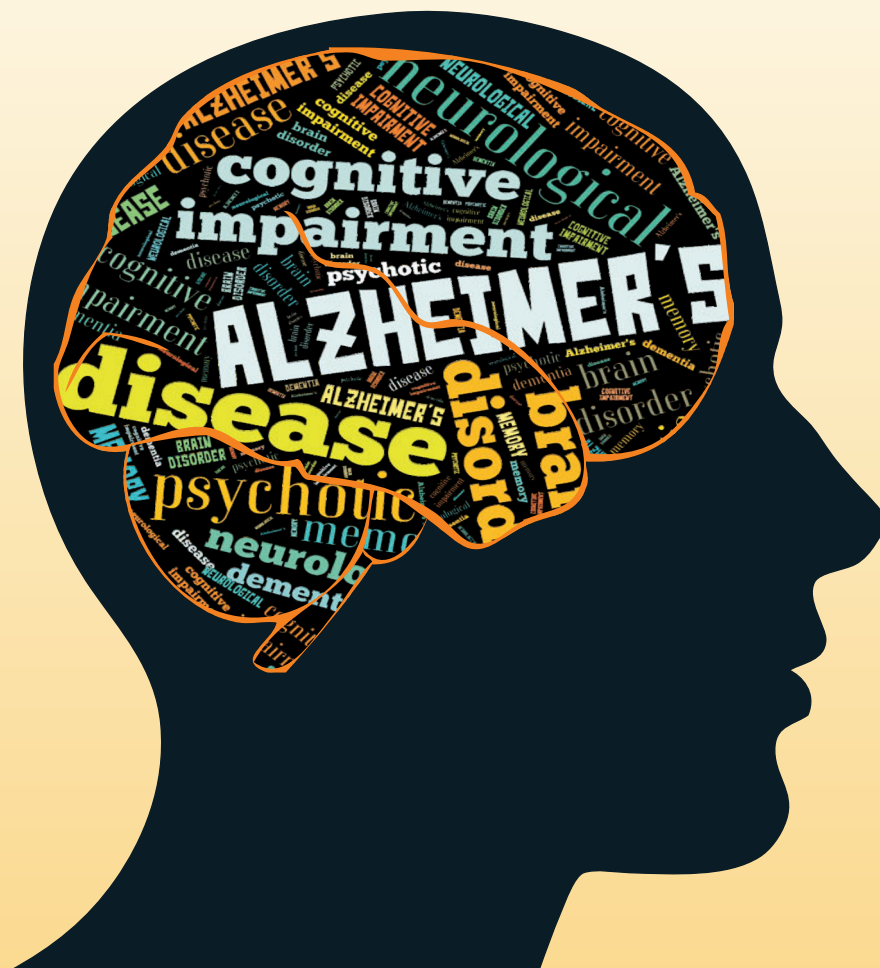


# 24<sup>th</sup> Annual Report

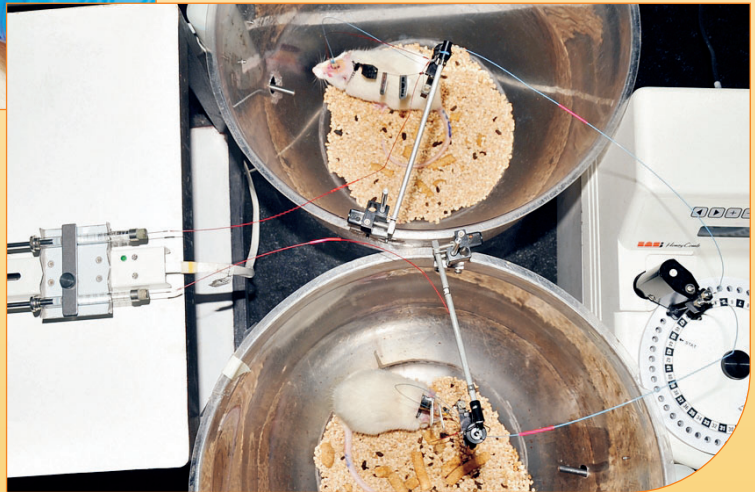
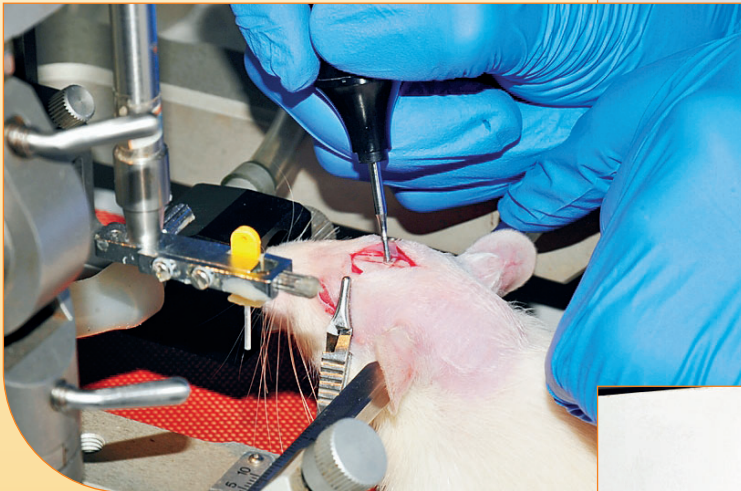
## In search of new CNS therapies for better living



# 2012-13



# Suven Life Sciences Limited



In search of new CNS therapies for better living



## CEO'S COMMUNIQUE

*Dear Shareholders*

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

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

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

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

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

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

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

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

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

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

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

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



*Yours Sincerely*  
**Venkat Jasti**



# CONTENTS

	Page No.
Corporate Information .....	05
Notice .....	06
Report of the Directors .....	18
Management Discussion & Analysis .....	25
Report on Corporate Governance .....	27
Independent Auditors' Report .....	37
Balance Sheet .....	40
Statement of Profit & Loss .....	41
Cash Flow Statement .....	42
Notes to the Financial Statements .....	43



alzheimer's association®

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

EARLY DETECTION MATTERS

## Have you noticed any of these warning signs?

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

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

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

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

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

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

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

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alzheimer's  association®

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

EARLY DETECTION MATTERS

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

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

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

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

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

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

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## CORPORATE INFORMATION

### Board of Directors

Shri Venkateswarlu Jasti

Smt Sudha Rani Jasti

Dr M R Naidu

Dr K V Raghavan

Shri D G Prasad

Dr Syed E Hasnain

Shri M Gopala Krishna, IAS (Retd.)

Chairman & CEO

Whole-time Director

Director

Director

Director

Director

Director

### Company Secretary

CS K Hanumantha Rao

### Statutory Auditors

Karvy & Co.,

Chartered Accountants

No.2, Bhooma Plaza, Street No.4

Avenue 7, Banjara Hills, Hyderabad - 500 034.

### Cost Auditors

D Z R & Co.,

Cost Accountants

216, HMT Satavahana Nagar

Kukatpally, Hyderabad - 500 072.

### Internal Auditors

Polineni Associates

Chartered Accountants

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

Gandhi Nagar, Hyderabad - 500 080

### Registrars & Share Transfer Agents

Karvy Computershare Pvt. Ltd.

Plot No. 17 to 24, Vittal Rao Nagar,

Madhapur, Hyderabad - 500 081

### Bankers

State Bank of India

State Bank of Patiala

Bank of India

Bank of Bahrain & Kuwait

### Registered Office

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

Avenue 7, Banjara Hills, Hyderabad - 500 034

### Manufacturing Facilities

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

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

### Unit - 3 :

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

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

### Research and Development Centre's

#### Research Centre - I

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

#### Research Centre - II

##### Bio-Pharmaceutical Lab

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

#### Research Centre - III

##### Formulation Development Centre

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



## NOTICE

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

### ORDINARY BUSINESS

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

### SPECIAL BUSINESS

#### ITEM NO. 6

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

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

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

Salary 138,000 USD p.a.

Performance Bonus 20% of salary."

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

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

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

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

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

#### ITEM NO. 7

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

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

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

#### ITEM NO 8

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

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





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

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

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

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

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

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

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



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

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

**ITEM NO. 9**

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

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

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

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

**ITEM NO. 10**

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

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

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

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

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

**ITEM NO 11**

**ENHANCEMENT OF BORROWING POWERS**

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

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

By order of the Board of Directors

Place : Hyderabad  
Date : 14th May, 2013

**K. Hanumantha Rao**  
Company Secretary