

DIRECTORS' REPORT

Dear Members,

We hereby present the 31st Annual Report of your Company along with the Audited Financial Statements of the Company for the financial year ended March 31, 2016.

1. FINANCIAL SUMMARY

The Financial Performance of the Company (Standalone) for the Financial Year ended March 31, 2016 is given below:

Particulars	₹ in mn)	
	2015-16	2014-15
Revenue from Operations	3967.74	4,448.16
Other Income	115.77	32.21
Total Income	4,083.51	4,480.37
Profit/ (Loss) before Interest, Depreciation Tax & Exceptional Items	484.22	638.37
Less: Interest	164.42	474.56
: Depreciation and amortisation expenses	242.89	263.75
Profit/(Loss) Before Tax & Exceptional Items	76.91	(99.94)
Exceptional Items	(5.40)	529.99
Profit/(Loss) Before Tax	71.51	430.05
Provision for - Current Tax	-	16.98
- Deferred Tax	0.69	-
Profit/(Loss) after Tax	70.82	413.07

2. BUSINESS PERFORMANCE REVIEW

During the financial year 2015-16, on a standalone basis, your Company's revenues stood at ₹ 4,083.51 mn as against ₹ 4,480.37 mn in 2014-15. The Company posted an EBITDA of ₹ 484.22 mn in the year as against ₹ 638.37 mn in 2014-15. The Company made a net profit of ₹ 70.82 mn.

On a consolidated basis, your Company's revenue for the year 2015-16 stood at ₹ 6,451.22 mn as against ₹ 4,753.23 mn in 2014-15. The Company posted an EBITDA of ₹ 735.17 mn for the year 2015-16 as against ₹ 304.56 mn in 2014-15. On a consolidated level, the Company made a loss of ₹ 197.85 mn.

A detailed analysis on the Company's operational and financial performance for the year is covered under 'Management's Discussion and Analysis Report' which forms part of the Annual Report.

Business Overview

Human API

- Registered a growth of 69.8% during the year 2015-16 as against previous year 2014-15
- Received an Establishment Inspection Report from US FDA for the API facility at Mangalore

Animal Health

- Strategic progression from API driven model to formulation led business

- Expansion to new geographies globally and strengthened presence in existing markets

Analytical Services

- Inauguration of GLP (Good Laboratory Practices) compliant Analytical Services Centre at Bengaluru
- Successful completion of USFDA Audit at Mangalore Centre

R&D

- Filing of 7 USD MFs and 4 CEPs/ EDMFs
- Initiation of formulation development program in animal health business
- Acquisition of IP in US and EU for 3 products - Felbamate, Mefenamic acid and Cetirizine

Corporate Actions

Human Health Business

- Acquisition of controlling stake in Indo Phyto Chemicals Private Limited for foraying into niche female healthcare segment with specific focus on steroids and hormones

Animal Health Business

- Acquisition of animal health business division of Lyka, an initiative to strengthen the Company's cattle and dairy business in India.
- Fortification of Company's positioning in Turkey's animal health market by acquiring Topkim İlaç

Premiks San. ve Tic. A.S making Alivira Turkey's largest animal health company in Turkey.

- Foray into European veterinary market through acquisition of N-Vet AB and Fendigo. These Companies have established a strong front-end presence for Alivira in the European markets.

There was no change in the nature of the business of the Company during the year ended March 31, 2016.

Material changes and commitments affecting the financial position of the Company, which have occurred between the end of financial year and the date of this report

The following transactions/ proposed transactions occurred between the end of financial year i.e., March 31, 2016 and the date of this report:

- Acquisition of 60% stake in Karizoo Group, Spain, one of the leading animal health groups in Spain and European markets on July 1, 2016.
- Acquisition of 70% stake in Interchange Veterinária Indústria E Comércio S.A., Brazil on August 1, 2016, which will provide a foothold in the hugely attractive and fast growing Brazilian market.

During the year ended March 31, 2016, the Company has allotted equity shares as under:

Date of allotment	No. of Shares	Allottee category	Remarks	Issue price
April 15, 2015	1,200,000	Promoter Group Entities	On conversion of convertible warrants	₹ 222.15
May 26, 2015	7,476,635	Qualified Institutional Buyers	Qualified Institutions Placement	₹ 535.00
June 10, 2015	800,000	Promoter Group Entity	On conversion of convertible warrants	₹ 222.15
June 10, 2015	200,000	Promoter Group Entity	On conversion of convertible warrants	₹ 236.00
June 10, 2015	1,100,000	Public	On conversion of convertible warrants	₹ 475.00
August 13, 2015	757,734	Promoter Group Entity	Preferential issue for consideration other than cash (Issue of equity shares against acquisition of equity shares of Alivira Animal Health Limited, India)	₹ 669.10
November 16, 2015	2,800,000	Promoter Group Entities	On conversion of convertible warrants	₹ 236.00
December 1, 2015	2,827,679	Public	Preferential issue for consideration other than cash (Issue of equity shares against acquisition of equity shares of Alivira Animal Health Limited, India)	₹ 669.10

3. DIVIDEND

The Board of Directors of the Company has not recommended any dividend for the financial year ended March 31, 2016.

The Company is not proposing to carry any amount to reserves.

During the year 2015-16, the Company has transferred unclaimed dividend of ₹ 8,827/- to Investor Education and Protection Fund, as per Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

4. SHARE CAPITAL

As on date, the authorised share capital of the Company is ₹ 500,000,000/- divided into 250,000,000 equity shares of ₹ 2/- each.

The issued, subscribed and paid up equity capital of the Company as on date is ₹ 476,472,390 divided into 238,236,195 equity shares of ₹ 2/- each.

The Company has not allotted equity shares after the balance sheet date i.e. March 31, 2016.

Sub-division of equity shares of the Company

The Company sub-divided its equity shares from 1 (One) Equity share of ₹ 10 each into 5 (Five) Equity shares of ₹ 2/- each on February 26, 2016 with an intent to improve the liquidity of the Company's shares in the stock market and also to encourage the participation of small investors in the equity shares of the Company.

Issue of Warrants on preferential basis

As on date, 5,500,000 warrants which were issued on preferential basis to promoter group entity are outstanding.

The Company had originally issued 1,100,000 convertible warrants on April 11, 2015 which can be converted into equivalent number of equity shares of the Company having face value of ₹ 10 each for a consideration of ₹ 475 each. Pursuant to sub-division of 1 (One) equity share of ₹ 10 each into 5 (Five) equity shares of ₹ 2 each, the outstanding warrants have been adjusted proportionately.

The Company raised Rs. 1,674.8 mn through preferential issue to promoters/Non-promoters during the year.

Qualified Institutional Placement

The Company raised ₹ 4,000 mn through Qualified Institutional Placement, which was subscribed by quality, long-term investors who endorsed the vision of the Company of being a Power House in the Global Animal Health Space.

5. LISTING OF EQUITY SHARES OF THE COMPANY ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED

The equity shares of the Company were listed with National Stock Exchange of India Limited on March 8, 2016 under the trading symbol "SEQUENT" and admitted for trading on March 10, 2016.

6. SUBSIDIARIES

As at March 31, 2016, the Company has 17 subsidiaries, out of which 9 Companies are wholly owned Subsidiaries and the Company does not have any Joint Ventures/ Associate Companies.

Changes in subsidiaries during the financial year ended March 31, 2016:

Buyout of entire minority interest in Alivira Animal Health Limited, India ("Alivira")

Pursuant to the approval of Board of Directors of the Company on June 30, 2015, the Company acquired the entire shareholding by buying out the minority shareholding (i.e., 9,997,941 equity shares) in Alivira held by Unit Trust of India Investment Advisory Services Limited A/c Ascent India Fund III ("Ascent") and Devicam Capital LLP ("Devicam") together. The consideration towards such acquisition was paid by way of issue of 2,827,679 equity shares of ₹ 10/- each to Ascent and 757,734 equity shares of ₹ 10/- each to Devicam at a price of ₹ 669.10 per equity share through preferential issue in compliance with relevant provisions of the Companies Act, 2013 and Chapter VII of the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI (ICDR) Regulations"). Post the acquisition of equity shares held by Devicam (on August 12, 2015) and Ascent (on December 1, 2015), Alivira has become a wholly owned subsidiary of the Company with effect from December 1, 2015.

Acquisition of 60% stake in Topkim İlaç Premiks San. ve Tic. A.S, Turkey ("Topkim")

Alivira Animal Health Limited, India, a wholly owned subsidiary of the Company acquired 60% stake in Topkim on December 11, 2015 through its subsidiary Provet Veteriner Ürünleri San. ve Tic. A. S., Turkey ("Provet"). Topkim is one of the oldest and reputable manufacturer of Turkey, has close to 50 years of business presence with over 67 registered products mainly comprising of Ectoparasiticides, Endectocides, and Injectable Antibiotics. It has wide distribution capabilities with presence in almost every sales point at Turkey.

Acquisition of 85% stake in N-Vet AB, Fendigo SA and Fendigo BV

Alivira Animal Health Limited, India, Wholly owned subsidiary of the Company has forayed into the European Veterinary Pharmaceutical markets through acquisition of 85% stake in three companies – N-Vet AB, Sweden, Fendigo SA, Belgium and Fendigo BV, Netherland on December 3, 2015.

Acquisition of 51% stake in Indo Phyto Chemicals Private Limited, India ("IPC")

The Company acquired 51% stake in IPC on January 27, 2016. IPC is a fully integrated company with a portfolio of steroids and hormonal APIs and having its manufacturing base in Uttarakhand. The Company has capabilities in both fermentation and chemical synthesis, giving it a unique ability to produce APIs from the basic starting materials that are extracted from plants.

Incorporation of other subsidiaries

Alivira Animal Health Australia Pty Limited, Australia was incorporated as a wholly owned subsidiary of Alivira Animal Health Limited, Ireland, a wholly owned subsidiary of the Company.

Sequent Scientific Pte. Limited, Singapore was incorporated as a wholly owned subsidiary of the Company.

Change in shareholding of below mentioned subsidiaries during the financial year ended March 31, 2016:

1. Alivira Animal Health Limited, Ireland became a wholly owned subsidiary of the Company pursuant to acquisition of entire shareholding in Alivira Animal Health Limited, India
2. Shareholding in Provet has increased from 55.15% to 60% of total equity capital pursuant to acquisition of entire shareholding in Alivira Animal Health Limited, India

Accounts of Subsidiaries

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and all its subsidiary companies, which is forming part of the Annual Report. Statement containing salient features of the financial statements of Company's subsidiaries, joint ventures and associate companies as required in Form AOC-1 is enclosed as Annexure 1 to this Report.

Further financial statements together with related reports and information of each of the subsidiary companies of the Company have been placed on the website of the Company www.sequent.in.

7. EXTRACT OF ANNUAL RETURN

Extract of Annual Return in terms of Section 92(3) of the Companies Act, 2013 in Form MGT- 9 is enclosed as Annexure 2 to the Directors' Report.

8. PUBLIC DEPOSIT

During the financial year 2015-16, the Company has not accepted or renewed any public deposits in terms of Sections 73 and 74 of the Companies Act, 2013 and rules framed thereunder.

9. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Board Composition

As on August 12, 2016, the Board comprises of 7 Directors consisting of 2 Executive Directors, 2 Non-executive Directors and 3 Independent Directors. Chairman of the Board is an Independent Director.

Mr. Narendra Mairpady (DIN: 00536905) was appointed as an Additional and Independent Director on the Board of Directors of the Company w.e.f August 1, 2015 and members have approved his appointment as a Director and Independent Director at their Annual General Meeting held on September 24, 2015.

Mr. Kannan Ramanujam (DIN: 00190637) resigned from the directorship of the Company with effect from the closing of business hours of February 11, 2016. The Directors place on record their sincere appreciation and recognition of the valuable contribution and services rendered by Mr. Kannan Ramanujam during his tenure as a Director of the Company.

Dr. S Devendra Kumar (DIN: 00050440) and Mr. K E C Rajakumar (DIN: 00044539) were appointed as Additional Directors with effect from October 29, 2015 and February 11, 2016 respectively.

As per Section 161 of the Companies Act, 2013 ("the Act"), an Additional Director shall hold office up to the date of next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier and his/ her appointment as a Director of the Company has to be approved by the members of the Company. In this regard a proposal will be placed before the members at the ensuing Annual General Meeting for the appointment of Dr. S Devendra Kumar and Mr. K E C Rajakumar, as Directors of the Company.

Mr. Manish Gupta, Managing Director (DIN: 06805265) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Brief profiles of Mr. Manish Gupta, Dr. S Devendra Kumar and Mr. K E C Rajakumar are given in the corporate governance report which forms part of this report.

Your directors recommend their appointment/reappointment to the members of the Company.

As on date the Company has the following Key Managerial Personnel:

- Mr. Manish Gupta – Managing Director (DIN: 06805265)
- Dr. Gautam Kumar Das – Joint Managing Director (DIN: 02920990)
- Mr. Kannan P R – Chief Financial Officer
- Mr. Preetham Hebbar – Company Secretary

There is no change in Key Managerial Personnel of the Company during the year 2015-16.

The Company has received necessary declarations from each Independent Director that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013.

10. MEETINGS OF THE BOARD

During the year ended March 31, 2016, 11 (Eleven) Board Meetings were held. These meetings were held on April 15, 2015, April 24, 2015, June 10, 2015, June 30, 2015, July 8, 2015, July 30, 2015, August 13, 2015, October 29, 2015, December 7, 2015, January 11, 2016 and February 11, 2016.

11. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Directors of the Company are appointed by members at the General Meetings of the Company.

As regards the appointment and tenure of Independent Directors, the Company has adopted the provisions of the Companies Act, 2013 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.

The Nomination and Remuneration Committee at its meeting held on July 30, 2015 has adopted a policy namely Sequent Policy on Nomination and Remuneration (“the Policy”) in adherence to Section 178(3) of the Companies Act, 2013 and Clause 49 (IV) (B) (4) of the Listing Agreement as entered with stock exchange (till November 30, 2015)/ provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (w.e.f. December 1, 2015). The policy shall act as a guideline on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and other employees of the Company. The policy is given as Annexure 3 in this report.

12. EVALUATION OF BOARD OF DIRECTORS

Pursuant to provisions of Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement as entered with stock exchange (till November 30, 2015)/ provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f. December 1, 2015), the Company has formulated a policy called as Sequent Board Performance Evaluation Policy (“the Policy”). Based on this the Company has prepared a questionnaire to carry out the evaluation of performance of every Director including the Independent Directors at regular intervals and at least on an annual basis. The questionnaire is structured to embed various parameters based on which the performance of a Board can be evaluated. Customised questionnaires are formulated for evaluating Independent Directors, Non-Executive Directors, Whole-time Directors, Chairperson of the Board and the Board, as a whole.

Based on the policy the evaluation was conducted by the Company.

Detailed data on composition of Board of Directors, Committees of Board of Directors, Meeting details, charter for each committee and attendance details forms part of the Corporate Governance Report.

13. AUDIT COMMITTEE

The Composition of Audit Committee of the Company as on August 12, 2016 is given below:

- Dr. Gopakumar G Nair – Chairman
- Dr. Kausalya Santhanam – Member
- Mr. Narendra Mairpady – Member

Board of the Company has accepted all recommendations given by the Audit Committee.

14. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 (1) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. BG & Associates, Practicing Company Secretaries

(Certificate of Practice No: 4221) to carry out the Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report is annexed as Annexure 4 to the Directors' Report. There are no qualifications, observations or adverse remarks in the Secretarial Audit Report.

15. AUDITORS

Statutory Auditors

At the Annual General Meeting held on September 29, 2014, M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration Number: 008072S) were appointed as Statutory Auditors of the Company for a period of 5 years from 29th Annual General Meeting till the conclusion of 34th Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the members in the ensuing Annual General Meeting of the Company.

Cost Auditor

Pursuant to Section 148(3) and Companies (Cost records and audit) Rules, 2014, Mr. Girish Kambadaraya, Cost Accountant, was appointed as the Cost Auditor for the financial year 2015-16. The due date for filing the Cost Audit Reports in XBRL mode for the financial year ended March 31, 2015 was September 30, 2015 and the Cost Audit reports were filed by the Cost Auditor on September 29, 2015.

The due date for filing the Cost Audit Reports for the financial year ended March 31, 2016 is September 30, 2016.

The Board at its meeting held on August 12, 2016 on recommendation of Audit Committee has appointed M/s. Kirit Mehta & Associates, Cost Accountants, as the Cost Auditor for the financial year 2016-17 in terms of Section 148(3) and Companies (Cost records and audit) Rules, 2014 as amended. As per the requirement of Companies Act, 2013 the remuneration payable to Cost Auditors shall be placed for ratification of at the ensuing Annual General Meeting of the Company.

A proposal will be placed before the members for the ratification of remuneration payable to M/s. Kirit Mehta & Associates, Cost Accountants as a Cost Auditor of the Company for the financial year 2016-17.

16. AUDIT REPORT

There are no qualifications, observations or adverse remarks in the Audit Report issued by the Statutory Auditors of the Company for financial year ended March 31, 2016.

17. PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as an Annexure 5 forming part of this report except the report as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In terms of Section 136 of the Companies Act, 2013, the said report is open for inspection at the Registered Office of the Company during working hours and any member interested in obtaining a copy of the same may write to the Company Secretary at the registered office of the Company.

18. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board of Directors of the Company at its meeting held on May 28, 2014 has approved the implementation of Whistle Blower Policy namely "Sequent Whistle Blower Policy" throughout the Company in order to curb the unethical or improper behavior/ practices or alleged wrongful conduct or violation of Code of Conduct of the Company or applicable laws, frauds, bribery, corruption, employee misconduct, illegality, health, safety & environmental issues or misappropriation of Company funds or assets within the Company or by the Company. This policy helps in providing a mechanism for personnel to report to the Authority concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

Particulars of investments made, loans given and guarantees provided is as per details given below:

Name of the entity	Relationship	Investment (Amount in ₹)	Loan (Amount in ₹)	Guarantee (Amount in ₹)
Alivira Animal Health Limited, India	Wholly Owned Subsidiary	3,348,999,758	589,589,872	-
Indo Phyto Chemicals Private Limited, India	Subsidiary	68,500,000	-	-
Strides Shasun Limited, India (Investment made in Shasun Pharmaceuticals Limited prior to merger with Strides Shasun Limited, formerly known as Strides Arcolab Limited)	-	781,000,000	-	-

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions entered with related parties are in the ordinary course of business and on arm's length basis.

Further, there are no materially significant related party transactions with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

The particulars of material contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC-2 of the rule 8(2) of Companies (Accounts) Rules, 2014 is given as an Annexure 6.

All transactions with the related parties are disclosed in Note 28.2 to the financial statements in the Annual Report.

21. CORPORATE SOCIAL RESPONSIBILITY

As per section 135(1), the Company has constituted a Corporate Social Responsibility Committee comprising of Mr. Manish Gupta, Dr. Gopakumar G Nair and Dr. Kausalya Santhanam as its members. The Company adopted a policy on Corporate Social Responsibility on May 14, 2016.

The disclosure as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in Annexure 7 of this report.

22. RISK MANAGEMENT

The Company has a risk management framework for identifying and managing risks. Additional details

are provided in the 'Management Discussion and Analysis' report forming part of this Report.

23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators, Courts or Tribunals that would impact the going concern status of the Company and its future operations.

24. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 134(5) of the Companies Act, 2013, the Directors of your Company to the best of their knowledge and ability confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) they have prepared the annual accounts of the Company have been prepared on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS/ OUTGO AND RESEARCH & DEVELOPMENT

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 is enclosed as an Annexure 8 to the Directors' Report.

Detailed write-up on Research and Development activity forms part of the annexure to the Directors' Report.

26. CORPORATE GOVERNANCE

The Company has complied with all the mandatory requirements of Corporate Governance specified by the Securities and Exchange Board of India ("SEBI") through and Clause 49 of the Listing Agreement as entered with stock exchange (till November 30, 2015)/ provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f. December 1, 2015) ("Regulations"). As per Regulation 34(3) and Schedule V of the Regulations, a separate Report on Corporate Governance forms part of the Annual Report of the Company. A certificate from the Statutory Auditors of the Company regarding compliance with Corporate Governance requirements as stipulated in the regulations and listing agreement entered with Stock Exchange also forms part of the Annual Report.

27. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 (3) and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015, Management Discussion and Analysis Report forms part of this Report.

28. EMPLOYEE STOCK OPTION SCHEME

The Company has formulated an employee stock option plan titled "SSL ESOP Scheme 2010" (the "ESOP 2010") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the "SEBI ESOP Guidelines") and the scheme is administered through a trust. As on date 3,500,000 shares have been issued to the trust. During the year the Nomination and Remuneration Committee has granted 500,000 options to identified employees and 225,000 options lapsed due to resignation of employees. As at March 31, 2016, 3,545,000 Stock options are outstanding.

The ESOP scheme of the Company is in Compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Further disclosure under Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 given as an Annexure 9 to this Report.

29. APPRECIATION

Your Directors would like to express their grateful appreciation for the excellent support and co-operation received from the Members, Customers, Financial Institutions, Banks, Government Authorities, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, Manufacturers and Suppliers to the Company.

We would like to place on record our sincere appreciation for the total commitment, dedication, untiring efforts and hard work put in by the employee members at all levels of the Company in realisation of the corporate goals in the years ahead.

For and on **behalf of the Board of Directors**

Place: Bengaluru
Date: August 12, 2016

Dr. Gopakumar G Nair
Chairman

FORM AOC - 1

(Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures)

Part A - Subsidiaries

Information relating to Subsidiaries of the Company as at March 31, 2016

Sl No.	Name of the Subsidiary	The date since when subsidiary was acquired/ incorporated	Country of incorporation	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Exchange Rate as on last date of the relevant Financial year in the case of foreign subsidiaries	(a) Share Capital (includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) % Shareholding
1	SeQuent Perenics Private Limited	May 10, 2010	India	NA	INR	66.3329	45.26	(13.15)	202.59	170.48	-	13.04	6.63	-	6.63	-	89.23
2	Elysian Life Sciences Private Limited	March 2, 2010	India	NA	INR	23.3636	0.10	(111.65)	0.67	112.22	-	0.08	0.42	-	0.42	-	100.00
3	Alivira Animal Health Limited, India	September 30, 2013	India	NA	INR	-	4140.6	2,414.45	4,399.26	2,251.57	680.82	2,090.89	(284.96)	-	(284.96)	-	100.00
4	Alivira Animal Health Limited, Ireland	September 1, 2014	Ireland	NA	USD	66.3329	718.05	(134.00)	365.08	1,506.16	1,725.13	3.04	(91.15)	-	(91.15)	-	100.00
5	Provet Veteriner Ürünleri San. ve Tic. A. S.	September 9, 2014	Turkey	NA	TRY	23.3636	46.73	447.44	817.10	684.06	36.113	519.40	47.69	11.56	36.13	-	60.00
6	SeQuent Research Limited	April 13, 2007	India	NA	INR	-	44.10	13.27	217.33	159.96	-	187.23	(7.16)	(1.98)	(5.18)	-	100.00
7	SeQuent Anit Biotics Private Limited	May 4, 2010	India	NA	INR	-	0.10	(0.61)	0.11	0.22	-	-	(0.01)	-	(0.01)	-	100.00
8	SeQuent Pharmaceuticals Private Limited	May 11, 2010	India	NA	INR	-	0.10	(0.21)	0.11	0.22	-	-	(0.03)	-	(0.03)	-	99.99
9	SeQuent Global Holdings Limited	June 12, 2008	Mauritius	NA	Euro	75.0955	10.57	(10.67)	1.02	1.12	-	-	(1.85)	-	(1.85)	-	100.00
10	SeQuent European Holdings Limited	May 19, 2008	Cyprus	NA	Euro	75.0955	0.30	(0.30)	-	-	-	-	1.15	-	-	-	100.00
11	Fendigo SA	December 3, 2015	Belgium	NA	Euro	75.0955	11.63	44.78	140.30	83.89	-	246.75	15.71	3.46	12.25	-	85.00
12	Fendigo BV	December 3, 2015	Netherlands	NA	Euro	75.0955	2.25	12.67	24.41	9.49	-	45.26	2.26	1.92	0.34	-	85.00
13	N-Vet AB	December 3, 2015	Sweden	NA	SEK	8.131	4.88	100.30	139.33	34.15	-	110.43	21.56	3.83	17.73	-	85.00
14	Indo Phyto Chemicals Private Limited	January 27, 2016	India	NA	INR	-	5.10	631.4	660.56	592.32	-	197.84	16.31	0.53	15.78	-	51.02
15	Topkapi Topkapi Ilacpremik Sanayi Ve Ticaret A.	December 11, 2015	Turkey	NA	TRY	23.3636	23.36	136.18	418.11	258.57	-	82.34	(1.13)	8.20	(9.33)	-	60.00
16	Alivira Animal Health Australia Pty Limited	July 24, 2015	Australia	NA	AUD	50.7996	0.05	-	0.05	0.05	-	-	-	-	-	-	100.00
17	SeQuent Scientific Pte Limited	February 4, 2016	Singapore	NA	USD	66.3329	-	-	-	-	-	-	-	-	-	-	100.00

1 Names of subsidiaries which are yet to commence operations:

- Alivira Animal Health Australia Pty Limited, Australia
- SeQuent Scientific Pte Limited, Singapore

2 Names of subsidiaries which have been liquidated or sold during the year: Nil

PART B - Associates and Joint Ventures

The Company did not have any Associates and Joint Ventures as on March 31, 2016

For and on behalf of the Board of Directors

Place: Bengaluru

Date: August 12, 2016

Manish Gupta

Managing Director

Dr. Gautam Kumar Das

Joint Managing Director

Preetham Hebbar

Company Secretary

P R Kannan

Chief Financial Officer

ANNEXURE 2

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1. CIN	L99999MH1985PLC036685
2. Registration Date	June 28, 1985
3. Name of the Company	Sequent Scientific Limited
4. Category/ Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
5. Address of the Registered office and contact details	301, 3rd Floor, Dosti Pinnacle, Plot No.E7 Road No.22, Wagle Industrial Estate, Thane west - 400 604, Maharashtra, India Tel No: +91 22 4111 4777 Fax No: +91 22 4111 4754
6. Whether Listed Company	Yes
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Adroit Corporate Services Private Limited 19, Jaferbhoy Industrial Estate, 1st Floor, Makhwana Road, Marol Naka, Andheri (E), Mumbai- 400 059 Tel No: +91 22 4227 0400 Fax No: +91 22 2850 3748

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products/services	NIC Code of the product/ services	% to total turnover of the Company
1.	Pharmaceuticals	21001	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Alivira Animal Health Limited, 301, 3rd Floor, Dosti Pinnacle, Plot No.E7 Road No.22, Wagle Industrial Estate, Thane west - 400 604, Maharashtra, India	U74120MH2013PLC248708	Subsidiary	100	Section 2(87)
2	Sequent Research Limited, 120/A & B, Industrial Area Baikampady, Mangalore - 575 001, Karnataka, India	U24232KA2007PLC042483	Subsidiary	100	Section 2(87)
3	Sequent Penems Private Limited, Star II, Opp. IIM, Bilekahalli, Bannerghatta Road, Bengaluru - 560 076, Karnataka, India	U24233KA2010PTC053548	Subsidiary	89.23	Section 2(87)

Sl. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
4	Sequent Anti Biotics Private Limited, Star II, Opp. IIM, Bilekahalli, Bannerghatta Road, Bengaluru - 560 076, Karnataka, India	U24230KA2010PTC053487	Subsidiary	100	Section 2(87)
5	Sequent Pharmaceuticals Private Limited (Formerly known as Sequent Oncolytics Private Limited), Star II, Opp. IIM, Bilekahalli, Bannerghatta Road, Bengaluru - 560 076, Karnataka	U24230KA2010PTC053584	Subsidiary	99.99	Section 2(87)
6	Elysian Life Sciences Private Limited, Star II, Opp. IIM, Bilekahalli, Bannerghatta Road, Bengaluru - 560 076, Karnataka, India	U24232KA2010PTC052742	Subsidiary	100	Section 2(87)
7	Sequent Global Holdings Limited, St James Court-Suite 308, St Denis Street, Port Louis, Republic of Mauritius	NA	Subsidiary	100	Section 2(87)
8	Sequent European Holdings Limited, Themistokli Dervi 3, Julia House, P C 1066, Nicosia, Cyprus	NA	Subsidiary	100	Section 2(87)
9	Alivira Animal Health Limited, 25-28, North Wall Quay, I.F.S.C., Dublin 1, Ireland	NA	Subsidiary	100	Section 2(87)
10	Provet Veteriner Ürünleri San. ve Tic. A. S., Çavuşlu Mah. Samanyolu Cad. No:28 Kartal/Istanbul, Turkey	NA	Subsidiary	60	Section 2(87)
11	Topkim İlaç Premiks San. ve Tic. A.S, Ruzgarlibahce Mah. Yeni Prs. Mvk Yesa ism. Blok.1 K.4 Beykoz, Turkey	NA	Subsidiary	60	Section 2(87)
12	Alivira Animal Health Australia Pty Limited, Level 18, 530 Collins Street, Melbourne, VIC 3000, Australia	NA	Subsidiary	100	Section 2(87)
13	Sequent Scientific Pte. Limited, 36, Robinson Road, #13-01, City House, Singapore - 068877	NA	Subsidiary	100	Section 2(87)
14	N-Vet AB, Uppsala Science Park, 751 83, Sweden	NA	Subsidiary	85	Section 2(87)
15	Fendigo BV, Acacia 38, (5708 DJ) Helmond, the Netherlands	NA	Subsidiary	85	Section 2(87)
16	Fendigo SA, Hermann Debrouxlaan 17, B-1160 Oudergem, Belgium	NA	Subsidiary	85	Section 2(87)
17	Indo Phyto Chemicals Private Limited, C-3/199, Janakpuri, New Delhi- 110058, Delhi	U74899DL1978PTC008881	Subsidiary	51.02	Section 2(87)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. Category-wise Shareholding

Category code	Category of Shareholder	No. of Shares (Face value of ₹ 10) held at the beginning of the year			No. of Shares (Face value of ₹ 2) held at the end of the year			% Change during the year
		Demat	Physical	Total	Demat	Physical	Total	
(A)	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP							
1	Indian							
(a)	Individuals/ HUF	11,189,979	-	11,189,979	36.71	55,949,895	23.49	(13.22)
(b)	Central Govt./ State Govt.(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	1,296,341	-	1,296,341	4.25	6,481,705	2.72	(1.53)
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-	-	-
	Limited Liability Partnerships	8,556,512	-	8,556,512	28.07	71,571,230	30.04	1.97
	Sub Total(A)(1)	21,042,832	-	21,042,832	69.03	134,002,830	56.25	(12.78)
2	Foreign							
a	NRIs - Individuals	-	-	-	-	-	-	-
b	Other - Individuals	-	-	-	-	-	-	-
c	Bodies Corporate	-	-	-	-	-	-	-
d	Financial Institutions / Banks	-	-	-	-	-	-	-
e	Any Others(Specify)	-	-	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A) (1)+(A)(2)	21,042,832	-	21,042,832	69.03	134,002,830	56.25	(12.78)
(B)	PUBLIC SHAREHOLDING							
1	Institutions							
(a)	Mutual Funds	1,062,254	-	1,062,254	3.48	11,497,385	4.83	1.34
(b)	Financial Institutions / Banks	-	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors/ Foreign Portfolio Investors	2,012,351	-	2,012,351	6.60	39,289,085	16.49	9.89
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	3,074,605	-	3,074,605	10.09	50,786,470	21.32	11.23

FINANCIAL STATEMENTS

STATUTORY REPORTS

ABOUT SEQUENT

Category code	Category of Shareholder	No. of Shares (Face value of ₹ 10) held at the beginning of the year			No. of Shares (Face value of ₹ 2) held at the end of the year			% Change during the year		
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
B 2	Non-institutions									
(a)	Bodies Corporate	1,064,188	-	1,064,188	3.49	20,921,114	-	20,921,114	8.78	5.29
(b)	Individuals									
I	Ind-Hold nominal shr capital upto ₹ 1L	1,191,728	10,255	1,201,983	3.94	8,808,632	51,305	8,859,937	3.72	(0.22)
II	Ind-Hold nominal shr capital in excess of ₹ 1L	2,146,613	-	2,146,613	7.04	15,141,770	-	15,141,770	6.36	(0.69)
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)									
(d-i)	Clearing member	26,553	-	26,553	0.09	259,270	-	259,270	0.11	0.02
(d-ii)	NRIs	1,309,069	-	1,309,069	4.29	5,575,564	-	5,575,564	2.34	(1.95)
(d-iii)	Foreign Corp Bodies (including FDI)	-	-	-	-	-	-	-	-	-
(d-iv)	Trusts	582,500	-	582,500	1.91	2,320,000	-	2,320,000	0.97	(0.94)
(d-v)	Directors	36,848	-	36,848	0.12	369,240	-	369,240	0.15	0.03
	Sub-Total (B)(2)	6,357,499	10,255	6,367,754	20.89	53,395,590	51,305	53,446,895	22.43	1.55
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	9,432,104	10,255	9,442,359	30.97	104,182,060	51,305	104,233,365	43.75	12.78
	TOTAL (A)+(B)	30,474,936	10,255	30,485,191	100.00	238,184,890	51,305	238,236,195	100.00	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
1	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2	Public -	-	-	-	-	-	-	-	-	-
	Sub-Total (C)	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	30,474,936	10,255	30,485,191	100.00	238,184,890	51,305	238,236,195	100.00	-

ii. Shareholding of Promoters

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year (Face value of ₹ 10)			Shareholding at the end of the year (Face value of ₹ 2)			% change in shareholding during the year
		Number of shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	Number of shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	
1	Aditya Arun Kumar	-	-	-	500,000	0.21	-	0.21
2	Agnus Capital LLP	3,525,000	11.56	2.34	25,125,000	10.55	-	(1.02)
3	Agnus Holdings Private Limited	260,230	0.85	0.66	1,301,150	0.55	0.38	(0.31)
4	Arunkumar Pillai	5,579,993	18.30	-	23,399,965	9.82	7.05	(8.48)
5	Chayadeep Properties Private Limited	1,036,111	3.40	2.62	5,180,555	2.17	2.10	(1.22)
6	Chayadeep Ventures LLP	3,525,000	11.56	-	25,125,000	10.55	-	(1.02)
7	Devicam Capital LLP	-	-	-	3,788,670	1.59	-	1.59
8	Deepa Arun Kumar	-	-	-	500,000	0.21	-	0.21
9	Hemalatha Pillai	-	-	-	500,000	0.21	-	0.21
10	K R Ravishankar	5,579,986	18.30	-	27,899,930	11.71	-	(6.59)
11	Krishna Kumar Nair	-	-	-	500,000	0.21	-	0.21
12	Pronomz Ventures LLP	1,506,512	4.94	-	17,532,560	7.36	-	2.42
13	Padmakumar Karunakaran Pillai	-	-	-	500,000	0.21	-	0.21
14	Rajitha Gopalakrishnan	-	-	-	500,000	0.21	-	0.21
15	Sajitha Pillai	-	-	-	500,000	0.21	-	0.21
16	Tarini Arun Kumar	-	-	-	500,000	0.21	-	0.21
17	Vineetha Mohanakumar Pillai	-	-	-	500,000	0.21	-	0.21
18	Yalavarthy Usha Rani	30,000	0.10	-	150,000	0.06	-	(0.04)
	Total	21,042,832	69.03	5.62	134,002,830	56.25	9.53	(12.78)

iii. Change in Promoters Shareholding

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Aditya Arun Kumar						
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	Date wise Increase / Decrease	4-Aug-15	Inter-se transfer of shares by way of Gift	100,000	0.24	100,000	0.24
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	500,000	0.21	500,000	0.21
	At the end of the year	31-Mar-16	Closing Balance			500,000	0.21

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2	Agnus Capital LLP						
	At the beginning of the year	1-Apr-15	Opening Balance	3,525,000	11.56	3,525,000	11.56
	Date wise Increase / Decrease	15-Apr-15	Allotment pursuant to conversion of warrants	1,000,000	3.16	4,525,000	14.28
		16-Nov-15	Allotment pursuant to conversion of warrants	500,000	1.12	5,025,000	11.21
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	25,125,000	10.55	25,125,000	10.55
	At the end of the year	31-Mar-16	Closing Balance	-	-	25,125,000	10.55
3	Agnus Holdings Private Limited						
	At the beginning of the year	1-Apr-15	Opening Balance	260,230	0.85	260,230	0.85
	Date wise Increase / Decrease	26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	1,301,150	0.55	1,301,150	0.55
	At the end of the year	31-Mar-16	Closing Balance			1,301,150	0.55
4	Arunkumar Pillai						
	At the beginning of the year	1-Apr-15	Opening Balance	5,579,993	18.30	5,579,993	18.30
	Date wise Increase / Decrease	4-Aug-15	Inter-se transfer of shares by way of Gift	(900,000)	(2.18)	4,679,993	11.34
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	23,399,965	9.82	23,399,965	9.82
	At the end of the year	31-Mar-16	Closing Balance			23,399,965	9.82
5	Chayadeep Properties Private Limited						
	At the beginning of the year	1-Apr-15	Opening Balance	1,036,111	3.40	1,036,111	3.40
	Date wise Increase / Decrease	26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	5,180,555	2.17	5,180,555	2.17
	At the end of the year	31-Mar-16	Closing Balance			5,180,555	2.17
6	Chayadeep Ventures LLP						
	At the beginning of the year	1-Apr-15	Opening Balance	3,525,000	11.56	3,525,000	11.56
	Date wise Increase / Decrease	15-Apr-15	Allotment pursuant to conversion of warrants	200,000	0.63	3,725,000	11.76
		10-Jun-15	Allotment pursuant to conversion of warrants	1,000,000	2.42	4,725,000	11.45
		16-Nov-15	Allotment pursuant to conversion of warrants	300,000	0.67	5,025,000	11.21

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	25,125,000	10.55	25,125,000	10.55
7	At the end of the year	31-Mar-16	Closing Balance	-	-	25,125,000	10.55
	Devicam Capital LLP						
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	Date wise Increase / Decrease	13-Aug-15	Preferential allotment	757,734	1.80	757,734	1.80
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	3,788,670	1.59	3,788,670	1.59
8	At the end of the year	31-Mar-16	Closing Balance	-	-	3,788,670	1.59
	Deepa Arun Kumar						
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	Date wise Increase / Decrease	4-Aug-15	Inter-se transfer of shares by way of Gift	200,000	0.48	200,000	0.48
		16-Nov-15	Inter-se transfer of shares by way of Gift	(100,000)	-0.22	100,000	0.22
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	500,000	0.21	500,000	0.21
9	At the end of the year	31-Mar-16	Closing Balance	-	-	500,000	0.21
	Hemalatha Pillai						
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	Date wise Increase / Decrease	4-Aug-15	Inter-se transfer of shares by way of Gift	100,000	0.24	100,000	0.24
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	500,000	0.21	500,000	0.21
10	At the end of the year	31-Mar-16	Closing Balance	-	-	500,000	0.21
	K R Ravishankar						
	At the beginning of the year	1-Apr-15	Opening Balance	5,579,986	18.30	5,579,986	18.30
	Date wise Increase / Decrease	26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	27,899,930	11.71	27,899,930	11.71
11	At the end of the year	31-Mar-16	Closing Balance	-	-	27,899,930	11.71
	Krishna Kumar Nair						
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	Date wise Increase / Decrease	16-Nov-15	Inter-se transfer of shares by way of Gift	100,000	0.22	100,000	0.22

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	500,000	0.21	500,000	0.21
12	At the end of the year Pronomz Ventures LLP	31-Mar-16	Closing Balance	-	-	500,000	0.21
	At the beginning of the year	1-Apr-15	Opening Balance	1,506,512	4.94	1,506,512	4.94
	Date wise Increase / Decrease	16-Nov-15	Allotment pursuant to conversion of warrants	2,000,000	4.46	3,506,512	7.82
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	17,532,560	7.36	17,532,560	7.36
13	At the end of the year Padmakumar Karunakaran Pillai	31-Mar-16	Closing Balance	-	-	17,532,560	7.36
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	Date wise Increase / Decrease	4-Aug-15	Inter-se transfer of shares by way of Gift	100,000	0.24	100,000	0.24
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	500,000	0.21	500,000	0.21
14	At the end of the year Rajitha Gopalakrishnan	31-Mar-16	Closing Balance	-	-	500,000	0.21
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	Date wise Increase / Decrease	4-Aug-15	Inter-se transfer of shares by way of Gift	100,000	0.24	100,000	0.24
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	500,000	0.21	500,000	0.21
15	At the end of the year Sajitha Pillai	31-Mar-16	Closing Balance	-	-	500,000	0.21
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	Date wise Increase / Decrease	4-Aug-15	Inter-se transfer of shares by way of Gift	100,000	0.24	100,000	0.24
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	500,000	0.21	500,000	0.21
	At the end of the year	31-Mar-16	Closing Balance	-	-	500,000	0.21

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
16	Tarini Arun Kumar						
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	Date wise Increase / Decrease	4-Aug-15	Inter-se transfer of shares by way of Gift	100,000	0.24	100,000	0.24
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	500,000	0.21	500,000	0.21
	At the end of the year	31-Mar-16	Closing Balance	-	-	500,000	0.21
17	Vineetha Mohanakumar Pillai						
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	Date wise Increase / Decrease	4-Aug-15	Inter-se transfer of shares by way of Gift	100,000	0.24	100,000	0.24
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	500,000	0.21	500,000	0.21
	At the end of the year	31-Mar-16	Closing Balance	-	-	500,000	0.21
18	Yalavarthy Usha Rani						
	At the beginning of the year	1-Apr-15	Opening Balance	30,000	0.10	30,000	0.10
	Date wise Increase / Decrease	26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	150,000	0.06	150,000	0.06
	At the end of the year	31-Mar-16	Closing Balance	-	-	150,000	0.06

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Raptakos Brett and Co.Ltd						
	At the beginning of the year	1-Apr-15	Opening Balance	300,470	0.99	300,470	0.99
	Date wise Increase / Decrease	26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	1,502,350	0.63	1,502,350	0.63
	At the end of the year	31-Mar-16	Closing Balance	-	-	1,502,350	0.63
2	Viva Securities Limited						
	At the beginning of the year	1-Apr-15	Opening Balance	324,050	1.06	324,050	1.06
	Date wise Increase / Decrease	26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	1,620,250	0.68	1,620,250	0.68
	At the end of the year	31-Mar-16	Closing Balance	-	-	1,620,250	0.68
3	SBI Magnum Taxgain Scheme						
	At the beginning of the year	1-Apr-15	Opening Balance	1,055,895	3.46	1,055,895	3.46
	Date wise Increase / Decrease	17-Apr-15	Purchase	40,000	0.13	1,095,895	3.46
		24-Apr-15	Purchase	10,000	0.03	1,105,895	3.49
		1-May-15	Purchase	20,000	0.06	1,125,895	3.55
		8-May-15	Purchase	4,128	0.01	1,130,023	3.57
		15-May-15	Purchase	15,504	0.05	1,145,527	3.62
		26-May-15	Allotment through Qualified Institutional Placement	635,514	1.62	1,781,041	4.55
		26-Jun-15	Purchase	2,854	0.01	1,783,895	4.32
		28-Aug-15	Purchase	20,000	0.05	1,803,895	4.29
		25-Sep-15	Sale	(4,045)	(0.01)	1,799,850	4.28
		30-Sep-15	Sale	(2,150)	(0.01)	1,797,700	4.28
		25-Dec-15	Sale	(3,090)	(0.01)	1,794,610	3.77
		31-Dec-15	Sale	(9,072)	(0.02)	1,785,538	3.75
		1-Jan-16	Sale	(3,718)	(0.01)	1,781,820	3.74
		8-Jan-16	Sale	(92)	(0.00)	1,781,728	3.74
		22-Jan-16	Purchase	3,741	0.01	1,785,469	3.75
		12-Feb-16	Purchase	12,000	0.03	1,797,469	3.77

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	8,987,345	3.77	8,987,345	3.77
		18-Mar-16	Purchase	20,000	0.01	9,007,345	3.78
		25-Mar-16	Purchase	16,867	0.01	9,024,212	3.79
		31-Mar-16	Purchase	3,133	0.00	9,027,345	3.79
	At the end of the year	31-Mar-16	Closing Balance	-	-	9,027,345	3.79
4	Goldman Sachs India Fund Limited						
	At the beginning of the year	1-Apr-15	Opening Balance	544,239	1.79	544,239	1.79
	Date wise Increase / Decrease	24-Apr-15	Purchase	12,499	0.04	556,738	1.76
		1-May-15	Purchase	22,620	0.07	579,358	1.83
		26-May-15	Allotment through Qualified Institutional Placement	186,916	0.48	766,274	1.96
		5-Jun-15	Purchase	33,887	0.09	800,161	2.04
		13-Nov-15	Sale	(204,546)	(0.49)	595,615	1.42
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	2,978,075	1.25	2,978,075	1.25
		31-Mar-16	Sale	(151,738)	(0.06)	2,826,337	1.19
	At the end of the year	31-Mar-16	Closing Balance	-	-	2,826,337	1.19
5	Laxmi Shivanand Mankekar						
	At the beginning of the year	1-Apr-15	Opening Balance	729,932	2.39	729,932	2.39
	Date wise Increase / Decrease	26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	3,649,660	1.53	3,649,660	1.53
	At the end of the year	31-Mar-16	Closing Balance	-	-	3,649,660	1.53
6	Morgan Stanley Asia (Singapore) Pte.						
	At the beginning of the year	1-Apr-15	Opening Balance	1,355,840	4.45	1,355,840	4.45
	Date wise Increase / Decrease	10-Apr-15	Sale	(186,727)	(0.61)	1,169,113	3.84
		17-Apr-15	Sale	(80,086)	(0.25)	1,089,027	3.44
		24-Apr-15	Sale	(62,694)	(0.20)	1,026,333	3.24
		1-May-15	Sale	(66,653)	(0.21)	959,680	3.03
		8-May-15	Sale	(34,035)	(0.11)	925,645	2.92
		15-May-15	Sale	(10,000)	(0.03)	915,645	2.89
		22-May-15	Sale	(3,499)	(0.01)	912,146	2.88

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		5-Jun-15	Purchase	5,035	0.01	917,181	2.34
		31-Jul-15	Purchase	5,540	0.01	922,721	2.24
		7-Aug-15	Purchase	6,380	0.02	929,101	2.25
		21-Aug-15	Purchase	50,000	0.12	979,101	2.33
		28-Aug-15	Purchase	23,441	0.06	1,002,542	2.39
		4-Sep-15	Purchase	21,500	0.05	1,024,042	2.44
		13-Nov-15	Purchase	24,000	0.06	1,048,042	2.49
		31-Dec-15	Sale	(4,330)	(0.01)	1,043,712	2.19
		5-Feb-16	Purchase	17,749	0.04	1,061,461	2.23
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	5,307,305	2.23	5,307,305	2.23
		5-Mar-16	Purchase	2,000	0.00	5,309,305	2.23
	At the end of the year	31-Mar-16	Closing Balance	-	-	5,309,305	2.23
7	Sequent Scientific Employee Stock Option Plan Trust						
	At the beginning of the year	1-Apr-15	Opening Balance	582,500	1.91	582,500	1.91
	Date wise Increase / Decrease	8-May-15	Transfer to ESOP holders	(10,000)	(0.03)	572,500	1.81
		10-Jul-15	Transfer to ESOP holders	(5,000)	(0.01)	567,500	1.38
		17-Jul-15	Transfer to ESOP holders	(37,500)	(0.09)	530,000	1.28
		24-Jul-15	Transfer to ESOP holders	(47,500)	(0.12)	482,500	1.17
		30-Oct-15	Transfer to ESOP holders	(18,500)	(0.04)	464,000	1.10
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	2,320,000	0.97	2,320,000	0.97
	At the end of the year	31-Mar-16	Closing Balance	-	-	2,320,000	0.97
8	Girish Sareen						
	At the beginning of the year	1-Apr-15	Opening Balance	387,849	1.27	387,849	1.27
	Date wise Increase / Decrease	3-Jul-15	Sale	(3,098)	(0.01)	384,751	0.93
		10-Jul-15	Sale	(1,842)	(0.00)	382,909	0.93
		17-Jul-15	Sale	(60)	(0.00)	382,849	0.93
		31-Jul-15	Sale	(3,873)	(0.01)	378,976	0.92
		7-Aug-15	Sale	(1,143)	(0.00)	377,833	0.92
		14-Aug-15	Sale	(1,729)	(0.00)	376,104	0.90

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		28-Aug-15	Sale	(6,811)	(0.02)	369,293	0.88
		4-Sep-15	Sale	(3,074)	(0.01)	366,219	0.87
		11-Sep-15	Sale	(2,500)	(0.01)	363,719	0.87
		18-Sep-15	Sale	(10,552)	(0.03)	353,167	0.84
		25-Sep-15	Sale	(13,962)	(0.03)	339,205	0.81
		25-Dec-15	Sale	(1,661)	(0.00)	337,544	0.71
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	1,687,720	0.71	1,687,720	0.71
	At the end of the year	31-Mar-16	Closing Balance	-	-	1,687,720	0.71
9	Satpal Khattar						
	At the beginning of the year	1-Apr-15	Opening Balance	1,250,383	4.10	1,250,383	4.10
	Date wise Increase / Decrease	25-Dec-15	Sale	(199,773)	(0.42)	1,050,610	2.20
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	5,253,050	2.20	5,253,050	2.20
	At the end of the year	31-Mar-16	Closing Balance	-	-	5,253,050	2.20
10	Mala Sareen						
	At the beginning of the year	1-Apr-15	Opening Balance	234,206	0.77	234,206	0.77
	Date wise Increase / Decrease	4-Sep-15	Sale	(1,213)	(0.00)	232,993	0.55
		11-Sep-15	Sale	(285)	(0.00)	232,708	0.55
		18-Sep-15	Sale	(8,500)	(0.02)	224,208	0.53
		25-Sep-15	Sale	(3,500)	(0.01)	220,708	0.53
		25-Dec-15	Sale	(3,000)	(0.01)	217,708	0.46
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	1,088,540	0.46	1,088,540	0.46
	At the end of the year	31-Mar-16	Closing Balance	-	-	1,088,540	0.46

Note: For the purpose of disclosure the shareholding movement of top 10 shareholders as on April 1, 2015 are considered.

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Dr. Gopakumar G Nair						
	At the beginning of the year	1-Apr-15	Opening Balance	23,348	0.08	23,348	0.08
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	116,740	0.05	116,740	0.05
	At the end of the year	31-Mar-16	Closing Balance	-	-	116,740	0.05
2	Manish Gupta						
	At the beginning of the year	1-Apr-15	Opening Balance	1,000	0.00	1,000	0.00
		8-May-15	Exercise of ESOP	10,000	0.03	11,000	0.03
		24-Jul-15	Exercise of ESOP	15,000	0.04	26,000	0.06
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	130,000	0.05	130,000	0.05
	At the end of the year	31-Mar-16	Closing Balance	-	-	130,000	0.05
3	Gautam Kumar Das						
	At the beginning of the year	1-Apr-15	Opening Balance	12,500	0.04	12,500	0.04
	Date wise Increase / Decrease	24-Jul-15	Exercise of ESOP	12,500	0.03	25,000	0.06
		11-Dec-15	Sale	(200)	(0.00)	24,800	0.05
		26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	124,000	0.05	124,000	0.05
		4-Mar-16	Sale	(500)	(0.00)	123,500	0.05
		11-Mar-16	Sale	(500)	(0.00)	123,000	0.05
		18-Mar-16	Sale	(500)	(0.00)	122,500	0.05
	At the end of the year	31-Mar-16	Closing Balance	-	-	122,500	0.05
4	Kannan Ramanujam*						
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	At the end of the year	31-Mar-16	Closing Balance	-	-	-	-
5	Dr. Kausalya Sathanam						

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	At the end of the year	31-Mar-16	Closing Balance	-	-	-	-
6	Narendra Mairpady						
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	At the end of the year	31-Mar-16	Closing Balance	-	-	-	-
7	Dr. S Devendra Kumar**						
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	At the end of the year	31-Mar-16	Closing Balance	-	-	-	-
8	K EC Rajakumar***						
	At the beginning of the year	1-Apr-15	Opening Balance	-	-	-	-
	At the end of the year	31-Mar-16	Closing Balance	-	-	-	-
9	Kannan P R						
	At the beginning of the year	1-Apr-15	Opening Balance	12,500	0.04	12,500	0.04
	Date wise Increase / Decrease	26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	62,500	0.03	62,500	0.03
	At the end of the year	31-Mar-16	Closing Balance	-	-	62,500	0.03
10	Preetham Hebbar						
	At the beginning of the year	1-Apr-15	Opening Balance	2	0.00	2	0.00
	Date wise Increase / Decrease	26-Feb-16	Sub-division of equity shares of ₹ 10 each into equity shares of ₹ 2 each	10	0.00	10	0.00
	At the end of the year	31-Mar-16	Closing Balance	-	-	10	0.00

* Ceased to be a Director of the Company with effect from February 11, 2016

** Appointed as a Director with effect from October 29, 2015

*** Appointed as a Director with effect from February 11, 2016

V. INDEBTEDNESS

	(₹ in mn)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year i.e., April 1, 2015				
i) Principal Amount	1,483.70	1,924.51	-	3,408.21
ii) Interest due but not paid	-	-	-	-
iii) interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,483.70	1,924.51	-	3,408.21
Change in indebtedness during the financial year				
Addition	151.29	400.58	-	551.87
Reduction	(510.43)	(2,902.51)	-	(3,412.94)
Working Capital (Net)	(632.77)	-	-	(632.77)
Exchange Loss/(Gain)	-	-	-	-
Net Change	(991.92)	(2,501.94)	-	(3,493.85)
Indebtedness at the end of the financial year i.e., March 31, 2016				
i) Principal Amount	491.78	(577.43)	-	(85.64)
ii) Interest due but not paid	-	-	-	-
iii) interest accrued but not due	-	-	-	-
Total (i+ii+iii)	491.78	(577.43)	-	(85.64)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

			(₹ in mn)	
Sl. No.	Particulars of Remuneration	Name of Managing Director/ Whole Time Director / Manager	Total Amount	
		Manish Gupta, Managing Director	Dr. Gautam Kumar Das, Joint Managing Director	
1.	Gross Salary*			
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	7.11	6.37	13.48
(b)	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	3.54	0.98	4.52
(c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Options granted during the year 2015-16	-	-	-
3.	Sweat Equity granted during the year 2015-16	-	-	-
4.	Commission			
	- as % of Profit	-	-	-
	- Others, specify			
5.	Others			
	Variable Pay accrued for the year 2015-16	1.42	0.68	2.10
	TOTAL (A)	12.07	8.03	20.10
	Ceiling as per the Act	Total remuneration of ₹ 24 mn Per annum per Managerial personnel as per Section II of Part II of Schedule V including the remuneration to be received from other Companies		

*Excludes Company's contribution to PF of ₹ 0.44 mn and ₹ 0.26 mn for Mr. Manish Gupta and Dr. Gautam Kumar Das respectively.

Note: Mr. Manish Gupta and Dr. Gautam Kumar Das also received managerial remuneration of ₹ 8.84 Mio and ₹ 7.31 Mio respectively from Alivira Animal Health Limited, a wholly owned subsidiary of the Company for the year 2015-16.

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors					Total	
		Dr. Gopakumar G Nair	Dr. Kausalya Santhanam	Kannan Ramanujam	Narendra Mairpady	Dr. S Devendra Kumar		K E C Rajakumar
1	Independent Directors							
	- Fee for attending Board/ Committee Meetings	0.53	0.53	-	0.24	-	1.30	
	- Commission	-	-	-	-	-	-	
	- Others, please specify	-	-	-	-	-	-	
	TOTAL (1)	0.53	0.53		0.24		1.30	
2	Other Non-Executive Directors							
	- Fee for attending board/ Committee meetings	-	-	0.38	-	0.10	0.48	
	- Commission	-	-	-	-	-	-	
	- Others, please specify	-	-	-	-	-	-	
	TOTAL (2)			0.38		0.10	0.48	
	TOTAL (B) = (1+2)	0.53	0.53	0.38	0.24	0.10	1.78	
	TOTAL MANAGERIAL REMUNERATION (A+B)						21.88	
	Overall Ceiling as per the Act	1% of net profit and sitting fee of ₹ 0.1 mn per Director per meeting						

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/ Whole-time Director

Sl. No.	Particulars of Remuneration	Name of Managing Director/ Whole Time Director / Manager		Total Amount
		Kannan P R, Chief Financial Officer	Preetham Hebbar, Company Secretary	
1.	Gross Salary*			
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6.42	0.66	7.08
(b)	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Options granted during the year 2015-16	-	-	-
3.	Sweat Equity granted during the year 2015-16	-	-	-
4.	Commission			
	- as % of Profit	-	-	-
	- Others, specify	-	-	-
5.	Others			
	Variable Pay for the year 2015-16	1.35	-	1.35
	TOTAL	7.77	0.66	8.43

*Excludes Company's contribution to PF ₹ 0.39 mn and ₹ 0.03 mn for Mr. Kannan PR and Mr. Preetham Hebbar respectively.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES UNDER THE COMPANIES ACT, 2013: None

ANNEXURE 3

SEQUENT NOMINATION AND REMUNERATION POLICY

Introduction:

The Company has adopted a policy namely "Sequent Policy on Nomination and Remuneration" (the Policy) in adherence to Section 178(3) of the Companies Act, 2013 and Clause 49 (IV) (B) (4) of the Listing Agreement as entered with stock exchange. The policy was approved by the nomination and Remuneration Committee of the Board of Directors of the Company at its meeting held on July 30, 2015. The policy shall act as a guideline on matters relating to the remuneration, appointment, retention, removal and evaluation of performance of the Directors, Key Managerial Personnel, senior management and other employees of the Company as covered under this policy ("Employees").

Definition:

'Act' means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

'Board' means the Board of Directors of the Company.

'Committee' means the Nomination and Remuneration Committee

'Directors' mean Directors of the Company.

'Key Managerial Personnel' means Chief Executive Officer and Managing Director, Whole-time director, Chief Financial Officer, Company Secretary; and such other officer as may be prescribed under the Act.

'Senior Management' mean personnel of the company who are one level below the Board of Directors of the Company including the core management team of the Company and excluding the Board of Directors of the Company.

"Sequent" includes Sequent Scientific Limited and its all subsidiaries and joint ventures incorporated in India or outside India.

Scope of the Policy:

This policy is applicable to all Directors, Key Managerial Personnel (KMP), and Senior Management team and Employees of Sequent.

Nomination and Remuneration Committee:

The Board has constituted the Committee in line with requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement, to oversee the functions related

to appointment and remuneration of the Directors, Key Managerial Personnel, Senior Management and Employees

The Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that Chairperson of the Company may be appointed as a member of the Committee but shall not chair the Committee. The meeting of Committee shall be held at such regular intervals as may be required to carry out the objectives set out in the Policy with minimum two members who shall constitute the quorum for the meeting.

The Composition of the Committee will be disclosed in the Annual Report of the Company.

Key Objectives of Committee:

The Key objectives of the committee are:

- To identify persons who are qualified to become Directors, Key Managerial Personnel and Senior Management of the Company
- To guide board in relation to appointment, retention and removal of Directors, Key Managerial Personnel and Senior management of the Company.
- To evaluate the performance of the members of the board including independent directors to provide necessary information/ report to the board for further evaluation.
- To recommend to the board on remuneration payable to the Directors and Key managerial personnel
- To retain motivate and promote talent and to ensure long term sustainability of talented managerial person and create competitive advantage
- To devise a policy on Board diversity
- To develop a succession plan for the Board and to regularly review the plan

Duties and roles of the committee:

- Formulating the criteria of determining the qualification, positive attributes and independence of the Director.
- Recommending to the Board the remuneration payable to the Directors and Key managerial personnel
- Identifying person who are qualified to become a director and person who may / can be appointed as Key Managerial Personnel or in the Senior Management in accordance to the criteria laid down in the policy

- Recommending to the board, appointment and removal of the Director, Key Managerial Personnel and Senior Management Personnel.
- Determining the appropriate size diversity and composition of the board.
- Setting a formal and transparent procedure for handling new director for appointment to the board.
- Ensuring that there is an appropriate induction plan in place for new directors and reviewing its effectiveness
- Identifying and recommending directors who are to be put forward for retirement by rotation
- Developing a succession plan for the board and senior management and regularly review the plan
- Evaluating the performance of the board members including independent directors and the senior management in the context of the company's performance, industry benchmarks and compliance.
- Making recommendation to the board concerning any matter relating to the continuation in office of any director at any time including the suspension or termination of service of an Executive Director as an employee of the company subject to the law and the service contract.
- Recommend necessary changes to the board in line with board diversity policy.
- Considering and determining the Remuneration policy, based on performance with a reasonable and sufficient need to attract, retain and motivate members of the Board.
- approve the remuneration of Key Managerial Personnel of the Company by maintaining a balance between fixed and incentive pay reflecting short and long term, performance objectives appropriate to the working of the Company, and its growth strategy.
- Overseeing the formulation and implementation of ESOP Schemes, its administration, supervision and formulating detailed terms and conditions in accordance with SEBI Guidelines
- Consider any other matters as may be requested by the Board.

Appointment criteria and qualifications:

- The Committee shall ensure that Managing Director/ Whole Time Director of the Company is not appointed as Chairman of the Board/ Company.
- The Committee shall ensure that the Composition of the Board of the Company is compliant with the applicable Laws/ Regulations
- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key

Managerial Personnel and recommend to the Board his/ her appointment.

- A person should possess adequate qualification, expertise and experience to handle the the position for which he/ she will be proposed to be appointed. . The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.
- The company shall not appoint any person as Managing Director/ Whole-time Director who has not completed the age of twenty one years andwo has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of members by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- The Committee shall ensure to achieve Board diversity

Board Diversity:

- The Committee shall achieve Board diversity by nominating Board members with expertise in different areas/ fields like Finance, Pharma, Research & Development, Intellectual Property, Corporate Law and Legal, Engineering, banking etc. Board diversity shall be based on number of other aspects like gender, age, cultural and educational background, ethnicity, professional experience, knowledge etc.,
- The diversified Board will enhance the quality of the decisions made by the Board by utilising the different skills, qualification, professional experience, gender, knowledge etc. of the members of the Board, necessary for achieving sustainable and balanced development.

Term/ Tenure:

- Managing Director/ Whole-time Director: The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding such term as may be specified under the Act. No re-appointment shall be made earlier than one year before the expiry of term, and which shall be done with the approval of the members of the Company.
- Independent Director: An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for one more term of five years on

passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Succession Plan for Directors:

The Committee shall assist the Board in identifying and selecting a new directors in the event of an anticipated or an unanticipated vacancy in the Board.

The purpose of the Director Succession Plan is to ensure the orderly identification and selection of new directors in the event of a vacancy on the Board, whether such opening exists by reason of an anticipated retirement, an unanticipated departure, the expansion of the size of the Board, or otherwise. The Committee shall identify nominees for the position of director.

If a director position becomes vacant by reason of death or other unanticipated occurrence, the Committee shall convene a special meeting as rapidly as possible to implement the process described hereinabove.

Evaluation:

The Company has formulated a policy called as Sequent Board Performance Evaluation Policy. Based on this the Company has prepared a questionnaire to carry out the evaluation of performance of every Director including the independent directors at regular intervals and at least on an annual basis. The questionnaire is structured to embed various parameters based on which the performance of a Board can be evaluated. Customised Questionnaires are formulated for evaluating Independent Directors, Non-Independent Directors & Whole-time Directors, Chairperson of the Board; and the Board, as a whole.

The Committee may review and restructure the questionnaires and may also adopt other methods of evaluating the Board as and when necessary to achieve the better implementation of evaluation mechanism.

The Committee may review this policy as and when required.

Removal

Due to any disqualification as mentioned in the Act or under any other applicable Act, rules and regulations there under or for any other valid reason the committee may recommend, to the Board with reasons recorded on writing, removal of a Director, Key Managerial Personnel or any Senior Management Personnel subject to the provisions and compliance of the said Act, rules, regulations and service contract.

Retirement:

The Director and Key Managerial Personnel shall retire at the age as per the applicable provisions of the Act or HR policy of the Company. The Board will have the discretion to retain the Director or Key Managerial Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, if it is in the best interest of the Company.

Remuneration:

The remuneration of the Managing Director/ Whole-time Director will be determined by the Committee and recommended to the Board for approval subject to approval of the members of the Company and Central Government, if required. The Committee will approve the remuneration of Key Managerial Personnel of the Company. The Company may place before the Committee if so necessary the remuneration payable to Senior Management for its approval.

The remuneration and commission including increments recommended to be paid to the Whole-time Director shall be in accordance with the percentage/ slabs/ conditions laid down as per the provisions of the Act. These would be subject to approval of the members of the company.

■ **Remuneration to Whole-time Director / Executive Director / Managing Director and Key Managerial Personnel**

- **Fixed pay:** Managing Director/ Whole-time Director/ shall be eligible for a monthly remuneration as may be approved by the Board/ Members on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board and approved by the members and Central Government, wherever required. The Committee shall approve the remuneration for the Key Managerial Personnel.

- **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/ Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- **Long-term rewards:** These long-term rewards are linked to contribution to the performance of the Company based on relative position of the personnel in the organisation. These rewards could be in the form/ nature of stock options and are based on level of employees and their criticality.
- **Provisions for excess remuneration:** If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the act or without the prior sanction of the Central Government, where required he/ she shall refund such funds to the company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
- **Variable Pay;** The Company may give Variable pay to its Managing Director/ Whole Time Director and other Key Managerial Personnel as per the recommendation of the Committee.
- **Remuneration to Non-Executive Director / Independent Director:**
 - **Remuneration / Commission:** The remuneration / commission shall be fixed as per the limits mentioned in the Act, subject to approval from the members as applicable.
 - **Sitting Fees:** The Non-Executive / Independent Director shall receive remuneration by way of fees for attending meetings of Board or Committee thereof as may be approved by the Board. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.

- **Stock Options:** An Independent Director and Promoter Director shall not be entitled to any stock option of the Company.

The Non-Executive and Independent Directors are also entitled to claim reimbursement of all his/ her travelling, hotel and other incidental expenses incurred by him/ her in performance of duties as director of the Company, as per the provisions of the Act 2013.

- **Remuneration to other employees of the Company**
The Remuneration to other employees shall be as per the HR policy of the Company and shall be based on the role and position, professional experience, responsibility and the industrial standards. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the HR policy of the Company.

The other employees shall be eligible for annual increments based on the annual appraisal carried out by Head of the Departments of various departments.

Employee Stock Option Scheme:

The Committee shall act as Compensation Committee to oversee the implementation, administration, supervision and formulation of detailed terms and conditions of ESOP Schemes of the Company in accordance with SEBI ESOP Guidelines.

The Committee shall identify the Directors/ Employees of the Company to whom the employee stock options can be granted based on the performance of the grantee and as per criteria mentioned in the Employee Stock Option Scheme.

Amendments and Updatons:

The Nomination and Remuneration Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate, which shall be in accordance with the provisions of the Companies Act, 2013. In case of any modifications, amendments or inconsistencies with the Act, the provisions of the Act and the rules framed thereunder would prevail over the Policy.

ANNEXURE 4

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended On 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Sequent Scientific Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sequent Scientific Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sequent Scientific Limited for the financial year ended on 31st March, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Guidelines, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during Audit Period)
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during Audit Period) and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during Audit Period)

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- i.) Drugs & Cosmetics Act, 1940

- ii.) Drugs (Prices Control) Order 1995
- iii.) The Narcotic Drugs and Psychotropic Substances Rules, 1985
- iv.) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954 & Drugs and Magic Remedies (Objectionable Advertisement) Rules, 1955
- v.) Copyrights Act, 1957
- vi.) Trademarks Act, 1999 and Trademarks Rules, 2002

We have also examined compliance with the applicable clauses of the following:

The Listing Agreement entered into by the Company with Stock Exchange (till November 30, 2015) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from December 1, 2015).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly

constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there were no dissenting members for any item.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of -

- a. Redemption / buy-back of securities
- b. Merger / amalgamation / reconstruction, etc.
- c. Foreign technical collaborations

Place: Bengaluru
Date: August 10, 2016

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Binoy Chacko - Partner

B.G. & Associates

FCS No.: 4792

CP No.: 4221

ANNEXURE A

To,
The Members
Sequent Scientific Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Bengaluru
Date: August 10, 2016

Binoy Chacko - Partner
B.G. & Associates
FCS No.: 4792
CP No.: 4221

ANNEXURE 5

Details pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ending March 31, 2016:	<p>As on date of this Report, the Board comprises of 7 Directors consisting of 2 Executive Directors, 3 Independent Directors and 2 Non-Executive Directors.</p> <p>The Non-Executive/ Independent Directors receive sitting fees of ₹ 50,000 for attending each meeting of the Board and ₹ 20,000 for attending each meeting of the Audit Committee and do not receive any other form of remuneration.</p> <p>The ratio of remuneration of Executive Directors to the median remuneration of the employees of the Company for the financial year March 31, 2016:</p> <p>Manish Gupta - 88.11</p> <p>Dr Gautam Kumar Das - 58.36</p> <p>The median remuneration for the period under review is approximately ₹ 142,000.</p>
b.	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year ended March 31, 2016:	
	Particulars	% Increase
	1 Manish Gupta Managing Director and Chief Executive Officer	-
	2 Dr Gautam Kumar Das Joint Managing Director	5%
	3 Kannan P R Chief Financial Officer	-
	4 Preetham Hebbar Company Secretary	9%
c.	The percentage increase in the median remuneration of employees in the financial year ending March 31, 2016	(6)%
d.	The number of permanent employees on the rolls of Company as at March 31, 2016	725
h.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	On an average, employees received an annual increase of 7%.

The Company affirms remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

For and on **behalf of the Board of Directors**

Place: Bengaluru
Date: August 12, 2016

Dr. Gopakumar G Nair
Chairman

Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. **DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS** - There were no contracts or arrangements or transactions entered into by the Company with related parties during the year ended March 31, 2016 which were not at arm's length basis.

2. **DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS FOR THE YEAR ENDED MARCH 31, 2016 ARE AS BELOW:**

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Monetary Value upto (₹ in mn)	Date(s) of approval by the Board	Amount paid as advances, if any
1	Strides Shasun Limited ("Strides") (Formerly known as Strides Arcolab Limited)	Sale of Material / Services as per prevailing market prices	Upto March 31, 2016	The Company will supply Active Pharmaceutical Ingredients (Raw Materials) to Strides at prevailing market price	722.58	July 30, 2015	Nil
2	Alivira Animal Health Limited, India	Sale of Material / Services at cost plus 5% mark-up	Upto March 31, 2016	The Company will supply Active Pharmaceutical Ingredients and Intermediates to Alivira	705.66	July 30, 2015	Nil
	Loans and Advances to pay		Upto March 31, 2016	To fulfil the funding requirements as and when need arises	589.00	July 30, 2015 and February 11, 2016	Nil

For and on behalf of the Board of Directors

Place: Bengaluru
Date: August 12, 2016

Dr. Gopakumar G Nair
Chairman

ANNEXURE 7

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline of the Company's CSR policy

The Company intends to undertake its corporate social responsibility in a strategic manner. The Company will leverage its strategic, financial, human resources, marketing, research and business skills to create maximum impact for its beneficiaries both internal and external.

Vision:

The Company's long term CSR Vision is "To improve the quality of life of the communities we serve through long term value creation for all stakeholders" in the areas of Education, Environment, Sanitation & Health, which is aligned with the Company's Core Values.

Mission:

To innovate for our society, deliver high quality services and impactful interventions over a long period of time and ensure sustained relations with the society.

Objectives:

The Company believes that growth of the community should go hand-in-hand with the growth of the company. Hence, the Company prioritises to;

- Uplift the communities around its areas of operation, there by create a positive impact in the community
- Identify interventions to ensure sustainable social development after considering the immediate and long term socio environmental consequences.
- Setting high standards of quality in providing interventions and support to meet the needs of the community.

Some of the areas that the Company proposes to invest through CSR include:

1. Health & Sanitation
2. Education
3. Environment
4. Livelihood

The corporate social responsibility strategy, procedures and commitments will be regularly reviewed by the Corporate Social Responsibility Committee of the Company.

For more information please refer our CSR policy at: www.sequent.in

2. The composition of the CSR Committee

The CSR Committee consists of the following members:

- Dr. Gopakumar G Nair
- Mr. Manish Gupta
- Dr. Kausalya Santhanam

3. Average net profit of the Company for last three financial years : Nil

4. The prescribed CSR Expenditure (two per cent of the amount mentioned in item 3): NA

5. Details of CSR spent during the financial year:

The Company has negative average net profit for the past three financial years and the provisions pertaining to spending on the CSR activities was not applicable to the Company.

Due to inadequate profits in recent financial years, the Company has not spent on the CSR activities. However, the Company is committed towards sustainable development of the society and the country and is confident of contributing towards the CSR activities in the coming years upon being profitable.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

NA

7. Responsibility statement

We hereby confirm that the implementation of the Policy and monitoring of the CSR projects and activities is in Compliance with the CSR objectives and CSR Policy of the Company.

For and on **behalf of the Board of Directors**

Place: Bengaluru
Date: August 12, 2016

Manish Gupta
Managing Director

ANNEXURE 8

The particulars on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings/ Outgo and Research & Development as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

Form A

Disclosure of Particulars with respect to Conservation of Energy.

	2015-16	2014-15
A. POWER AND FUEL CONSUMPTION :		
1 Electricity :		
(a) Purchased	17,057,359	19,558,574
Total amount (₹ in mn)	119.88	131.82
Rate / Unit (₹)	7.03	6.74
(b) Own Generation - through Diesel		
Generator Set :		
Unit	658,226	543,324
Units per-litre of diesel oil	3.39	3.15
Cost / Unit (₹)	14.05	19.28
2 Coal :		
Quantity (tonnes)	Nil	Nil
Total Cost (₹ in mn)	Nil	Nil
Average rate (₹)	Nil	Nil
3 Furnace Oil / Light Diesel Oil:		
(a) Light Diesel Oil:		
Quantity (litres)	1,750	39,787
Total amount (₹ in mn)	0.11	2.36
Rate / Litre (₹)	63.29	59.23
(b) Furnace Oil :		
Quantity (litres)	839,282	1,027,259
Total amount (₹ in mn)	18.16	37.07
Rate / Litre (₹)	21.64	36.08
(c) Diesel :		
Quantity (litres)	19,000	210,148
Total amount (₹ in mn)	1.04	12.71
Rate / Litre (₹)	54.68	60.50
4 Others / Internal Generation :		
(a) Natural Gas		
Quantity (scm)	Nil	219,731
Total Cost (₹ in mn)	Nil	8.84
Rate / Unit (₹)	Nil	40.22
(b) Briquettes		
Quantity (Kg)	4,564,268	3,565,432
Total Cost (₹ in mn)	27.15	21.67
Rate / Unit (₹)	5.95	6.08
(c) KRR-BLAZE		
Quantity (Kg)	Nil	Nil
Total Cost (₹ in mn)	Nil	Nil
Rate / Unit (₹)	Nil	Nil

Form B

a. Measures taken for the year 2015 - 16

Mangalore:

- Briquette fired Boiler of 4T/hr installed and commissioned. This reduces operating cost and eliminates usage of fossil fuel (FO).
- Plant, canteen, office, & street lights are replaced with LEDs, reduces the power compared to conventional lighting system.
- Water ring & Oil ring vacuum pumps replaced with water & steam jet ejectors. This will eliminate the usage of oil in the vacuum pump and reduces operating cost.
- Electrical power supply done through power banking system from private power generating units, resulting efficient and economical power supply.

5. Expansion of Effluent Treatment Plant (ETP) including Multiple Effect Evaporator (MEE) is done to make Mangalore a Zero Discharge Unit.
6. Reverse Osmosis (RO) plant installed in Effluent Treatment Plant (ETP) as tertiary treatment facility. The permeate water from the RO plant is used for the general purpose there by reducing the fresh water in-take.

Mahad:

1. Expansion of Effluent Treatment Plant (ETP) carried out by installing Agitated Thin Film Dryer (ATFD) to separate the salts present in high TDS effluents. This will reduce the load on the Multiple Effect Evaporator (MEE) and improves the effluent treatment plant performance.
2. Temperature controllers installed for the cooling tower fans, to switch off the fan when the cooling tower water comes to the pre-set temperature.

Tarapur:

1. Necessary modifications were carried out in the solvent distillation reactors, to minimise the solvent loss during the solvent recovery.
2. Thermodynamic traps for the Dryers replaced with float type for effect condensate separation, which reduce the steam consumption.
3. Production block, lights are replaced with LEDs, reduces the power consumption to conventional.
4. Temperature controllers installed for the cooling tower fans, to switch off the fan when the cooling tower water comes to the pre-set temperature.

Vizag:

1. Variable Frequency Drive ("VFD") provided for the Utility pumps (cooling tower, chilling & Brine water) with a PT controller, which alters the pumps RPM based on the pipe line pressure. This will reduce the electrical consumption when the product requirement is low.
2. VFD provided for the boiler ID fan with PT Controller, which alters the exhaust fan RPM based on the static pressure of boiler flue gas. This will reduce the electrical consumption when the boiler is running with less load.
3. Temperature controller installed in the centralised Air conditioning system installed at Administration Building to lock the minimum

temperature at 23 Deg. C and pre-start and stop programming. This will reduce the electrical consumption.

4. VFD provided for the vacuum pump with a PT controller, which alters the Vacuum pump RPM based on the vacuum levels in the system. This will reduce the electrical consumption.
5. Production block, lights are replaced with LEDs, reduces the power consumption to conventional.

Ambernath:

1. Production block, lights are replaced with LEDs, reduces the power consumption to conventional.

b. Steps taken or impact on conservation of energy 2016-17**Mangalore**

1. Continue replacing CFL bulbs with LEDs in balance departments.
2. Introduction of solar power system for street lights, reduce the power consumption.
3. Oxygen, which is by product of Nitrogen plant shall be used for aeration in ETP tanks.

Mysore:

1. Planning for the revamping of Effluent Treatment Plant (ETP) including Multiple Effect Evaporator (MEE) and Agitated Thin Film Drier (ATFD) to make Zero discharge unit.
2. Plant lights shall be replaced with LEDs, will reduce the power consumption compared to the conventional.

Mahad:

1. Availing the solar power to reduce consumption from state grid which is generated from coal/ gas.
2. Production block, final product processing area converting the Air-conditioning system from Direct Expansion (DX) air cooled type to Chilled water coil. This will reduce the electrical consumption.
3. Installation of temperature controller on the hot water system which will cut off the steam supply after the hot water reaches the pre-set temperature. This will reduce the steam consumption.
4. Installation of VFD on higher capacity electrical items, which will reduce the electrical consumption.

- Continuation of Plant lights replacement with LEDs, will reduce the power consumption compared to the conventional.

Tarapur:

- Production block, final product processing area converting the Air-conditioning system from DX air cooled type to Chilled water coil. This will reduce the electrical consumption.
- Continuation of Plant lights replacement with LEDs, will reduce the power consumption compared to the conventional.

Vizag:

- Availing the solar power to reduce consumption from state grid which is generated from coal/ gas.
- Continuation of Plant lights replacement with LEDs, will reduce the power consumption compared to the conventional.

Ambernath:

- Continuation of Plant lights replacement with LEDs, will reduce the power consumption compared to the conventional.

B. TECHNOLOGY ABSORPTION**Research & Development (R&D):****a. Core areas of R&D:**

- Development and scale-up of Human and Veterinary generic APIs for regulated markets.
- Development of non-infringing, cost effective, commercially viable technologies

Expenditure on R&D:

	(₹ in mn)	
	2015-16	2014-15
Capital	-	-
Recurring	86.05	96.88
TOTAL	86.05	96.88

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(₹ in mn)	
	2015-16	2014-15
Earnings	1,711.12	1,403.42
Outgo	766.2	790.10

for APIs and intermediates through innovative synthetic routes.

- Product life cycle management by process improvements of existing commercial APIs.
- Identification of impurities, developing analytical methods, impurity profiling & ensuring quality of products.

b. Benefits derived as a result of R&D:

- In-house speedy development of niche products, their commercialisation & introduction into market.
- Tapping potential markets through new Drug Master Filings.
- Enhancing profits by continuous process improvements.
- Effluent reduction by developing green technologies.

Future plan of action:

- To focus on the development of niche Human and Veterinary APIs and build strong pipe line.
- Continued focus on improving quality, cost and operation through process modification as per regulatory norms.
- Integration of API development with in-house formulation development.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: August 12, 2016

Dr. Gop akumar G Nair
Chairman

ANNEXURE 9

Disclosure under Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 forming part of the Directors' Report for the year ended March 31, 2016

A. DETAILS RELATED TO EMPLOYEE STOCK OPTION SCHEME

In the Extraordinary General Meeting held on March 8, 2008, the shareholders approved the issue of options under the ESOP scheme. Options to be granted under the Scheme in any financial year shall not result in issue of equity shares of more than 7% of the issued and subscribed capital of the Company as at the date of grant of options. In accordance with the above, the Company established an ESOP trust to administer the Scheme on February 25, 2010.

In the Board meeting dated March 29, 2010, the Company has allotted 700,000 equity shares to the ESOP trust with a Face value of ₹ 10 per share at a premium of ₹ 103 per share. As at March 31, 2016, 464,000 equity shares (March 31, 2015 - 582,500 equity shares) of ₹ 10 each are reserved towards outstanding Employee Stock Options granted / available for grant (2,320,000 shares of ₹ 2 each).

As per the Scheme, the Compensation Committee grants the options to the eligible employees. The exercise price and vesting period of each option shall be as decided by the Compensation Committee from time to time. The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within a period of 4 years from the date of first vesting of the options.

During the current year, the Compensation Committee in its meeting held on January 11, 2016 has granted 100,000 options under SSL ESOP Scheme 2010 ("Sequent ESOP 2010") to certain eligible employees of the Company. The options allotted under this plan is convertible into equal number of equity shares. During the previous year, the Compensation Committee in its meetings held on May 28, 2014 and November 12, 2014 has granted 180,000 and 200,000 options respectively under Sequent ESOP 2010 to certain eligible employees of the Company.

Option movement during the year 2015-16

Particulars	Sequent ESOP 2010*
Number of options outstanding as at April 1, 2015	772,500
Number of options granted during year	100,000
Number of options forfeited / lapsed during the year	45,000
Number of options vested during the year	212,500
Number of options exercised during the year	118,500
Number of shares arising as a result of exercise of options	118,500
Loan repaid by the Trust during the year from exercise price received (Money realised by exercise of options during the year)	₹ 6,685,000
Options outstanding as at March 31, 2016	709,000
Options exercisable as at March 31, 2016	116,500

Note: Pursuant to Sub-division of equity shares of the Company from 1 equity share of ₹ 10 each to 5 equity shares of ₹ 2 each, 1 option of ₹ 10 is sub-divided into 5 options of ₹ 2 each. Accordingly, the options outstanding at the end of the year March 31, 2016 is 3,545,000 and options available for grant is 4,775,000

*Prior to sub-division of equity shares

Variation of terms of options	Nil
Weighted average exercise price of options	₹ 24.08
Weighted average fair values of options	₹ 126.90
Range of exercise price for options outstanding at the end of the year	₹ 10 to ₹ 87 per Option

The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

Particulars	(₹ in mn)
	Year ended March 31, 2016
Net Profit / (loss) for the year (as reported)	70.82
Add / (Less): stock based employee compensation (intrinsic value)	56.05
Add / (Less): stock based compensation expenses determined under fair value method for the grants issued	(131.47)
Net Profit / (loss) for the year (proforma)	(4.60)
Basic earnings per share (as reported)	0.34
Basic earnings per share (proforma)	(0.02)
Diluted earnings per share (as reported)	0.33
Diluted earnings per share (proforma)	(0.02)

The fair value of the options has been determined under the Black-Scholes model. The significant assumptions used in this model for calculating fair value are as below:

Weighted average values of share price	₹ 167.24
Weighted average values of exercise price	₹ 24.08
Expected volatility	56.76%
Expected option life	4 years
Expected dividends	Nil
Risk free interest rate	7.45%

The volatility is calculated from the method of historical volatility, based on the three years data of closing market prices of the Company's shares as per the data recorded by the BSE Limited (BSE) and the average number of trading days during that period. It is the percentage co-efficient within the option pricing formulas.

B. EMPLOYEE-WISE DETAILS OF OPTIONS GRANTED DURING THE YEAR

Sl. No.	Name of employee	Designation	No. of options granted during the year	Exercise price
a.	Key managerial personnel/ Senior managerial personnel			
1.	Sharat Narasapur	Executive Vice President - Operations	250,000	₹ 87 per option
b.	Any other employees who received a grant in any one year of option amounting to 5% or more of options granted during the year			
1.	Tushar Mistry	Associate Vice President-Finance & Accounts	100,000	₹ 87 per option
2.	Ashish Kakabalia	Vice President-International Formulations & Business Development	100,000	₹ 87 per option
3.	J B Singh	Chief Business Officer-Formulations	50,000	₹ 87 per option
c.	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant			
Nil				

Details related to Trust

Particulars	Details
1 Name of the Trust	Sequent Scientific Employee Stock Option Plan Trust
2 Details of the Trustees	Mr. Tushar Mistry and Mr. Prasad Lad
3 Amount of loan disbursed by company / any company in the group, during the year	Nil
4 Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	₹ 51,482,000
5 Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6 Any other contribution made to the Trust during the year	Nil

Brief details of transactions in shares by the Trust

(a) Number of shares held as at April 1, 2015*	2,912,500
(b) Number of shares acquired during the year through	
(i) primary issuance	Nil
(ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Nil
(c) Number of shares transferred to the employees on exercise of options under Sequent ESOP Scheme 2010	592,500
(d) Number of shares held as at March 31, 2016*	2,320,000

*Post Sub-division of equity shares of the Company.

For and on **behalf of the Board of Directors**

Dr. Gopakumar G Nair
Chairman

Place: Bengaluru

Date: August 12, 2016

EQUITY HISTORY

as on March 31, 2016:

Date of Allotment	Particulars	Number of Equity Shares issued	Cumulative number of Equity Shares	Issue price per share
28.06.1985	Subscribers to the Memorandum of Association of the Company	70	70	10.00
10.12.1985	Initial Public Offering	239,930	240,000	10.00
14.06.2000	Preferential Issue	3,760,000	4,000,000	13.50
31.03.2004	Pursuant to a scheme of amalgamation	2,500,003	6,500,003	NA
31.01.2007	Conversion of warrants issued on preferential basis	1,000,000	7,500,003	47.00
09.07.2007	Preferential Issue	2,785,188	10,285,191	65.00
27.11.2007	Conversion of warrants issued on preferential basis	800,000	11,085,191	47.00
22.09.2009	Pursuant to a scheme of amalgamation	10,150,000	21,235,191	NA
29.03.2010	Allotment to ESOP Trust	700,000	21,935,191	113.00
20.08.2011	Cancelled (14,865,000 Equity Shares of ₹ 10/- in the paid up share capital of the Company pursuant to the sanction of scheme of amalgamation of Fraxis Life Sciences Limited with the Company)	(14,865,000)	7,070,191	NA
21.11.2011	Allotted (14,865,000 Equity Shares of ₹ 10/- each of the Company pursuant to the sanction of scheme of amalgamation of Fraxis Life Sciences Limited with the Company)	14,865,000	21,935,191	NA
10.10.2012	Conversion of warrants issued on preferential basis	1,000,000	22,935,191	120.75
16.11.2012	Conversion of warrants issued on preferential basis	700,000	23,635,191	120.75
08.03.2013	Conversion of warrants issued on preferential basis	400,000	24,035,191	120.75
08.06.2013	Conversion of warrants issued on preferential basis	160,000	24,195,191	172.00
02.08.2013	Conversion of warrants issued on preferential basis	852,700	25,047,891	172.00
14.08.2013	Conversion of warrants issued on preferential basis	232,500	25,280,391	172.00
31.08.2013	Conversion of warrants issued on preferential basis	1,504,800	26,785,191	172.00
05.02.2014	Conversion of warrants issued on preferential basis	550,000	27,335,191	135.25
08.10.2014	Conversion of warrants issued on preferential basis	750,000	28,085,191	135.25
12.11.2014	Conversion of warrants issued on preferential basis	2,400,000	30,485,191	135.25
15.04.2015	Conversion of warrants issued on preferential basis	1,200,000	31,685,191	222.15
26.05.2015	Issue of Shares by way of Qualified Institutions Placement	7,476,635	39,161,826	535
10.06.2015	Conversion of warrants issued on preferential basis	800,000	39,961,826	222.15
10.06.2015	Conversion of warrants issued on preferential basis	200,000	40,161,826	236.00
10.06.2015	Conversion of warrants issued on preferential basis	1,100,000	41,261,826	475.00
13.08.2015	Issue of Shares on preferential basis	757,734	42,019,560	669.10
16.11.2015	Conversion of Warrants issued on preferential basis	2,800,000	44,819,560	236.00
1.12.2015	Issue of Shares on preferential basis	2,827,679	47,647,239	669.10
26.02.2016	Sub-division of 1 equity share of ₹ 10 each into 5 equity shares of ₹ 2 each	-	238,236,195	-