S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Sequent Research Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Sequent Research Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

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auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

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i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared or paid by the Company during the year and until the date of this report is in accordance with section 123 of the Act.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 22110759AJPTAW6460
Place of Signature: Mumbai
Date: May 25, 2022

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ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SEQUENT RESEARCH LIMITED

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipments have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has provided loan to companies as follows:

Particulars	Loan (Rs.)
Aggregate amount provided during the year	
- Fellow Subsidiary	4,39,11,373/-
Balance outstanding as at balance sheet date in respect of above cases - Fellow Subsidiary	4,39,11,373/-

(b) During the year the terms and conditions of the grant of loan to companies are not prejudicial to the Company's interest.

(c) In respect of loan granted to companies, the schedule of repayment of principal and payment of interest has not been stipulated in the agreement. Hence, we are unable to make a specific comment on the regularity of repayment of principal and payment of interest in respect of such loan.

(d) There are no amounts of loans granted to companies which are overdue for more than ninety days.

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(e) There were no loans or advance in the nature of loan granted to companies which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) As disclosed in note 13 to the financial statements, the Company has granted loans repayable on demand to companies. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

Particulars	Amount (Rs.)
Aggregate amount of loans - Repayable on demand	4,39,11,373/-
Percentage of loans to the total loans	100%

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

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(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No material fraud by the Company or on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) of the Order is not applicable to the Company.

(b) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(b) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

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(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 40 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In According to the information and explanations given to us by the management, the provisions of corporate social responsibility under section 135 of the Companies Act, 2013 are not applicable to the Company and accordingly, clause (xx) (a) and (b) are not applicable and hence not commented upon.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

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per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 22110759AJPTAW6460
Place of Signature: Mumbai
Date: May 25, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SEQUENT RESEARCH LIMITED

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

We have audited the internal financial controls with reference to financial statements of Sequent Research Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

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

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

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per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 22110759AJPTAW6460
Place of Signature: Mumbai
Date: May 25, 2022

SeQuent Research Limited
Balance Sheet as at 31 March 2022
All amounts are in ₹ unless otherwise stated

	Notes	As at 31 March 2022	As at 31 March 2021
A. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3.a	30,040,731	36,250,018
(b) Right-of-Use Assets (ROU)	3.b	47,184,756	51,474,275
(c) Capital work-in-progress	3.c	1,110,075	-
(d) Other intangible assets	4	475,066	1,175,078
(e) Financial assets			
(i) Other financial assets	5	4,276,697	4,654,197
(f) Deferred tax assets (net)	33	18,886,900	17,973,902
(g) Income tax assets (net)	6	11,063,103	11,168,770
(h) Other non-current assets	7	123,849	99,567
Total non-current assets		**113,161,177**	**122,795,807**
2. Current assets			
(a) Inventories	8	169,074	262,462
(b) Financial assets			
(i) Investments	9	-	38,672,491
(ii) Trade receivables	10	19,441,728	25,883,289
(iii) Cash and cash equivalents	11	3,690,609	2,227,019
(iv) Bank balances other than (iii) above	12	284,797	267,966
(v) Loan	13	43,911,373	-
(vi) Other financial assets	14	1,334	3,334,594
(c) Other current assets	15	3,744,631	3,718,227
Total current assets		**71,243,546**	**74,366,048**
Total assets		**184,404,723**	**197,161,855**
B. EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	16	44,100,000	44,100,000
(b) Other equity	17	45,010,953	61,337,958
Total equity		**89,110,953**	**105,437,958**
II Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	18	71,798,016	73,288,818
(b) Provisions	19	4,578,764	4,633,172
Total non-current liabilities		**76,376,780**	**77,921,990**
2. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		175,298	541,643
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,326,357	9,038,647
(ii) Lease liabilities	21	1,490,802	923,690
(iii) Other financial liabilities	22	421,006	64,916
(b) Other current liabilities	23	4,170,156	1,302,694
(c) Provisions	24	1,846,717	1,600,909
(d) Current tax liabilities (net)	25	1,486,654	329,408
Total current liabilities		**18,916,990**	**13,801,907**
Total liabilities		**95,293,770**	**91,723,897**
Total equity and liabilities		**184,404,723**	**197,161,855**
Significant Accounting Policies	2		

The accompanying notes are integral part of these financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per Anil Jobanputra
Partner
Membership No. 110759

Mumbai, 25 May 2022

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Rajaram Narayanan	**Tushar Mistry**	**Sharat Narasapur**
Director	**Director**	**Director**
DIN : 02977405	**DIN : 06951371**	**DIN : 02808651**

SEQUENT RESEARCH LIMITED

SeQuent Research Limited
Statement of profit and loss for the year ended 31 March 2022
All amounts are in ₹ unless otherwise stated

		Notes	Year ended 31 March 2022	Year ended 31 March 2021
I	Revenue from operations	26	146,569,261	173,348,902
II	Other income	27	2,552,763	7,277,983
III	**Total income (I+II)**		**149,122,024**	**180,626,885**
IV	**Expenses**			
	(a) Analytical cost	28	32,213,933	43,395,958
	(b) Employee benefits expense	29	37,986,517	39,446,037
	(c) Finance costs	30	8,189,246	9,437,119
	(d) Depreciation and amortisation expenses	31	15,542,326	21,754,713
	(e) Other expenses	32	18,889,987	31,515,661
	Total expenses (IV)		**112,822,009**	**145,549,488**
V	**Profit before tax (III-IV)**		**36,300,015**	**35,077,397**
VI	**Tax expense:**	33		
	(a) Current tax		10,074,000	11,300,000
	(b) Deferred tax		(1,072,998)	(2,216,580)
	(c) Current tax of prior period		-	96,396
	Total tax expenses		**9,001,002**	**9,179,816**
VII	**Profit after tax (V-VI)**		**27,299,013**	**25,897,581**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurements gain of the defined benefit plan	17	633,982	1,064,506
	Income tax relating to items that will not be reclassified to profit or loss		(160,000)	(282,800)
	Total other comprehensive income for the year		**473,982**	**781,706**
IX				
	Total comprehensive income for the year, net of tax (VII+VIII)		**27,772,995**	**26,679,287**
	Earnings per equity share:	34		
	(a) Basic & Diluted (in ₹)		6.19	5.87
	Significant Accounting Policies	2		
	The accompanying notes are integral part of these financial statements			

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per Anil Jobanputra
Partner
Membership No. 110759

Mumbai, 25 May 2022

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Rajaram Narayanan	**Tushar Mistry**	**Sharat Narasapur**
Director	**Director**	**Director**
DIN : 02977405	**DIN : 06951371**	**DIN : 02808651**

SeQuent Research Limited
Statement of cash flows for the year ended 31 March 2022
All amounts are in ₹ unless otherwise stated

	Year ended 31 March 2022	Year ended 31 March 2021
Cash flow from operating activities		
Profit before tax	36,300,015	35,077,397
Adjustments for:		
Depreciation and amortisation expenses	15,542,326	21,754,713
Unrealised forex (gain) / loss	178,906	54,005
Property, plant and equipment written off	339,235	8,695,634
Bad trade receivables written off	628,002	622,221
Allowances for doubtful trade receivables	(628,002)	209,903
Preclosure of lease arrangment	-	(5,049,410)
Finance costs	8,189,246	9,437,119
Interest income	(1,184,250)	(232,456)
Gain on sales of current investment	(775,148)	-
Fair value gain on financial instruments at fair value through profit or loss	-	(172,491)
Profit on sale of property, plant and equipment (net)	(16,900)	(738,310)
Operating profit before working capital changes	**58,573,430**	**69,658,325**
Changes in working capital		
Decrease in inventories	93,388	217,227
(Increase) / decrease in trade receivables, loans and advances and other assets	13,308,208	(3,960,210)
(Decrease) in trade payables, other payables and provisions	60,226	(13,997,638)
Net change in working capital	**13,461,822**	**(17,740,621)**
Cash generated from operations	**72,035,252**	**51,917,704**
Income taxes paid (net)	(8,811,087)	(5,688,698)
Net cash generated from operating activities (A)	**63,224,165**	**46,229,006**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(5,436,729)	(632,801)
Proceeds from sale of property, plant and equipment	16,900	9,262,051
Sales / (purchase) of current investments	39,447,639	(38,500,000)
Loan given to fellow subsidiary company	(43,000,000)	-
Interest received	175,291	284,755
Net cash used in investing activities (B)	**(8,796,899)**	**(29,585,995)**
Cash flow from financing activities		
Repayment of loan to parent company	-	(9,386,295)
Repayment of lease liabilities	(923,690)	(1,373,287)
Interest and other borrowing cost	(7,939,986)	(9,169,822)
Dividend paid	(44,100,000)	-
Net cash used in financing activities (C)	**(52,963,676)**	**(19,929,404)**
Net increase in cash and cash equivalents during the year(A+B+C)	1,463,590	(3,286,393)
Cash and cash equivalents at the beginning of the year (refer note 11)	2,227,019	5,513,412
Cash and cash equivalents at the end of the year (refer note 11)	**3,690,609**	**2,227,019**

Note: The statement of cash flows has been prepared under the indirect method, as set out in Ind AS 7 'Statement of Cash Flows'.

Reconciliation of liabilities arising from financing activities

As at 31 March 2022	**Opening Balance**	**Cash Flows**	**Non-Cash Changes**	**Balance**
Borrowings and Lease liabilities	74,212,508	(923,690)	-	73,288,818
Total liabilities from financing activities	**74,212,508**	**(923,690)**	**-**	**73,288,818**

As at 31 March 2021	**Opening Balance**	**Cash Flows**	**Non-Cash Changes**	**Balance**
Borrowings and Lease liabilities	100,917,962	(10,759,582)	(15,945,872)	74,212,508
Total liabilities from financing activities	**100,917,962**	**(10,759,582)**	**(15,945,872)**	**74,212,508**

Significant Accounting Policies (refer note 2)
The accompanying notes are integral part of these financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per Anil Jobanputra
Partner
Membership No. 110759

Mumbai, 25 May 2022

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Rajaram Narayanan
Director
DIN : 02977405

Tushar Mistry
Director
DIN : 06951371

Sharat Narasapur
Director
DIN : 02808651

SeQuent Research Limited
Statement of changes in equity (SOCIE) for the year ended 31 March 2022
All amounts are in ₹ unless otherwise stated

(a) Equity share capital

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,410,000	44,100,000	4,410,000	44,100,000
Balance at the end of the year	**4,410,000**	**44,100,000**	**4,410,000**	**44,100,000**

(b) Other equity

	Reserves & surplus [note 17]		Total
	Securities premium account	Retained earnings	
Balance as at 31 March 2020	**9,500,000**	**25,158,671**	34,658,671
Profit for the year	-	25,897,581	25,897,581
Other comprehensive income for the year	-	781,706	781,706
Balance as at 31 March 2021	**9,500,000**	**51,837,958**	**61,337,958**
Profit for the year	-	27,299,013	27,299,013
Other comprehensive income for the year	-	473,982	473,982
Dividend paid during the year	-	(44,100,000)	(44,100,000)
Balance as at 31 March 2022	**9,500,000**	**35,510,953**	**45,010,953**

Significant Accounting Policies (refer note 2)
The accompanying notes are integral part of these financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per Anil Jobanputra
Partner
Membership No. 110759

Mumbai, 25 May 2022

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Rajaram Narayanan	**Tushar Mistry**	**Sharat Narasapur**
Director	**Director**	**Director**
DIN : 02977405	**DIN : 06951371**	**DIN : 02808651**

SEQUENT RESEARCH LIMITED

SeQuent Research Limited
Notes to the financial statements for the year ended 31 March 2022

1. **CORPORATE INFORMATION**
SeQuent Research Limited (the "Company") is a Company incorporated in India and has its registered office at 120 / A&B, Industrial area Baikampady, Mangalore - 575 001, Karnataka, India. The Company is a leading Contract Research Organization that specializes in Analytical and Bio Analytical Services to support the API, Pharmaceutical, Personal Care, Institutional and Nutraceutical companies.

2.1 Statement of compliance
The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

2.2 Basis of preparation and presentation
The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for

- Leasing transaction as defined in Ind AS 116 – Leases.
- Measurement that have some similarities to fair value but are not fair value, such as 'Net Realisable Value' as defined in Ind AS 2 – Inventories and value in use as defined in Ind AS 36- Impairment of Assets.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.3 Functional and presentation currency
These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency.

2.4 Significant Accounting Policies

i. Revenue Recognition
Service Revenue
Income from analytical service is recognized when the services are completed as per the terms of the agreement and when no significant uncertainty as to its determination or realization exists. Revenue is recognized net of taxes and discounts.

In case of long-term contracts involving multiple activities, revenue is recognized as and when the individual activities are completed. In the event of any expected losses on a contract, the entire amount is provided for in the accounting period in which such losses are first anticipated.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

ii. Leases
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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i) Right-of-use assets (ROU)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the of the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies (xii)(b) Impairment of non-financial assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Nature of the assets	**Useful life in years**
ROU- Building	15

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Foreign currency transactions and translation

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the year in which it arises.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange difference on capital expenditure are not capitalised but charged to the statement of profit and loss.

iv. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or erection of qualifying assets are added to the cost of those assets, until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

v. Employee Benefits

a) Defined contribution plans

The Company has defined contribution plans for post-employment benefits in the form of provident fund which is administered through Government of India. Provident fund is classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The company's contributions to defined contribution plans are charged to the statement of profit and loss as and when employee renders related service.

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b) Defined benefit plans

Payments to defined benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity scheme is in the nature of defined benefit plans.

For defined benefit plans, the cost of providing benefit is determined using projected unit credit method, with actuarial valuation being carried out at the end of each financial year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement gain / (loss).

The Company presents the service cost of defined benefit plan in the line item 'Employee benefits expense' and the net interest expense or income in the line item 'Finance costs' of the statement of profit and loss. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

c) Short-term employee benefits

A liability is recognised for short-term employee benefit in respect of wages and salaries, annual leaves, medical and leave travel in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

d) Other employee benefits

Other employee benefits comprise of leave encashment which is provided for, based on the actuarial valuation carried out as at the end of the year. Liabilities recognised in respect of other employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

vi Taxation

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under Income Tax Act,1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The Company applies significant judgement in identifying uncertainties over income tax treatments.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Appendix did not have any significant impact on these financial statements of the Company.

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SEQUENT RESEARCH LIMITED

b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised either in other comprehensive income or in equity.

vii. Property, plant and equipment

a) Recognition and measurement

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

When parts of an item of property, plant and equipment have significant cost in relation to total cost and different useful lives, they are recognised and depreciated separately.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values, using the straight-line method, over the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful life estimated on technical assessment, past trends and differ from those provided in Schedule II of the Companies Act, 2013.

Nature of the assets	Useful life in years
Lease hold property development	5-15
Plant and machinery	2-16
Furniture and fixtures	10-16

The estimated useful lives, residual values and depreciation method are reviewed at financial year end, with the effect of any changes in estimates are accounted for on a prospective basis.
Depreciation on additions / deletions to property, plant and equipments is provided prorata from the month of addition / till the month of deletion.

b) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

c) Derecognition of property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

SEQUENT RESEARCH LIMITED

viii. Intangible assets

a) Intangible assets acquired separately

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis. Cost includes any directly attributable incidental expenses necessary to make the assets ready for use.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follow:

Nature of the assets	Useful life in years
Software	3-5

b) Subsequent costs

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

c) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss.

ix. Inventories

Inventories comprises of consumables used for analytical purposes. These are valued at the lower of cost and net realizable value. Cost is determined on First in First out basis, at purchase cost including other cost incurred in bringing consumables to their present location and condition.

x. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised but are disclosed in the notes to financial statements. Contingent assets are not recognised but are disclosed in the notes to financial statements when economic inflow is probable.

xi. Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

All financial instruments are initially measured at fair value. Transaction costs that are attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets recorded at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL), non-derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

a) Non-derivative financial assets

(i) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

(a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ('SPPI').

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest rate ('EIR') method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

(ii) Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as FVTPL.

In addition, the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

(iii) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or the financial assets is transferred and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new assets obtained less any new liability assumed) shall be recognised in the statement of the profit and loss except for debt and equity instruments carried through FVTOCI which shall be recognised in OCI.

b) Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the EIR method.

(ii) Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL are measured at fair value with all changes recognised in the statement of profit and loss.

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(iii) Derecognition of financial liabilities

The Company derecognises financial liabilities only when, the obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

xii Impairment

a) Financial assets

In accordance with Ind AS 109 - Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting period, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

(i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;

(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivables.

ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

xiii Earnings per share

Basic EPS is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

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xiv Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

xv Cash dividend

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

xvi Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.
An asset is treated as current when:
- It is expected to be realised or intended to be sold or consumed in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

xvii Fair value measurement

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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2A. Use of estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

i. Useful life of property, plant and equipment and intangible assets

The useful life of the assets are determined in accordance with Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that or is not prescribed in Schedule II, it is based on technical advice, taking into account amongst other things, the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance.

ii. Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected discounted future cash flows from each asset or cash-generating unit.

iii. Deferred tax

Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

iv. Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

v. Post-retirement benefit plans

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions which include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at each financial year end on the government bonds.

vi. Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

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3.a Property, plant and equipment

Cost	Lease hold property development	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Total
Balance as on 01 April 2020	46,263,103	4,930,422	2,226,930	5,697,849	108,634,725	**167,753,029**
Additions	-	84,550	15,000	380,300	1,041,584	1,521,434
Deletions	31,613,951	835,788	729,769	389,828	33,793,738	67,363,074
Balance as on 31 March 2021	**14,649,152**	**4,179,184**	**1,512,161**	**5,688,321**	**75,882,571**	**101,911,389**
Additions			95,000	1,237,436	3,350,308	4,682,744
Deletions	1,069,759				1,048,611	2,118,370
Balance as on 31 March 2022	**13,579,393**	**4,179,184**	**1,607,161**	**6,925,757**	**78,184,268**	**104,475,763**

Accumulated depreciation	Lease hold property development	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Total
Balance as on 01 April 2020	34,840,705	2,331,115	1,553,197	5,080,643	57,131,387	100,937,047
Depreciation expense for the year (refer note 31)	4,706,211	522,517	234,497	471,180	9,924,799	15,859,204
Deletions	29,458,837	479,760	562,859	311,976	20,321,448	51,134,880
Balance as on 31 March 2021	**10,088,079**	**2,373,872**	**1,224,835**	**5,239,847**	**46,734,738**	**65,661,371**
Depreciation expense for the year (refer note 31)	1,597,791	384,370	203,217	365,253	8,002,164	10,552,795
Deletions	730,524				1,048,610	1,779,134
Balance as on 31 March 2022	**10,955,346**	**2,758,242**	**1,428,052**	**5,605,100**	**53,688,292**	**74,435,032**

Carrying amount	Lease hold property development	Furniture and fixtures	Office equipments	Computers	Plant and machinery	Total
Balance as on 31 March 2021	4,561,073	1,805,312	287,326	448,474	29,147,833	36,250,018
Balance as on 31 March 2022	2,624,047	1,420,942	179,109	1,320,657	24,495,976	30,040,731

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3.b Right-of-Use Assets (ROU)

Cost	ROU Building
Balance as on 01 April 2020	72,670,270
Additions	-
Deletions	12,616,956
Balance as on 31 March 2021	**60,053,314**
Additions	-
Deletions	-
Balance as on 31 March 2022	**60,053,314**

Accumulated depreciation	ROU Building
Balance as on 01 April 2020	5,436,516
Depreciation expense for the year (refer note 31)	4,863,017
Deletions	1,720,494
Balance as on 31 March 2021	**8,579,039**
Depreciation expense for the year (refer note 31)	4,289,519
Deletions	
Balance as on 31 March 2022	**12,868,558**

Carrying amount	ROU Building
Balance as on 31 March 2021	51,474,275
Balance as on 31 March 2022	47,184,756

3.c Capital work-in-progress

	As at 31 March 2022	As at 31 March 2021
Capital work-in-progress	1,110,075	-
Total	**1,110,075**	**-**

I) CWIP ageing as on 31 March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	1,110,075	-	-	-	1,110,075

II) There is no delay for CWIP whose completion is overdue or has exceeded its cost compared to original plan.

III) There is no CWIP as on 31 March 2021.

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4 Other intangible assets

Cost	Software
Balance as on 01 April 2020	11,762,449
Deletions	3,712,477
Balance as on 31 March 2021	**8,049,972**
Deletions	-
Balance as on 31 March 2022	**8,049,972**

Accumulated amortisation	Software
Balance as on 01 April 2020	8,563,698
Amortisation expense for the year (refer note 31)	1,032,492
Deletion	2,721,296
Balance as on 31 March 2021	**6,874,894**
Amortisation expense for the year (refer note 31)	700,012
Deletions	-
Balance as on 31 March 2022	**7,574,906**

Carrying amount	Software
Balance as on 31 March 2021	1,175,078
Balance as on 31 March 2022	475,066

5 Other non-current financial assets

	As at 31 March 2022	As at 31 March 2021
Security deposits	4,276,697	4,654,197
Total	**4,276,697**	**4,654,197**

6 Income tax assets (net)

	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provisions ₹ 7,382,079) (As at 31 March 2021 ₹ 12,941,512)	11,063,103	11,168,770
Total	**11,063,103**	**11,168,770**

7 Other non-current assets

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Capital advances	-	-
Prepaid expenses	123,849	99,567
Total	**123,849**	**99,567**

8 Inventories

	As at 31 March 2022	As at 31 March 2021
Consumables	169,074	262,462
Total	**169,074**	**262,462**

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9 Current investments

	Face value	As at 31 March 2022		As at 31 March 2021	
		No. of units	₹	No. of units	₹
Unquoted mutual funds carried at fair value through profit or loss					
UTI Liquid Cash Plan Regular Plan (Growth)	₹ 1,000	-	-	1,805	6,051,593
Nippon India Liquid Fund (Growth)	₹ 1,000	-	-	2,208	11,032,231
Tata Liquid Fund Regular Plan (Growth)	₹ 1,000	-	-	2,805	9,045,090
Aditya Birla Sun Life Liquid Fund Regular Plan (Growth)	₹ 100	-	-	22,776	7,500,402
ICICI Prudential Ultra Short Term Fund - Regular Plan (Growth)	₹ 10	-	-	233,845	5,043,175
Total			-		38,672,491

10 Trade receivables

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	19,441,728	25,883,289
Unsecured, considered doubtful	-	628,002
	19,441,728	26,511,291
Less: Allowance for doubtful trade receivables	-	628,002
Total	19,441,728	25,883,289

Notes:
1. No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 35.

2. Refer note 39.3 for other details.

3. Trade receivables ageing is as below.

As on 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables considered good	12,214,489	6,840,337	223,421	73,296	68,945	21,240	19,441,728
(ii) Undisputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
	12,214,489	6,840,337	223,421	73,296	68,945	21,240	19,441,728

As on 31 March 2021

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables considered good	18,378,554	7,335,817	73,783	73,895	-	21,240	25,883,289
(ii) Undisputed Trade Receivables considered doubtful	-	-	-	-	297,543	330,459	628,002
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-	-
	18,378,554	7,335,817	73,783	73,895	297,543	351,699	26,511,291

11 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- In current accounts	3,690,609	2,227,019
Total	3,690,609	2,227,019
Cash and cash equivalents as defined in Ind AS 7 - Statements of Cash Flow	3,690,609	2,227,019

12 Bank balances other than (note 11) above

	As at 31 March 2022	As at 31 March 2021
In earmarked accounts		
- Margin money deposit (refer note below)	284,797	267,966
Total	284,797	267,966

Note:
Balances in margin money deposits are held as security against guarantees.

13 Current loans

	As at 31 March 2022	Maximum balance during the	As at 31 March 2021	Maximum balance during the year
Unsecured, considered good				
Loan to related parties (refer note 35)				
Alivira Animal Health Limited, India	43,911,373	43,911,373	-	-
Total	43,911,373	43,911,373	-	-

Name of Party	Location	CIN	31 Match 2022		31 Match 2021	
			Amount outstanding	% of Total	Amount outstanding	% of Total
Alivira Animal Health Limited, India	India	U74120MH2013PLC248708	43,911,373	100.00	-	-

14 Other current financial assets

	As at 31 March 2022	As at 31 March 2021
Secured		
Interest accrued on fixed deposits	1,334	5,011
Security deposits	-	290,929
Other receivables	-	3,038,654
Total	1,334	3,334,594

15 Other current assets

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Advance to suppliers	256,531	85,317
Balances with government authorities	2,416,010	2,121,985
Prepaid expenses	1,072,090	1,510,925
Total	3,744,631	3,718,227

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16 Share capital

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	₹	No. of Shares	₹
(a) Authorised				
Equity shares of ₹10 each	4,700,000	47,000,000	4,700,000	47,000,000
(b) Issued, subscribed and fully paid-up	4,410,000	44,100,000	4,410,000	44,100,000
Equity shares of ₹10 each				
Total		**44,100,000**		**44,100,000**

(i) **Reconciliation of the number of shares and amount outstanding:**

	No. of Shares	₹
Fully paid equity shares		
Balance at 01 April 2020	4,410,000	44,100,000
Shares issued during the year	-	-
Balance at 31 March 2021	4,410,000	44,100,000
Shares issued during the year	-	-
Balance at 31 March 2022	4,410,000	44,100,000

(ii) **Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. Each equity shareholder is entitled to dividend in the Company. The dividend proposed by board of directors is subject to approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) **Details of shares held by each shareholder holding more than 5% shares**

	As at 31 March 2022		As at 31 March 2021	
Name of the shareholder	No. of shares held	% of holding	No. of shares held	% of holding
SeQuent Scientific Limited	4,410,000	100%	4,410,000	100%

(iv) **Details of shares held by holding company / promoter**

	As at 31 March 2022		As at 31 March 2021	
Name of the shareholder	No. of shares held	% of holding	No. of shares held	% of holding
SeQuent Scientific Limited and its nominees	4,410,000	100%	4,410,000	100%

(v) **Dividend paid**

Particulars	**31 March 2022**	**31 March 2021**
Dividends on equity shares declared and paid:		
Interim dividend for the year 31 March 2022: ₹ 10 per share (31 March 2021 : ₹ NIL per share)	44,100,000	-
	44,100,000	-

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17 Other equity

	As at 31 March 2022	As at 31 March 2021
Retained earnings	35,510,953	51,837,958
Securities premium account	9,500,000	9,500,000
Total	**45,010,953**	**61,337,958**

(a) Retained earnings

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of year	51,837,958	25,158,671
Add: Profit for the year	27,299,013	25,897,581
Add: Other comprehensive income arising from remeasurement of defined benefit obligations	473,982	781,706
Less: Dividend paid during the year	44,100,000	-
Balance at the end of year	**35,510,953**	**51,837,958**

(b) Securities premium account

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of year	9,500,000	9,500,000
Movement during the year	-	-
Balance at the end of year	**9,500,000**	**9,500,000**

18 Lease liabilities

	As at 31 March 2022	As at 31 March 2021
Non current lease liabilities (refer note 43)	71,798,016	73,288,818
Total	**71,798,016**	**73,288,818**

19 Non-current provisions

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity (refer note 36)	3,469,997	3,465,090
Compensated absences (refer note below)	1,108,767	1,168,082
Total	**4,578,764**	**4,633,172**

Note:
(i) The provision for compensated absences includes annual leave and vested long service leave entitlement accrued.

20 Trade payables

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 42)	175,298	541,643
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,326,357	9,038,647
Total	**9,501,655**	**9,580,290**

Notes:

(i) Trade payables (other than due to MSME) are non-interest bearing and are normally settled in 30 - 60 days.

(ii) The Company's exposures to currency and liquidity risks related to trade payables is disclosed in note 39.

(iii) Refer note 35 for dues payable to related parties.

Trade payable ageing as on 31 March 2022 is as below

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	67,348	89,424	18,526	-	-	-	175,298
(ii) Others	1,531,982	3,729,350	4,065,025	-	-	-	9,326,357
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	1,599,330	3,818,774	4,083,551	-	-	-	9,501,655

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Trade payable ageing as on 31 March 2021 is as below

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	91,976	362,804	86,863	-	-	-	541,643
(ii) Others	3,007,245	6,031,402	-	-	-	-	9,038,647
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	3,099,221	6,394,206	86,863	-	-	-	9,580,290

21 Lease liability

	As at 31 March 2022	As at 31 March 2021
Current lease liability (refer note 43)	1,490,802	923,690
Total	1,490,802	923,690

22 Other current financial liabilities

	As at 31 March 2022	As at 31 March 2021
Payables on purchase of property, plant and equipments	421,006	64,916
Total	421,006	64,916

23 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Statutory remittances	1,036,647	1,302,694
Advance from customers	3,133,509	-
Total	4,170,156	1,302,694

24 Current provisions

	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity (refer note 36)	441,484	413,949
Compensated absences	1,405,233	1,186,960
Total	1,846,717	1,600,909

25 Current tax liabilities (net)

	As at 31 March 2022	As at 31 March 2021
Provision for tax (net of provisions ₹ 26,933,433) (As at 31 March 2021 ₹ 16,504,692)	1,486,654	329,408
Total	1,486,654	329,408

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26 Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Sale of services	146,566,715	173,348,902
Other operating revenues		
Sale of scrap	2,546	-
Total	**146,569,261**	**173,348,902**

Disaggregated revenue disclosure
The company disaggregate the revenue based on geographic locations and it is disclosed under note 40 Segment Reporting.

Trade receivables and contract balances
The company classifies the right to consideration in exchange for deliverables as a trade receivable.
A receivable is the right to consideration that is upon passage of time. Revenue for revenue contracts are recognized at a point in time when the company transfers control over the product to the customers.

Reconciliation of revenue from sale of services with the contracted price

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contracted price	146,569,261	173,348,902
Less: trade discounts and returns	-	-
Sale of services	**146,569,261**	**173,348,902**

27 Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income (refer note (i) below)	1,184,250	232,456
Gain on sales of current investments	775,148	-
Fair value gain on financial instrument at fair value through profit or loss	-	172,491
Preclosure of lease arrangment	-	5,049,410
Miscellaneous income	576,465	146,452
Net loss on foreign currency transactions and translation	-	938,864
Profit on sale of property, plant and equipment (net)	16,900	738,310
Total	**2,552,763**	**7,277,983**

(i) **Interest income comprises:**

Interest on:		
Bank deposits	13,154	21,181
Loan given to related party	1,012,636	-
Income tax refund	158,460	211,275
Total	**1,184,250**	**232,456**

28 Analytical costs

	Year ended 31 March 2022	Year ended 31 March 2021
Consumables		
Opening stock	262,462	479,689
Add: Purchases	13,554,946	22,237,091
Less: Closing stock	169,074	262,462
	13,648,334	22,454,318
Analytical charges	805,200	15,500
Power, water and fuel	7,548,214	6,776,166
Repairs and maintenance	10,212,185	14,149,974
Total	**32,213,933**	**43,395,958**

29 Employee benefit expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	32,986,043	33,632,366
Contributions to provident fund, gratuity and other funds (refer note 36)	2,642,508	3,289,035
Staff welfare expenses	2,357,966	2,524,636
Total	**37,986,517**	**39,446,037**

30 Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on borrowings	-	231,454
Interest expense on lease liabilities	7,896,310	8,170,163
Other borrowing costs	292,936	1,035,502
Total	**8,189,246**	**9,437,119**

31 Depreciation and amortisation expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment and ROU assets (refer note 3)	14,842,314	20,722,221
Amortisation on intangible assets (refer note 4)	700,012	1,032,492
Total	**15,542,326**	**21,754,713**

32 Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Travel expenses	179,184	447,861
Communication expenses	804,057	843,640
Printing and stationery	942,289	1,124,371
Contract labour charges	1,153,479	1,268,255
Legal and professional charges	1,174,725	835,119
Insurance	975,686	963,789
Corporate and IT support service charges (refer note 35)	12,353,849	15,685,229
Rates and taxes	213,025	54,877
Payments to auditors (refer note (i) below)	507,161	300,000
Bad trade receivables written off	628,002	622,221
Allowances for doubtful trade receivables	(628,002)	209,903
Property, plant and equipment written off	339,235	8,695,634
Net loss on foreign currency transactions and translation	66,675	-
Other expenses	160,622	464,762
Total	**18,889,987**	**31,515,661**

Note:
(i) Payments to the auditors comprises (net of Goods and Services tax):

(a) As auditors - statutory audit	500,000	300,000
(b) Reimbursement of expenses	7,161	-
	507,161	**300,000**

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33 Reconciliations of tax expenses and details of deferred tax balances

(a) Income tax expense recognised in statement of profit and loss

	Year ended 31 March 2022	Year ended 31 March 2021
i) Tax expense recognised in the statement of profit and loss		
Current tax	10,074,000	11,300,000
Total (I)	**10,074,000**	**11,300,000**
Deferred tax charge / (income)		
Origination and reversal of temporary differences	(1,072,998)	(2,216,580)
Total (II)	**(1,072,998)**	**(2,216,580)**
Provision for tax of earlier year (III)	-	**96,396**
Total (IV = I+II+III)	**9,001,002**	**9,179,816**
ii) Tax expense recognised in the other comprehensive income		
Income tax on re-measurement (gains) on defined benefit plans	160,000	282,800
Total (V)	**160,000**	**282,800**
Total tax expenses (IV+V)	**9,161,002**	**9,462,616**

(b) Reconciliation of effective tax rate

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Profit before tax	36,300,015	35,077,397
Statutory Income Tax Rate	25.17%	25.17%
Tax as per applicable tax rate	9,135,988	8,828,279
Differences due to:		
- Expenses not allowed for tax purpose	7,638	5,874
- Provision for tax of earlier year	-	96,396
- Others	(142,624)	249,267
Income tax expenses charged to the statement of profit and loss	**9,001,002**	**9,179,816**
Effective Tax Rate	**24.80%**	**26.17%**

(c) Movement in deferred tax assets

	As at 01 April 2021	Credit / (charge) in the statement of profit and loss	Credit / (charge) in other comprehensive income	As at 31 March 2022
- Temporary differences on account of depreciation	10,487,600	138,200	-	10,625,800
- Expenses allowable on payment basis	1,648,900	202,200	(160,000)	1,691,100
- Right-of-use assets	5,722,944	847,056	-	6,570,000
- Others	114,458	(114,458)	-	-
Total	**17,973,902**	**1,072,998**	**(160,000)**	**18,886,900**

	As at 01 April 2020	Credit / (charge) in the statement of profit and loss	Credit / (charge) in other comprehensive income	As at 31 March 2021
- Temporary differences on account of depreciation	7,794,800	2,692,800	-	10,487,600
- Expenses allowable on payment basis	2,024,500	(92,800)	(282,800)	1,648,900
- Right-of-use assets	6,115,622	(392,678)	-	5,722,944
- Others	105,200	9,258	-	114,458
Total	**16,040,122**	**2,216,580**	**(282,800)**	**17,973,902**

34 Earnings per share

	Year ended 31 March 2022	Year ended 31 March 2021
Basic earnings per share	6.19	5.87
Diluted earnings per share	6.19	5.87

Profit attributable to equity shareholders

	Year ended 31 March 2022	Year ended 31 March 2021
Profit for the year attributable to equity holders	27,299,013	25,897,581
Profit attributable to equity shareholders for basic and diluted earnings	**27,299,013**	**25,897,581**

Weighted average number of equity shares

	Year ended 31 March 2022	Year ended 31 March 2021
Equity shares at beginning of the year	4,410,000	4,410,000
Effect of shares issued during the year	-	-
Weighted average number of equity shares at end of the year for basic and diluted EPS	**4,410,000**	**4,410,000**

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SeQuent Research Limited
Notes to the financial statements for the year ended 31 March 2022
All amounts are in ₹ unless otherwise stated

35 Related party transactions

35.1 List of related parties

(I) Related parties where control exists

Ultimate Holding Company
CA Habour Investments (w.e.f 17 August 2020)

a) **Holding Company**
SeQuent Scientific Limited

(II) Other related parties with whom transactions have taken place

a) **Fellow Subsidiaries :**
Alivira Animal Health Limited, India
Elysian Life Sciences Private Limited (Till 15 November 2021)
Bremer Pharma GmbH

b) **Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company**
Strides Pharma Sciences Limited (Till 17 August 2020)
Strides Emerging Markets Limited (Till 17 August 2020)
Solara Active Pharma Sciences Limited (Till 17 August 2020)
Stelis Biopharma Private Limited (Till 17 August 2020)
Tenshi Kaizen Private Limited (Till 17 August 2020)
Sequent Penems Private Limited (Till 17 August 2020)

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

The following table provides the transactions and balances that have been entered into with related parties for the relevant financial year:

35.2 Transactions for the year

Particulars	Holding company		Fellow subsidiaries		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
(i) Sale of services						
SeQuent Scientific Limited	7,655,876	5,607,027				
Alivira Animal Health Limited, India			54,814,802	48,236,269		
Strides Emerging Markets Limited					-	44,000
Solara Active Pharma Sciences Limited					-	15,947,018
(ii) Sale of machinery / assets						
SeQuent Scientific Limited	-	2,881,001				
Alivira Animal Health Limited, India			-	4,533,452		
Bremer Pharma GmbH			-	3,038,654		
(iii) Interest expenses						
SeQuent Scientific Limited	-	231,454				
(iii) Interest income (*)						
Alivira Animal Health Limited, India			1,012,636	-		
(iv) Corporate and IT support service charges						
SeQuent Scientific Limited	3,541,731	5,046,635				
Alivira Animal Health Limited, India			8,812,118	10,638,594		
(v) Payment towards lease obligation and finance costs						
Sequent Penems Private Limited					-	726,000
Solara Active Pharma Sciences Limited					-	2,800,000
(vi) Balance written off						
Elysian Life Sciences Private Limited			-	133,118		
(vii) Loan given						
Alivira Animal Health Limited, India			43,000,000	-		
(viii) Borrowing repaid by the Company						
SeQuent Scientific Limited	-	9,600,392				

(*) Interest income for the year is receivable as on the reporting date and has been included in the loan receivable amount.

35.3 Balance at Balance sheet date

	Holding company		Fellow subsidiaries		Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
(i) Trade receivables / other current assets						
SeQuent Scientific Limited	1,234,494	1,468,152				
Alivira Animal Health Limited, India			3,039,044	3,011,698		
Bremer Pharma Gmbh			-	3,038,654		
(ii) Loan						
Alivira Animal Health Limited, India			43,911,373	-		

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36 Employee benefit plans

(i) Defined contribution plans:
The Company makes Provident Fund (PF) and Employee State Insurance Scheme (ESIC) contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 1,889,061 (year ended 31 March 2021 ₹ 2,211,098) for PF contributions and ₹ 138,776 (Year ended 31 March 2021 ₹ 184,211) for ESIC contributions in the statement of profit and loss. As at 31 March 2022, contribution of ₹ 276,847 (year end 31 March 2021 - ₹ 330,166) is outstanding which is paid subsequent to the end of respective reporting periods.

(ii) Defined benefit plan:
The Company has a defined gratuity benefit plan. Gratuity is payable to all eligible employees of the Company on superannuation, death and resignation. The following table summarizes the components of net employee benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the plan.

	31 March 2022	31 March 2021
Expense recognised in the statement of profit and loss:		
Current service cost	610,556	888,451
Net interest expenses	241,622	257,375
Component of defined benefit costs recognised in the statement of profit and loss	**852,178**	**1,145,826**
Expense / (income) recognised in other comprehensive income:		
Actuarial (gains) / losses arising from changes in financial assumptions	(334,035)	(18,168)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in experience adjustments	(299,947)	(1,046,338)
Component of defined benefit costs recognised in other comprehensive income	**(633,982)**	**(1,064,506)**
Total	**218,196**	**81,320**

Net defined benefit obligation as reflected in Balance Sheet.

	31 March 2022	31 March 2021
Present value of defined benefit obligation (DBO)	3,911,481	3,879,039
Fair value of plan assets	-	-
Net liability recognised in Balance sheet	**3,911,481**	**3,879,039**

A. Movements in the present value of the defined benefit obligation are as follows.

	31 March 2022	31 March 2021
Opening defined benefit obligation	3,879,039	4,147,396
Current service cost	610,556	888,451
Interest cost	241,622	257,375
Benefits paid	(185,754)	(349,677)
Actuarial loss (gain) arising from:		
Actuarial (gains) / losses arising from changes in financial assumptions	(334,035)	(18,168)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in experience adjustments	(299,947)	(1,046,338)
Closing defined benefit obligation	**3,911,481**	**3,879,039**

Actuarial assumptions
The principal assumptions used for the purpose of actuarial valuations are shown in the table below. The assumptions as at the balance sheet date are used to determine the present value of defined benefit obligation at that date

	31 March 2022	31 March 2021
Financial assumption:		
Discount rate	6.88%	6.58%
Salary escalation rate	7.00%	8.00%
Demographic assumption:		
Withdrawal rate	12.00%	12.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	58 yrs	58 yrs

As per para 83 of Ind AS 19- Employee benefits, the rate used to discount post-employment benefit obligations (both funded and unfunded) shall be determined by reference to market yields at the end of each reporting period on government bonds.

Expected future cash flows	31 March 2022	31 March 2021
Within 1 Year	441,484	413,949
2-5 years	1,661,836	1,550,776
6-10 years	1,954,184	1,934,620

Average expected future working life is 7.61 years (previous year 7.76 years)

Sensitivity Analysis

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

	Impact on the defined benefit obligations	
	100 bps increase	**100 bps decrease**
31 March 2022		
Discounting rate	(228,899)	255,294
Salary escalation rate	252,560	(230,660)
	100 bps increase	**100 bps decrease**
31 March 2021		
Discounting rate	(257,113)	290,594
Salary escalation rate	284,754	(256,983)

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37 Contingent liabilities and commitments (to the extent not provided for)

The Company is not having contingent liabilities and commitments as on 31 March 2022 and 31 March 2021.

38 Segment Reporting

I.Primary segment (Business segment)
Operating segment are reported in a manner consistent with the Internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Management Committee of the Company.
The Company is mainly engaged in the business of providing analytical services which as per Ind AS 108 - "Operating segments" is considered the only business segment and all other activities of the Company are incidental to this business segment.

The Company operates in three principal geographic locations.
(i) Europe
(ii) Asia
(iii) Rest of the world

	31 March 2022	31 March 2021
I. Revenue from operations		
Europe	13,765,924	23,835,269
Asia	104,717,481	115,705,375
Rest of the world	28,085,856	33,808,258
Total	**146,569,261**	**173,348,902**
II. Total assets		
Europe	2,965,507	6,858,168
Asia	99,339,509	151,622,717
Rest of the world	8,238,331	9,538,298
Total segment assets	**110,543,347**	**168,019,183**
Unallocated (*)	73,861,376	29,142,672
Total	**184,404,723**	**197,161,855**
III. Cost incurred during the year to acquire segment assets		
Asia	5,792,819	1,116,184
Total	**5,792,819**	**1,116,184**

Information about major customer
For information about major customer, refer note 39.3

Note: In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

(*) Unallocable assets comprises of loans, income tax assets (net) and deferred tax assets (net).

39 Financial instruments
The carrying value and fair value of financial instruments by categories are as follows:

Particulars	Carrying value and fair value 31 March 2022	Carrying value and fair value 31 March 2021
Financial assets		
Measured at amortised cost		
Trade receivables	19,441,728	25,883,289
Cash and cash equivalents	3,690,609	2,227,019
Other bank balance	284,797	267,966
Loans	43,911,373	-
Other financial assets	4,278,031	7,988,791
Measured at fair value through profit or loss (FVTPL)		
Investment in mutual fund	-	38,672,491
Total	**71,606,538**	**75,039,556**
Financial liabilities		
Measured at amortised cost		
Trade payables	9,501,655	9,580,290
Lease liabilities	73,288,818	74,212,508
Other financial liabilities	421,006	64,916
Total	**83,211,479**	**83,857,714**

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39.1 **Fair value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31 March 2022 and 31 March 2021:

			Fair value measurement using		
Particulars	**Date of valuation**	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets designated at fair value through profit or loss (refer note 9):					
Investment in mutual funds	31 March 2022	-	-	-	-
Investment in mutual funds	31 March 2021	38,672,491	-	38,672,491	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Notes:

(i) Refer note 2(xi) under significant accounting policy for recognition and measurement of financial assets.

39.2 **Financial risk management objective and policies**

The Company's principal financial liabilities comprise lease liabilities, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and deposits that derive directly from its operations.
The Company is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Company's activities makes it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

39.3 **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from the Company's trade receivables. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

The Company's trade receivables are actively monitored to review credit worthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

Given below is ageing of accounts receivable spread by period of six months:

	31 March 2022	31 March 2021
Outstanding for more than 6 months	386,902	168,918
Others	19,054,826	25,714,371
	19,441,728	25,883,289

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and where appropriate, credit guarantee insurance cover is purchased for export customers.

Information about major Customer

Two largest customers group has total exposure in sales ₹ 88,631,011 (60.47 % of total sales) in current year and ₹ 104,251,411 (60.14 % of total sales) in FY 2020-21. The receivables from these customers are ₹ 11,488,698 (59.09 % of total receivable) in current year and ₹ 17,134,687 (66.20% of total receivable) in FY 2020-21. Apart from the aforesaid customers, the Company does not have a significant credit risk exposure to any other external counterparty.

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39.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's treasury department is responsible for managing the short-term and long-term liquidity requirements of the Company. Short-term liquidity situation is reviewed daily by Treasury. Long-term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 31 March 2021.

Particulars	As at 31 March 2022			
	Less than 1 year	1-2 years	2 years and above	Total
Trade payables	9,501,655	-	-	9,501,655
Lease liabilities	1,490,802	2,144,825	69,653,191	73,288,818
Other financial liabilities	421,006	-	-	421,006
Total	**11,413,463**	**2,144,825**	**69,653,191**	**83,211,479**

Particulars	As at 31 March 2021			
	Less than 1 year	1-2 years	2 years and above	Total
Trade payables	9,580,290	-	-	9,580,290
Lease liabilities	923,690	1,490,802	71,798,016	74,212,508
Other financial liabilities	64,916	-	-	64,916
Total	**10,568,896**	**1,490,802**	**71,798,016**	**83,857,714**

39.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the respective entity's functional currency; hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

Foreign currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expense is denominated in a foreign currency).

a) Foreign currency risk from financial instruments are given below:

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Foreign currency	As at 31 March 2022		As at 31 March 2021	
	Receivables / (payables)	Receivables / (payables) in foreign currency	Receivables / (payables)	Receivables / (payable) in foreign currency
GBP	9,469,474	95,121	13,061,376	129,383
EURO	-	-	3,394,843	39,430
USD	-	-	-	-
Net Exposure	9,469,474		16,456,219	

b) Foreign currency sensitivity analysis

The Company is mainly exposed to currency fluctuation of GBP and Euro.

The following table details the Company's sensitivity to a 10% increase and decrease in the ₹ against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for 10% change in foreign currency rates. A positive numbers below indicates an increase in profit or equity where the ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balance below would be negative.

	Impact in the statement of profit and loss and total equity	
	31 March 2022	31 March 2021
10% increase in foreign currency		
GBP	946,947	1,306,138
Euro	-	339,484
10% decrease in foreign currency		
GBP	(946,947)	(1,306,138)
Euro	-	(339,484)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

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40 Financial ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% of variance	Reasons for variance
Current Ratio	Current Assets	Current Liabilities	3.77	5.39	-43.07%	Current assets is reduced during the year mainly on account of dividend payout.
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.28	0.28	-0.20%	
Trade Receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	6.47	6.91	-6.86%	
Net capital turnover ratio	Net Sales	Working Capital	2.80	2.86	-2.18%	
Net profit ratio	Profit after Tax	Net Sales	18.63%	14.94%	19.79%	
Return on Capital employed	Earning before interest and taxes	Capital Employed	0.50	0.43	14.94%	
Debt Service Coverage Ratio	Earnings available for debt service (*)	Debt Service	5.70	5.83	-2.31%	
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	1.42	1.33	6.17%	
Debt-Equity Ratio	Total Debts	Shareholder's Equity	Not Applicable	Not Applicable	-	
Inventory turnover ratio	Sales	Average Inventory	Not Applicable	Not Applicable	-	
Return on investment	{MV(T1) – MV(T0) – Sum [C(t)]}	{MV(T0) + Sum [W(t) * C(t)]}	Not Applicable	Not Applicable	-	

(*) Earnings available for debt service includes profit after tax, finance cost, depreciation and amortisation expenses and non cash income / expenses.

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41 Capital management

For the purpose of Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

The Company manages its capital to ensure that Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (offset by cash and bank balances and current investment) and total equity of the Company.

The Company has NIL borrowing as on 31 March 2022 and 31 March 2021.

42 Due to micro, small and medium enterprises (refer note 20)

	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year	175,298	541,643
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	7,638	9,921
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the year	7,638	9,921
The amount of interest accrued and remaining unpaid at the end of the accounting year	17,559	9,921
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management based on enquiries made by the Management with the creditors.

43 Lease Accounting

a. Refer note 3b for movement of ROU assets.

b. **Lease liabilities as on 31 March 2022 and 31 March 2021 is as below:**

	As at 31 March 2022	As at 31 March 2021
Opening Balance	74,212,508	91,531,667
Deletion	-	(15,945,872)
Accretion of interest	7,896,310	8,170,163
Payment	(8,820,000)	(9,543,450)
Closing Balance	**73,288,818**	**74,212,508**
Current	1,490,802	923,690
Non-current	71,798,016	73,288,818

The effective interest rate for lease liabilities is 10.70%.

c. **The amounts recognised in statement profit or loss is as below:**

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation expense of right-of-use assets	4,289,519	4,863,017
Interest expense on lease liabilities	7,896,310	8,170,163
	12,185,829	13,033,180

d. **Maturity analysis of leases**
Refer note 39.4 for maturity analysis of lease liabilities.

e. **Impact on the statement of cash flows is as below:**

	Year ended 31 March 2022	Year ended 31 March 2021
Payment of principal portion of lease liabilities	923,690	1,373,287
Payment of interest portion of lease liabilities	7,896,310	8,170,163
Net cash used in financing activities	**8,820,000**	**9,543,450**

44 Following outbreak of COVID-19 pandemic globally and in India, the Company has adopted measures to curb the spread of infections in order to protect health of its employees and business continuity with minimal disruption. Considering that the Company is in business of providing analytical services to pharmaceuticals companies which is considered to be an essential service, the Company's operations do not have any significant impact as all its labs are operating and sales continuing. The Company's management, based on internal and external information available, has assessed its impact on carrying value of receivables. The impact of the global health pandemic may be different from that estimates as at the date of approval of these financial statements and the management will continue to closely monitor any material changes to future economic conditions.

45 The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibited) Act, 1988 and rules made thereunder.

46 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

47 The Companny has not traded or invested in crypto currency or virtual currency during the current or previous year.

48 The company has no transactions with struck off companies in current financial year.

49 A. The Company has not advanced or loaned or invested funds to any other persons or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiary) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiary.

B. The Company has not received any fund from any persons or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiary) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiary.

50 The previous year figures have been regrouped whereever necessary to conform to current year's presentation.

51 The financial statements were approved for issue by the Board of Directors on 25 May 2022.

For S R B C & CO LLP
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per Anil Jobanputra
Partner
Membership No. 110759

Mumbai, 25 May 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Rajaram Narayanan	Tushar Mistry	Sharat Narasapur
Director	Director	Director
DIN : 02977405	DIN : 06951371	DIN : 02808651

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

SEQUENT RESEARCH LIMITED