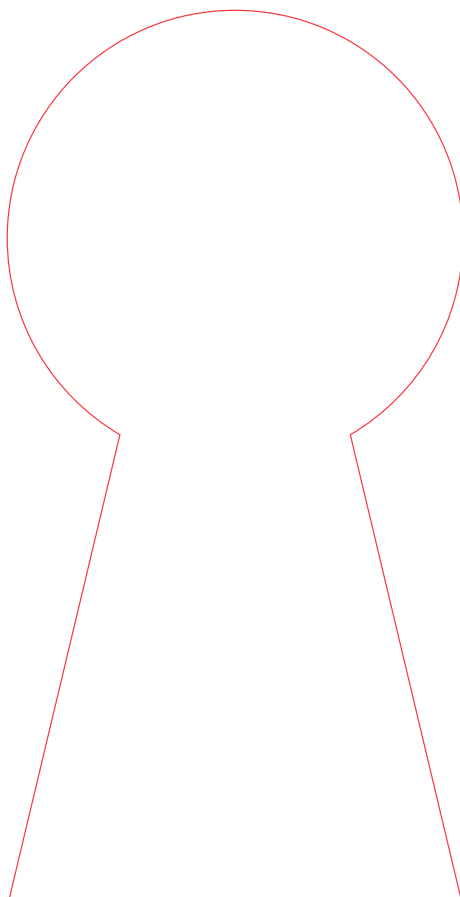




SUVEN LIFE SCIENCES LIMITED

30 years on...

Unlocking value



CONTENT

Unlocking value 2 | About us 4 | Our financial progress 6 | From the Chairman's desk 8
A performance overview 12 | Management Discussion & Analysis 14 | Corporate Social Responsibility 26
Corporate information 29 | Board's Report 30 | Report on Corporate Governance 57
Standalone Financial Statements 69 | Consolidated Financial Statements 121 | Notice 172

Reset your mind!

For Suven Lifesciences will never be the same again



We have made the most decisive change
in our 30-year journey

- We are rewriting the business rules
- We are resetting the performance bar
- We are restructuring the organisation

These initiatives, we believe, hold the promise to rerate your investment in the organisation.

Unlocking value

BY DEFINING THE PATH



There comes a time in every journey where you need to make a choice, whether you wish to remain a large fish confined in a small bowl or aspire to become a large fish that enjoys the fruits of being a large waterbody.

At Suven, we chose the latter.

For we understand that we have attained a critical mass. And we realise that the time has come to give each business the independence to emerge self-dependent, successful, and sustainable.

Hence, we are transforming two business verticals into two independent companies. Our NCE business will remain in Suven Lifesciences, while our CRAMS business will get transferred into Suven Pharmaceuticals, post demerger.

This decisive move, we believe, will unlock significant value for our shareholders.

Financial stability: We decided on the strategic division now since we attained critical mass.

For the CRAMS business, the long term relationship and reputation earned from among global innovators will help in increasing the flow of projects. Moreover, we have better traction on our commercial supplies segment (Commercial CRAMS and Specialty Chemicals), which will lead to revenue visibility over the medium-term.

For the NCE business, we have created a cash reserve of ₹300+ crore, which should fund the R&D initiatives for the next 2-3 years.

Profitability improvement: With this demerger, each operation will have to book its expenses in its books. As there will not be any NCE based R&D expenses to be absorbed by the CRAMS business, the profitability of the CRAMS vertical would increase.

Superior valuation: Any business that focuses on one particular business secures a higher rating than a combination of businesses within a single umbrella. In keeping with this reality, we believe that our segregation of business into separate companies will secure a superior valuation.

Prospective investors: This is the era of the niche. Investors wish to partner one way or the other since they are apprehensive of being part of a Company with both verticals. This demerger provides an opportunity for the investor to choose either pure-play CRAMS or focused NCE and for the Company to partner with the right investor community.

**HENCEFORTH,
EACH COMPANY
WILL HAVE TO
SURVIVE, THRIVE,
SUCCEED,
AND SUSTAIN
INDIVIDUALLY.**

SUVEN LIFE SCIENCES: RESPECTED GLOBALLY FOR ITS NCE DEVELOPMENT KNOWLEDGE, EXPERTISE AND ASSETS.

Suven Life Sciences Limited is a biopharmaceutical company specialised in NCE-based CRAMS for global life science companies and drug discovery and developmental activities in Central Nervous System disorders.

The Company has a 929-member team; its 429-member strong R&D team comprises of 39 PhDs and works in the research-intensive areas of analytical development, drug discovery, process R&D, and formulations development.

Vision

- In search of new CNS therapies
- Become a leading company focused on treatments for unmet medical needs in Mental Health

Mission

Health for patients and Value for partners

TOTAL REVENUE

(₹ Crores)

687.73

It increased by 6% over the previous year; the drop from the budgeted 15% was owing to deferment of sales into the following year

NET PROFIT

(₹ Crores)

149.93

It declined by 5% over the previous year; the drop was a result of volatility in raw material availability and price.

EBIDTA MARGIN

(%) (POST R&D)

36.54%

It stood at 40.04% in 2017-18; the drop in margins was owing to a change in the product mix.



60%

Promoters holding,
March 31, 2019 (%)

8.15%

Institutional holding,
March 31, 2019 (%)

3,321

Market capitalisation,
March 31, 2019 (₹ crores)

70

Customers,
March 31, 2019

Headquarters	Manufacturing facilities			R&D facilities		Global presence
Banjara Hills Hyderabad, Telangana	Pashamylaram Telangana	Suryapet, Telangana	JNPC, Visakhapatnam, Andhra Pradesh	Jeedimetla, Telangana	Pashamylaram, Telangana	New Jersey, USA
Corporate office, Business Development, Finance, Human Resources, and Administration	API and formulation facility	Intermediate Facility	API and Intermediate facility	Discovery Research, Process Research and Pilot plant	Discovery Research, Process Research, Formulation R&D and IP Management	Development, Project Management & IP Management

CASH PROFIT
(₹ Crores)

201.51

It stood at ₹208.47 in 2017-18.

R&D EXPENSES
(₹ Crores)

60.28

It was ₹58.47 Crores in 2017-18;
the increase was primarily due to
the clinical trials in progress.

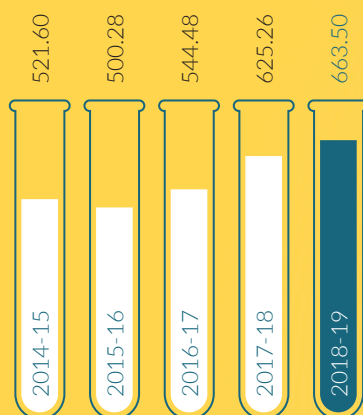
CAPEX
(₹ Crores)

200.00

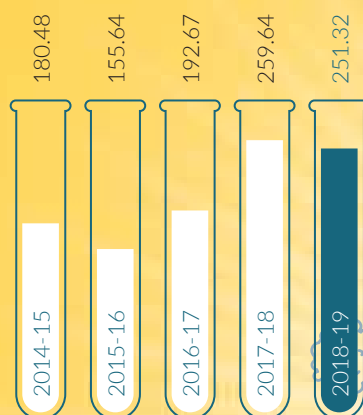
Planned for 2019-20 in creating
infrastructure for the future.

GROWING FORWARD... YEAR ON YEAR

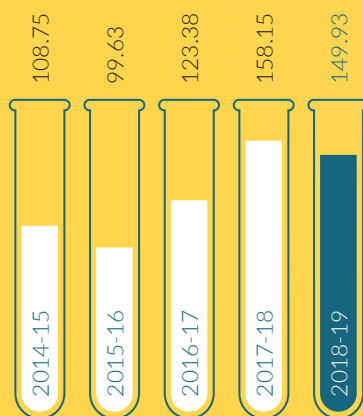
Revenue From Operations (₹ crore)



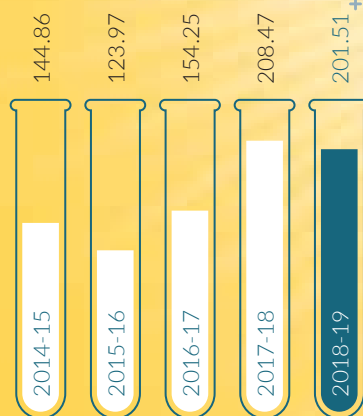
EBIDTA (₹ crore)



Net Profit (₹ crore)

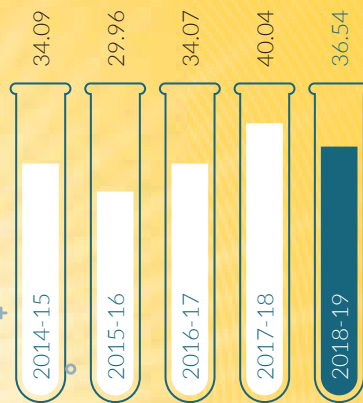


Cash Profit (₹ crore)

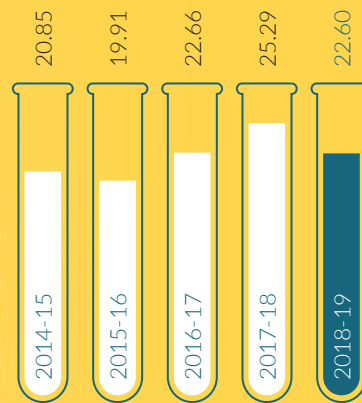




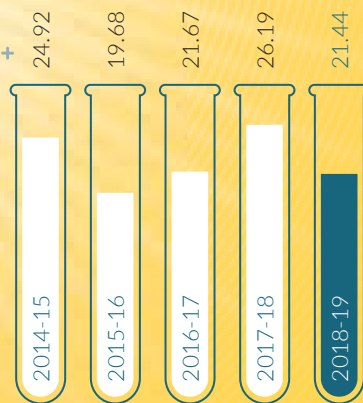
EBIDTA Margin (%)



Net Margin (%)



ROCE (%)



From the Chairman's desk

“After our three-decade-old momentous journey, we took a decisive step - we are demerging our business vertical into two independent companies.”



Dear shareholders

The last thirty years of our journey has been challenging yet very exciting. And today we are at the threshold of an inflection point which, if things go right, could emerge as a defining moment in our lives.

As I look back, I am satisfied with the tremendous progress we have made over the years. We generated healthy returns while transforming our business model. We executed well against our strategy, and our pipeline has never been stronger.

I look at fiscal 2018-19 as an inflection point in our journey during which we laid the foundation for taking a big leap – Suven Lifesciences will never be the same again.

One, we are demerging our business verticals into separate companies. While Suven Lifesciences will have the NCE segment, the CRAMS business will move to Suven Pharmaceuticals. This was absolutely necessary as both verticals have attained a critical mass. This demerger will attract focused global investors whose risk-return appetite aligns with the risk-return profile resident within the business models of each Company – in turn, driving valuations. This segregation, I believe, will build shareholder value.

Two, we completed the Clinical Trial (Phase II) of our lead molecule SUVN-502, *masupirdine*. Our molecule has gone through multiple DSMB (Drug Safety Monitoring Board) meetings without any major observations, and we are confident that our molecule will