					

Place: Hyderabad

Date: 14<sup>th</sup> May, 2013