

1999-2000

# 10th ANNUAL REPORT

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## CLEAN AND GREEN PROGRAMME WITH FOREIGN VISITORS



**Kathryn Mc Farland**  
Abbott Labs / U.S.A on 28th Sep 1999

**Anil Bhatt**  
Searle / U.S.A. on 24th Feb 2000



**Brian Eidman**  
Merck / U.S.A. on 6th April 2000

# Year 2000 Beyond

As all of you are aware that **Suven Pharmaceuticals Limited**, unlike any other Pharma companies in India, is in the **supply chain** of Global Life Science Companies **New Chemical Entities** (NCE's, New drugs under development) activities by developing and supplying intermediates starting from **Phase I till launching**.

**Suven's thrust is in Contract Research and Custom Manufacturing Services (C-R-A-M-S).**

Suven's '**C-R-A-M-S**' provides **Innovative process research and development**, supplies to clinical trials, rapid response pilot scale manufacture, dedicated commercial manufacturing on an exclusive basis / under **co-operation and secrecy agreements**.

Suven's customer demands are on the rise and are more unpredictable. **Tough challenges are ahead** of Suven, but as always at Suven, we are confident of facing those challenges and **achieve progress in the new millennium, and shape Suven as a premier Research and Development organisation in the area of NCE's development.**



**Pharmaceutical Industry is highly globalised** and soon it is going to be **harmonized** which will further dismantle trade barriers and pave the way for **enhanced capital inflows especially in R&D**, which augurs very well to your company's future growth plan.

What is the **need of the hour** for the growth of Suven?

1. **Strong R&D** with good pipeline of products.
2. **Strong customer relationships**
3. **Critical mass** for sustained growth.

**Globalisation and harmonization** will also bring in standard operating environment throughout the world. This will **increase the outsourcing activities** of Global Life Science companies in R&D, manufacturing and other services which Suven will certainly take advantage off. **Global outsourcing** of Life Science Companies is to the tune of **8 billion (US \$)** and it is growing at a rapid pace of 15%.

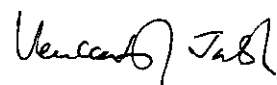
In its endeavour **to become a global player** and as a member of the **supply chain of Discovery Life Science Companies**, Suven has embarked on a **long range plan** with a three phase approach.

So far **Suven's 'C-R-A-M-S'** which is in existence since 1991, has 22 Global Life Science/ Fine chemical companies as its customers and **developed more than 130 products and successfully conquered the entry barrier** by supplying intermediates for NCE's. This completes the 1st phase of Suven's business plan.

Now Suven is in its II<sup>nd</sup> phase of its business plan which is **upgradation of its R&D, Manufacturing and Analytical services** before proceeding to III<sup>rd</sup> Phase of the business plan which calls for **Drug Discovery** and allied services either by ourselves or with our joint venture partner in the future.

With all these activities, Suven will be **attaining its critical mass** and can become a **preferred partner for Global Life Science Companies** in the NCE arena by the time IPR regime is in place by 2004-2005.

**Going Beyond Commitment, *We Deliver.***



**Venkat Jasti**  
**Managing Director**

**BOARD OF DIRECTORS**

Shri Bodhishwar Rai  
Dr. S. Ramachandran

Chairman  
(Alternate Director to  
Dr. Hargovind Rathore)

Dr. M.R.Naidu  
Dr. Ramaiah Muthyala  
Shri Venkateswarlu Jasti  
Dr. Hargovind Rathore  
Smt. Sudha Rani Jasti

Managing Director  
  
Wholetime Director

**AUDITORS**

M/s. Karvy & Company  
Hyderabad.

**BANKERS**

M/s. State Bank of India  
Overseas Branch  
Abids  
Hyderabad.

**REGISTERED OFFICE**

205, Srinilaya Estate  
Amcerpet  
Hyderabad - 500 073.

**WORKS**

Dasaigudem  
Suryapet, Nalgonda (Dist.)

**REGISTRARS & SHARE TRANSFER AGENTS**

M/s. Karvy Consultants Limited  
"Karvy House"  
46, Avenue 4, Street No. 1  
Banjara Hills, Hyderabad - 500 034.



## NOTICE

Notice is hereby given that the 11<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Tuesday the 30<sup>th</sup> May, 2000 at 3.00 p.m. at Hotel Green Park, Greenlands, Hyderabad, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2000, the Balance Sheet as at 31<sup>st</sup> March 2000 and the Profit & Loss Account for that Year together with the Report of the Directors and Auditors thereon.
2. To Declare Dividend.
3. To appoint a Director in place of Dr. Harigovind Rathore, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. Karvy & Co., Chartered Accountants, Hyderabad, the retiring Auditors as Auditors for the year 2000-2001 and fix their remuneration.

### SPECIAL BUSINESS

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

RESOLVED THAT the Memorandum of Association of the Company be and is hereby amended and following paragraphs be added at the end of sub-clause (A) of Clause III of Memorandum of Association of the Company:

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

'6. To establish, run and maintain hospitals, diagnostic centres, nursing homes, mobile medical

service centres and any medical and health care institution and to promote research and development in these areas.

RESOLVED FURTHER THAT paragraph 4 of sub-clause (B) of clause III be and is hereby deleted.

RESOLVED FURTHER THAT the following paragraphs be added at the end of sub-clause (c) of Clause III of the Memorandum of Association:

'6 To undertake business of software development, web technology and networking research and training and related information technology research and development and consultancy which may conveniently be carried on by the company in combination with the existing business or otherwise.

'7. To promote any undertaking or company either as subsidiary or otherwise with the main objective of pursuing the (6) above, either new or by way acquisition of existing undertakings or companies carrying on the aforesaid business or by investing in the shares in or other securities of such existing undertakings or companies or by entering into JVs or other tie-up arrangements.

'8 To subscribe for, underwrite, purchase or otherwise acquire and to hold, dispose of and deal with the shares, stocks, securities and evidences of indebtedness or of the right to participate in profits, assets or other similar documents issued, or to be issued by any Government, authority, corporation or body, or by any other company and any options or rights in respect thereof and to acquire debentures, debenture-stock, bonds, obligations or securities by original subscription, participation in tenders, tender, purchase, exchange or otherwise and to subscribe for the same, either conditionally or otherwise, and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof.

6. To consider and if thought fit to pass, with or without modifications the following resolution as Special Resolutions:

RESOLVED BY WAY OF SPECIAL RESOLUTION, and pursuant to provisions of Sec. 81-(1A) of the Companies Act, 1956, and other applicable provisions thereof, provisions of SEBI Act and Listing Agreements with Stock Exchanges, Memorandum and Articles of Association and

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subject to rules and regulations of SEBI, Stock Exchanges and other appropriate authorities, institutions or bodies, and subject to approval, if any, of Stock Exchanges whereon the Shares of the Company are listed, SEBI and such other approvals as may be required under any other law, the subscribed capital of the Company be increased beyond the present by issue of New Equity Shares."

"RESOLVED FURTHER THAT the aforesaid New Shares shall rank in all respects, *pari passu* with the existing issued and subscribed equity shares except that the new shares shall qualify for dividend if any for the financial year during which they are issued, in proportion to the amount paid up and *pro rata* for the period during which such amount is paid thereon."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to issue and allot such New Shares to such persons/individuals/institutions, Mutual Funds/ Venture Capital institutions/funds /NRIs/FIIs whether they include the shareholders of the company or not, by way of private placement or preferential allotment or otherwise and in such manner as may be considered proper and convenient by the Board of Directors and on such terms and conditions as to pricing and at such times as the Board may consider fit and proper but subject to and as may be permitted by any of the aforesaid authorities or under the guidelines issued by them."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board of Directors be and is hereby authorised to determine quantum of issue, the number of shares comprising therein, the terms of payment, provide for all incidental matters and procedures, to do all acts, deeds, matters and things which it, in its absolute discretion, considers necessary or desirable and to resolve any questions, difficulties or doubts that may arise in regard to Issue of the aforesaid shares and allotment thereof."

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

"RESOLVED THAT pursuant to the provisions of Section 149(2A) and other applicable provisions of the Companies Act, 1956, subject to the provisions thereof, the Memorandum and Articles of

Association of the Company, Rules, Regulations or Guidelines prescribed by any authority and subject to approval of the concerned authorities required under any law for the time being in force, approval be and is hereby accorded to the company for commencing the business of:

(a) software development, web technology and networking research and training and related information technology research and development and consultancy which may conveniently be carried on by the company in combination with the existing business or otherwise; and

(b) promoting any undertaking or company either as subsidiary or otherwise with the main objective of pursuing the (a) above, either new or by way acquisition of existing undertakings or companies carrying on the aforesaid business or by investing in the shares in or other securities of such existing undertakings or companies or by entering into JVs or other tie-up arrangements"

(c) subscribing for, underwrite, purchase or otherwise acquire and to hold, dispose of and deal with the shares, stocks, securities and evidences of indebtedness or of the right to participate in profits, assets or other similar documents issued or to be issued by any Government, authority, corporation or body, or by any other company and any options or rights in respect thereof and acquiring debentures, debenture-stock, bonds, obligations or securities by original subscription, participation in syndicates, tender, purchase, exchange or otherwise and to subscribe for the same, either conditionally or otherwise, and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof.

Pursuant to para 6, 7 and 8 of sub-clause C of Clause III of the Memorandum of Association of the Company as amended.

8. To consider and if thought, to pass, with or without modifications the following Resolution as Ordinary Resolution:

"RESOLVED pursuant to the provisions of Sections 198, 269, 309 310 and other applicable provisions of the Companies Act, 1956, read with Schedule





XIII (as amended from time to time) to the said Act, that approval be and is hereby given to the re-appointment of Shri Venkateswarlu Jasti as Managing Director of the Company for a period of 5 years with effect from 4-01-2000 at a remuneration as detailed below:

#### I. Salary

Rs.87,500/- (Rupees Eighty Seven Thousand Five Hundred only) per month with an annual increment of Rs.10,000/- effective from the month of April every year.

#### II. Commission

Not more than 1% on Net Profits of the Company calculated as per Section 349 and 350 of the Companies Act, 1956.

#### III. Perquisites

Perquisites as follows will be paid and / or provided in addition to salary, subject however that the amount of perquisites, if taxable as per Income Tax Act, 1961 shall be restricted to total remuneration as per Part II of Schedule XIII to the Companies Act, 1956, as applicable from time to time.

#### Part – A

##### a) Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family including dependent mother and father.

##### b) Leave Travel Concession

For self and family including dependent father and mother, to and from any place in India, once in a year in accordance with the rules of the Company.

##### c) Club Fees

Fees of club subject to a maximum of 2 clubs will be allowed, provided that no admission or life membership fees shall be paid.

##### d) Personal Accident Insurance

Accident Insurance for an amount of premium which shall not exceed Rs.10,000/- per annum.

#### Part – B

##### a) Provident Fund

Company's contribution to Provident Fund as per the scheme of the Company.

##### b) Pension / Superannuation Fund

Company's contribution to Pension / Superannuation fund in accordance with the scheme of the Company.

(Note: The contribution towards Provident Fund and Pension / Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.)

##### c) Gratuity

As per the rules of the Company, payable in accordance with the approved fund at a rate not exceeding one-half month's salary for each completed year of service.

#### Part – C

##### a) Car

Use of Company's car with driver for business purposes.

##### b) Telephone / Communication Facilities

Free Telephone / Communication facilities at residence for business purposes.

#### III. Other Benefits

##### Leave

On full pay and allowances as per rules of the Company, but not more than one month's leave for every 11 months of service. Leave not availed of shall be allowed to be encashed at the end of the tenure and the same will not be included in the computation of the ceiling on perquisites.

#### IV. Overall Remuneration

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other



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applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, as may, for the time being, be in force. In case of any doubt / discrepancy / clarification that may arise with respect to payment of remuneration in excess of that entitled under Section II of Part II of Schedule XIII to the Companies Act, 1956, but not exceeding the overall limits prescribed under the Act, the same shall be determined and decided by the Board.

### V. Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under section II of Part II of Schedule XIII of the Companies Act, 1956 including any statutory modification or reenactment thereof, as may, for the time being, be in force.

### VI. Three month's notice shall be required on either side for termination of service.

The above enhanced remuneration will be payable with effect from 1-4-2000 and the annual increment of Rs. 10,000 shall become payable with effect from April 2001.

Until the enhanced remuneration becomes effective, the incumbent will be entitled to draw the existing remuneration."

### 9. To consider and if thought fit to pass, with or without modifications, the following Resolution as Ordinary Resolution:

"RESOLVED pursuant to the provisions of Sections 198, 269, 309 310 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII (as amended from time to time) to the said Act, that approval be and is hereby given to the re-appointment of Smt. Sudha Rani Jasti as Wholtime Director of the Company for a period of 5 years with effect from 4-01-2000 at a remuneration as detailed below:

### I. Salary

Rs.40,000/- (Rupees Forty Thousand only) per month with an annual increment of Rs.5,000/- effective from the month of April every year.

### II. Commission

Not more than 0.5% on Net Profits of the Company calculated as per Section 349 and 350 of the Companies Act, 1956.

### III. Perquisites

Perquisites as follows will be paid and / or provided in addition to salary, subject however that the amount of perquisites, if taxable as per Income Tax Act, 1961 shall be restricted to total remuneration as per Part II of Schedule XIII to the Companies Act, 1956, as applicable from time to time.

#### Part - A

#### a) Housing

- (i) The expenditure by the Company on hiring furnished accommodation for the Wholtime Director will be subject to the ceiling of fifty percent of salary, over and above ten per cent payable by the Wholtime Director: or
- (ii) In case the accommodation owned by the Company is provided, ten percent of the salary of the Wholtime Director shall be deducted by the Company: or
- (iii) In case no accommodation is provided by the Company, the Wholtime Director shall be entitled to house rent allowance, subject to the ceiling laid down in Clause (a) herein above.

#### b) Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family including dependent mother and father.

#### c) Leave Travel Concession

For self and family including dependent father and mother, to and from any place in India, once in a year in accordance with the rules of the Company.

#### d) Club Fees

Fees of club subject to a maximum of 2 clubs will be allowed, provided that no admission or life membership fees shall be paid.

#### e) Personal Accident Insurance

Accident Insurance for an amount of premium which



shall not exceed Rs.10,000/- per annum.

#### Part – B

##### d) Provident Fund

Company's contribution to Provident Fund as per the scheme of the Company.

##### e) Pension / Superannuation Fund

Company's contribution to Pension / Superannuation fund in accordance with the scheme of the Company.

(Note: The contribution towards Provident Fund and Pension / Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.)

##### f) Gratuity

As per the rules of the Company, payable in accordance with the approved fund at a rate not exceeding one-half month's salary for each completed year of service.

#### Part – C

##### c) Car

Use of Company's car with driver for business purposes.

##### d) Telephone / Communication Facilities

Free Telephone / Communication facilities at residence for business purposes.

#### IV. Other Benefits

##### Leave

On full pay and allowances as per rules of the Company, but not more than one month's leave for every 11 months of service. Leave not availed of shall be allowed to be encashed at the end of the tenure and the same will not be included in the computation of the ceiling on perquisites.

#### V. Overall Remuneration

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956

read with Schedule XIII to the said Act, as may, for the time being, be in force. In case of any doubt / discrepancy / clarification that may arise with respect to payment of remuneration in excess of that entitled under Section II of Part II of Schedule XIII to the Companies Act, 1956, but not exceeding the overall limits prescribed under the Act, the same shall be determined and decided by the Board.

#### VI. Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under section II of Part II of Schedule XIII of the Companies Act, 1956 including any statutory modification or reenactment thereof, as may, for the time being, be in force.

#### VII. Three month's notice shall be required on either side for termination of service.

The above enhanced remuneration will be payable with effect from 1-4-2000 and the annual increment of Rs.5,000 shall become payable with effect from April 2001.

Until the enhanced remuneration becomes effective, the incumbent will be entitled to draw the existing remuneration."

for and on behalf of the Board of Directors  
SUVEN PHARMACEUTICALS LIMITED

PLACE : HYDERABAD  
DATE : 17-04-2000

VENKATESWARLU JASTI  
MANAGING DIRECTOR

#### NOTES

1. Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business as set out above is annexed hereto.
2. A Member entitled to attend and vote at this Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself on a poll and Proxy need not be a member of the Company. The instrument of Proxy in order to be valid, duly