

# SUVEN PHARMACEUTICALS LIMITED

## CORPORATE INFORMATION

### Board of Directors

Shri D. G. Prasad	Director
Shri Sunder Venkatraman	Director
Shri P. Subba Rao	Director

### Statutory Auditors

M/s. TUKARAM & CO LLP  
Chartered Accountants  
# 209 & 409, Venkataram Towers  
Basheer Bagh, Hyderabad - 500 029

### Bankers

State Bank of India

### Registrars & Share Transfer Agents

Karvy Fintech Private Limited  
Karvy Selenium, Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500 032

### Registered Office

# 8-2-334 | SDE Serene Chambers |  
6th Floor Road No.5 | Avenue 7 | Banjara Hills  
Hyderabad – 500034 | Telangana | India  
CIN: U24299TG2018PLC128171  
Tel: +91 40 2354 9414  
Fax: +91 40 2354 1152  
Email: [info@suven.com](mailto:info@suven.com)

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of  
Suven Pharmaceuticals Limited**

### **Report on the Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying Ind AS financial statements of **Suven Pharmaceuticals Limited** ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019, the **LOSS** and total comprehensive income, changes in equity and its cash flows for the period ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### **Information Other than the Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether these Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure-B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

Since the company has not paid any remuneration to its directors, during the year provisions of section 197 of the Act shall not apply to the company.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigations on its financial position in its financial statements. Refer Note 12 to the financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For TUKARAM & CO LLP.**  
Chartered Accountants  
ICAI Firm Regn. No.004436S

**RAJENDER REDDY K**  
Partner  
Membership No.231834

Place: Hyderabad  
Date: 24/05/2019

## **“Annexure – A” to the Auditors’ Report**

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the Ind AS financial statements for the year ended 31<sup>st</sup> March, 2019, we report that:

Re: Suven Pharmaceuticals Limited (‘the Company’)

- i. The Company has no fixed assets and hence paragraph 3(i) of the order is not applicable to the Company.
- ii. The Company has not carried out any trading activities during the year and hence no inventory is held by the Company. Therefore paragraph 3(ii) of the order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.
- vi. In respect of the Company, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act in respect of activities of the company.
- vii. In respect of Statutory dues:
  - (a) According to the information and explanations given to us on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of income-tax, cess that have not been deposited by the Company on account of any disputes.
- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not borrowed any loans from banks & financial Institutions hence paragraph 3(vii) of the order is not applicable to the Company . The Company did not have any debentures outstanding as at the year end.
- ix. Based on the information and explanations given to us by the management, the Company has not raised any moneys by way of initial public offer or further public offer of equity shares, convertible securities and debt securities. No term loans were taken during the year by the Company.

- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud, by the Company or on the Company by its officers or employees, has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year. Hence paragraph 3(xi) of the order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Clause (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Clause (xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For TUKARAM & CO LLP.**  
Chartered Accountants  
ICAI Firm Regn. No.004436S

**RAJENDER REDDY K**  
Partner  
Membership No.231834

Place: Hyderabad  
Date: 24/05/2019

## **Annexure - B to the Our Report of even date on the Ind AS Financial Statements of Suven Pharmaceuticals Limited**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Suven Pharmaceuticals Limited** (“the Company”) as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For TUKARAM & CO LLP.**  
Chartered Accountants  
ICAI Firm Regn. No.004436S

**RAJENDER REDDY K**  
Partner  
Membership No.231834

Place: Hyderabad  
Date: 24/05/2019

**SUVEN PHARMACEUTICALS LIMITED**  
**Balance Sheet as at 31st March, 2019**

(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment		-
Capital work-in-progress		-
Other intangible assets		-
Financial assets		
(i) Investments		-
(ii) Loans		-
(iii) Other financial assets		-
Other non-current assets		-
<b>Total Non-current assets</b>		-
<b>Current assets</b>		
Inventories		-
Financial assets		
(i) Investments		-
(ii) Trade receivables		-
(iii) Cash and cash equivalents	3	82,826
(iv) Bank balances other than (iii) above		-
(v) Loans		-
(vi) Other financial assets		-
Current Tax Asset(net)		-
Other current assets		-
<b>Total Current assets</b>		82,826
<b>TOTAL ASSETS</b>		82,826
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	4(a)	100,000
<b>Other equity</b>	4(b)	(220,359)
<b>Total Equity</b>		(120,359)
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings		-
Deferred tax liabilities (net)		-
Other non-current liabilities		-
<b>Total Non-current financial liabilities</b>		-
<b>Current liabilities</b>		
Financial liabilities		
(i) Borrowings	5	100,000
(ii) Trade payables		-
(a) Total outstanding dues to Micro and Small Enterprises		-
(b) Total outstanding dues to creditors other than Micro and Small Enterprises		-
(iii) Other financial liabilities		-
Other current liabilities	6	103,185
Provisions		-
<b>Total current liabilities</b>		203,185
<b>TOTAL LIABILITIES</b>		203,185
<b>TOTAL EQUITY AND LIABILITIES</b>		82,826

The accompanying notes are an integral part of the financial statements  
As per our report of even date

For TUKARAM & CO LLP  
Chartered Accountants  
Firm registration number: 0044365

For and on behalf of the Board of Directors of  
Suven Pharmaceuticals Limited

Rajender Reddy K  
Partner  
Membership No. 231834

Sunder Venkatraman  
Director  
DIN: 00300628

P Subba Rao  
Director  
DIN: 00296951

Place : Hyderabad  
Date : 24th May 2019

**SUVEN PHARMACEUTICALS LIMITED**
**Statement of Profit and Loss for the Period from 6th November, 2018 to 31st March, 2019**
*(All amounts in Indian Rupees, unless otherwise stated)*

Particulars	Notes	For the Period from November 6, 2018 to March 31, 2019
<b>Income</b>		
Revenue from operations		-
Other income		-
<b>Total Income</b>		-
<b>Expenses</b>		
Cost of materials consumed		-
Changes in inventories of work-in-progress and finished goods		-
Manufacturing expenses		-
Excise duty		-
Employee benefits expense		-
Research & Development Expenses		-
Finance costs	7	390
Depreciation and amortization expense		-
Other expenses	8	219,969
<b>Total Expenses</b>		<b>220,359</b>
<b>Profit before tax</b>		<b>(220,359)</b>
<b>Tax expense</b>		
Current tax		-
Deferred tax		-
Tax of earlier periods		-
<b>Profit for the period</b>		<b>(220,359)</b>
<b>Other Comprehensive Income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements gains/ (losses) on defined benefit plans		-
<b>Income tax relating to items that will not be reclassified to profit or loss</b>		
Remeasurements gains/ (losses) on defined benefit plans		-
<b>Other Comprehensive Income (Expense) for the period, net of taxes</b>		-
<b>Total Comprehensive Income for the period</b>		<b>(220,359)</b>
<b>Earnings per Equity share (Par value of Rs.1 each)</b>		
<b>Basic and Diluted</b>	16	<b>(2.20)</b>

The accompanying notes are an integral part of the financial statements  
As per our report of even date

For TUKARAM & CO LLP  
Chartered Accountants  
Firm registration number: 004436S

For and on behalf of the Board of Directors of  
Suven Pharmaceuticals Limited

Rajender Reddy K  
Partner  
Membership No. 231834

Sunder Venkatraman  
Director  
DIN: 00300628

P Subba Rao  
Director  
DIN: 00296951

Place : Hyderabad  
Date : 24th May 2019

**Statement of changes in equity for the period from 6th November, 2018 to 31st March, 2019***(All amounts in Indian Rupees, unless otherwise stated)***a. Equity share capital**

Particulars	Number of Shares	Equity share capital
Opening Balance	-	-
Equity shares issued during the period	100,000	100,000
<b>Closing Balance</b>	<b>100,000</b>	<b>100,000</b>

**b. Other Equity**

Particulars	Note	Reserves & surplus			
		Securities Premium	General reserve	Retained earnings	Total Equity
Loss for the period	4(b)	-	-	(220,359)	(220,359)
Other comprehensive income		-	-	-	-
income		-	-	-	-
Transfer to General Reserve		-	-	-	-
Transfer from Retained Earnings		-	-	-	-
<b>Total comprehensive income/Loss for the period</b>		-	-	<b>(220,359)</b>	<b>(220,359)</b>
Dividend paid		-	-	-	-
Tax on distributed profit		-	-	-	-
<b>Balance as at March 31,2019</b>		-	-	<b>(220,359)</b>	<b>(220,359)</b>

This is the Statement of Changes in Equity referred to in our report of even date

For TUKARAM & CO LLP  
Chartered Accountants  
Firm registration number: 004436S

For and on behalf of the Board of Directors of  
Suven Pharmaceuticals Limited

Rajender Reddy K  
Partner  
Membership No. 231834

Sunder Venkatraman  
Director  
DIN: 00300628

P Subba Rao  
Director  
DIN: 00296951

Place : Hyderabad  
Date : 24th May 2019

**SUVEN PHARMACEUTICALS LIMITED**
**Statement of Cash flows for the period from 6th November, 2018 to 31st March, 2019**
*(All amounts in Indian Rupees, unless otherwise stated)*

Particulars		For the Period from November 6, 2018 to March 31, 2019
<b>Cash flow from operating activities</b>		
Profit before tax		(220,359)
<b>Adjustments :</b>		
Depreciation and amortisation expense		0
Interest Income		0
Finance Cost		390
Gain on sale of Current Investment		0
(Gain)/Loss on Sale of Assets		0
<b>Operating Profit before working capital changes</b>		<b>(219,969)</b>
<b>Movements in Working Capital</b>		
(Increase) / Decrease in Trade Receivables		0
(Increase) / Decrease in Inventories		0
Increase / (Decrease) in Trade Payables		0
(Increase)/ Decrease in other non current financial assets		0
(Increase)/ Decrease in other non current assets		0
(Increase)/ Decrease in other current financial assets		0
(Increase)/ Decrease in other current assets		0
Increase / (Decrease) in long term provisions		0
Increase / (Decrease) in other non-current liabilities		0
Increase/(decrease) in short term provision		0
Increase/(Decrease) in other financial liabilities		0
Increase/(Decrease) in other current liabilities		103,185
<b>Net cash from generated from operating activities</b>		<b>(116,784)</b>
Income taxes paid (net of refunds)		0
<b>Cash flows from/ (used in) operating activities</b>	<b>(A)</b>	<b>(116,784)</b>
<b>Cash flows from investing activities</b>		
Payments for Purchase of property, plant and equipment		0
Payment for Purchase of Intangible assets		0
Payments for Purchase of investments		0
Proceeds from disposal of property, plant and equipment		0
Bank balances not considered as cash and cash equivalents		0
Interest received		0
<b>Net cash from / ( used in) investing activities</b>	<b>(B)</b>	<b>0</b>
<b>Cash flows from/(used in) in financing activities</b>		
Repayment of long-term borrowings		0
Proceeds from Issue of Equity shares		100,000
(Repayment)/Proceeds from short term borrowings		100,000
Finance Cost		(390)
Dividends paid to company's shareholders		0
Dividend distribution tax paid to company's shareholders		0
<b>Net cash (used In) / from financing activities</b>	<b>(C)</b>	<b>199,610</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>82,826</b>
Cash and cash equivalents as at the beginning of the period		0
<b>Cash and cash equivalents at the end of the period</b>		<b>82,826</b>
Cash and cash equivalents ( Refer Note 3)		82,826
<b>Cash and cash equivalents in cash flow statement</b>		<b>82,826</b>

This is the Statement of Cash Flows referred to in our report of even date

**For TUKARAM & CO LLP**  
 Chartered Accountants  
 Firm registration number: 0044365

**For and on behalf of the Board of Directors of**  
**Suven Pharmaceuticals Limited**

**Rajender Reddy K**  
 Partner  
 Membership No. 231834

**Sunder Venkatraman**  
 Director  
 DIN: 00300628

**P Subba Rao**  
 Director  
 DIN: 00296951

Place : Hyderabad  
 Date : 24th May 2019

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

#### **Note 1: Company overview**

Suven Pharmaceuticals Limited is a bio-pharmaceutical company, incorporated on 06th November 2018 with object of the Development and manufacturing of Intermediates, Active Pharmaceutical Ingredients (API), Specialty Chemicals and formulated drugs under Contract Research and Manufacturing Services (CRAMS) for global pharmaceutical, biotechnology and chemical companies.

#### **Note 2: Significant accounting policies**

##### **A). Basis of preparation**

###### **(i) Compliance with IND AS**

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

###### **(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets are measured either at fair value or at amortised cost depending on the classification
- employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation; and
- Share-based payments which are measured at fair value of the options

##### **B). Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

#### **A liability is current when:**

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in Cash and Cash equivalents. The Company has identified twelve months as its operating cycle.

#### **C). Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as being the Chief Operating Decision Maker.

#### **D). Foreign currency translation**

##### **(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

##### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

#### **E). Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

#### **F). Revenue recognition**

The Company earns revenue primarily from sale of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API) Speciality chemicals and formulated drugs under contract research and manufacturing services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, we apply the following five step approach:

- (1) identify the contract with a customer,
- (2) identify the performance obligations in the contract,
- (3) determine the transaction price,
- (4) allocate the transaction price to the performance obligations in the contract, and
- (5) recognize revenues when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer products or services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each product or services promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. The Company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on sale prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the stand-alone selling price, the Company uses third-party prices for similar deliverables or the company uses expected cost plus margin approach in estimating the stand-alone selling price.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Effective April 1, 2018, the Company has applied Ind AS 115 from its date of Incorporation which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18.

#### **G). Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

The benefit of Government loan at a below market rate of interest is treated as Government grant, measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

#### **H). Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and branches where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and branches where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

#### **I). Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **J). Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

#### **K). Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### **L). Inventories**

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in-first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

#### **M). Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognised in the statement of profit and loss, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

#### **N). Provisions, Contingent liabilities, Contingent assets and commitments**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

#### **O). Investments and other financial assets**

##### **i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

#### Equity instruments

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### iv) Income recognition

##### Interest income

Interest income from the debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

##### Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

##### Royalty

Royalty income is recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the royalty will flow to the company, and the amount of the royalty can be measured reliably.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

#### **P). Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### **Loans and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

##### **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

##### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### **Q). Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

#### **R). Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

#### **S). Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### **Depreciation methods, estimated useful lives and residual value**

Depreciation on Property, Plant & Equipment is provided on straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed of during the year.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in Statement of profit or loss when the assets are derecognised.

#### **Estimated useful life :**

- Factory buildings	25 - 30 years
- Roads	3 - 10 years
- Machinery	8 - 20 years
- Furniture, fittings and equipment	3 - 10 years
- Vehicles	8 - 10 years

#### **T). Intangible assets**

(i) Computer software

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available and;
- the expenditure attributable to the software during its development can be reliably measured

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

#### **(ii) Amortization methods and periods**

Intangible assets with finite useful life are amortized over their respective individual estimated useful lives (3-10 years in case of computer software's) on a straight line basis.

#### **(iii) Research and development**

Research expenditure and development expenditure that do not meet the criteria in (i) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent period.

#### **Estimated useful life :**

Software	3 - 10 years
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#### **U). Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**SUVEN PHARMACEUTICALS LIMITED**  
**Notes to the financial statements**

**V). Borrowings**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/ (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

**W).Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

**X). Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

#### (ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

#### Gratuity obligations

The liability or assets recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the current in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

#### Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### (iv) Bonus plans

The group recognizes a liability and an expense for bonuses. The group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### (v) Share-based payments

Share-based compensation benefits are provided to employees via the Suven Employee Stock Option Scheme -2004

#### Employee Options:

The fair value of options granted under the Suven Employee Stock Option Scheme -2004 is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted.

- including any market performance conditions (eg. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions( eg. profitability, sales growth targets and remaining an employee of the entity for a specified time period and;
- including the impact of any non-vesting conditions (eg. the requirement for employees to save or holding shares for a specific time period)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### **Y). Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

(regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

#### **Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option
- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

All other financial asset is measured at fair value through profit or loss.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

#### **De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### **Investment in subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

#### **Investments in units of mutual funds**

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds

#### **Z). Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **AA) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### **AB) Earning per share**

##### **(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

##### **(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### **AC) Cash flow statement**

Cash flows are reported using the direct method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing activities of the company are segregated.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

#### **AD) Rounding of Amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees as per the requirements of Schedule III, unless otherwise stated.

#### **AE) Critical estimates and Judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

1. Estimation of current tax expense and payable
2. Estimated Useful life of Depreciable assets / intangible assets
3. Estimation of defined benefit obligation
4. Recognition of revenue
5. Recognition of deferred tax assets for carried forward losses
6. Recoverability of advances/receivable
7. Evaluation of indicators for Impairment of assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

#### **Recent accounting pronouncements**

Effective date for application of the following amendments is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of these amendments on the financial statements.

#### **Ind AS 116 - Leases :**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

**SUVEN PHARMACEUTICALS LIMITED**  
**Notes to the financial statements**

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

**Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

## **SUVEN PHARMACEUTICALS LIMITED**

### **Notes to the financial statements**

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

#### **Ind AS 109- Prepayment features with Negative compensation :**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

#### **Ind AS 19 – Plan amendment, curtailment or settlement:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

#### **Ind AS 23 – Borrowing Costs:**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

#### **Ind AS 28 – Long-term Interests in Associates and Joint Ventures :**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

#### **Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements :**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

**SUVEN PHARMACEUTICALS LIMITED****Notes to the Financial Statements***(All amounts in Indian Rupees, unless otherwise stated)***Note 3: Cash and cash equivalents**

Particulars	As at 31 March 2019
Balances with banks	
-in current accounts	82,826
<b>Total cash and cash equivalents</b>	<b>82,826</b>

**Note 4: Equity share capital and other equity****4(a) Equity share capital**

	As at 31 March 2019
<b>Authorised Capital</b>	
10,00,000 Equity shares of Re. 1 /- each	1,000,000
	<b>1,000,000</b>
<b>Issued, Subscribed and fully paid up (Nos)</b>	
100000 Equity shares of Re. 1 /- each	100,000
	<b>100,000</b>

**4(a).1 Reconciliation of the shares outstanding at the beginning and at the end of the period**

	As at 31 March 2019	
	Number	Amount
<b>Equity shares</b>		
At the beginning of the period	-	-
Add: Issued during the period	100,000	100,000
<b>Outstanding at the end of the period</b>	<b>100,000</b>	<b>100,000</b>

**4(a).2 Terms/ rights attached to equity shares**

Equity shares have a par value of Re.1. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**4(a).3 Shares of the Company held by holding company**

Particulars	As at 31 March 2019
<b>Suven Life Sciences Limited</b>	
1,00,000 Equity shares of Re. 1/- each	100,000

**4(a).4 Details of shareholders holding more than 5% shares in the Company**

Particulars	As at 31 March 2019	
	Number of Shares	% of Holding
Suven Life Sciences Limited	100,000	100.00%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

**SUVEN PHARMACEUTICALS LIMITED****Notes to the Financial Statements***(All amounts in Indian Rupees, unless otherwise stated)***4(b) Other Equity**

Particulars	As at 31 March 2019
Securities premium	-
General reserve	-
Retained earnings	(220,359)
<b>Total other equity</b>	<b>(220,359)</b>

**(i) Retained earning**

Particulars	As at 31 March 2019
Opening balance	-
Net profit/(Loss) for the period	(220,359)
<b>Items of other comprehensive income recognised directly in retained earning</b>	
- Remeasurements of post employment benefit obligation, net of tax	-
<b>Closing balance</b>	<b>(220,359)</b>

**Note 5: Financial liabilities**

Particulars	As at 31 March 2019
Unsecured loan - Mr Sunder Venkatraman	100,000
<b>Total other current liabilities</b>	<b>100,000</b>

**Note 6: Other current liabilities**

Particulars	As at 31 March 2019
Liability for expenses	103,185
<b>Total other current liabilities</b>	<b>103,185</b>

**Note 7: Finance costs**

Particulars	For the Period from November 6, 2018 to March 31, 2019
Interest on borrowings	-
Bank Charges	390
<b>Total Finance Costs</b>	<b>390</b>

**Note 8: Other expenses**

Particulars	For the Period from November 6, 2018 to March 31, 2019
Rates & Taxes	5,185
Payments to Auditors	
- As Audit Fees	100,000
Directors sitting fee	40,004
Depository Fees	62,980
General Expenses	11,800
<b>Total Other Expenses</b>	<b>219,969</b>

Financial instruments and risk management

Note 9: Fair value measurements

	As at 31 March 2019	
	FVTPL	Amortised Cost
<b>Financial Assets</b>		
Investments	-	-
Trade Receivables	-	-
Cash and Cash equivalents	-	82,826
Bank Balances	-	-
<b>Total Financial Assets</b>	-	<b>82,826</b>
<b>Financial Liabilities</b>		
Borrowings	-	100,000
Trade Payables	-	-
Capital creditors	-	-
<b>Total Financial Liabilities</b>	-	<b>100,000</b>

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets measured at fair value & Amortised cost	Notes	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2019</b>					
<b><i>Financial assets</i></b>					
Investments		-	-	-	-
Trade Receivables		-	-	-	-
Cash and Cash equivalents	3	-	-	82,826	82,826
Bank Balances		-	-	-	-
<b>Total Financial Assets</b>		-	-	<b>82,826</b>	<b>82,826</b>

Financial liabilities measured at amortised cost & Fair Value	Notes	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2019</b>					
<b><i>Financial Liabilities</i></b>					
Borrowings	5	-	-	100,000	100,000
Trade Payables		-	-	-	-
Capital creditors		-	-	-	-
<b>Total Financial Liabilities</b>		-	-	<b>100,000</b>	<b>100,000</b>

Level 1: Level 1 hierarchy includes Quoted prices taken from market.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset

Level 3: Inputs are not based on observable market data( unobservable inputs).

**Note 10: Financial Risk management**

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management Comment</b>
Credit risk	Cash and cash equivalents	Ageing analysis	Diversification of balances
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The company's risk management is carried out by the management. Company treasury identifies, evaluates and hedges financial risk in close cooperation with the company's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as credit risk and liquidity risk.

**(A) Credit Risk Management**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

**i) Financial instruments and cash deposits**

Credit risk arises from cash and cash equivalents. For banks and financial institutions, only high rated banks/ institutions are accepted.

**ii) Expected credit loss for trade receivables under simplified approach**

There are no such category of assets on which provision for expected credit losses to be recognized.

**(B) Liquidity Risk:**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying business, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below summarises the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

<b>Year ended March 31, 2019</b>	<b>On Demand</b>	<b>in next 12 months</b>	<b>&gt;1 year</b>
(i) Borrowings	100,000	-	-
(ii) Other financial liabilities	-	-	-
	<b>100,000</b>	<b>-</b>	<b>-</b>

**Market Risk - Interest Risk**

The Company has availed interest free loan from its director.Hence no cash flow interest risk will arises.

**Foreign currency risk exposure**

Since the company does not have any financial assets & financial liabilities in terms of foreign currency , foreign currency exposure as at the reporting date is Nil

**Note 11: Capital Management**

**(a) Risk management :**

The Company's objective when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: -Net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet)

	<b>As at 31 March, 2019</b>
Net debt	17,174
Total Equity	(120,359)
Net debt to equity ratio	-14.27%

**Note 12: Segment Information**

As the company do not have any business operations till the reporting date,segment reporting as per Ind AS 109 "**Segment Reporting**" is not provided.

**Note 13: Related Party Transactions**

**(a) Holding Company** : Suven Life Sciences Limited

**(b) Key Management personnel (KMP)** : Mr. Sunder Venkatraman (Director)  
 Mr. P. Subba Rao (Director)

**(a)Parent entities**

Name	Type	Place of Incorporation	Ownership Interest as at 31st March 2019
Suven Life Sciences Limited	Immediate and Ultimate parent entity	India	100.00%

**(b) Borrowings taken from KMP**

	<b>As at 31 March 2019</b>
Opening Balance	-
ADD:Taken during the year	100,000
<b>Closing Balnce</b>	100,000
<b>Balance outstanding</b>	<b>100,000</b>

**Note 14: Contingent Liabilities** Rs. Nil during current year .

**Note 15: Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account are amounting to Rs. Nil net of capital advances

**Note 16: Earnings per share**

	31 March 2019
Profit/(Loss) After Tax (PAT)	(220,359)
Weighted average number of equity shares	100,000
Basic Earnings per share	(2.20)

Note:

There is no dilution to the Basic Earnings per share as there are no dilutive potential equity shares

**Note 17 : Demerger Note**

During the year under review, Your Board of Directors have considered and accepted the proposal of Suven Life Sciences Ltd (SLSL) to acquire the entire share holdings in the Company and your Company became Wholly Owned Subsidiary of SLSL on 5th February, 2019. As part of Scheme of Arrangement (Demerger) your Company was identified as Resulting Company. The Board considered and decided subject to approval of NCLT and other stakeholders that the SLSL shall demerge CRAMS undertaking on a going concern basis to Suven Pharmaceuticals Limited (SPL) through a Scheme of Arrangement between SLSL and SPL keeping in view the expected growth prospects in both CRAMS and Discovery business, which shall not only enable both the businesses to grow independently with their focused vision, strategies and operations, but also contribute significantly towards unlocking the potential value of the businesses for the shareholders.

The consideration for the demerger shall be issue of 1 (One) fully paid up equity share of face value of INR 1/- (Rupee One only) each of SPL for every 1 (One) fully paid up equity share of face value of INR 1/- (Rupee One only) each held by each shareholder in the Demerged Company (SLSL) as on the Record Date, thereby resulting in a mirror shareholding of SLSL in SPL.

**Note 18: As this is the first year of incorporation, comparative figures of previous year are not applicable.**

**The accompanying notes form an integral part of the financial statements**

As per our report of even date

**For TUKARAM & CO LLP**  
Chartered Accountants  
Firm registration number: 0044365

**For and on behalf of the Board of Directors of**  
Suven Pharmaceuticals Limited

**Rajender Reddy K**  
Partner  
Membership No. 231834

**Sunder Venkatraman**  
Director  
DIN: 00300628

**P Subba Rao**  
Director  
DIN: 00296951

Place : Hyderabad  
Date : 24th May 2019