CSD/NSE/AR/2014-15
July 18, 2014

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

Dear Sir/Madam,

Scrip Code: SUVEN – EQ

Sub: Furnishing of 25th Annual Report 2013-14 under Clause 31 of the Listing Agreement

With reference to the above subject, as per Clause 31 of the Listing Agreement, please find enclosed six copies of the 25th Annual Reports 2013-14 which includes Directors' Report, Balance Sheet, Statement of Profit & Loss and Notice of AGM & E-voting information sheet along with Form-A signed by the Chairman & CEO, GM (Finance & Costing), Chairman of Audit Committee and Auditor of the company.

This is for your information and records. Kindly acknowledge the receipt of the same.

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

K. Hanumantha Rao
Company Secretary

SUVEN LIFE SCIENCES LIMITED

25TH ANNUAL REPORT 2013-14

mind over matter

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Annual Report 2013-14

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mind
over matter.

What have we achieved in the 25 years of our existence?

To answer in one sentence: we didn't just pioneer the concept of Contract Research And Manufacturing Services (CRAMS) in India; we enhanced its respect.

The result

We have emerged as one of the most respected research-driven CRAMS players partnering global pharmaceutical giants.

What have we achieved in the last 10 years of our existence?

To answer in one sentence: we graduated along the research value-chain – from assisting NCE development into undertaking NCE development in the most challenging Central Nervous System (CNS) therapeutic segment.

The result

We have emerged as India's only focused NCE player developing an exciting pipeline in the CNS space.

Not bad for a company that few people gave a chance when it went into business.

P.S. And before we forget, we may add that we reported a 98% increase in our revenues and 367% growth in our profit after tax in 2013-14.

Having started as a CRAMS player,
Suven could have been one among the lot.
But, over the years, Suven selected to be different.

What Suven could easily have done

Become a contract manufacturing company.

Focused on process excellence only

Focused on relatively simple therapeutic areas

Focused on the prevalent reverse engineering generics model

Worked with any pharmaceutical player

Provided largely chemistry services

How Suven proved to be different at that time

Selected to emerge as a contract research company instead.

Selected to focus on innovative process research of intermediates

Focused to work on the complex intermediates (therapeutic segment-agnostic)

Selected to engage in complex chemistry

Selected to work with most global innovators

Selected to provide full-spectrum services

And how Suven extended its differentiation

Moved into the challenging NCE space

Leveraged its research expertise into developing new molecules

Opted in favour of the most challenging therapeutic segment for NCE development

Present now in the highest-risk, highest-reward CNS-NCE zone

Opted to rub-shoulders with the best global innovators

Posses the option to partner in the area of NCE development which could save the lives of millions

Global relationships

AstraZeneca
NOVARTIS
sanofi aventis
Because health matters
Johnson & Johnson
Lilly
Abbott
A Promise for Life
Bristol-Myers Squibb
MERCK
Research Laboratories
Boehringer Ingelheim
Pfizer
DU PONT
Lundbeck
Celgene
gsk
GlaxoSmithKline

Suven is special for a number of reasons – research investment, innovation capability, large team and therapeutic focus.

The heart of any successful pharmaceutical enterprise lies in its research capability.

This research capability is jealously guarded; a number of global pharmaceutical companies spend prudently, extensively and consistently in research to enhance competitiveness.

The one company that a number of global innovators are closely watching is the Hyderabad-based Suven Life Sciences Limited.

For a number of reasons.

Suven's team of nearly 386+ experienced scientists. Suven's high ethical IP discipline. Suven's ability to take a customer's brief ahead. Suven's ability to develop novel intermediates for NCE programmes of global pharmaceutical innovators. Suven's ability to deliver cost-effective solutions, on time, everytime.

Mind over matter.

₹800~cr
ENTERPRISE VALUE (MARCH 31, 2014)

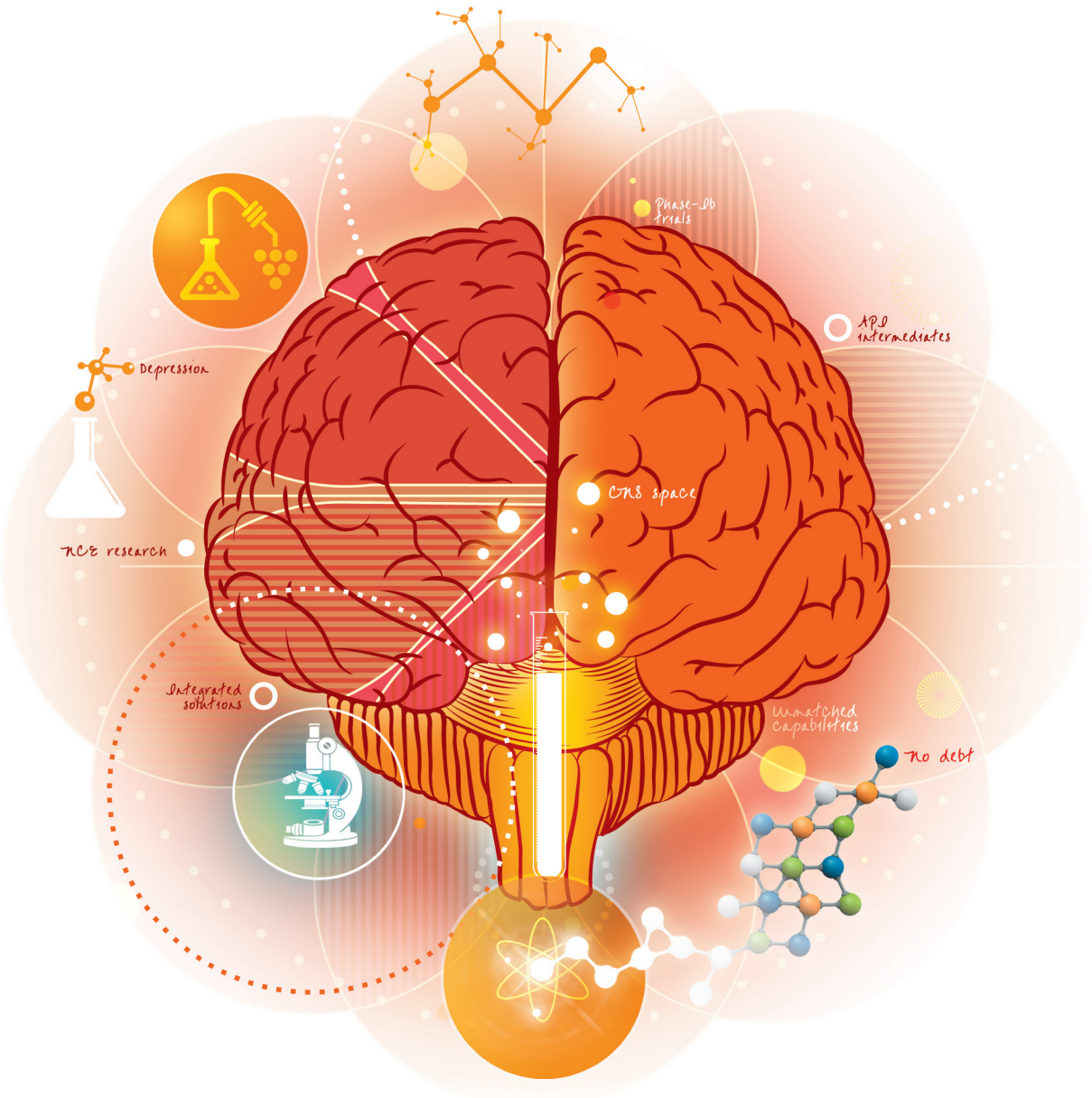
64%
PROMOTER HOLDING (MARCH 31, 2014)

800+
TEAM SIZE (MARCH 31, 2014)

61
GLOBAL CLIENTS (MARCH 31, 2014)

Multi-locational facilities

Manufacturing facilities		R&D facilities	Global presence	Headquarters
Pashamylaram, Andhra Pradesh	Suryapet, Andhra Pradesh	Jeedimetla, Andhra Pradesh	New Jersey, USA	Hyderabad, Andhra Pradesh
API and formulation facility	Intermediate facility	R&D pilot plant	Business office	
120 kL reactor volume **50L** – 6,000 L GL/SS (45) **API** Manufacturing **Biopharmaceutical** research (GLP) **Formulation** R&D		**Process** research **Discovery** R&D **Analytical** R&D **Kilo** lab **30L** CM reactors (32) **50L** -4000L GL/SS	**Business** development **Project** management **Intellectual** property management	


Phase-Ib trials
API intermediates
Depression
CNS space
NCE research
Integrated solutions
Unmatched capabilities
No debt

the mind

Having developed an expertise in the research of API intermediates for global innovator companies, Suven graduated into the high-risk, high-return NCE space in 2006 with the objective to develop an exciting and innovative pipeline of molecules

We leveraged our sizeable pharmaceutical experience to grow our presence in the CNS space, which is the most challenging therapeutic segment across the world.

We dedicated 120 out of 386 R&D members, solely for NCE research and development.

We invested ₹338 crore in NCE research since 2006 without assuming a single rupee of debt.

We created unmatched capabilities in the CNS segment in Asia.

Our painstaking efforts have delivered heartening results:

We created a promising NCE research pipeline of 13 molecules.

Our key molecule 'SUVN-502' for Alzheimer is undergoing Phase 1b trials in the US under US IND and is expected to move to Phase 2a (Proof-of-Concept) in 2014.

Our three molecules (addressing Depression, Alzheimer's and Schizophrenia) are expected to move to the IND Phase in 2014-15.

We have emerged as an integrated solutions provider for CNS from Asia.

Discovery Pipeline

	Design	Discovery	Pre Clinical	IND	Phase 1	Phase 2
Neurodegenerative diseases/Cognition/Mild Cognitive Impairment (MCI)/Alzheimer's/Schizophrenia						
SUVN-501 (5-HT6 Antagonist)						
SUVN-502 (5-HT6 Antagonist)				2008	2009	2014
SUVN-507 (5-HT6 Antagonist)						
SUVN-512 (5-HT6 Antagonist)				2014		
SUVN-976 (5-HT6 Antagonist)						
SUVN-D4010 (5-HT4 Partial Antagonist)				2014	2014	
nACHr Alpha – 4 Beta – 2						
SUVN-G3031 (Histamine-3 Antagonist)				2014	2014	
Obsesity/Metabolic disorders						
SUVN-504 (5-HT6 Antagonist)						
Histamine -3 (Antagonist)						
nACHr Alpha – 4 Beta – 2						
Pain/Major Depressive Disorder (MDD)						
nACHr Alpha – 4 Beta – 2 Antagonist (Pain)						
SUVN-911(nACHr Alpha – 4Beta – 2) (MDD)				2014	2014	
CB2 Agonist (Pain)						

why cns?

The complexity of grey matter easily makes CNS the most challenging therapeutic target; yet it is the second largest therapeutic segment in the global pharmaceutical space.

The high risk of drugs targeting diseases such as Alzheimer's, Parkinson's, Depression, anxiety, Schizophrenia and stroke have resulted in billions of dollars being sub-optimally spent in recent years. CNS disorders impose an economic burden of more than US$2 trillion in the US and the EU; they earn upwards of US$80 billion a year for the pharmaceutical industry.

A novel Alzheimer's disease medication bears every promise of outshining the best known blockbuster, but its chances of reaching the market are also nearly 50% lower and development costs 30% higher than its cardiovascular counterpart.

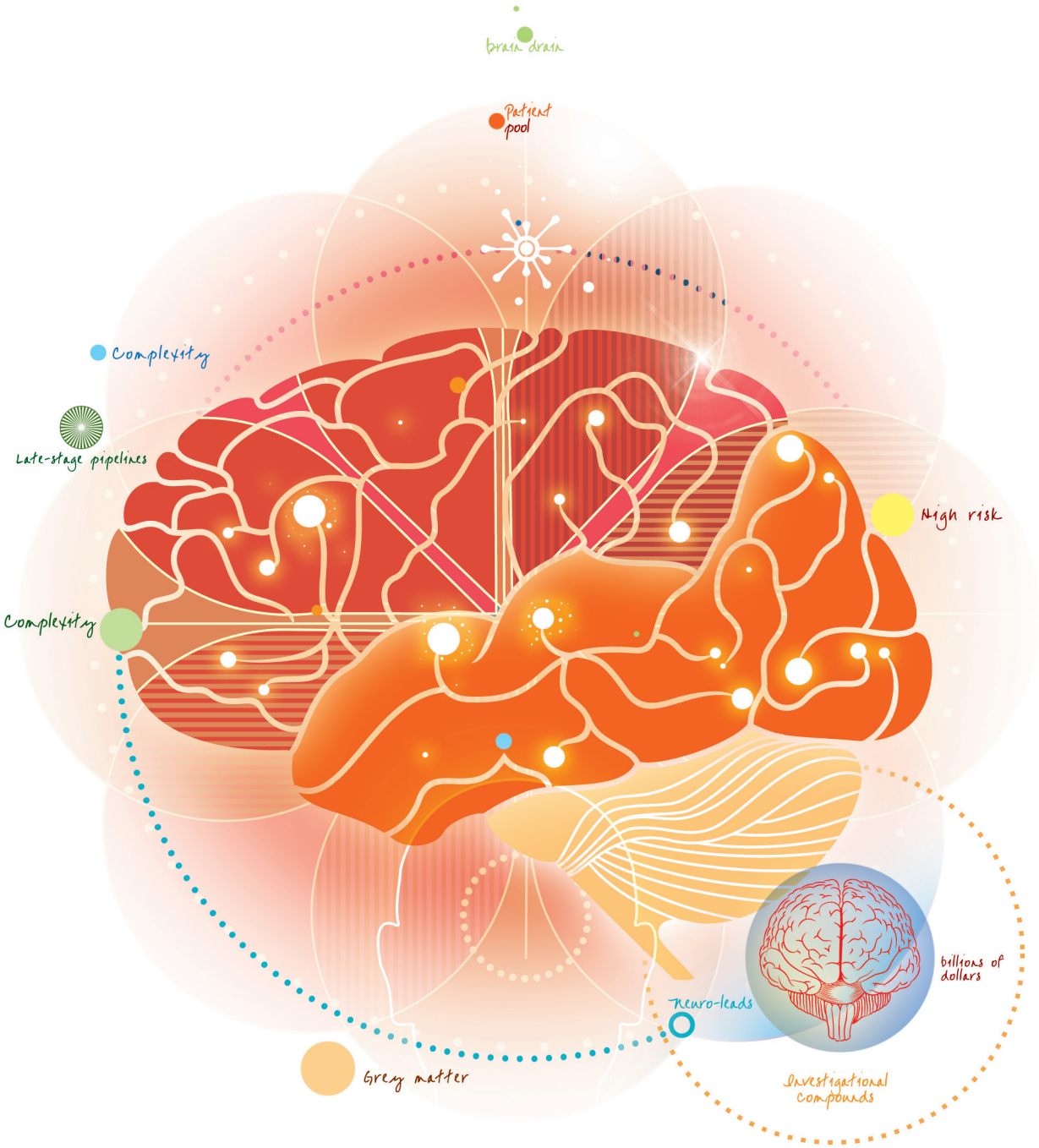
Close to 85% of investigational compounds never see the pharmacy shelf. The sheer financial scope of failures of neuro-leads in late-stage pipelines has made CNS drug development a literal brain drain. However, on the other hand, a single successful molecule can completely transform the developer's fortunes.

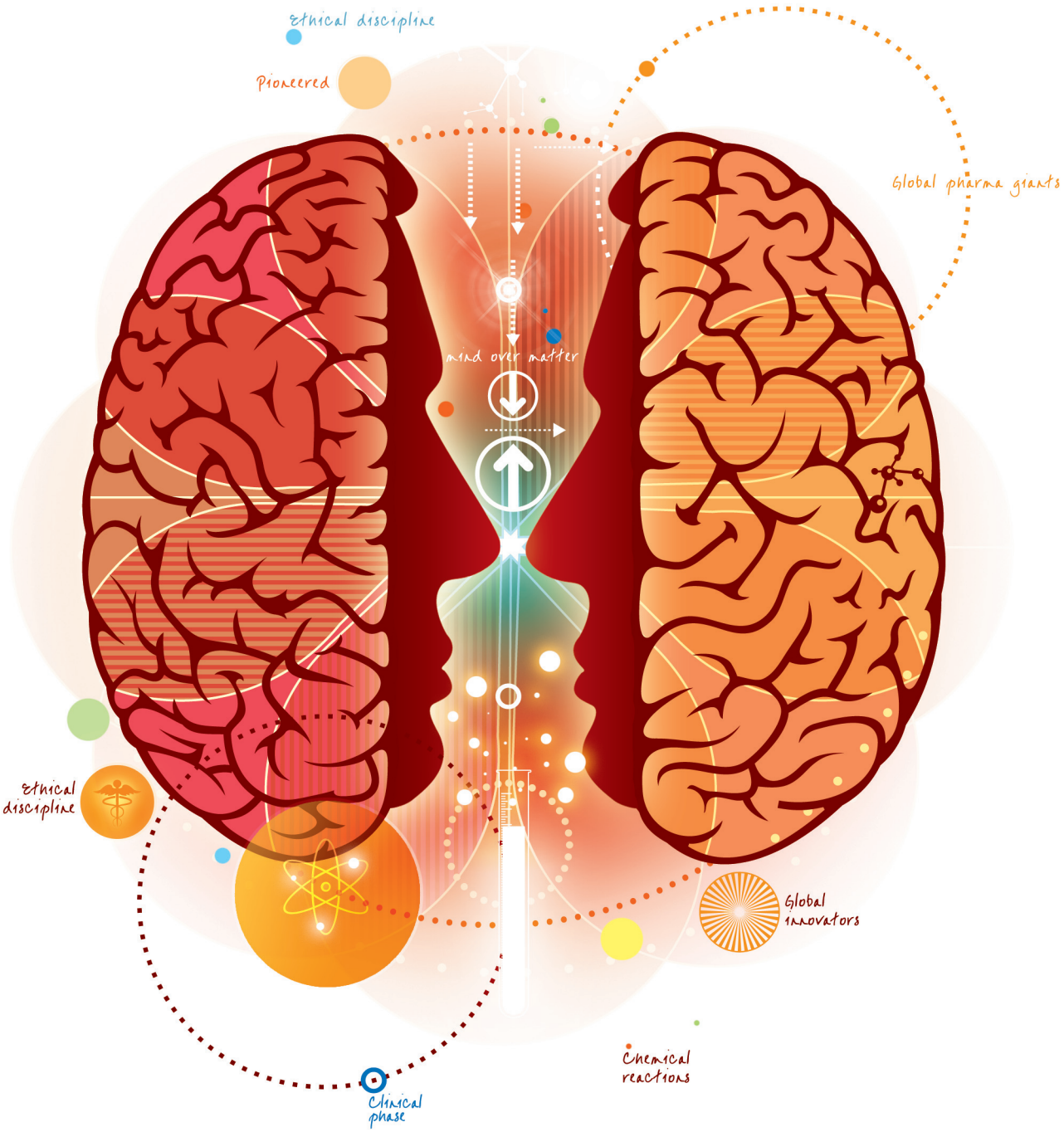
Large patient pool – a sizeable opportunity

Worldwide, nearly 36 million people suffer from Alzheimer's or a related dementia; the global cost of Alzheimer's and dementia is estimated at US$605 billion, which is equivalent to 1% of the entire world's gross domestic product.

Schizophrenia affects about 24 million people worldwide; more than 50% of persons with Schizophrenia do not receive appropriate care. It is estimated that nearly 1.2% of the population in the U.S. has Schizophrenia.

An estimated seven to 10 million people worldwide are living with Parkinson's disease. Approximately 60,000 Americans are diagnosed with Parkinson's disease each year, this number not reflecting the thousands of cases that go undetected.


brain drain
Patient pool
Complexity
Late-stage pipelines
High risk
Complexity
billions of dollars
Neuro-leads
Grey matter
Investigational compounds


ethical discipline
Pioneered
Global pharma giants
mind over matter
ethical discipline
Global innovators
Chemical reactions
Clinical phase

the matter

Having pioneered the CRAMS space more than two decades ago, we have come a long way to emerge as a partner of choice for global pharma giants in developing complex intermediates for their NCEs, which are in the Clinical Phase of drug development

We demonstrated the ethical discipline to protects client IPR.

We developed expertise to undertake chemical reactions – complex, long-duration, hazardous and a combination of all.

We created the confidence among partners with more than 98% on-time project delivery.

We facilitated a client's time and cost optimisation through alternate process selection and process innovation.

What we achieved till date is commendable:

We implemented more than 696 CRAMS projects for global innovator companies.

We capitalised on the opportunity to partner 22 large respected global pharmaceutical in their innovation agenda.

We grew revenues every single year over the last 25 years; we grew profits at 20% CAGR over the last 10 years despite higher research spending.

Suven's growing respect in CRAMS. Here is proof!

	1993-94	2003-04	2013-14
Increase in project inflow	NIL	43	99
Increasing revenue (₹ crore)	4.58	51.41	510.58
Growing profit after tax (₹ crore)	0.05	9.23	144.16

our connect

Having created a stable business model in the perceived unstable CRAMS space, Suven moved into the high-risk NCE segment, a natural and de-risked progression.

What to do Being an integral part of the global innovator community providing insights into unmet global patient needs.

How to do Our huge and diverse chemistry skills gathered over the more than 696 innovation assistance projects position us as the best player in research support for global pharma majors.

How to fund We leveraged the cash surplus from our CRAMS projects to fund NCE programmes; as projects increased, we intensified NCE development.

Who to partner Being part of the global innovator community, we possess insights into corporates willing to partner the Company in late-stage NCE development – which is growing in recent years.

Suven's business remains de-risked for the following reasons

We do not take debt on our books for research and development – which is funded only through accruals; our debt-equity ratio was only 0.23 as on March 31, 2014.

We expense the entire annual R&D to our Statement of Profit and Loss; so our profits are always real – no amortisation whatsoever.

As a result, Suven continues to grow shareholder value

We have shared profits with our shareholders consistently – dividends over the last 20 years have been either higher (or equal) to the dividend payments in the previous year without a decline.

NCE development

EXPOSURE

Worked with global innovators

Provides exposure to unmet global needs.

CASH FLOW

Single-minded CRAMS focus

The global credibility and recognition increased project flow and enhanced cash flow facilitating funding of NCE development

CHEMISTRY

Working on diverse projects

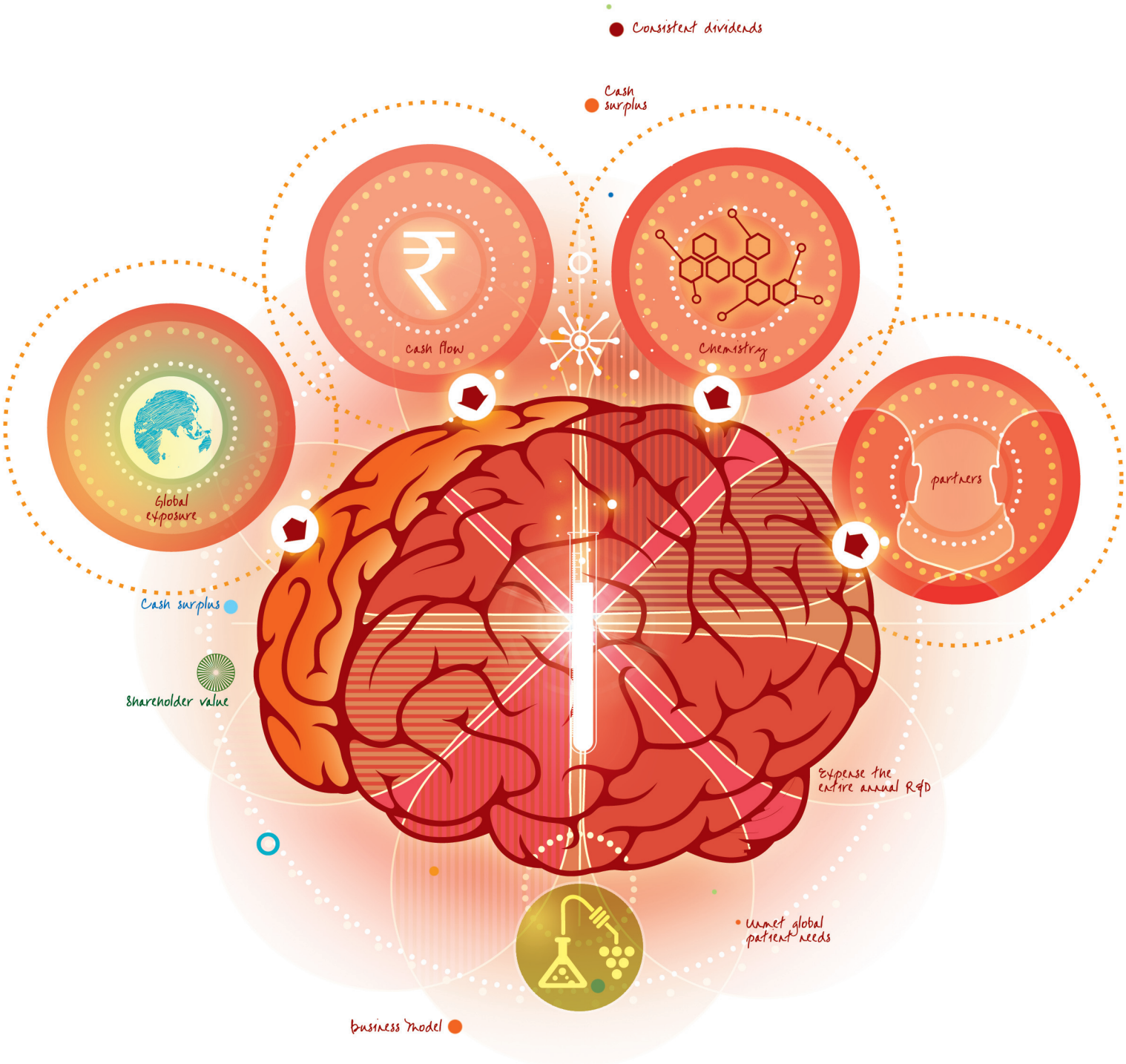
Necessitated the need to create a huge library of chemistry expertise

PARTNERS

Being part of the global innovator community

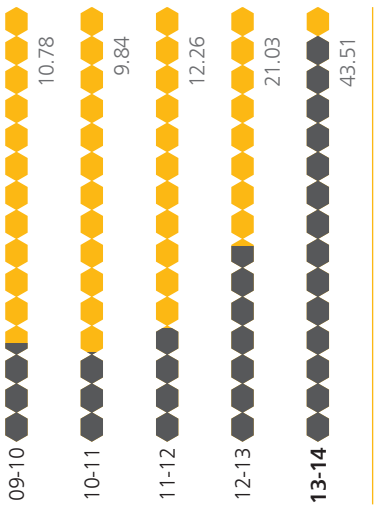
Provides rich insights into possible partners for late stage NCE development

CRAMS business


Consistent dividends
Cash surplus
cash flow
Chemistry
Global exposure
partners
Cash surplus
Shareholder value
Expense the entire annual R&D
Unmet global patient needs
business model

The uniqueness of our 'mind over matter' business model is best **showcased in our numbers.**

EBIDTA margin (%)

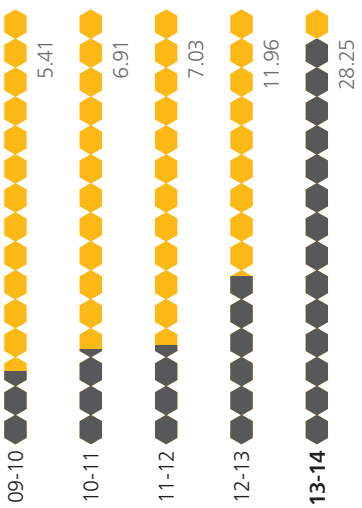


EBIDTA margin growth

2,248 bps
Over 2012-13

3,273 bps
Over 2009-10

Net margin (%)

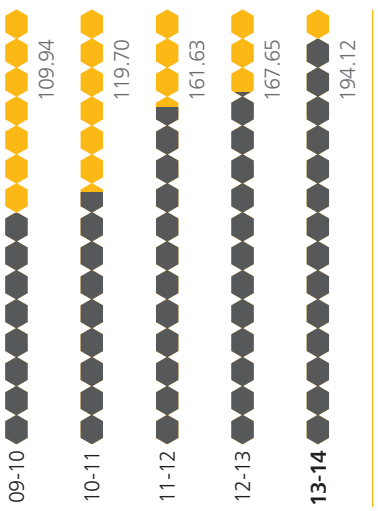


Net margin growth

1,629 bps
Over 2012-13

2,284 bps
Over 2009-10

ROE (%)



ROE growth

2,647 bps
Over 2012-13

8,418 bps
Over 2009-10

These were some of the our 2013-14 **operational milestones**

Three of the intermediates supplied to the NCEs moved from Phase 3 to the pre-launch stage

Profitable revenue growth in 2013-14 and sustained base volumes from 2015-16 onwards

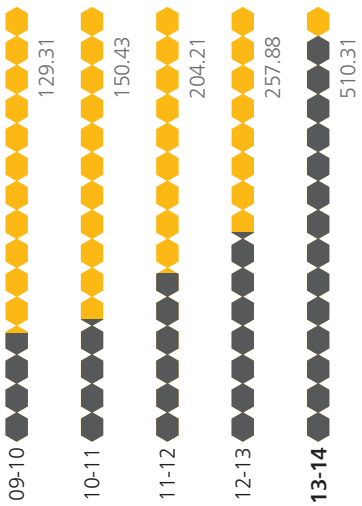
Successfully undergone USFDA inspection (renewal) for our Pashamylaram facility

Ensures that we can continue to do business with clients in the US

Initiated the construction of a greenfield facility (Vizag) for our CRAMS business

Proactive capacity creation in anticipation of more CRAMS projects

Net sales (₹ crore)



Net sales growth

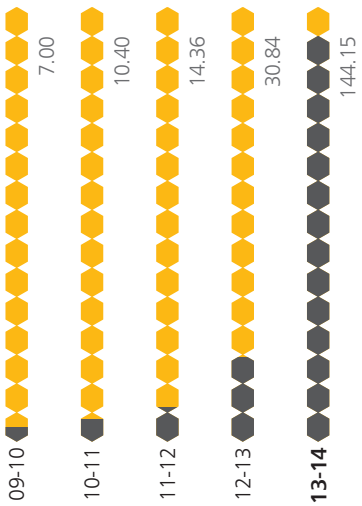
97.89%

Over 2012-13

40.95%

CAGR over 4 years

Net profit (₹ crore)



Net profit growth

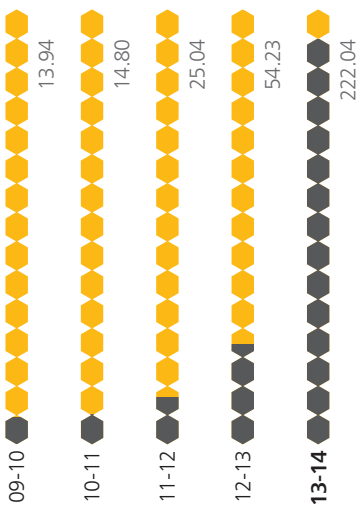
367.41%

Over 2012-13

113.02%

CAGR over 4 years

EBIDTA (₹ crore)



EBIDTA growth

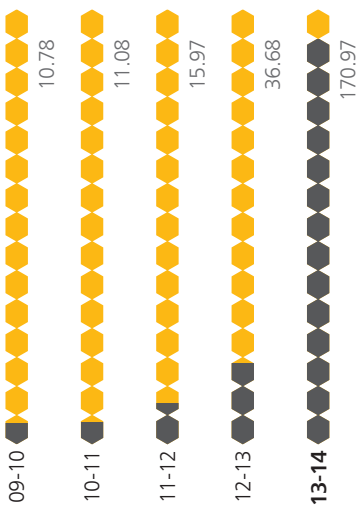
309.44%

Over 2012-13

99.78%

CAGR over 4 years

Cash profit (₹ crore)



Cash profit growth

366.11%

Over 2012-13

104.52%

CAGR over 4 years

Commenced the Phase 1b trials for our NCE- SUVN-502

A step towards developing a new molecule for Alzheimer's

666 product patents granted to the Company for our NCEs from regulatory authorities across the globe

A watermark of our superior research capabilities

Granted an exclusive right to Taro Pharmaceuticals to distribute our Malathion Lotion in the US, Canada and Mexico

A vindication of our ability to engage global companies in alliances

Mind over matter, the maturing of a process.

Dear Shareholders,

Coming into the 25th year of our existence, the healthy performance of Suven Life Sciences Limited in 2013-14 represents the maturing of a process. This process that commenced more than two decades ago based on the conviction that there was an attractive room for international pharmaceutical companies to outsource their critical research to IP-respecting vendor-partners in India.

More than the numbers, two achievements make the year under review a watershed in our history, validating the maturing of our 'mind over matter' strategy.

One, in the NCE pipeline, our key molecule 'SUVN-502' for Alzheimer is undergoing Phase 1b trials in the US under US IND and is expected to move to Phase 2a (Proof-of-Concept) in 2015.

Two, in our CRAMS business, three NCEs for which we developed intermediates, moved into the pre-launch stage.

The relevance

NCE space: At Suven, we believe that reaching Phase 2a in the NCE space represents a huge success in the global pharmaceutical industry. The CNS space, our focus area for innovation, is a high-risk zone, involving substantial effort and costs but prone to low approval rates. Hence, large pharmaceutical players select to rationalise R&D expenses through a partnership strategy for molecules in the late development stages. In 2012, CNS was responsible for 14% of all pharma licensing deals, second only to cancer, and this trend continued steadily into the first half of 2013, with CNS accounting for 15% of all licences.

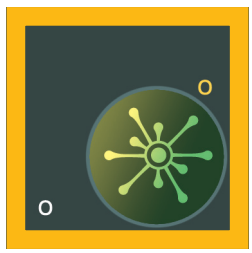
As our molecule reaches the late stage of development, we expect to emerge on the radar of large global pharmaceutical companies seeking CNS in-licencing (partnership) opportunities, representing the monetisation of a painstaking multi-year effort. It would be relevant to indicate that one of the partnerships for a similar programme in July 2013 between two global pharma companies generated US$150 million upfront for the molecule developer for the Phase 2 programme. Suven is competently placed in this regard on account of its data matching this reference molecule.

Suven expects that the funds generated from CRAMS would be invested in three other molecules (addressing Depression, Alzheimer's and Schizophrenia) which could move to IND in 2014-15, strengthening the Company's virtuous cycle of innovation.

CRAMS business: For Suven, the moving of three NCEs to the pre-launch stage represents a big opportunity for the supply of intermediates, the

Mission

Providing world-class R&D solutions for global life science companies with quality, speed and in a cost-effective manner
In search of new CNS therapies for better living



first time ever in the history of the Company. This means that the global innovator (our business partner) will commercialise these products in 18-24 months and enjoy exclusivity for at least 8-10 years. Since we would be one of the approved suppliers of the intermediate, we would be assured of business volumes across an extended period, translating into revenue visibility and liquidity.

Besides, we possess a robust pipeline of CRAMS projects –52 in Phase 1, 46 in Phase 2 projects and one Phase 3. What is interesting is that we have the largest number of projects in Phase 2, the largest in our history. We are hopeful that some of these projects will enter the late stage development, indicating even better days for the Company.

Outlook

There are a number of global realities that indicate attractive long-term prospects for service providers like us.

Globally, regulatory requirements are becoming increasingly challenging; the costs of research are rising. A number of large global pharmaceutical companies are selecting to moderate research costs, shrink the number of global vendors and entering into research-outsourcing relationships. Besides, a number of pharmaceutical companies are restructuring their business models towards marketing, selecting instead to farm a part of their research to dependable service providers.

In turn, these global companies seek partners who possess global respect in the field of research in focused therapeutic spaces, bring to the table rich expertise and competencies derived from years of engagement, can customise research in line with client requirements, can accelerate research programmes that take the client's business ahead and can eventually scale product output to pilot quantities.

Besides, the US$58 billion research spending by the top-50 global pharmaceutical companies represents a large market for companies like ours with annual revenues worth just ₹500 crore. Of the US$12 billion pre-clinical research market, only half a billion worth of projects are outsourced, a proportion that we feel will significantly increase. If anything, the pressure is on companies with established business models like ours to scale our presence and account for a larger share of the customer's wallet and widen our presence across a larger number of markets, therapeutic segments and customers.

Message to shareholders

We are optimistic that these initiatives will de-risk the organisation on the one hand and enhance organisational respect on the other, strengthening value in the hands of all those who are associated with the Company.

Venkat Jasti
Chairman and CEO

MIND
OVER MATTER.

alzheimer's association®

Seven stages of Alzheimer's

Stage 1: No impairment

(Normal function)

The person does not experience any memory problems. An interview with a medical professional does not show any evidence of symptoms of dementia.

Stage 2: Very mild cognitive decline

(May be normal age-related changes or earliest signs of Alzheimer's)

The person may feel as if he or she is having memory lapses — forgetting familiar words or the location of everyday objects. But no symptoms of dementia can be detected during a medical examination or by friends, family or co-workers.

Stage 3: Mild cognitive decline

(Early-stage Alzheimer's can be diagnosed in some, but not all, individuals with these symptoms)

Friends, family or co-workers begin to notice difficulties. During a detailed medical interview, doctors may be able to detect problems in memory or concentration. Common stage 3 difficulties include:

Noticeable problems in coming up with the right word or name

Trouble remembering names when introduced to new people

Having noticeably greater difficulty performing tasks in social or work settings

Forgetting material that one has just read

Losing or misplacing a valuable object(s)

Increasing trouble with planning or organising

Stage 4: Moderate cognitive decline

(Mild or early-stage Alzheimer's)

At this point, a careful medical interview should be able to detect clear-cut symptoms in several areas:

Forgetting recent events

Inability to perform challenging mental arithmetic — for example, counting backward from 100 by 7s

Greater difficulty in performing complex tasks, such as planning dinner for guests, paying bills or managing finances

Forgetfulness about one's own history

Becoming moody or withdrawn, especially in socially or mentally challenging situations

Stage 5: Moderately severe cognitive decline

(Moderate or mid-stage Alzheimer's)

Gaps in memory and thinking are noticeable, and individuals begin to need help with day-to-day activities. At this stage, those with Alzheimer's may:

Be unable to recall their own address or telephone number or their educational background

Become confused about where they are or what day it is

Have trouble with less challenging mental arithmetic; such as counting backward from 40 by subtracting 4s or from 20 by 2s

Need help choosing proper clothing for the season or the occasion

Still remember significant details about themselves and their family

Still require no assistance with eating or using the toilet

Stage 6: Severe cognitive decline

(Moderately severe or mid-stage Alzheimer's disease)

Memory continues to worsen, personality changes may take place and individuals need extensive help with daily activities. At this stage, individuals may:

Lose awareness of recent experiences as well as of their surroundings

Remember their own name but have difficulty with their personal history

Distinguish familiar and unfamiliar faces but have trouble remembering the name of a spouse or caregiver

Need help dressing properly and may, without supervision, make mistakes such as putting pajamas over daytime clothes or shoes on the wrong feet

Experience major changes in sleep patterns — sleeping during the day and becoming restless at night

Need help handling details of using the toilet Have increasingly frequent trouble controlling their bladder or bowels

Experience major personality and behavioural changes, including suspiciousness and delusions (such as believing that their caregiver is an impostor) or compulsive, repetitive behaviour like hand-wringing or tissue shredding

Tend to wander or lose one's way

Stage 7: Very severe cognitive decline

(Severe or late-stage Alzheimer's disease)

In the final stage of this disease, individuals lose the ability to respond to their environment, to carry on a conversation and, eventually, to control movement. They may still communicate in words or phrases.

At this stage, individuals need help with much of their daily personal care, including eating or using the toilet. They may also lose the ability to smile, to sit without support and to hold their heads up. Reflexes become abnormal. Muscles grow rigid. Swallowing is impaired.

Suven's competitive advantage

Brand

Suven has created a formidable brand for CRAMS as one of the qualified research solution provider for more than a decade.

Business model

Suven is not engaged in the 'stock-and-sale' of pharmaceutical products and nor is it in the race of first-to-file or first-to-launch. The Company is a pure-play CRAMS company where research and development is customised to the needs of its customers.

Income mix

Suven has gradually evolved from a singular dependence on annuity revenues to a position where it continues to enjoy majority revenues from on-going engagements with global sponsors.

Knowledge

Suven's rich research bandwidth comprises in-depth research and production competencies. This comprises a rich chiral chemistry library (products, materials and processes) derived from having worked on nearly 696 research projects for global innovator companies.

People

Suven's uniqueness lies in its team strength; about 40% of its organisation comprises research and development scientists. A majority of its senior and middle management has been with the Company for more than 10 years, representing a rich pool of intellectual capital.

Capabilities

Suven possesses the knowledge, resources and equipment for wide-ranging challenges and reactions.

Approval

The Company's facility at Pashamylaram has undergone USFDA inspection successfully.

Capacity

Suven has prudently over-provided the capacity across its R&D and operations. The greenfield unit (Vizag) represents an instance of the Company's investment-for-tomorrow's commitment.

Geography mix

The Company derives its complete income from developed markets. 29% of its revenues are derived from the US (largest pharmaceutical market in the world), 57% from Europe, 6% from India and 8% from others.

Dependable

Suven has delivered about 98% of its CRAMS projects across continents, on schedule.

Relationships

Suven's business is marked by enduring relationships with 61 global companies. More than 75% of its revenues (2013-14) were repeat and referral in nature. About 90% of its clients have worked with the Company for 15 years or more.

Commercial supply

Suven can provide long-term product supply on a commercial basis following product launch by the global sponsor.

Conservatism

Suven has prudently written off R&D expenses to its Statement of Profit and Loss in the year of expense (even for targets on its proprietary book). The Company does not fund R&D expenses through borrowing.

Long-term

Suven has developed an NCE pipeline of 13 molecules, which are at different R&D stages. One of its molecule SUVN502 has been in the laboratory for more than seven years (funded captively) and expected to enter Phase 2a trials in 2014-15.

Liquidity

Suven's viability has been sustained around a 0.23 debt-equity ratio (March 31, 2014), net cash flow of ₹153 crore (2013-14) from operations and liquid short-term investments of ₹69.33 crore (March 31, 2014).

We scaled the number of active projects to 99 in 2013-14 translating into

attractive growth

Were you pleased with the Company's working in 2013-14?

Clearly yes from various perspectives. One, we reported a 98% increase in revenues and a 367% increase in our profit after tax, indicating a positive divergence that is best described as 'positive growth'. This is something that we always believed would happen in our business; as soon as the business scaled, its capacity to cover overheads would become correspondingly stronger, immediately translating into superior margins. Two, the quantum of profits that we reported during the year under review was more than what we achieved in the previous eight years; clearly the year under review represented an inflection point of what our business was capable of achieving.

What were some of the reasons behind the Company's significant growth in 2013-14?

The principal reason is that over the last few years we scaled the number of active projects – from 43 in 2003-04 to 78 in 2008-09 to 99 in 2013-14 – and the impact of which was visible in our rising revenues. The fact that 46 of our projects during the year under review were in the attractive Phase 2 stage translated into attractive revenue implications and a global endorsement of our capability. A part of the growth was also attributed to the fact that three products went into the pre-launch stage, which translated into corresponding revenue accretion.

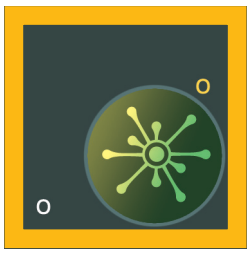
How did the Company strengthen its business during the year under review?

The Company created the capacity to address material delivery, which translated into US$8 million worth of intermediates supply.

The Company granted an exclusive right to market and distribute its Malathion Lotion USP (for patients infected with head lice and their ova) to Taro Pharmaceuticals North America, Inc., a subsidiary of Taro Pharmaceutical Industries Ltd in the US, Canada and Mexico. This agreement is expected to enjoy attractive royalty and revenue implications. Besides, the Company enhanced its presence in scientific forums to showcase its capability.

₹450 cr

While we expect our CRAMS business to grow by 20% to around ₹450 crore in revenues in 2014-15, we foresee some commercial streams coming into play from 2015-16 onwards.



How does the Company expect to take the business ahead?

We expect to grow our business through various initiatives. One, we expect to grow our CRAMS revenues by 20% annually. Two, we supplied speciality chemicals equivalent to US$8 million during 2011-12 and US$20 million in 2013-14, whose output we expect to raise during the current financial year, creating a dedicated facility for the enhanced quantity. Three, we have one Phase 2 ready NCE for Alzheimer's and three clinical stage compounds that are on our books for which we can explore partnerships with global majors for onward development against which we hope to receive milestone payments and revenues following commercialisation. Four, the Taro license for Malathion holds attractive revenue potential with royalty payments starting from 2014-15 until 2028.

How does the Company expect to perform in 2014-15?

After a significant increase in revenues and profits, it would be prudent to advise shareholders to start appraising the Company's performance from three-year blocks rather than seeking year-on-year growth. There is a specific reason for this; even as the number of live projects will probably increase sustainably, there are other revenue drivers that are more time-specific and may start generating revenues over a period of time. So while we expect our CRAMS business to grow by 20% to around ₹450 crore in revenues in 2014-15, we foresee some commercial streams coming into play from 2015-16 onwards. The big message that I would like to leave shareholders with is that the Company has entered a phase of growth where revenues have been broad-based and relatively de-risked on the one hand and the quality of earnings have improved. In view of this, the Company has crossed a milestone coinciding with the silver jubilee year and expects growth to be sustainable over the foreseeable future.

management discussion & analysis

Pharmaceutical industry overview

The role of medicines in improving the health of millions of people across the globe has never been more important. Many countries are moving toward Universal Health Coverage, ensuring access to medicines and other healthcare elements for all. Total global spending on medicines is likely to exceed one trillion U.S. dollars for the first time in 2014.

As the world moves into its fifth year since the beginning of the world's major economic slowdown, macroeconomic indicators are improving, though more slowly than previously forecast. Austerity measures by some governments, especially in Europe, continue to be applied to healthcare spending and medicines.

Innovation could see a revival in activity through 2017, with increases in the number of global innovative launches since 2010. The nature of these launches could change, marked by more specialty medicines, including an increasing number of small patient population orphan drugs likely to be launched with commensurate decline in the number of new medicines entering the traditional sector.

Presently there are approximately 641 products in the late stage pipeline, a third of which are biologics and more than half specialty drugs. New product launches are forecast to average 35 per year over the next five years, similar to the level in the mid-2000s.

Drug discovery challenges

Drug development is increasingly challenging for the following reasons:

It takes about 10 to 15 years for a new medicine to graduate from initial discovery to launch.

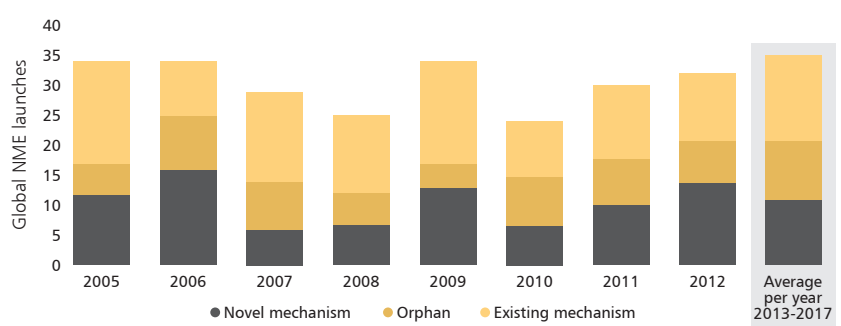
Tens of thousands of compounds may be screened early in the development stage, but only one ultimately gets approved. Even medicines that reach clinical trials have only a 16% chance of being approved.

Development is costly and complex; in 2007, the average R&D investment for each new medicine was estimated at an average US$1.2 billion (including the cost of failures), with recent estimates being even higher.

Despite these challenges, researchers remained committed to advancing science to save patient lives. In 2012, PhRMA members invested US$48.5 billion as a result of which more than 5,000 medicines were in clinical trials globally or under review by the USFDA.

Post-2009 scenario

The global financial slowdown impacted drug discovery initiatives resulting in a weaker pipeline of innovator companies and blockbuster launches. Interestingly, however, research efforts became more streamlined and concentrated around select therapeutic segments. Significant efforts were made in analysing and assessing prospects in preliminary stages, which helped increase the



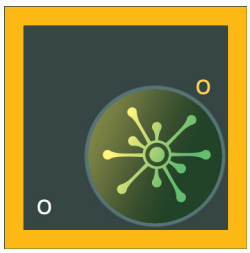
Source: IMS Institute for Healthcare Informatics, October 2013

probability of converting a prospect into a product.

The impact of this transformation is evident. A recent report examining innovation in the drug development pipeline discovered that 70% of 5,000-plus new molecular entities being investigated were potential first-in-class medicines, or medicines in unique pharmacologic class distinct from other marketed drugs. Besides, among 27 new molecular entities approved by the USFDA in 2013, one-third represented first-in-class medicines, indicating that they use new or unique mechanisms of action, while a third addressed rare diseases.

Reducing discovery costs

Large pharmaceutical companies working on dozens of drug projects spend around ~US$5 billion per new medicine. A company hoping to market a single drug can expect to spend US$350 million before the medicine is even available for sale. This prohibitive investment makes drug development unsustainable for most global pharmaceutical innovators. The result is a growing need to outsource a part of the drug development to low-cost, IP-respecting nations.



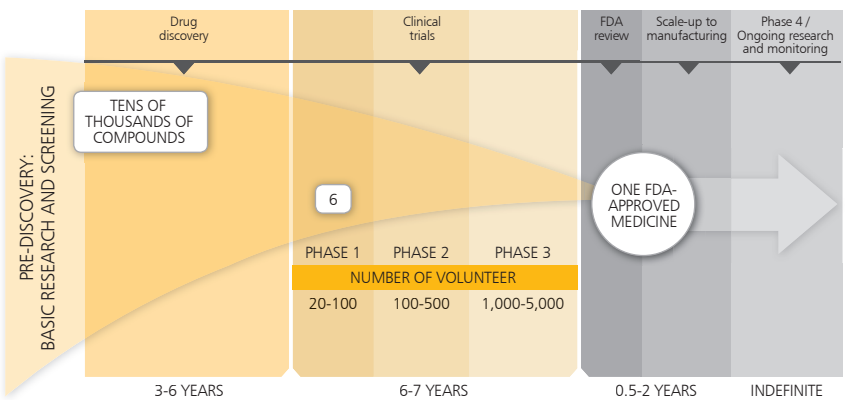
1 in 6

Between 1999 and 2004, the clinical approval success rate was estimated at 16% - or just one in six compounds.

Average cost to develop a drug (including the cost of failures)

** Some more recent studies estimate the costs to be even higher*

Developing a new medicine takes an average of 10 to 15 years



BUSINESS SEGMENT - 01

contract research and manufacturing services

99
Projects under execution (March 31, 2014)

61
Relationships with global innovators

92%
Proportion of revenue from regulated markets

53%
Average operating margin

260+
R&D team dedicated to CRAMS

Overview

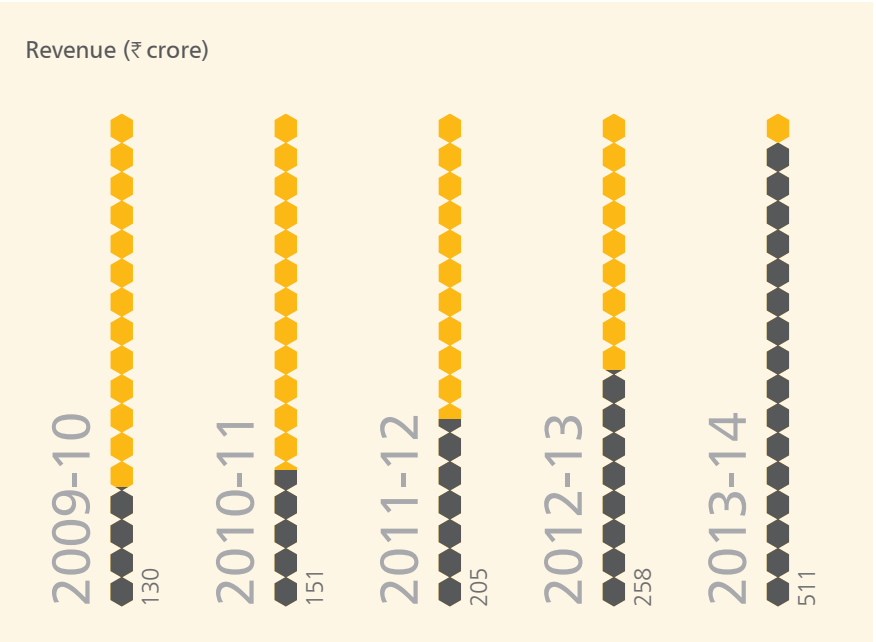
The CRAMS business is driven by trust and competence. Over the last couple of decades, Suven has attained customer trust through proven capabilities. Since 1995, the Company has worked on more than 696 projects for global innovator companies. This segment accounted for 95% of the Company's topline in 2013-14; the business grew 20% CAGR over the 10 years leading to ₹514 crore.

The business

Client: The Company works with global innovator companies by supplying intermediates for their New Chemical Entities (NCEs) during the Clinical Phase of drug development which, if successful, can potentially translate into long-term supply agreements.

Surety: Once your Company supplies the first batch during Phase 1 trials and if the NCE passes through this stage (success completely in the customer's hands) then the product moves to Phase 2 where larger intermediate supplies could happen a couple of years after initial supplies. Only if the molecule passes through these trials and is subsequently launched, would the Company get to supply the product to the innovator (gets part of the sourced volumes) for the remaining tenure of the product patent. The result is that there is no guarantee of repeat supplies following the first despatch.

Profitability: This research-led business enjoys attractive margins.



2013-14 in retrospect

Net addition to projects stood at 9 in 2013-14; there were a total of 99 active projects as on March 31, 2014

Three molecules, for which intermediates were being supplied by the Company, went into prelaunch stage

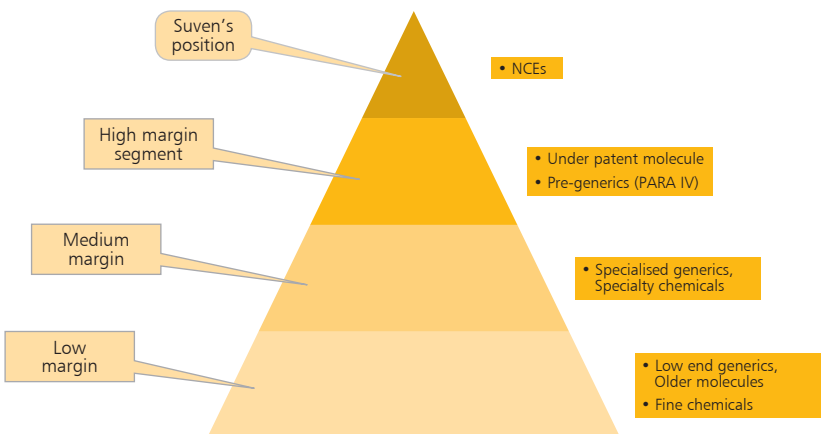
The Company has successfully undergone USFDA inspection for its Pashamylaram facility, a renewal of the earlier 2007 approval

The Company initiated the construction of a ₹110 crore greenfield facility at Vizag dedicated to the CRAMS business

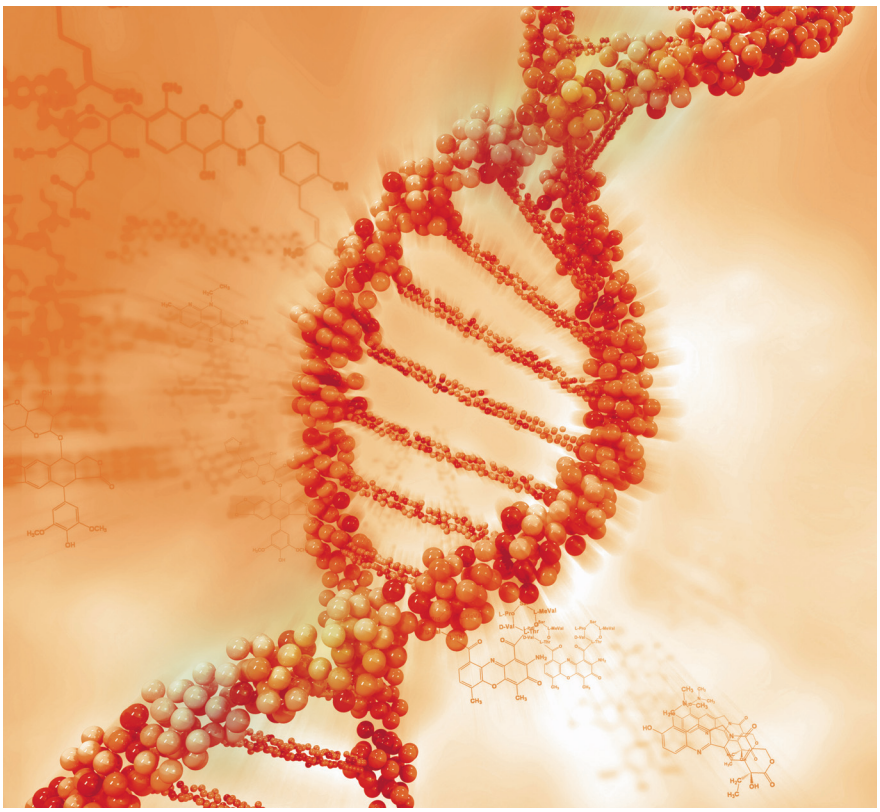
Opportunities

Historically, innovator companies undertook R& D projects catering to a large number of therapeutic areas – diversifying the innovation risk across a number of molecules. Post 2009, as liquidity became scarce and the cost of failure multiplied, pharma companies narrowed their R&D spread across few therapeutic areas with concentrated effort on a handful of molecules. This focused effort lead to steady revenue opportunities for CRAMS players and faster movement of molecules across the different phases of the product development lifecycle.

Suven in the CRAMS value chain



new chemical entity



The draw of the CNS segment

Present market size of US$120 billion
More than 200 compounds under development
Market for cognitive disorders estimated in excess of US$30 billion
180 million patients worldwide for memory impairment and other cognitive functions.
37 million patients worldwide for dementia (majority Alzheimer's)
24 million people worldwide suffering from Schizophrenia
50% of adults (above 65) afflicted by age-associated cognitive decline
(Source: WHO)

13
Product Pipeline

120
R&D team dedicated to NCE research

₹338 cr
Investment till 2013-14

1
Product entering Phase 2a Clinical Trials and 2 into IND

Overview

Suven, a biopharmaceutical company, has made significant inroads into drug discovery with a specialisation on CNS-based programmes targeting unmet medical needs. The Company enjoys a unique position in the India (and Asia) as one of the prominent company with technologies under central nervous system. The Company has funded drug discovery for nine years resulting in a robust pipeline of 14 molecules at various stages of development. Suven's discovery assets address niche therapeutic areas like Cognition, Depression, Obesity and Pain management.

Making good progress

SUVN-502 for Alzheimer is undergoing Phase 1b trials in US under US IND and is expected to move to Phase 2a (Proof-of-Concept) in 2015 and clear the same by 2017. The Company has been granted 666 product patents across the world; Suven also has six molecules in the pre-clinical stage of which three (addressing Depression, Alzheimer's and Schizophrenia) are expected to move to IND in 2014.

formulations development

Overview

Suven is engaged in the development of formulations, an extension of its business model. The Company expects to develop and collaborate with a partner, out-license the product in exchange for royalties and revenues. The Company expects to focus on niche and small molecules (global sales about US$20 to 40 million), which are generally off the radar of most large pharmaceutical players.

Immediate success

The Company filed one ANDA with the USFDA authorities for Malathion lotion, a head-lice product (topical preparation) with a sales potential estimated at US$35 million. In 2013-14, the Company granted the exclusive license to Taro Pharmaceuticals to market the product in the US, Canada and Mexico, which is expected to generate revenues (from product supplies) and royalty in 2014-15. The Company expects to file another 3-4 ANDAs in the next two years, which includes promising prospects in the realm of digestive ailments and pain management.

Big picture

Formulations development started as an additional service for some NCE-based programmes and for clinical trial supplies to select clients. The Company is engaged in developing this expertise into a new business vertical to widen its CRAMS capabilities across the pharmaceutical value chain.

The formulations development team will identify niche products and engage with select customers for joint formulations development, the partner undertaking the bioequivalence study to launch the product. While the partner will generate revenues from sale, Suven expects to earn revenues from product supply and royalty.

analysis of
financial statements

Suven posted its best performance in the last decade even as the global economy progressed at a subdued pace. This stellar performance was the result of an increase in CRAMS projects especially in late stage development (Phase 2 projects) which highlights the Company's improving quality of business.

1. Statement of Profit and Loss

Revenue from operations: Net revenue from operations jumped by 97.88% from ₹25,788.46 lakh in 2012-13 to ₹51,031.24 lakh in 2013-14. The significant growth was volume-driven and value-led as the Company received the maximum number of CRAMS projects; a majority of which were Phase 2 projects – which means higher realisation and superior margins. The revenue also comprised despatches of some intermediates for molecules, which reached the pre-launch phase.

Operating expenses: Increased projects necessitated an increase in operating expenses (total expense excluding interest and depreciation) – they grew by 42.28% from ₹20,469.91 lakh in 2012-13 to ₹29,125.38 lakh in 2013-14. Cost of materials consumed, manufacturing expenses and R&D expenses were the key drivers of this increase.

Cost of materials consumed: The expense under this head leapfrogged by 70.49% from ₹8,827.40 lakh in 2012-13 to ₹15,049.65 lakh in 2013-14 primarily due to an increase in the number of projects being worked upon. An increase in the cost of raw materials also led to increased expenses under this head.

Manufacturing expenses: Consequent to an increase in CRAMS projects, the manufacturing expenses also climbed by 38.01% from ₹3,904.81 lakh in 2012-13 to ₹5,388.94 lakh in 2013-14. Power and fuel were the major cost drivers followed by repair, maintenance and factory upkeep charges. Other expense drivers comprised quality assurance and environment management.

Research and development expenses: The Company's thrust on developing its NCE pipeline was the primary reason for the 38.21% increase in expenses under this head – from ₹3,469.33 in 2012-13 to ₹4,794.79 lakh in 2013-14.

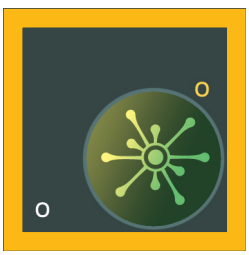
Employee expenses: Increase in the team size to manage growing operations, annual salary increase and performance-related emoluments – increased from ₹2,537.70 lakh in 2012-13 to ₹3,144.21 lakh – a growth of 23.90% over the previous year.

Margins: The improvement in Suven's quality of business is reflected in its growing business profitability. EBIDTA margin jumped from 21.03% in 2012-13 to 43.51% in 2013-14; net margin more than doubled from 11.96% to 28.25% over the same period. As a result, the ploughback into business increased from ₹2,673.88 lakh in 2012-13 to ₹10,998.64 lakh in 2013-14.

2. Balance Sheet

Capital employed: The capital employed in the business stood at ₹33,156.56 lakhs as on March 31, 2014 against ₹22,022.10 lakhs as on March 31, 2013 – the increase was primarily owing to an increase in shareholders' funds. The effective utilisation of funds is reflected in an increase in the Return on Capital Employed from 21.05% in 2012-13 to 64.32% in 2013-14.

Shareholders' funds: Shareholders' funds grew from ₹15,445.99 lakh as on March 31, 2013 to ₹26,444.63 lakh



43.51%

EBIDTA margin in 2013-14 against 21.03% in 2012-13

as on March 31, 2014 – an increase of 71.21% which was due to an increase in reserves and surplus; equity capital remained unchanged at ₹1,168.29 lakh between the two years (comprising 1,168.29 lakh shares with a face value of ₹1 per share).

Non-current liabilities: The balance under this head stood at ₹6,711.94 lakh as on March 31, 2014 against ₹6,576.11 lakh as on March 31, 2013. While long-term borrowings declined significantly from ₹6,418.33 lakh as on March 31, 2013 to ₹3772.92 lakh as on March 31, 2014, the fall was made up by a steep jump in deferred tax liabilities.

Current liabilities: The balance under current liabilities increased by 44.39% from ₹10,739.26 lakh as on March 31, 2013 to ₹15,506.15 lakh as on March 31, 2014, primarily due to an increase in short-term provisions and other current liabilities.

Short-term borrowings: It comprised working capital loans sourced from banks. Despite an increase in CRAMS business in 2013-14, the working capital loans balance remained largely at the previous year's levels, indicating growing organisational liquidity.

Short-term provisions: The sharp jump in the balance under short-term provisions from ₹731.61 lakh as on March 31, 2013 to ₹3,808.90 lakh as on March 31, 2014 was due to a significant increase in the proposed dividend for the year – a reward to the shareholders for their trust in the management's capabilities.

Other current liabilities: The increase in the balance under this head was primarily due to a jump in provision for liabilities for expenses. The other current liabilities also included long-term liabilities repayable in 2013-14, which stood at ₹2,428.68 lakh.

Non-current assets: This head primarily comprised fixed assets – the size and contemporariness of which showcases the Company's competitive advantage over others in its business space.

Fixed assets: The tangible assets balance increased 10.97% from ₹16,151.54 lakh as on March 31, 2013 to ₹17,923.39 lakh as on March 31, 2014. The increase was largely due to addition in plant and machinery at its greenfield facility in Vizag. Other addition to fixed assets comprised R&D equipment, laboratory equipment and pollution management equipment. The capital work-in-progress comprised projects for the Vizag facility, which are at various stages of completion. With the commissioning of this facility, the balance would be added to fixed assets.

Current assets: The balance under this head increased by 106.04% from ₹13,686.06 lakh as on March 31, 2013 to ₹28,198.42 lakh as on March 31, 2014. This increase was largely on account of the increase in business volumes (CRAMS projects) during 2013-14. The key contributors to the increase comprised trade receivables and cash and bank balance.

Trade receivables: The balance increased from ₹2,377.76 lakh as on March 31, 2013 to ₹6,547.03 as on March 31, 2014. But the receivables are largely from large and respected global pharmaceutical companies lending credibility to the timely liquidation of all dues.

Cash and bank balance: The balance jumped from ₹2,183.30 lakh as on March 31, 2013 to ₹6,939.96 lakh as on March 31, 2014 reflecting on strong organisational liquidity to be deployed in future growth initiatives.

Managing the risks in our business

Suven, a research-focused organisation, works primarily with global innovator companies and accords the topmost priority towards de-risking the organisation. The Company leverages knowledge gathered over more than two decades to strengthen viability.

01 **An increasing generics** focus and prohibitive development costs are reducing an inclination towards new drug development.

Mitigation: Increasing drug development costs in the Western world are compelling global innovator companies to seek competitive, IP-respecting and research-focused nations and companies. A recent global survey positioned India at number three in terms of contract research attractiveness. Suven is the only Indian company focused on partnering global innovators in niche drug development. As per the recent IMS report , new product launches are forecast to average 35 per year over the next five years, similar to the level in the mid-2000s and expected to generate sizeable opportunities.

02 **The R&D team** is critical for the Company's success and growth.

Mitigation: The Company has a strong R&D team comprising more than 40% of its total workforce. More than 50% of its R&D team has been working with the Company for more than 10 years. The Company's competence lies in chemistry skills, scale-up capability and timely project delivery translating into enduring customer relationships.

03 **Timely delivery** is a critical ingredient in sustained business success.

Mitigation: The Company's meticulous project planning and disciplined execution ensures that all projects are completed within the committed timelines agreed upon. Its over-investment in equipment and other resources ensure seamless project execution. Its knowledge repository (contained in the more than 696 projects executed in existence) provides solutions for all perceived roadblocks. These factors have enabled the Company to deliver more than 98% of projects as per the agreed timelines.

04 **A reduction in R&D** outsourcing by the global pharma majors could affect the business.

Mitigation: The possibility of the global pharma majors reducing R&D outsourcing seems a distant possibility. India is one of the largest generic suppliers to the US, which makes that country's assurance to make cheaper healthcare a reality (Obamacare). In view of this, the US is likely see in India a trusted ally rather than a competitor.

05 **Foreign currency** fluctuations could impact profitability.

Mitigation: Since the Company's revenue largely accrued in US dollars (95% of revenues, 2013-14) the Company availed of foreign currency debt whenever needed, serving as a natural hedge. These foreign currency loans are low-cost which has helped moderate interest outflow.

06 **Adequate liquidity** is critical for undertaking NCE development projects (essentially cash guzzlers).

Mitigation: CRAMS projects are largely milestone-driven with advance payments; they provide adequate cash flow visibility across the project lifecycle. As a policy, the Company does not borrow to fund R&D activities. The Company's ability to seamlessly deliver across every stage ensures that costs are adequately covered and organisational liquidity is never compromised. Besides, the Company invests the following year's proposed R&D spending in liquid investments with the objective to secure its research spending. This is validated in the Company's strong cash flow: net cash from operations stood at ₹153 crore in 2013-14; the low-debt equity ratio of 0.23 (March 31, 2014) can facilitate low-cost funds mobilisation whenever required.

07 **An inability to respect** intellectual property or quality requirements by other Indian companies could affect our brand in the global pharmaceutical community.

Mitigation: The impact of this risk on Suven would be marginal and short-lived at best for an important reason: the Company has demonstrated an ability to successfully partner global pharmaceutical companies across nearly 696 projects in the last 20 years. During the last financial year when the Indian pharmaceutical industry received notices and warnings from regulatory authorities in regulated markets, Suven increased the number of its CRAMS projects from regulated markets.

08 **Lapses detected** in the regulatory audit process could affect our respect and competitiveness.

Mitigation: The Company works with respected global innovators whose quality standards are stringent and who frequently audit Suven's facilities and processes before the project is even awarded to Suven. On an average, the Company's facilities are audited (customer and regulatory audit) 15 to 20 times in a year. The Company has received no major discrepancies in its regulatory, operating or quality standards across the last decade, making it the preferred partner for NCE development among global innovators.

report of the directors

Your Company's Board of Directors has pleasure in presenting this 25th Annual Report together with Audited Financial Statements of the Company for the financial year ended March 31, 2014.

Financial Results

(₹ in lakhs)

Particulars		2013-14	2012-13
(i)	Revenue from operations	51,031.24	25,788.46
(ii)	Operating expenditure	29,125.38	20,469.91
(iii)	Depreciation and amortisation	883.74	786.71
(iv)	Operating profit	21,022.12	4,531.84
(v)	Interest expense	1,051.28	1,350.94
(vi)	Other income	302.95	104.34
(vii)	Profit before Tax	20,273.79	3,285.24
(viii)	Provision for Tax	5,858.04	201.29
(ix)	Profit for the year	14,415.75	3,083.95
(x)	Balance brought forward from previous year	6,069.01	3,705.12
(xi)	Profit available for appropriation	20,484.76	6,789.07
	Appropriations:		
(xii)	Proposed final dividend	2,920.72	350.49
(xiii)	Tax on dividend	496.38	59.57
(xiv)	Difference in final dividend plus tax (2012-13 & 2011-12)	0.01	0.01
(xv)	Transfer to General Reserve	1,450.00	310.00
(xvi)	Balance carried to balance sheet	15,617.65	6,069.01

Review of Operations

Your Company has performed well in the fiscal 2013–14 by registering a sales volume of ₹51,031 lakhs as against ₹25,788 lakhs in the previous year registering a growth of nearly 98%. Profit after Tax (PAT) of the Company increased by 367% to ₹14,416 lakhs from ₹3,084 lakhs in the previous financial year. The Earnings Per Share (EPS) of your Company has gone up to ₹12.34 in fiscal 2013-14 per share from the previous year EPS of ₹2.64 in fiscal 2012-13 per share, registering a growth of 367%.

Exports

The exports of the Company continue to drive the growth of your Company by registering a volume of ₹47,822 lakhs representing 94% of total revenue of ₹51,031 lakhs.

Dividend

Your Directors have pleasure in recommending for approval of the members a dividend of ₹0.50/- per share (50% on paid up value of ₹1/- per share). The Company is in its silver jubilee year of existence. During its journey of 25 years, your Company has achieved new heights and crossed various milestones and is placed as pioneers in CRAMS business model of your Company. Considering the Silver Jubilee year, your Director's have proposed a Special Dividend of 200% i.e. ₹2.00 per Share over and above the regular dividend.

With this, the total dividend works out to ₹2.50/- per share of ₹1/- face value. The total cash outflow on account of dividends payable including dividend distribution tax payable is ₹3,417 lakhs. 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

During the year Suven's thrust on innovative R&D in search of CNS therapies for better living continued with an R&D spend of ₹5,010 lakhs accounting to 10% on sales with an increase of 39% over the previous year.

During the year Suven's lead clinical candidate SUVN-502 is undergoing Phase 1b clinical trial in healthy volunteers in USA in preparation for PoC (Proof of Concept) Phase 2a study on patients in USA.

During the year Suven's Drug discovery portfolio has expanded into several new therapeutic areas such as Major Depressive Disorder (MDD), Obesity and Pain through Neuronal Nicotinic Receptor modulators.

Also during the year D-4010 and G3031 are undergoing regulatory toxicological studies in preparation for them being moving into Phase 1 clinical trials during 2014-15.

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.

Aligning with the guidelines, we have constituted a committee comprising Shri M. Gopala Krishna as chairperson, Shri Venkateswarlu Jasti and Smt Sudha Rani Jasti as members. The committee is responsible for formulating and monitoring the CSR policy of the Company.

CSR activities, as per the provisions of the Companies Act, 2013, can be undertaken by the Company through a registered trust or a registered society. In 2014, Suven set up the Suven Trust (`the Trust') as a not-for-profit trust. The Trust will work closely with and support the Board and the Committee in our CSR activities.

Directors

Prof Syed E Hasnain, Director retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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

M/s. Karvy & Co., Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint Karvy & Co., as statutory auditors of the Company from the conclusion of the forthcoming Annual General Meeting till the conclusion of the twenty-eighth Annual General Meeting to be held in the year 2017, subject to ratification of their appointment at every Annual General Meeting.

Cost Auditors

M/s. DZR & Co., Cost Accountants have been re-appointed as the Cost Auditors for the year ending 31st March 2015 having been appointed for the FY 2013-14.

The Cost Audit Report for the year ended 31st March 2013 was reviewed by the Audit Committee at their meeting held on 13th August 2013 and has been filed on 27th September 2013 well within the due date.

The Cost Audit for the year ended 31st March 2014 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	Age	Designation/ Nature of Duties	Gross Remuneration ₹ in lakhs	Qualification	Experience in years	Date of Commencement	Particulars of last Employment
Mr. Venkateswarlu Jasti	65	Chairman & CEO	342.20	M. Pharma; M.S. (Indus. Pharmacy	40 years	09/03/1989	Business in USA.
Mrs. Sudha Rani Jasti	60	Whole-time Director	164.38	B.Sc.	33 years	09/03/1989	Business in USA
Dr N.V.S. Ramakrishna	52	Vice-President (Discovery Research)	113.63	M. Sc. Ph D	25 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: 22 May 2014

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

FORM – A

A. Power and Fuel Consumption

Particulars		Year ended 31st March 2014	Year ended 31st March 2013
1	Electricity		
	a) Purchased		
	Units (KWH in lakhs)	180.96	103.26
	Total Amount (₹ in lakhs)	1,609.56	715.55
	Rate/Unit (₹)	8.89	6.93
	b) Own Generation		
	Diesel Generator Units (KWH in Lakhs)	19.91	53.94
	Units / Litre of Diesel Oil	3.00	3.03
	Cost/Unit (₹)	19.00	16.00
2	Coal		
	Quality "C" Grade used in steam Boiler		
	Quantity (tonnes)	9,893.36	9556.49
	Total Cost (₹ in lakhs))	596.81	606.59
	Average Rate (₹)	6,032.43	6347.38

B. Consumption per unit of Production

The Company is manufacturing different Products using same facilities concurrently. Therefore it is not possible to give consumption per unit of production.

Technology Absorption

FORM –B

Research and Development

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

   Suven's lead clinical candidate SUVN-502 is undergoing Phase 1b clinical trial in healthy volunteers in USA

   SUVN-D4010 and SUVN-G3031 are undergoing regulatory toxicological studies in USA

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

   SUVN-502 will enter into Phase 2a Proof of Concept (PoC) study in mild to moderate Alzheimer's patients in USA

   SUVN-D4010 and SUVN-G3031 will move into IND stage during 2014-15

3. **Future Plan of Action**

   Continue the clinical development of SUVN-502, SUVN-D4010 and SUVN-G3031

4. **Expenditure incurred in the R&D centers and innovation centers of Suven during financial year 2014 and 2013 are given below:**

Expenditure on R&D and Innovation		Year ended 31st March 2014	Year ended 31st March 2013
(a)	Capital	215.15	114.08
(b)	Recurring	4794.80	3469.33
(c)	Total R&D expenditure	5009.95	3583.41
(d)	Total R&D and innovation expenditure as a percentage of total turnover	10%	14%

Technology Absorption, Adoption and Innovation

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

   Suven's CRAMS continues to develop new processes and innovative non-infringing processes for intermediates and API's in addition to developing formulation dossiers for generics facilitating ANDA filings in future

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

   The continued focus on developing intermediates for global pharmaceutical giants for their NCEs in the Clinical Phase of the drug development has given us the opportunity to supply the pre launch quantities for 3 different intermediates to their NCEs leading to an additional revenue of ₹170 Crores.

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

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: 22 May 2014

Venkateswarlu Jasti
Chairman & CEO

Annexure to the report of the directors

Statement as at 31st March, 2014, 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.

Sr. 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	48,00,000
(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	23,54,462
(g)	Variation of terms of options	NIL
(h)	Money realised by exercise of options	₹3,74,50,470
(i)	Total number of options in force	7,00,000
(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'].	₹12.34

Sr. No	Description	2004 Plan	
(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 recognised 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 2013-14. Had the Company used the fair value method, the ESOP cost in the financial year would have been ₹1,58,44,760 and net profit would have reduced by this amount. The EPS (in ₹) would have been 12.20	
(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, 2014 were - 7,00,000. The weighted average exercise price of the outstanding options as on March 31, 2014 was ₹25.28 and the weighted average fair value of the outstanding options as on March 31, 2014 was ₹16.01	
(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.	Date of Grant	Market Price (₹)
		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

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

Simultaneously, in keeping with best practices, your Company committed to provide full spectrum of quality services and products in Drug Discovery and Development 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, 2014, 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, 2014 have been made by the Directors.

Key information pertaining to Directors as on 31st March, 2014

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 August 13, 2013
Shri Venkateswarlu Jasti	Chairman & CEO Promoter	-	-	-	4/4	Yes
Smt Sudha Rani Jasti	Whole-time Director Promoter	-	-	1	4/2	No
Dr M R Naidu	Independent Non-Executive Director	-	-	2	4/4	Yes
Dr K V Raghavan	Independent Non-Executive Director	1	1	1	4/4	Yes
Shri D G Prasad	Independent Non-Executive Director	4	1	2	4/4	Yes
Prof Syed E Hasnain	Independent Non-Executive Director	1	-	-	4/1	No
Shri M Gopala Krishna	Independent Non-Executive Director	9	2	4	4/4	Yes

Board Meetings

The Board met four times in the Financial Year 2013–14, on 14th May 2013, 13th August 2013, 11th November 2013 and 04th February 2014.

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 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	4
Dr K V Raghavan – Member	Independent & Non-Executive	4	4
Shri M Gopala Krishna – Member	Independent & Non-Executive	4	4

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 14th May 2013, 13th August 2013, 11th November 2013 and 04th February 2014. The attendance of the Committee Members was presented in the above table.

IV. Remuneration Committee

Composition and terms of reference

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 Syed 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.

Remuneration paid to the Executive Directors and sitting fees paid to Non-Executive Directors during 2013-2014 is as under:

Executive Directors

(₹ In Lakhs)

Name of the Director	Salary & Allowances	Commission	Contribution to Provident Fund	Perquisites	Total
Shri Venkateswarlu Jasti Chairman & CEO	120.00	207.80	14.40	Nil	342.20
Smt Sudha Rani Jasti Whole-time Director	54.00	103.90	6.48	Nil	164.38

Non-Executive Directors

Name of the Director	Sitting fee (₹)	No. of shares held as on 31st March 2014
Dr M R Naidu	71112.00	9,800
Dr K V Raghavan	71112.00	2,000
Shri D G Prasad	66668.00	NIL
Prof Syed E Hasnain	11111.00	NIL
Shri M Gopala Krishna	66668.00	NIL

V. I. Investor Grievances Committee

Investors Grievance Committee of Directors reviews the following:

Expeditious redressal of investor's grievances, Transfer of shares, Dematerialisation/ Re-materialisation, Non receipt of Annual Reports and declared dividend, all other matters related to shares/ 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	4
Smt. Sudha Rani Jasti – Member	4	2

Name and Address of Compliance Officer

CS K. HANUMANTHA RAO
Company Secretary & Compliance Officer
Suven Life Sciences Limited
8-2-334, SDE Serene Chambers, 6th Floor, Road No. 5, Avenue 7, Banjara Hills, Hyderabad – 500 034, Telangana
CIN: L24110TG1989PLC009713
Tel: +91 40-2354 1142/ 3311, Fax: +91 40-2354 1152

Details of complaints/requests received and redressed

During the year 2013-2014, 111 complaints were received pertaining to the dividends, annual reports, change of bank/ address details and split shares etc from shareholder and the complaints have been resolved to the satisfaction of the Complainants. As on 31/03/2014 there was one complaint pending 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 3 times during the financial year 2013-14.

VI. ESOP Compensation Committee

The Committee has been authorised 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
2012-13	KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce & Industry [FAPCCI], 11-6-841, Red Hills, Hyderabad –500 004	13/08/2013 10.00 AM	Four
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

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 25th 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 2013-14, 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, 2014.

(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 : 2013 – 2014

Day and Date : Tuesday 12th day of August, 2014

Time : 12.00 Noon

Venue : Forum Hall, Hotel Daspalla, Road No. 37, Jubilee Hills, Hyderabad – 500 033

(ii) Financial Calendar (tentative)

Financial Year April 1, 2014 to March 31, 2015

Quarter Ending	Release of Results
June 30, 2014	latest by August 15, 2014
September 30, 2014	latest by November 15, 2014
December 31, 2014	latest by February 15, 2015
March 31, 2015	May 15, 2015*

* 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 26th July, 2014 to 29th July, 2014 (both days inclusive)

(iv) Dividend Disclosure: The Directors are pleased to propose a dividend of ₹0.50 paisa per equity share of ₹1/- each (@ 50%), with an additional special Silver Jubilee year dividend of ₹2.00 per equity share (200% of face value equity share of ₹1/- each) aggregating to ₹2.50 per equity share (@250%) for the financial year 2013-14 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 21st August, 2014, 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 2014-2015

(vi) Stock Code

Trading Symbol

Exchange	Scrip Code	Scrip ID
BSE Limited	530239	SUVEN
National Stock Exchange of India Limited	SUVEN-EQ	SUVEN

Depository for Equity Shares : NSDL and CDSL

Demat ISIN Number : INE495B01038

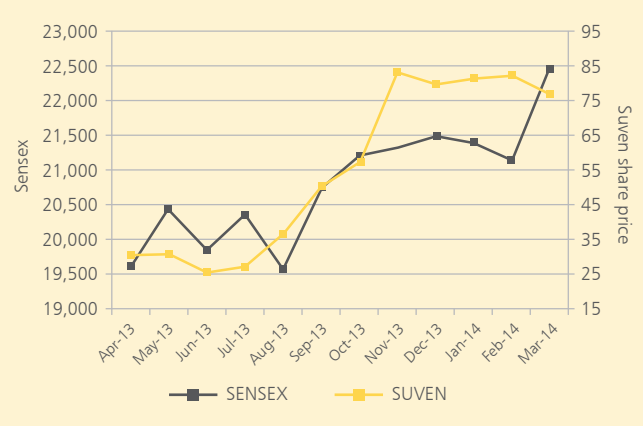
(vii) Stock Market Price Data BSE

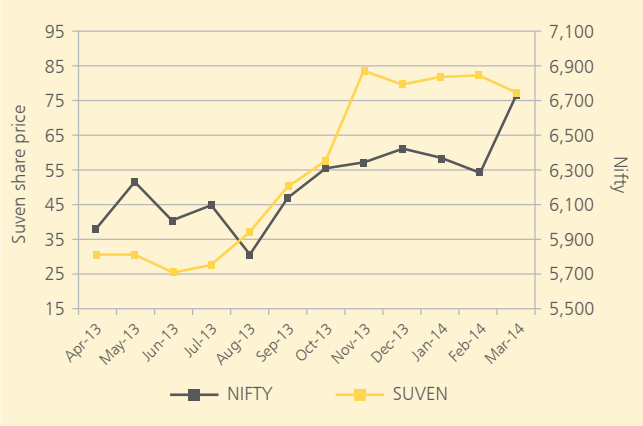
Month		BSE			BSE SENSEX	
		HIGH (₹)	LOW (₹)	Volume (No.)	HIGH	LOW
2013	April	30.40	22.85	1,910,860	19,622.68	18,144.22
	May	30.80	22.80	2,637,074	20,443.62	19,451.26
	June	25.70	22.00	825,962	19,860.19	18,467.16
	July	27.20	22.50	1,182,857	20,351.06	19,126.82
	August	36.65	22.70	3,856,541	19,569.20	17,448.71
	September	49.90	36.05	7,368,380	20,739.69	18,166.17
	October	57.65	41.80	4,531,237	21,205.44	19,264.72
	November	83.40	54.15	15,282,396	21,321.53	20,137.67
	December	79.70	65.10	7,262,973	21,483.74	20,568.70
2014	January	81.45	67.50	6,637,671	21,409.66	20,343.78
	February	82.40	71.00	4,450,304	21,140.51	19,963.12
	March	77.00	70.00	2,181,046	22,467.21	20,920.98

(viii) Stock Price Performance in comparison with NSE NIFTY

Month		NSE			NSE NIFTY	
		HIGH (₹)	LOW (₹)	Volume (No.)	HIGH	LOW
2013	April	30.40	22.10	1,115,592	5,962.30	5,477.20
	May	30.80	22.90	1,333,734	6,229.45	5,910.95
	June	25.65	22.15	481,243	6,011.00	5,566.25
	July	27.25	22.85	616,258	6,093.35	5,675.75
	August	36.70	22.50	2,931,232	5,808.50	5,118.85
	September	49.95	36.30	4,569,446	6,142.50	5,318.90
	October	57.70	41.70	1,826,266	6,309.05	5,700.95
	November	83.50	54.00	10,445,429	6,342.95	5,972.45
	December	79.80	65.00	1,939,341	6,415.25	6,129.95
2014	January	81.50	67.00	3,591,495	6,358.30	6,027.25
	February	82.25	70.60	5,312,133	6,282.70	5,933.30
	March	76.90	69.75	1,092,912	6,730.05	6,212.25

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
CIN: U74140AP2003PTC041636
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 authorised to process all the valid transfer requisitions on a weekly basis and a memorandum of transfers, if any, will be submitted to the Company. The share certificates duly transferred will be dispatched to the transferees. For this purpose the Company has authorised 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.

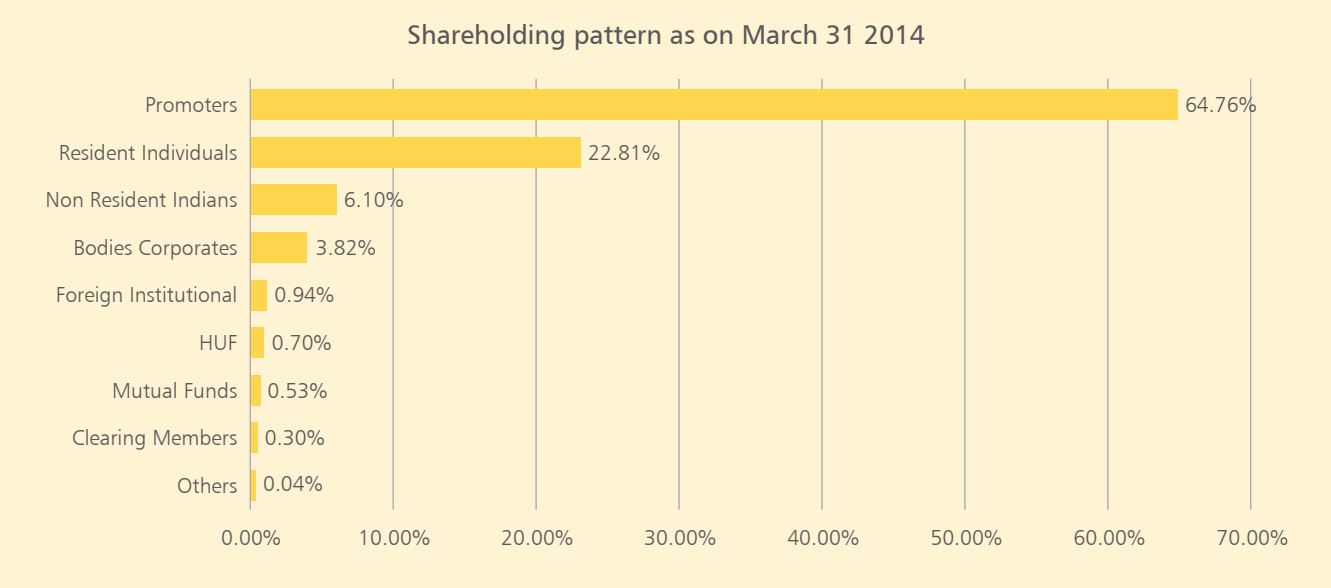
The Company has obtained and filed with the Stock Exchange(s), the half yearly certificates from Company secretary in practice for due Compliance with the share transfer formalities as required under clause 47(c) of listing agreement

(xi) Distribution Shareholding Pattern as on 31st March 2014

Category (Amount)	Shareholders		Share Amount	
	Number	% to total	Amount	% to total
1 – 5000	34980	97.61%	15965975	13.67%
5001 – 10000	424	1.18%	3243404	2.78%
10001 – 20000	216	0.60%	3271286	2.80%
20001 – 30000	68	0.19%	1666081	1.43%
30001 – 40000	42	0.12%	1511862	1.29%
40001 – 50000	22	0.06%	1027244	0.88%
50001 – 100000	50	0.14%	3574364	3.06%
100001 – and above	33	0.09%	86568572	74.10%
TOTAL	35835	100.00%	116828788	100.00%

(xii) Categories of shareholders as on 31st March 2014

Sl. No	Category	Cases	Holding	%To Equity
1	Promoters	6	75657576	64.76%
2	Resident Individuals	33912	26642942	22.81%
3	Non Resident Indians	419	7130992	6.10%
4	Corporate Bodies	661	4463918	3.82%
5	Foreign Institutional Investors	10	1100515	0.94%
6	Mutual Funds	642	822417	0.70%
7	HUF	2	618000	0.53%
8	Clearing Members	180	347017	0.30%
9	Others	3	45411	0.04%
	TOTAL	35835	116828788	100.00%



(xiii) Dematerialisation of shares and liquidity

As on 31st March 2014, 98.76% of the paid up equity capital of the Company has been dematerialised and the trading of Equity shares in the Stock Exchanges is under compulsory dematerialisation.

Members are encouraged to opt for dematerialisation 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, 2014, 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, Telangana - 508213

Unit 2 – 18/B, Phase III, IDA, Jeedimetla, Hyderabad, Telangana - 500055

Unit 3 – A) Plot No. 262, 263 & 269 to 271, IDA, Pashamylaram, Medak Dist. Telangana

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

Research and Development Centre's

Research Centre – I

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

Research Centre – II

Bio-Pharmaceutical Lab

Plot No. 264, IDA Pashamylaram, Medak Dist.
Telangana - 502 307

Research Centre – III

Formulation Development Centre

Plot No. 265 to 268, APIIC, IDA Pashamylaram,
Medak Dist, Telangana - 502 307

(xvi) Address for Correspondence

Regd. Office: 8-2-334, SDE Serene Chambers,
6th Floor, Road No. 5, Avenue 7,
Banjara Hills, Hyderabad - 500 034, Telangana
CIN: L24110TG1989PLC009713
Tel: +91 40-2354 3311 / 2354 1142,
Fax: +91 40-2354 1152
E-mail: info@suven.com, investorservices@suven.com
Website: 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 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 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, 2014.

For **Suven Life Sciences Limited**

Place: Hyderabad
Date: 22nd May, 2014

Venkateswarlu Jasti
Chairman & CEO

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 31st March 2014, 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)

K. Ajay Kumar
Partner
(M. No. 021989)

Place: Hyderabad
Date: 22nd May, 2014

Financial Section

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, 2014, 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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) 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 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013; and
   e) on the basis of written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 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's registration number: 01757S

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

Place : Hyderabad
Date : 22-05-2014

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 (d) of the paragraph 4 of the Order are not applicable.

e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.

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, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.

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.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above are in arrears as at the year end for a period of more than six months from the date on which they became payable.

c) 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.
Income Tax	7.63	AY 2011-12	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, the provision of 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 of share 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's registration number: 01757S

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

Place : Hyderabad
Date : 22-05-2014

Balance Sheet As at 31st March, 2014

	Note	As at 31st March 2014 ₹ in lakhs	As at 31st March 2013 ₹ in lakhs
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	3	1,168.29	1,168.29
Reserves & Surplus	4	25,276.34	14,277.70
Non-Current Liabilities			
Long-term borrowings	5	3,772.92	6,418.33
Long term provisions	6	179.36	157.78
Deferred Tax Liability (Net)	7	2,759.66	-
Current Liabilities			
Short-term borrowings	8	2,855.36	2,782.59
Trade payables	9	4,090.05	3,613.53
Other current liabilities	10	4,751.84	3,611.53
Short - term provisions	11	3,808.90	731.61
TOTAL		48,662.72	32,761.36
ASSETS			
Non - Current Assets			
Fixed Assets			
i) Tangible assets	12	17,923.39	16,151.54
ii) Capital work-in-progress		1,282.01	414.76
Non -Current Investments	13	0.15	0.15
Deferred Tax Asset (Net)	7	-	1,569.63
Long term loans and advances	14	1,258.75	939.22
Current Assets			
Current Investments	15	3.64	7.12
Inventories	16	7,862.87	5,381.43
Trade Receivables	17	6,547.03	2,377.76
Cash and Bank balances	18	6,939.96	2,183.30
Short - term loans and advances	19	6,809.17	3,716.77
Other current assets	20	35.75	19.68
TOTAL		48,662.72	32,761.36
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
Wholetime Director

Place: Hyderabad
Date: 22nd May, 2014

K. HANUMANTHA RAO
Company Secretary

Statement of Profit and Loss for the year ended 31st March 2014

	Note	For the year ended 31st March 2014 ₹ in lakhs	For the year ended 31st March 2013 ₹ in lakhs
INCOME			
Revenue from Operations (Gross)	21	51,058.62	25,828.02
Less: Excise Duty		(27.38)	(39.56)
		51,031.24	25,788.46
Other Income	22	302.95	104.34
TOTAL		51,334.19	25,892.80
EXPENSES			
Cost of Materials Consumed	23	15,049.65	8,827.40
Changes in Inventories of Finished goods, Work- in- progress and Stock- in- trade	24	(1,397.66)	(559.63)
Manufacturing Expenses	25	5,388.94	3,904.81
Employee benefit expenses	26	3,144.21	2,537.70
Research & Development Expenses	27	4,794.79	3,469.33
Financial Costs	28	1,051.28	1,350.94
Depreciation and amortisation expenses	12	883.74	786.71
Other expenses	29	2,145.45	2,290.30
TOTAL		31,060.40	22,607.56
Profit before tax		20,273.79	3,285.24
Tax expenses			
Current Tax		4,325.76	664.28
Previous year tax		-	(13.17)
Deferred Tax		4,329.28	191.34
MAT Credit entitlement		(2,797.00)	(641.16)
Total tax expenses		5,858.04	201.29
Profit for the year		14,415.75	3,083.95
Basic and Diluted Earnings per share (in ₹)	30	12.34	2.64
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
Wholetime Director

Place: Hyderabad
Date: 22nd May, 2014

K. HANUMANTHA RAO
Company Secretary

Cash flow Statement for the year ended 31st March 2014

	For the year ended 31st March 2014 ₹ in lakhs		For the year ended 31st March 2013 ₹ in lakhs	
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extraordinary Items		20,273.79		3,285.24
Adjustments for :				
Depreciation & Amortisation	1,148.99		1,046.65	
Interest Income	(147.21)		(23.53)	
Interest on Finance cost	769.47		1,283.74	
Profit on sale of Assets	(0.47)		(0.12)	
Dividend Income	(101.84)	1,668.94	(80.69)	2,226.05
Operating Profit Before Working Capital Changes		21,942.73		5,511.29
Adjustments for :				
Trade and Other Receivables	(4,882.93)		(1,511.66)	
Inventories	(2,481.44)		(731.26)	
Trade Payables and Other Liabilities	1,637.96		369.39	
Increase/(Decrease) in Net Current Assets		(5,726.41)		(1,873.53)
Cash Generated From Operations		16,216.32		3,637.76
Adjustments for :				
Income Tax paid	4,085.51	4,085.51	569.16	569.16
Net Cash From Operating Activities (A)		12,130.81		3,068.60
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Sale/(Purchase) of Investments	3.48		445.16	
Purchase of Fixed Assets	(3,788.10)		(2,006.91)	
Sale of Fixed Assets	0.47		2.45	
Interest Received	131.13		16.52	
Changes in bank balances not considered as cash equivalents	(14.26)		(3.89)	
Dividend Received	101.84		80.69	
Net Cash Used In Investing Activities (B)		(3,565.44)		(1,465.98)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Borrowings (Net)	(2,650.06)		1,926.13	
Interest Paid on borrowings	(762.85)		(1,283.74)	
Issue of capital with Premium	-		19.95	
Dividend Payouts (including Dividend Tax)	(410.06)		(407.02)	
Net Cash used in financing Activities (C)		(3,822.97)		255.32
Net Increase in Cash and Cash Equivalents (A+B+C)		4,742.40		1,857.94
Cash and Cash Equivalents at the beginning the year		2,034.64		176.70
Cash and Cash Equivalents at the end of the year		6,777.04		2,034.64

As per our report of even date
for KARVY & CO.
Chartered Accountants
(Firm Reg. No.001757S)

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

Place: Hyderabad
Date: 22nd May, 2014

for and on behalf of the Board of Directors

VENKATESWARLU JASTI
Chairman & CEO

SUDHA RANI JASTI
Wholetime Director

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 Contract Research and Manufacturing Services (CRAMS) catering to the needs of global Life Science Industry, is committed to provide customers with products fulfilling customer's needs and expectations.

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.

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 recognised in the period in which the results are known / materialised.

2.3 Revenue Recognition

i. Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of products are transferred to customers.

ii. Revenue from Contract Technical Services, Clinical Trials Services, Process Development Services and Formulation Development Charges are recognised on completion of the milestone work.

iii. Income from Investments

(i) The Company recognises 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 capitalised. 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 realisable 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 capitalised and amortised 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.

ii. Any income or expense on account of exchange difference either on settlement or on translation is recognised 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 amortised and recognised 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 recognised in the profit and loss account.

iv. Financial Derivative Contracts :

The realised gain/loss in respect of settled contracts are recognised 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 recognised 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 recognised and carried forward only if there is reasonable certainty that they will be realised 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 recognised 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 amortised 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.

NOTE 3: SHARE CAPITAL

	As at 31st March 2014 (No. of Shares)	As at 31st March 2014 ₹ in lakhs	As at 31st March 2013 (No. of Shares)	As at 31st March 2013 ₹ in lakhs
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	116,828,788	1,168.29	116,828,788	1,168.29
Equity Shares of ₹1/- each				

3.1 Reconciliation of number of Ordinary Shares outstanding

As at beginning of the year	116,828,788	1,168.29	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	116,828,788	1,168.29

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 2014 (No. of Shares)	As at 31st March 2014 %	As at 31st March 2013 (No. of Shares)	As at 31st March 2013 %
Mr. Venkateswarlu Jasti	23,000,000	19.69	22,420,940	19.19
Mrs. Sudha Rani Jasti	21,000,000	17.98	20,756,312	17.77
Mrs. Sirisha Jasti	10,550,000	9.03	10,550,000	9.03
Mrs. Madhavi Jasti	10,550,000	9.03	10,550,000	9.03
Ms. Kalyani Jasti	10,550,000	9.03	10,550,000	9.03

3.4 Shares reserved for issue under Options

	As at 31st March 2014 (No. of Shares)	As at 31st March 2014 ₹ in lakhs	As at 31st March 2013 (No. of Shares)	As at 31st March 2013 ₹ in lakhs
Equity Shares of ₹1.00 each	700,000	7.00	1,190,600	11.91

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

NOTE 4: RESERVES & SURPLUS

	As at 31st March 2014 ₹ in lakhs		As at 31st March 2013 ₹ in lakhs	
General Reserve				
Opening Balance	4,186.61		3,876.61	
Add: Additions during the year	1,450.00		310.00	
		5,636.61		4,186.61
Securities Premium Account	4,022.08		4,003.09	
Add: Additions during the year	-	4,022.08	18.99	4,022.08
Surplus in statement of Profit & Loss				
Opening Balance	6,069.01		3,705.12	
Add: Profit for the year	14,415.75		3,083.95	
	20,484.76		6,789.07	
Less: Appropriations				
Transfer to General Reserve	1,450.00		310.00	
Proposed Dividend	2,920.72		350.49	
Earlier year's Dividend	0.01		0.01	
Income tax on Proposed Dividend				
Current Year	496.38		59.57	
Earlier year's Provision	0.00	15,617.65	0.00	6,069.01
TOTAL		25,276.34		14,277.70

NOTE 5: LONG-TERM BORROWINGS

Term Loans		
From Banks (Secured)		
Corporate Loan From State Bank of India	672.11	1,310.18
Term Loan From State Bank of India (Vizag Plant)	180.04	-
Corporate Loan From State Bank of Patiala	-	1,190.13
Corporate Loan From Bank of India	1,400.55	2,262.92
Corporate Loan From Bank of Bahrain & Kuwait	3,143.70	3,261.60
TOTAL (A)	5,396.40	8,024.83
From other parties (Unsecured)		
Loan from Department of Science and Technology, Govt. of India.	805.20	899.60
TOTAL (B)	805.20	899.60
TOTAL LONG TERM BORROWINGS (A+B)	6,201.60	8,924.43
Less: Current maturities of long-term borrowings (Refer Note 10)	2,428.68	2,506.10
TOTAL	3,772.92	6,418.33

Nature of Security	Terms of Repayment
Corporate Loan From S.B.I. 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 18 monthly installments. First seven installments of USD 0.080 Millions and next 11 installments of USD 0.095 Millions commenced from Sept'2013. Rate of Interest 4.33%.
Corporate Loan From State Bank of Patiala secured by first and Pari-passu charge on Land, Buildings, Plant & Machinery and Second charge on stocks, receivables and other current assets.	The corporate loan is repayable in 15 quarterly instatllments . First three installments of ₹67 Lakhs and next 12 installments of ₹150 Lakhs. Repayment commenced from 30.09.2011. (However, during the financial year the entire loan amount is repaid) Rate of Interest 13.75%
Corporate Loan From Bank of India 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 9 quarterly installments of US $ 0.106 Million. Commencing from October'2013. Rate of Interest 6.8675%
Corporate Loan From Bank of Bahrain & Kuwait 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%
Term Loan From S.B.I. 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 22 quarterly installments commencing from 3rd quarter of 2015-16. Rate of Interest 11.50%.
Loan from Department of Science and Technology - I	The loan is repayable in 10 Annual installments of ₹50 Lakhs each commencing from October'2013. Rate of Interest 3.00%
Loan from Department of Science and Technology - II	The loan is repayable in 10 Annual installments of ₹44.40 Lakhs each commencing from Feb '2013. Rate of Interest 3.00%

NOTE 6: LONG - TERM PROVISIONS

	As at 31st March 2014 ₹ in lakhs	As at 31st March 2013 ₹ in lakhs
Gratuity	64.40	58.74
Leave encashment	114.96	99.04
TOTAL	179.36	157.78

NOTE 7: DEFERRED TAX LIABILITIES / DEFERRED TAX ASSETS

Deferred Tax Liabilities		
Depreciation	2,974.60	2,598.36
Total	2,974.60	2,598.36
Deferred Tax Assets		
Unabsorbed Losses	133.69	4,074.32
Provision for Gratuity and Leave Encashment	81.25	93.67
Total	214.94	4,167.99
Net Deferred Tax Liability / (Asset)	2,759.66	(1,569.63)

NOTE 8: SHORT - TERM BORROWINGS

	As at 31st March 2014 ₹ in lakhs	As at 31st March 2013 ₹ in lakhs
Loan repayable on demand		
i) From Banks		
Working Capital Loans from S.B.I (Secured)	2,383.47	2,379.07
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.		
Working Capital Loans from Bank of Bahrain & Kuwait (Secured)	471.89	403.52
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.		
TOTAL	2,855.36	2,782.59

NOTE 9: TRADE PAYABLES

Micro and Small Enterprises	-	-
Others	4,090.05	3,613.53
TOTAL	4,090.05	3,613.53

NOTE 10: OTHER CURRENT LIABILITIES

Current maturities of long-term borrowings (also refer note 5)	2,428.68	2,506.10
Interest accrued but not due	35.05	28.43
Unclaimed Dividend	21.13	19.41
Other Payables		
Advance Received from Customers	305.60	88.19
Liabilities for Expenses	1,717.60	500.94
Liabilities for statutory dues	71.93	57.01
Liabilities for Capital Works	171.85	411.46
TOTAL	4,751.84	3,611.53

NOTE 11: SHORT - TERM PROVISIONS

Taxation	141.50	-
Dividend	2,920.72	350.49
Corporate Dividend Tax	496.38	59.57
Gratuity	222.60	234.21
Leave encashment	27.70	87.34
TOTAL	3,808.90	731.61

Notes to the Financial Statements

NOTE 12: FIXED ASSETS

₹ in lakhs

Sl. NO	Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
		As at 01/04/2013	Additions During the year	Total	Deletions	As on 31/03/2014	As at 01/04/2013	For the year	On deletions	UP TO 31/03/2014	AS AT 31/03/2014	AS AT 31/03/2013
1	Land-free hold	494.86	28.19	523.05	-	523.05	-	-	-	-	523.05	494.86
2	Buildings - Office at factory	44.78	-	44.78	-	44.78	12.10	0.73	-	12.83	31.95	32.68
3	Buildings - Factory	4,151.41	166.13	4,317.55	-	4,317.55	687.62	140.49	-	828.11	3,489.44	3,463.80
4	Plant and Equipment	11,103.37	1,930.68	13,034.05	-	13,034.05	4,001.94	621.18	-	4,623.12	8,410.93	7,101.43
5	Furniture and fixtures	441.12	4.27	445.39	-	445.39	193.00	28.03	-	221.02	224.37	248.12
6	Vehicles	137.31	53.87	191.18	10.60	180.59	90.54	12.75	10.60	92.69	87.89	46.77
7	Office Equipments	94.19	8.81	103.00	-	103.00	47.59	4.67	-	52.26	50.74	46.60
8	Laboratory Equipments	1,224.96	240.06	1,465.02	-	1,465.02	257.59	61.95	-	319.54	1,145.48	967.37
9	ETP Works	144.51	262.14	406.66	-	406.66	110.90	10.53	-	121.43	285.22	33.61
10	Misc Fixed assets	4.62	-	4.62	-	4.62	4.26	0.22	-	4.48	0.14	0.36
11	EDP Equipments	486.45	11.54	498.00	-	498.00	473.80	3.19	-	476.99	21.01	12.65
	Sub total	**18,327.59**	**2,705.70**	**21,033.29**	**10.60**	**21,022.69**	**5,879.33**	**883.74**	**10.60**	**6,752.47**	**14,270.22**	**12,448.26**
12	R & D Equipments	5,502.65	215.15	5,717.80	-	5,717.80	1,799.37	265.25	-	2,064.63	3,653.17	3,703.28
	Total Tangible assets	**23,830.24**	**2,920.85**	**26,751.09**	**10.60**	**26,740.49**	**7,678.71**	**1,148.99**	**10.60**	**8,817.10**	**17,923.39**	**16,151.54**
	Previous year	19,888.77	3,956.17	23,844.94	14.70	23,830.24	6,644.43	1,046.65	12.37	7,678.71	16,151.54	

Note: Depreciation on R & D Equipment of ₹265.25 Lakhs has been added to R & D Expenses (Previous Year ₹259.94 Lakhs)

NOTE 13: NON - CURRENT INVESTMENTS (VALUED AT COST)

		As at 31st March 2014 ₹ in lakhs	As at 31st March 2013 ₹ in lakhs
A	Investment In Equity shares:		
	100 Equity Shares of ₹20/- each in G.S.F.C.Limited	0.02	0.02
B	Investment in Govt. and Trust securities		
	Investment In National Savings Certificates	0.13	0.13
TOTAL		0.15	0.15
Aggregate value of Investments :			
Un-quoted :			
Book Value		0.15	0.15

NOTE 14: LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)		
Capital Advances	1,071.18	775.06
Security Deposits	187.57	164.16
TOTAL	1,258.75	939.22

NOTE 15: CURRENT INVESTMENTS

Investment in Mutual Funds:		
SBI Premier Liquid Fund	-	3.48
Investment In Mutual Funds:		
SBI Infrastructure fund	3.64	3.64
50000 units of ₹10/- each (Previous year 50000 units)		
TOTAL	3.64	7.12
Aggregate value of Investments :		
Quoted :		
Book Value	3.64	7.12
Market Value	3.80	7.12

NOTE 16: INVENTORIES

(As valued and certified by the Management)		
Raw Materials	2,447.42	1,519.26
Packing Materials	37.71	19.18
Work-in- Process	2,230.61	1,898.85
Finished Goods	2,624.14	1,558.24
Stores and Spares	522.99	385.90
TOTAL	7,862.87	5,381.43

NOTE 17: TRADE RECEIVABLES

	As at 31st March 2014 ₹ in lakhs	As at 31st March 2013 ₹ in lakhs
Unsecured, considered good		
Aggregate amount of trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	45.64
Others	6,547.03	2,332.12
TOTAL	6,547.03	2,377.76

NOTE 18: CASH AND BANK BALANCES

Cash and Cash Equivalents			
Cash on hand		7.63	9.34
Balances with bank:			
In Current Accounts		181.59	925.30
In fixed deposit (maturity less than 3 months)		6,587.82	1,100.00
	(A)	6,777.04	2,034.64
Other bank balances			
Earmarked balances with banks		162.92	148.66
	(B)	162.92	148.66
TOTAL (A+B)		6,939.96	2,183.30

NOTE 19: SHORT - TERM LOANS AND ADVANCES

Unsecured, considered good		
Advances for Purchases	191.34	203.83
Advances for Expenses	299.74	205.98
Security Deposits	44.34	-
Prepaid expenses	93.52	108.09
VAT Credit Receivable	444.19	740.82
CENVAT Credit Receivable	844.66	660.00
Service Tax Credit Receivable	868.35	473.73
MAT Credit Entitlement	3,990.95	1,193.95
Advance Tax and TDS (Net of Provision for Tax)	-	98.74
Other Advances	32.08	31.63
TOTAL	6,809.17	3,716.77

NOTE 20: OTHER CURRENT ASSETS

Interest Accrued	35.75	19.68
TOTAL	35.75	19.68

NOTE 21: REVENUE FROM OPERATIONS

	For the year ended 31st March 2014 ₹ in lakhs	For the year ended 31st March 2013 ₹ in lakhs
A. Sale of Products	49,371.38	24,495.78
Less : Excise Duty	(27.38)	(39.56)
	49,344.00	24,456.22
B. Sale of Services	1,687.24	1,332.24
TOTAL	51,031.24	25,788.46
A) Sale of Products		
a) Bulk Drugs	1,298.11	1,588.15
b) Intermediates	45,770.39	21,158.33
c) Recoveries	7.87	14.06
d) Job works	2,267.63	1,695.68
TOTAL	49,344.00	24,456.22
B) Sale of Services		
a) Contract Technical Services	136.23	533.47
b) Clinical Trials Services	95.78	301.98
c) Process Development Charges	546.64	358.06
d) Formulation Development Charges	908.59	138.73
TOTAL	1,687.24	1,332.24
TOTAL (A+B)	51,031.24	25,788.46

NOTE 22: OTHER INCOME

Interest Income	147.21	23.53
(Tax Deducted at Source ₹15.27 lakhs (Previous year 2.30 lakhs))		
Dividend Income from Mutual Funds	101.84	80.69
Foreign Exchange Fluctuations Gain (Net)	53.43	-
Profit on sale of assets	0.47	0.12
TOTAL	302.95	104.34

NOTE 23: COST OF MATERIALS CONSUMED

1) Raw Materials			
Opening Stock		1,519.26	1,460.09
Purchases		15,762.79	8,747.50
Less: Closing Stock		2,447.42	1,519.26
	(A)	14,834.63	8,688.33
2) Packing Materials			
Opening Stock		19.18	17.42
Purchases		233.55	140.83
Less: Closing Stock		37.71	19.18
	(B)	215.02	139.07
TOTAL (A+B)		15,049.65	8,827.40

Details of Major Raw Material consumed

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
	Quantity Kgs	Value ₹ in lakhs	Quantity Kgs	Value ₹ in lakhs
a) 2-Amino-5-chloro-2-Flurobenzophenone	10,500	271.97	18,500	454.74
b) Caustic Soda Lye	3,578,271	539.01	2,684,177	410.56
c) 3- Isochromanone	400,005	4,300.55	253,000	2,655.44
d) Methanol	2,880,649	1,074.31	2,413,924	699.56
e) Chloro Acetaldehyde Dim ethyl Acetal	27,411	177.94	32,799	203.47
f) Methyl Formate	247,120	185.95	145,434	110.62
g) Toluene	421,539	343.88	330,840	268.83
h) Tetra Hydrofuran	251,893	502.18	107,521	234.51
i) Ethyl Alcohol	335,363	116.43	354,835	109.30
j) Others	-	7,322.42	-	3,541.30
TOTAL		14,834.63		8,688.33

NOTE 24: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK- IN- PROGRESS AND STOCK- IN- TRADE

		For the year ended 31st March 2014 ₹ in lakhs	For the year ended 31st March 2013 ₹ in lakhs
Opening Stock :			
Work - in - Progress		1,898.85	1,779.38
Finished Goods		1,558.24	1,118.08
	(A)	3,457.09	2,897.46
Closing Stock :			
Work - in - Progress		2,230.61	1,898.85
Finished Goods		2,624.14	1,558.24
	(B)	4,854.75	3,457.09
Increase/(Decrease) in Stocks C= (B)-(A)		1,397.66	559.63

Break-up of Stocks - Finished Goods	For the year ended 31st March 2014		For the year ended 31st March 2013	
	Quantity MT.	Value ₹ in lakhs	Quantity MT.	Value ₹ in lakhs
a) Bulk Drugs	4.147	146.07	0.606	11.52
b) Intermediates	163.157	2,478.07	119.189	1,546.72
TOTAL	167.304	2,624.14	119.795	1,558.24

NOTE 25: MANUFACTURING EXPENSES

	For the year ended 31st March 2014 ₹ in lakhs	For the year ended 31st March 2013 ₹ in lakhs
Power & Fuel	2,584.70	2,193.45
Consumable Stores	56.07	52.66
Factory Upkeep Expenses	929.34	671.14
Environment Management Expenses	246.48	189.78
Safety Expenses	69.74	44.85
Quality Control Expenses	400.45	185.69
Repairs & Maintenance :		
Buildings	122.02	17.24
Plant & Machinery	980.14	550.00
TOTAL	5,388.94	3,904.81

NOTE 26: EMPLOYEE BENEFIT EXPENSES

Salaries, Wages & Bonus	2,548.68	2,043.62
Staff Welfare Expenses	290.57	219.81
Contribution to PF & Other Funds	304.96	274.27
TOTAL	3,144.21	2,537.70

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 2014	For the year ended 31st March 2013
Provident Fund	154.88	145.44
State Defined Contribution Plans		
i. Employees' State Insurance	20.99	19.52
ii. Employees' Pension Scheme, 1995	48.40	41.92

II. Defined Benefit Plans

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

Particulars	For the year ended 31st March 2014 ₹ in lakhs	For the year ended 31st March 2013 ₹ in lakhs
A. Change in present value of obligation		
Present value of obligation at the beginning of the year	507.90	482.22
Current Service cost	22.86	28.25
Interest cost	40.63	38.58
Benefits paid	(10.07)	(50.83)
Net Actuarial (Gain) / Loss Recognised during the year	(14.98)	9.68
Present value of obligation at the end of the year	546.34	507.90

II. Defined Benefit Plans

Particulars	For the year ended 31st March 2014 ₹ in lakhs	For the year ended 31st March 2013 ₹ in lakhs
B. Changes in the Fair Value of Plan Assets		
Present Value of Plan Assets at the beginning of the year	214.95	167.88
Expected Return on Plan Assets	18.48	14.28
Actuarial Gain / (Loss)	-	-
Contributions	35.99	65.06
Benefits Paid	(10.07)	(32.27)
Fair Value of Plan Assets at the end of the year	259.34	214.95
C. Net (Asset)/Liability recognised in the Balance Sheet		
Present value of obligation at the end of the year	292.95	314.34
Fair value of Plan Assets at the end of the year	(5.95)	(21.39)
Funded status (surplus) / deficit	287.00	292.95
Net (Asset) / Liability recognised in the Balance Sheet	287.00	292.95
D. Expenses recognised in the Profit & Loss Account		
Service Cost	22.86	28.25
Interest Cost	40.63	38.58
Expected return on Plan Assets	(18.48)	(14.28)
Net Actuarial (Gain) / Loss recognised during the year	(14.98)	9.68
Total Expenses recognised in Profit and Loss account	30.03	62.23
Assumptions Used		
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)	8.75%	9.25%
Expected Average remaining working lives of employees (years)	25.32	25.05

b) Other Employee Benefit Plan

The liability for Leave Encashment as at the year end is ₹142.66 lakhs (previous year ₹186.38 lakhs) and the assumptions are as same as above.

NOTE 27: RESEARCH & DEVELOPMENT EXPENSES

R & D Salaries	1,181.94	1,126.47
R & D Materials	480.72	509.35
Patent Related Expenses	726.57	533.38
Lab Maintenance	974.05	752.89
R & D Other Expenses	1,166.26	287.30
Depreciation	265.25	259.94
TOTAL	4,794.79	3,469.33

NOTE 28: FINANCE COSTS

Interest - on Fixed Loans	533.86	944.37
- on Others	85.06	229.97
Bank Charges	150.55	109.40
Exchange difference on foreign currency loan	281.81	67.20
TOTAL	1,051.28	1,350.94

NOTE 29: OTHER EXPENSES

	For the year ended 31st March 2014 ₹ in lakhs	For the year ended 31st March 2013 ₹ in lakhs
Administrative & Other Expenses		
Rent	84.45	94.32
Rates & Taxes	18.99	9.21
Service Tax	3.32	14.20
Insurance	171.55	129.21
Communication Charges	68.34	64.55
Travelling & Conveyance	282.43	274.82
Printing & Stationery	76.88	64.56
Vehicle Maintenance	22.64	22.05
Professional Charges	329.97	247.22
Payments to Auditors :		
- As Auditors	5.50	5.50
- for Tax Matters	1.75	1.75
- for other Services	0.75	0.75
- for Expenses	0.12	0.12
Security Charges	114.75	91.60
Donations	3.39	5.19
Repairs & Maintenance	38.92	23.96
Loss on Foreign Exchange Fluctuations	-	21.18
Loss /(Gain) on Forward Contracts	23.31	362.95
General Expenses	154.59	149.55
TOTAL (A)	1,401.65	1,582.69
Selling Expenses		
Sales Promotion	216.89	148.58
Clearing & Forwarding	364.43	178.78
Commission on Sales	89.90	171.73
TOTAL (B)	671.22	499.09
Clinical Projects Expenses	72.59	208.52
TOTAL (C)	72.59	208.52
Total other expenses (A+B+C)	2,145.45	2,290.30

NOTE 30: EARNINGS PER SHARE

Net Profit after tax available for Equity shareholders (₹ In lakhs)	14415.75	3083.95
Weighted average of number of Equity shares outstanding during the year	116,828,788	116,748,431
Basic and Diluted Earnings per Equity share (₹1/- Face Value)	12.34	2.64

NOTE 31: ADDITIONAL NOTES TO THE FINANCIAL STATEMENTS

31.1 Contingent Liabilities

Particulars	For the year ended 31st March 2014 ₹ in lakhs	For the year ended 31st March 2013 ₹ in lakhs
Income tax appeal for Asst. year 2010-11	16.98	86.98
Income tax appeal for Asst. year 2011-12	7.64	-

31.2 Capital commitments not provided for on account of capital works [net of advance ₹1360.11 lakhs (Previous year ₹278.40 lakhs)

31.3 During the year Unclaimed Dividend pertaining to 2005-06 amounting to ₹1.65 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 2014 (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:

Particulars	Chairman & CEO		Whole-time Director	
	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
Salary & Allowances	120.00	91.80	54.00	40.81
Commission	207.80	34.86	103.90	17.43
Contribution to Provident Fund	14.40	11.02	6.48	4.90
Perquisites	-	-		-
Total	342.20	137.68	164.38	63.14

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

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, 2014 is set out below:

Particulars	For the year ended 31st March 2014 (No. of Shares)	For the year ended 31st March 2013 (No. of Shares)
Options outstanding at the beginning of the year	1,190,600	1,806,060
Add : Granted during the year	-	-
TOTAL	1,190,600	1,806,060
Less: Lapsed	490,600	518,660
Converted into equity shares	-	96,800
Options outstanding at the end of the year	700,000	1,190,600

31.8 Excise Duty amounting to ₹14.30 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.

Notes to the Financial Statements

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

B) **Secondary Segment :**

The Company has identified the following geographical reportable segments:

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

₹ in lakhs

Particulars	Manufacturing (CRAMS)	Services (DDDSS)	Research and Development	Un allocated	Total
Segment Revenue					
External Sales	49,344.00	1,687.24	-	-	51,031.24
	(22,760.54)	(3,027.92)	-	-	(25,788.47)
Inter Segmental Adj.	-	-	-	-	--
Total	49,344.00	1,687.24	-	-	51,031.24
	(22,760.54)	(3,027.92)	-	-	(25,788.47)
Segment Result					
Operating Profit	26,308.56	888.72	(4,794.79)	(1,812.73)	20,589.76
	(7,928.86)	(1,514.45)	(3,469.33)	(1,618.74)	(4,355.25)
Other Income	-	-	-	-	302.95
	-	-	-	-	(104.34)
Interest Expense	-	-	-		618.92
	-	-	-	-	(1,174.34)
Exceptional items	-	-	-	-	-
Income Tax -Current Tax	-	-	-	-	4,325.76
	-	-	-	-	(664.28)
Previous Current Tax					-
					(13.17)
Deferred Tax	-	-	-	-	4,329.28
	-	-	-	-	(191.34)
MAT Credit entitlement	-	-	-	-	(2,797.01)
	-	-	-	-	(641.16)
Net Profit					14,415.75
					(3,083.95)
Other Information					
Segment Assets	29,433.78	3,837.66	3,881.03	11,510.25	48,662.72
	(19,018.88)	(3,685.74)	(3,861.87)	(6,194.87)	(32,761.36)
Segment Liabilities	9,924.53	344.03	2,065.78	9,883.75	22,218.09
	(5,806.49)	(592.51)	(1,358.21)	(9,558.16)	(17,315.37)
Capital Expenditure	2,512.31	193.36	215.15	-	2,920.82
	(3,842.09)	-	(114.08)	-	(3,956.17)
Depreciation	834.16	24.79	265.25	24.79	1,148.99
	(691.09)	(47.81)	(259.94)	(47.81)	(1,046.64)

Note: Figures in brackets relates to previous years.

C) Geographical Information

₹ in lakhs

Particulars	Revenue		Location of Assets		Additions to Fixed Assets	
	For the year ended 31.03.2014	For the year ended 31.03.2013	As at 31.03.2014	As at 31.03.2013	For the year ended 31.03.2014	For the year ended 31.03.2013
INDIA	3,209.23	2,906.83	26,681.52	23,808.43	2,883.69	3,955.31
U S A	14,773.99	7,384.97	58.97	21.81	37.16	0.86
EUROPE	29,058.97	10,990.10	-	-	-	-
OTHERS	3,989.06	4,506.57	-	-	-	-
TOTAL	51,031.24	25,788.47	26,740.49	23,830.24	2,920.85	3,956.17

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 /Salary	506.58	86.80	593.38
	(200.81)	(78.20)	(279.01)

Note: Figures in brackets relates to previous years.

NOTE 34: OTHERS

34.1 Value of Imports on CIF basis

Particulars	For the year ended 31st March 2014 ₹ in lakhs	For the year ended 31st March 2013 ₹ in lakhs
a) Raw Materials	4,081.45	3,221.04
b) Components and Spare Parts	255.42	372.18
c) Capital Equipment	479.72	291.53

34.2 Expenditure in Foreign Currency

Particulars	For the year ended 31st March 2014 ₹ in lakhs	For the year ended 31st March 2013 ₹ in lakhs
Travel	43.24	46.21
Dividend	12.62	12.62
Sales Commission	84.39	155.65
Foreign Branch Expenses	467.17	416.29
Research & Development Expenses	1,727.89	623.75
TOTAL	2,335.31	1,254.52

34.3 Value of Imported and indigenous Raw Materials , Stores and Spares consumed and percentage of each to total consumption.

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
	Value ₹ in lakhs	% to Total	Value ₹ in lakhs	% to Total
a) Raw Materials :				
i) Imported	3,495.60	23.56	3,349.32	38.55
ii) Indigenous	11,339.03	76.44	5,339.02	61.45
TOTAL	14,834.63	100.00	8,688.34	100.00
b) Stores and Spares :				
i) Imported	9.63	17.17	8.05	15.28
ii) Indigenous	46.45	82.83	44.61	84.72
TOTAL	56.07	100.00	52.66	100.00

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 ₹ in lakhs
2013/2014	2012/2013	7	4207900	12.62
2012/2013	2011/2012	7	4207900	12.62

34.5 Earnings in Foreign Currency

Particulars	For the year ended 31st March 2014 ₹ in lakhs	For the year ended 31st March 2013 ₹ in lakhs
FOB Value of Exports	46,004	21,800

NOTE 35 :

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

Signatures of Note 1 to 35

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
Wholetime Director

Place: Hyderabad
Date: 22nd May, 2014

K. HANUMANTHA RAO
Company Secretary

Corporate
information

Board of Directors

Shri Venkateswarlu Jasti	*Chairman & CEO*
Smt Sudha Rani Jasti	*Whole-time Director*
Dr M R Naidu	*Director*
Dr K V Raghavan	*Director*
Shri D G Prasad	*Director*
Prof Syed E Hasnain	*Director*
Shri M Gopala Krishna, IAS (Retd.)	*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

DZR & 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
Bank of India
Bank of Bahrain & Kuwait

Registered Office

8-2-334, SDE Serene Chambers, 6th Floor,
Road No.5, Avenue 7, Banjara Hills,
Hyderabad - 500 034, Telangana

Manufacturing Facilities

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

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

Unit – 3:

A) Plot No. 262, 263 & 269 – 271, IDA, Pashamylaram, Medak Dist. Telangana – 502 307

B) Plot No. 264, IDA Pashamylaram, Medak Dist. Telangana – 502 307

Research and Development Centre(s)

Research Centre – I
Plot No.18/B, Phase III, IDA Jeedimetla,
Hyderabad - 500 055, Telangana

Research Centre - II
Bio-Pharmaceutical Lab
Plot No. 264, IDA Pashamylaram, Medak Dist.
Telangana – 502 307

Research Centre - III
Formulation Development Centre
Plot No. 265 to 268, APIIC, IDA Pashamylaram,
Medak Dist, Telangana – 502 307

SUVEN LIFE SCIENCES LIMITED

25TH ANNUAL REPORT 2013-14

CIN: L24110TG1989PLC009713
SDE SERENE CHAMBERS, ROAD NO. 5,
AVENUE 7, BANJARA HILLS, HYDERABAD - 500034

SUVEN LIFE SCIENCES LIMITED
CIN: L24110TG1989PLC009713
Registered Office: 8-2-334 I SDE Serene Chambers I 6th Floor I
Road No.5 I Avenue 7 I Banjara Hills I Hyderabad – 500 034 I Telangana I India
Tel: 91 40 2354 1142/3311 Fax: 91 40 2354 1152 Email: info@suven.com website: www.suven.com

NOTICE

NOTICE is hereby given that the 25th ANNUAL GENERAL MEETING of the Members of SUVEN LIFE SCIENCES LIMITED will be held on Tuesday, the 12th day of August 2014 at 12.00 Noon at the Forum Hall, Hotel Daspalla, Road No. 37, Jubilee Hills, Hyderabad – 500 033 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, 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 Prof Syed E Hasnain, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and, in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as Ordinary resolution.

   "RESOLVED THAT Karvy & Co., Chartered Accountants (Firm Registration No. – 001757S), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of Twenty-eighth Annual General Meeting to be held in the year 2017 (subject to ratification of their appointment at every Annual General Meeting) at such remuneration as may be mutually agreed between the Board of Directors and the Auditors."

SPECIAL BUSINESS

ITEM NO. 5: APPOINTMENT OF DR M.R. NAIDU AS INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Dr M.R. Naidu (DIN 00143836), a Non-Executive Director of the Company, meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019."

ITEM NO. 6: APPOINTMENT OF DR K.V.RAGHAVAN AS INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Dr. K. V. Raghavan (DIN 00144054), a Non-Executive Director of the Company, meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019."

ITEM NO. 7: APPOINTMENT OF SHRI D. G. PRASAD AS INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Shri D G Prasad (DIN 00160408), a Non-Executive Director of the Company, meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019."

ITEM NO. 8: APPOINTMENT OF SHRI M GOPALA KRISHNA AS INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, Shri M Gopala Krishna (DIN 00088454), a Non-Executive Director of the Company, meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019."

ITEM NO. 9: APPOINTMENT OF COST AUDITORS

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), M/s. DZR & Co., Cost Accountants (Firm Regn No 00173) appointed as Cost Auditors of the Company for audit of the Cost Accounting Records of the Company for the financial year ending 31st March 2015, be paid remuneration of ₹85,000/- (Rupees Eighty Five Thousand Only) plus of out of pocket expenses, if any."

ITEM NO. 10: ENHANCEMENT OF BORROWING POWERS

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 180(1)(c) of the Companies Act, 2013 and in supersession of all earlier Resolutions passed in this regard under Section 293(1)(d) of the Companies Act,1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company and / or any Committee thereof to borrow at its discretion, either from the Company's Bank or any other Indian or Foreign Bank(s), Financial Institution(s) and / or any other Lending Institutions or persons from time to time such sum(s) of money(s) and the sum(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers / FIs in the ordinary course of business) with or without security on such terms and conditions as they may think fit shall exceed the aggregate of the paid-up capital and free reserves of the Company that is to say, reserves not set apart for any specific purpose provided that the total amount together with the money(s) already borrowed by the Board of Directors but shall not exceed the sum of Rupees 600 Crores (Rupees Six Hundred Crores only) at any one time.

ITEM NO. 11: CREATION OF CHARGE ON THE ASSETS OF THE COMPANY

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

"RESOLVED THAT in supersession of the Resolution passed at the Annual General Meeting of the Company held on 07th August, 1998 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Company be and is hereby given to the Board of Directors of the Company ('the Board') to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any, created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or bodies/ trustees for holders of debentures/ bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, Insurance Companies, other lending/ investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as 'Lenders'), provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of ₹600 Crores (Rupees six hundred Crores only)."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/ or any member of such Committee with power to the said Committee to sub-delegate its powers to any of its members."

by order of the Board of Directors

Place: Hyderabad
Date: 22 May 2014

K Hanumantha Rao
Company Secretary

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

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF** and Proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the meeting. A person shall not act as a Proxy for more than 50 (fifty) members and holding in the aggregate not more than 10 (ten) percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than 10 (ten) percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

2. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of special businesses is annexed hereto.

3. Members holding shares in physical form are requested to notify any change in their address or bank mandates immediately to the Registrars and Transfer Agents Karvy Computershare Pvt. Ltd., Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 and in case of Members holding shares in electronic form are requested to notify any change in mailing address or bank mandates to their respective Depository Participants with whom they are maintaining their demat accounts.

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 Company has notified that the Register of Members of the Company and share transfer books will remain closed from **26th July, 2014 to 29th July, 2014** (both days inclusive) for determining the names of members eligible for dividend on Equity shares, if declared at the meeting.

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 25th July, 2014 in respect of shares held in physical form and in respect of shares held in electronic form, dividend will be paid to the beneficial owners as per the list to be provided by the Depositories viz., NSDL and CDSL, 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 authorising their representative to attend and vote on their behalf at the Annual General Meeting.

9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the company on all working days, during business hours up to the date of the meeting.

10. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialised form may contact their respective depository participant(s) for recording nomination in respect of their shares.

11. Members are requested to send all correspondence concerning registration of transfers, transmission, subdivision or any other shares related matter to Company's Registrars Karvy Computershare Pvt. Ltd., Hyderabad.

12. **Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.**

13. Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid dividend, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 13, 2013 (date of last Annual General Meeting) on the website of the Company (www.suven. com), and also on the website of the Ministry of Corporate Affairs.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Karvy Computershare Pvt. Ltd., Hyderabad.

15. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members' the facility to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Karvy Computershare Private Limited ("Karvy").

16. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link http://evoting.karvy.com during the e-voting period commences from 05th August, 2014 (9 a.m. IST) to 07th August, 2014 (6 p.m. IST).

17. E-voting shall not be allowed beyond 6 p.m. on 07th August, 2014. During the e-voting period, shareholders of the company, holding shares either in physical form or in dematerialised form, as on 11th July, 2014 may cast their vote electronically.

18. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.

19. The Company has appointed, **Smt P Renuka, Practicing Company Secretary, failing her, Shri D.V.M. Gopal Company Secretary of D.V.M. GOPAL & Associates Company Secretaries,** as a Scrutinizer(s) to scrutinize the e-voting process for Annual General Meeting in a fair and transparent manner.

EXPLANATORY STATEMENT

(Pursuant to section 102(1) of the Companies Act, 2013)

ITEM NO 5 TO 8

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Dr M R Naidu, Dr K V Raghavan, Shri D G Prasad and Shri M Gopala Krishna, as Independent Directors of the Company up to 5 (five) consecutive years up to 31st March, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of aforesaid Independent Directors.

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Dr M R Naidu, Dr K V Raghavan, Shri D G Prasad and Shri M Gopala Krishna, as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Except Dr M R Naidu, Dr K V Raghavan, Shri D G Prasad and Shri M Gopala Krishna none of the Directors and key managerial personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No(s) 5 to 8 of the Notice.

ITEM NO. 9:

The Board of your Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. DZR & Co., as the Cost Auditors of the Company to conduct audit of Cost Records of the Company for the year ending 31st March, 2015, at a remuneration of ₹85000/- plus out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and

Auditors) Rules, 2014, consent of the shareholders is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2015. The Board commends the resolution for approval of the shareholders.

None of the Directors and key managerial personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No.9 of the Notice.

ITEM NO. 10

Under the erstwhile Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Under the provisions of Section 180(1)(c) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per the clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293(1)(d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company. The Board is proposing enhancement of borrowing limits upto ₹600 Crores from the previous limit of ₹400 Crores keeping in view the present capital expenditure outflows and ongoing expansion plans, modernisation of its plant facilities to tap the emerging business opportunities in the CRAMS and DDDSS business models of your company.

The Board commends the Special Resolution for approval of the shareholders.

None of the Directors and key managerial personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No.10 of the Notice.

ITEM NO. 11:

Under the erstwhile Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

Under the provisions of Section 180(1)(a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/ trustees for the holders of debentures/ bonds may contain the power to take over the management of the Company in certain events, it is necessary to obtain Members' approval under Section 180 (1) (a) of the Companies Act, 2013, by way of a Special Resolution.

The existing limit of 50 Crores under the earlier resolution passed by the shareholders at the Annual General Meeting of the Company held on 07th August, 1998 stands increased to ₹600 Crores.

The Board commends the Special Resolution for approval of the shareholders.

None of the Directors and key managerial personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No.11 of the Notice.

by order of the Board of Directors

Place: Hyderabad
Date: 22 May 2014

K Hanumantha Rao
Company Secretary

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

Prof. Syed E. Hasnain is the Ex-Vice Chancellor of the University of Hyderabad. Before he became the vice chancellor in Dec 1995, he was the first Director of CDFD. He holds a PhD degree from JNU [1980]. He also received post-Doctoral Fellowship from the University of Alberta, Canada.

He has been nominated by the Prime Minister of India for the membership of the Scientific Advisory Council to the Prime Minister, the highest decision and policy making body for Science and Technology for the country.

He is also the recipient of Padmashri Award from President Abdul Kalam.

In addition he has many distinctions such as:

- Elected Fellow, German National Academy of Sciences Leopoldina
- Fellow, Third World Academy of Sciences (TWAS)
- Member, Scientific Advisory Council to the Union Cabinet
- J C Bose National Fellow, University of Hyderabad
- Honorary Professor, JNCASR, Bangalore, India
- Founding Fellow and Adviser, ISOGEM
- Distinguished Professor at the Institute of Life Sciences.

Prof. Hasnain has authored more than 175 original research papers and several book chapters. He has about a dozen patents filed in India and abroad. Prof. Hasnain is also a Director on the Board of Indian Immunologicals Limited. He does not hold any shares in the Company.

Dr. M.R. Naidu is a Doctorate in Science and Graduate in Mechanical Engineering. He had memberships in Professional Bodies like American Society of Mechanical Engineers, Planning Executives Institute and Indian Institute of Engineers. Dr. M.R. Naidu was a former Chairman and Managing Director of M/s. Bharat Heavy Plates and Vessels Limited (BHPV) and Hindustan Machine Tools Limited (HMT) and having vast experience in Technical and Administrative Sectors. He held the position of President, The Andhra Petrochemicals Ltd, and the U.B. Group.

Dr. M.R. Naidu is a member of Audit Committee and Investor Grievance Committee and he is holding 9,800 shares in the Company.

Dr. K.V. Raghavan is a Fellow of the National Academy of Engineering, Indian Institute of Chemical Engineers (IIChE) 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 at 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.

Shri 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, AMW Auto Component Limited and Natco Pharma Limited. He does not hold any shares in your Company

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.

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
CIN: L24110TG1989PLC009713
Registered Office: 8-2-334 I SDE Serene Chambers I 6th Floor I
Road No.5 I Avenue 7 I Banjara Hills I Hyderabad – 500 034 I Telangana I India
Tel: 91 40 2354 1142/3311 Fax: 91 40 2354 1152 Email: info@suven.com website: www.suven.com

ATTENDANCE SLIP

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

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

NAME AND ADDRESS OF THE REGISTERED SHAREHOLDER

I/We hereby record my/our presence at the 25th Annual General Meeting of the Company to be held on Tuesday the 12th day of August 2014 at 12.00 Noon at Forum Hall, Hotel Daspalla, Road No. 37, Jubilee Hills, Hyderabad – 500 033.

Signature of Shareholder/Proxy

SUVEN LIFE SCIENCES LIMITED
CIN: L24110TG1989PLC009713
Registered Office: 8-2-334 I SDE Serene Chambers I 6th Floor I
Road No.5 I Avenue 7 I Banjara Hills I Hyderabad – 500 034 I Telangana I India
Tel: 91 40 2354 1142/3311 Fax: 91 40 2354 1152 Email: info@suven.com website: www.suven.com

Form No. MGT-11

PROXY FORM

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

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

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

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

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 25th Annual General Meeting of the company, to be held on Tuesday, the 12th day of August, 2014 at 12.00 Noon at the Forum Hall, Hotel Daspalla, Road No. 37, Jubilee Hills, Hyderabad – 500 033 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions

1. Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors
2. Declaration of Dividend on Equity Shares
3. Re-appointment of Prof Syed E Hasnain who retires by rotation
4. Appointment of Auditors and fixing their remuneration
5. Appointment of Dr M.R. Naidu as Independent Director
6. Appointment of Dr K.V. Raghavan as Independent Director
7. Appointment of Shri D.G. Prasad as Independent Director
8. Appointment of Shri M Gopala Krishna as Independent Director
9. Appointment of the Cost Auditors
10. Enhancement of Borrowing Powers
11. Creation of Charge on the Assets of the Company

Signed this ..... day of ..... 2014.

Signature of shareholder: _____

Signature of Proxy holder(s): _____

Affix a 1 Rupee Revenue Stamp

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

SUVEN LIFE SCIENCES LIMITED

CIN: L24110TG1989PLC009713
Regd. Office: 8-2-334 I SDE Serene Chambers I 6th Floor I
Road No.5 I Avenue 7 I Banjara Hills I Hyderabad – 500 034 I Telangana I India
Tel: 91 40 2354 1142/3311 Fax: 91 40 2354 1152 Email: info@suven.com, www.suven.com

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Serial No. : BALNO

Name and Registered Address of the Sole/First named Member	:	BAR_CODE HOLDER HOLDER_ADD HOLDER_AD1 HOLDER_AD2 HOLDER_AD3 PIN : HOLDER_PIN
Name(s) of the Joint Member(s), if any	:	SECOND THIRD
Registered Folio No. / DP & Client ID No.	:	DPID / HOLDER_FOL
Number of Equity Shares held	:	TOTAL_SHAR

Subject : Process and manner for availing E-voting facility

The Company has engaged the services of M/s. Karvy Computershare Private Limited to provide e-voting facilities. The e-voting facility is available at the link http://evoting.karvy.com.

The e-voting particulars are set out below:

EVEN (E- Voting Event Number)	USER ID	PASSWORD/PIN
EVENT_NO	USER_ID	PWD

Instructions and other information relating to e-voting are as under:

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

i) Launch internet browser by typing the URL: https://evoting.karvy.com

ii) Enter the login credentials (i.e. User ID and password mentioned above). Your Folio No./DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii) After entering these details appropriately, click on "LOGIN".

iv) You will now reach password change Menu wherein you are required to mandatorily change your password. **The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.)**. The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v) You need to login again with the new credentials.

vi) On successful login, the system will prompt you to select the E-Voting Event Number for Suven Life Sciences Limited.

vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

viii) Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/ demat accounts.

ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

x) You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. **Once you confirm, you will not be allowed to modify your vote**. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xi) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: prenukaacs@gmail.com with a copy marked to evoting@karvy.com and investorservices@suven.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

xii) The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
from (9 a.m. IST) Tuesday 05th August, 2014	upto (6 p.m. IST) Thursday 07th August, 2014

xiii) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website https://evoting.karvy.com or contact Karvy on Toll Free No. 1-800-34-54-001 for any further clarifications.

2. In case a Member receives physical copy of the Annual General Meeting Notice by Post [for Members whose email IDs are not registered with the Company / Depository Participant(s)].

i). User ID and initial password as provided above.

ii). Please follow all steps from Sr. No. (i) to (xiii) as mentioned in (1) above, to cast your vote.

3. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.

4. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
5. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date, being Friday, July 11, 2014.
6. The Board of Directors has appointed Smt P Renuka, Practising Company Secretary, failing her, Shri D.V.M. Gopal, Company Secretary of D.V.M. GOPAL & Associates Company Secretaries, Hyderabad as a Scrutinizer(s) to scrutinize the e-voting process in a fair and transparent manner.
7. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.
8. The Results on resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.
9. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.suven.com) and on Karvy's website (https://evoting.karvy.com) within two (2) days of passing of the resolutions and communication of the same to BSE Limited and National Stock Exchange of India Limited.

BALLOT FORM (In lieu of e-voting)

Serial No. : BALNO

I/We hereby exercise my/our vote in respect of the Ordinary /Special Resolution(s) to be passed for the business stated in the Notice of 25th Annual General Meeting of the Company to be held on 12th August, 2014 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below.

Sr. No.	Resolution(s)	No. of equity shares	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
Ordinary Business:				
1.	Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors			
2.	Declaration of Dividend on Equity Shares			
3.	Re-appointment of Prof Syed E Hasnain who retires by rotation			
4.	Appointment of Auditors and fixing their remuneration			
Special Business:				
5.	Appointment of Dr M.R. Naidu as Independent Director			
6.	Appointment of Dr K.V. Raghavan as Independent Director			
7.	Appointment of Shri D.G. Prasad as Independent Director			
8.	Appointment of Shri M Gopala Krishna as Independent Director			
9.	Appointment of the Cost Auditors			
10.	Enhancement of Borrowing Powers			
11.	Creation of Charge on the Assets of the Company			

Place:
Date :

Signature of the Shareholder

Please write your email ID here to serve you better _____

NOTE: Kindly read the instructions printed below before filling the form. Valid Ballot Forms received by the Scrutinizer by 6:00 p.m. on August 7, 2014 shall only be considered

Instructions and other Information relating to Ballot Paper Voting

i. **Those members who are unable to cast their vote through e-voting mechanism, may fill up the Ballot Form printed above and submit the same in a sealed envelope to The Scrutinizer, C/o. Karvy Computershare Pvt. Ltd., Unit : Suven Life Sciences Limited, Plot No.17-24, Near Image Hospital, Vittal Rao Nagar, Madhapur, Hyderabad – 500081, so as to reach latest by 6.00 p.m. on August 7, 2014. Ballot Form received thereafter will strictly be treated as if not received.**
ii. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
iii. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
iv. In the event member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
v. The right of voting by Ballot Form shall not be exercised by a proxy.
vi. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Karvy Computershare Pvt. Ltd.). Members are requested to keep the same updated.
vii. There will be only one Ballot Form for every Folio / DP ID Client ID irrespective of the number of joint members.
viii. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his / her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
ix. Where the Ballot Form has been signed by an authorised representative of the body corporate / Trust / Society, etc. a certified copy of the relevant authorisation / Board resolution to vote should accompany the Ballot Form.